

**COMMONWEALTH OF KENTUCKY
FINANCE AND ADMINISTRATION CABINET
DEED OF EASEMENT**

KNOW ALL YE TO WHOM THESE PRESENTS SHALL COME, that the COMMONWEALTH OF KENTUCKY, CABINET FOR HUMAN RESOURCES, acting by and through W. Patrick Mulloy, II, Secretary of the Finance and Administration Cabinet, as provided by Chapters 45A and 56 of the Kentucky Revised Statutes, hereinafter referred to as the "Commonwealth," and for and in consideration of the public convenience and benefit to be derived from the granting of this easement has granted and hereby confirms unto CANEY CREEK WATER DISTRICT, Pippa Passes, Kentucky 41844, its successors and assigns, hereinafter referred to as the "Grantee," a twelve foot (12') wide easement over, under, across and through a portion of land hereinafter described for the purposes of laying, constructing, installing, repairing, maintaining, removing, replacing, reconstructing and enlarging an underground waterline(s), to be within the limits hereinafter described, with rights of reasonable ingress and egress for said purposes across adjoining lands of the Commonwealth, and being a part of the lands conveyed to the Commonwealth by Deed of Conveyance dated June 9, 1993, and recorded in Deed Book 166, Page 662, in the Office of the Knott County Clerk. This easement is more particularly described as follows:

Beginning at a point where the centerline of a trench for a 6 inch raw water line, an 8 inch domestic water line and a 2 inch gas line in same trench crosses the west property line, said point being S 36 degrees 21' 00" E, a distance of 16 feet from the northwest property monument, thence; with the centerline of a 12 foot easement, 6 feet on each side of the centerline continuing across the Knott County Personal Care Home property to a point N 56 degrees 34' 15" E, a distance of 55 feet from said northwest property corner monument, a distance of 57.3 feet more or less. All as shown on a plat dated May 25, 1994, and prepared by Eugene M. West, K.R.L.S. #243, a copy of which is attached hereto and made a part hereof as "Exhibit A."

The Grantee acknowledges that this conveyance is subject to any other easements or restrictions as to the use of said property, whether recorded or unrecorded, which may have been previously granted by the Commonwealth or its predecessors in interest.

The Grantee also agrees that it will repair or otherwise be liable to the Commonwealth for any and all damages that may be caused directly or indirectly by or resulting from the exercise of the Grantee's rights granted hereunder.

As a condition hereof, the Grantee shall restore the surface of the ground, as nearly as practicable, to the same condition as it was prior to the Grantee's construction, extension, installation, inspection, repair, maintenance, removal, replacement, reconstruction and enlargement of its facilities. The restoration of the surface shall include, but shall not be limited to, the reseeding and/or resodding of any unpaved portion thereof disturbed in the course of the aforementioned activity.

The Grantee also agrees to repair or replace any pavement or blacktop surface removed or damaged during the construction, extension, installation, inspection, repair, maintenance, removal, replacement, reconstruction and enlargement of its facilities. Furthermore, the Grantee shall also repair or replace any pavement or blacktop surface which has settled within two (2) years of the construction, repair, reconstruction, extension, removal or enlargement of the Grantee's facilities, provided said settlement has resulted from the aforementioned activity.

The Grantee further agrees that if the Commonwealth has authorized others to locate utility lines within the limits of the above-described easement that Grantee shall not disturb these lines and shall indemnify the grantee(s) of such rights against any damage to their facilities constructed within the area of said easement, which is the result of the Grantee's exercise of the rights granted herein.

The rights hereby granted shall be deemed non-exclusive to the Grantee and the Commonwealth reserves the right, at its option and for its convenience, to grant to others similar rights of easement and right-of-way within the limits of the above-described easement; provided, however, that the Commonwealth agrees to forebear granting any such rights within the limits of said easement that in the judgment of the Director of the Division of Engineering, Finance and Administration Cabinet, will be for a use detrimental to or will adversely affect the use thereof by the Grantee; and as a condition of any such grant of easement will require that the grantee thereof agree to indemnify the Grantee hereof against any damage to its facilities located within the easement.

The Commonwealth, its successors and assigns, shall have the right to use the land within the limits of this easement in any manner not inconsistent with the rights herein described.

The Commonwealth agrees that it will forebear constructing any building or other permanent improvement over or across the right-of-way of the above-described easement, but reserves to itself the right to construct within the limits of said easement fences and temporary structures over, along or across the right-of-way of said easement, as long as the erection of said fences or other temporary structures does not substantially interfere with the Grantee's rights granted hereunder, or violate any applicable codes, statutes or regulations.

This easement shall remain in effect for as long as the Grantee, its successors and assigns use this easement for the purposes granted, but if the Grantee's use therefor shall be discontinued for a period of two (2) consecutive calendar years, such lack of use shall be deemed an abandonment of this easement by the Grantee and all rights hereunder granted shall cease and this easement shall terminate.

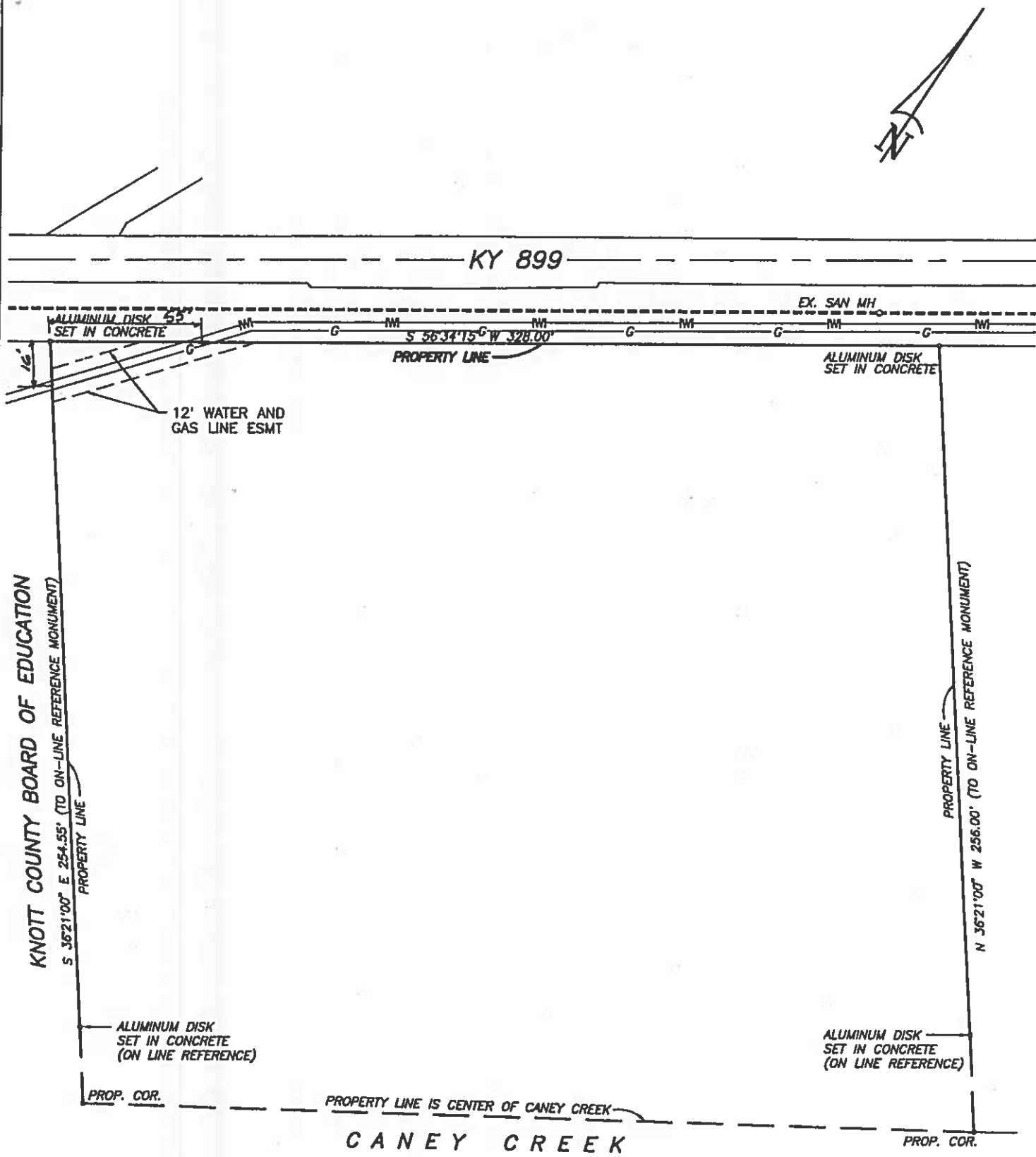


EXHIBIT OF
12' WATER AND GAS LINE EASEMENT

ON
 THE KNOTT COUNTY PERSONAL CARE HOME PROPERTY
 IN
 KNOTT COUNTY, KENTUCKY

STATE OF KENTUCKY
 EUGENE M. WEST
 243
 REGISTERED
 LAND SURVEYOR

SCALE: 1" = 50' DATE: MAY 25, 1994

EUGENE M. WEST and ASSOC., P.S.C.
 713 ALLENDALE DRIVE
 LEXINGTON, KENTUCKY 40503