

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410  
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CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT

April 19, 2013

RECEIVED

APR 24 2013

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

Re: Kentucky Rural Water Finance Corporation - Public Service Commission Joint  
Application for approval of the issuance of securities on behalf of various water  
districts - **Case No. 2013-00042**


Dear Mr. Derouen:

Pursuant to the Order dated February 22, 2013 in the above Case, enclosed please find (i) final amortization schedules; (ii) final debt comparison schedules; and (iii) executed First Amendment and Supplement to Assistance Agreements for Christian County Water District, Edmonson County Water District, Grayson County Water District, Henry County Water District No. 2, McCreary County Water District, Simpson County Water District and Warren County Water District.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By   
W. Randall Jones

WRJ:jlm  
Enclosures

**\$1,755,000**

Christian County Water District  
Correct Schedule 2013 B

**RECEIVED**

APR 24 2013

PUBLIC SERVICE  
COMMISSION

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/27/2013	-	-	-	-	-
08/01/2013	-	-	20,526.38	20,526.38	-
02/01/2014	95,000.00	2.300%	23,991.88	118,991.88	139,518.26
08/01/2014	-	-	22,899.38	22,899.38	-
02/01/2015	95,000.00	2.300%	22,899.38	117,899.38	140,798.76
08/01/2015	-	-	21,806.88	21,806.88	-
02/01/2016	95,000.00	2.300%	21,806.88	116,806.88	138,613.76
08/01/2016	-	-	20,714.38	20,714.38	-
02/01/2017	100,000.00	2.300%	20,714.38	120,714.38	141,428.76
08/01/2017	-	-	19,564.38	19,564.38	-
02/01/2018	105,000.00	2.300%	19,564.38	124,564.38	144,128.76
08/01/2018	-	-	18,356.88	18,356.88	-
02/01/2019	105,000.00	2.300%	18,356.88	123,356.88	141,713.76
08/01/2019	-	-	17,149.38	17,149.38	-
02/01/2020	110,000.00	2.300%	17,149.38	127,149.38	144,298.76
08/01/2020	-	-	15,884.38	15,884.38	-
02/01/2021	115,000.00	2.800%	15,884.38	130,884.38	146,768.76
08/01/2021	-	-	14,274.38	14,274.38	-
02/01/2022	115,000.00	2.800%	14,274.38	129,274.38	143,548.76
08/01/2022	-	-	12,664.38	12,664.38	-
02/01/2023	120,000.00	2.800%	12,664.38	132,664.38	145,328.76
08/01/2023	-	-	10,984.38	10,984.38	-
02/01/2024	125,000.00	2.925%	10,984.38	135,984.38	146,968.76
08/01/2024	-	-	9,156.25	9,156.25	-
02/01/2025	130,000.00	3.050%	9,156.25	139,156.25	148,312.50
08/01/2025	-	-	7,173.75	7,173.75	-
02/01/2026	135,000.00	3.050%	7,173.75	142,173.75	149,347.50
08/01/2026	-	-	5,115.00	5,115.00	-
02/01/2027	135,000.00	3.300%	5,115.00	140,115.00	145,230.00
08/01/2027	-	-	2,887.50	2,887.50	-
02/01/2028	145,000.00	3.300%	2,887.50	147,887.50	150,775.00
08/01/2028	-	-	495.00	495.00	-
02/01/2029	30,000.00	3.300%	495.00	30,495.00	30,990.00
<b>Total</b>	<b>\$1,755,000.00</b>	<b>-</b>	<b>\$442,770.86</b>	<b>\$2,197,770.86</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$15,158.25
Average Life	8.637 Years
Average Coupon	2.9209893%
Net Interest Cost (NIC)	2.9630967%
True Interest Cost (TIC)	2.9536518%
Bond Yield for Arbitrage Purposes	2.7750002%
All Inclusive Cost (AIC)	3.1807123%

**IRS Form 8038**

Net Interest Cost	2.8013343%
Weighted Average Maturity	8.578 Years

**Raymond James I Morgan Keegan**

**\$1,960,000**

Edmonson County Water District

Correct Schedule - 2013 B

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/27/2013	-	-	-	-	-
08/01/2013	-	-	22,733.18	22,733.18	-
12/31/2013	-	-	-	-	22,733.18
02/01/2014	115,000.00	2.300%	26,571.25	141,571.25	-
08/01/2014	-	-	25,248.75	25,248.75	-
12/31/2014	-	-	-	-	166,820.00
02/01/2015	115,000.00	2.300%	25,248.75	140,248.75	-
08/01/2015	-	-	23,926.25	23,926.25	-
12/31/2015	-	-	-	-	164,175.00
02/01/2016	115,000.00	2.300%	23,926.25	138,926.25	-
08/01/2016	-	-	22,603.75	22,603.75	-
12/31/2016	-	-	-	-	161,530.00
02/01/2017	120,000.00	2.300%	22,603.75	142,603.75	-
08/01/2017	-	-	21,223.75	21,223.75	-
12/31/2017	-	-	-	-	163,827.50
02/01/2018	120,000.00	2.300%	21,223.75	141,223.75	-
08/01/2018	-	-	19,843.75	19,843.75	-
12/31/2018	-	-	-	-	161,067.50
02/01/2019	125,000.00	2.300%	19,843.75	144,843.75	-
08/01/2019	-	-	18,406.25	18,406.25	-
12/31/2019	-	-	-	-	163,250.00
02/01/2020	125,000.00	2.300%	18,406.25	143,406.25	-
08/01/2020	-	-	16,968.75	16,968.75	-
12/31/2020	-	-	-	-	160,375.00
02/01/2021	125,000.00	2.800%	16,968.75	141,968.75	-
08/01/2021	-	-	15,218.75	15,218.75	-
12/31/2021	-	-	-	-	157,187.50
02/01/2022	130,000.00	2.800%	15,218.75	145,218.75	-
08/01/2022	-	-	13,398.75	13,398.75	-
12/31/2022	-	-	-	-	158,617.50
02/01/2023	135,000.00	2.800%	13,398.75	148,398.75	-
08/01/2023	-	-	11,508.75	11,508.75	-
12/31/2023	-	-	-	-	159,907.50
02/01/2024	140,000.00	2.925%	11,508.75	151,508.75	-
08/01/2024	-	-	9,461.25	9,461.25	-
12/31/2024	-	-	-	-	160,970.00
02/01/2025	140,000.00	3.050%	9,461.25	149,461.25	-
08/01/2025	-	-	7,326.25	7,326.25	-
12/31/2025	-	-	-	-	156,787.50
02/01/2026	145,000.00	3.050%	7,326.25	152,326.25	-
08/01/2026	-	-	5,115.00	5,115.00	-
12/31/2026	-	-	-	-	157,441.25
02/01/2027	150,000.00	3.300%	5,115.00	155,115.00	-
08/01/2027	-	-	2,640.00	2,640.00	-
12/31/2027	-	-	-	-	157,755.00
02/01/2028	160,000.00	3.300%	2,640.00	162,640.00	-
12/31/2028	-	-	-	-	162,640.00
<b>Total</b>	<b>\$1,960,000.00</b>	<b>-</b>	<b>\$475,084.43</b>	<b>\$2,435,084.43</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$16,378.44
Average Life	8.356 Years
Average Coupon	2.9006688%
Net Interest Cost (NIC)	2.9293400%
True Interest Cost (TIC)	2.9174921%
Bond Yield for Arbitrage Purposes	2.7474270%
All Inclusive Cost (AIC)	3.1331772%

**IRS Form 8038**

Net Interest Cost	2.7750732%
Weighted Average Maturity	8.295 Years

**Raymond James I Morgan Keegan**

Final

**\$1,990,000**

Kentucky Rural Water Finance Corporation  
 Flexible Term Finance Program  
 Grayson County Water District

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/27/2013	-	-	-	-	-
08/01/2013	-	-	22,287.76	22,287.76	-
12/31/2013	-	-	-	-	22,287.76
02/01/2014	150,000.00	2.300%	26,050.63	176,050.63	-
08/01/2014	-	-	24,325.63	24,325.63	-
12/31/2014	-	-	-	-	200,376.26
02/01/2015	150,000.00	2.300%	24,325.63	174,325.63	-
08/01/2015	-	-	22,600.63	22,600.63	-
12/31/2015	-	-	-	-	196,926.26
02/01/2016	155,000.00	2.300%	22,600.63	177,600.63	-
08/01/2016	-	-	20,818.13	20,818.13	-
12/31/2016	-	-	-	-	198,418.76
02/01/2017	155,000.00	2.300%	20,818.13	175,818.13	-
08/01/2017	-	-	19,035.63	19,035.63	-
12/31/2017	-	-	-	-	194,853.76
02/01/2018	135,000.00	2.300%	19,035.63	154,035.63	-
08/01/2018	-	-	17,483.13	17,483.13	-
12/31/2018	-	-	-	-	171,518.76
02/01/2019	135,000.00	2.300%	17,483.13	152,483.13	-
08/01/2019	-	-	15,930.63	15,930.63	-
12/31/2019	-	-	-	-	168,413.76
02/01/2020	140,000.00	2.300%	15,930.63	155,930.63	-
08/01/2020	-	-	14,320.63	14,320.63	-
12/31/2020	-	-	-	-	170,251.26
02/01/2021	145,000.00	2.800%	14,320.63	159,320.63	-
08/01/2021	-	-	12,290.63	12,290.63	-
12/31/2021	-	-	-	-	171,611.26
02/01/2022	140,000.00	2.800%	12,290.63	152,290.63	-
08/01/2022	-	-	10,330.63	10,330.63	-
12/31/2022	-	-	-	-	162,621.26
02/01/2023	140,000.00	2.800%	10,330.63	150,330.63	-
08/01/2023	-	-	8,370.63	8,370.63	-
12/31/2023	-	-	-	-	158,701.26
02/01/2024	145,000.00	2.925%	8,370.63	153,370.63	-
08/01/2024	-	-	6,250.00	6,250.00	-
12/31/2024	-	-	-	-	159,620.63
02/01/2025	145,000.00	3.050%	6,250.00	151,250.00	-
08/01/2025	-	-	4,038.75	4,038.75	-
12/31/2025	-	-	-	-	155,288.75
02/01/2026	135,000.00	3.050%	4,038.75	139,038.75	-
08/01/2026	-	-	1,980.00	1,980.00	-
12/31/2026	-	-	-	-	141,018.75
02/01/2027	120,000.00	3.300%	1,980.00	121,980.00	-
12/31/2027	-	-	-	-	121,980.00
<b>Total</b>	<b>\$1,990,000.00</b>	<b>-</b>	<b>\$403,888.49</b>	<b>\$2,393,888.49</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$14,446.28
Average Life	7.259 Years
Average Coupon	2.7957962%
Net Interest Cost (NIC)	2.7986177%
True Interest Cost (TIC)	2.7847277%
Bond Yield for Arbitrage Purposes	2.9277080%
All Inclusive Cost (AIC)	3.0461852%
<b>IRS Form 8038</b>	
Net Interest Cost	2.6007963%
Weighted Average Maturity	7.204 Years

**Raymond James I Morgan Keegan**

Final

**\$2,760,000**

Kentucky Rural Water Finance Corporation  
 Flexible Term Finance Program  
 Henry County Water District #2

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/27/2013	-	-	-	-	-
08/01/2013	-	-	33,050.65	33,050.65	-
12/31/2013	-	-	-	-	33,050.65
02/01/2014	185,000.00	2.300%	38,630.63	223,630.63	-
08/01/2014	-	-	36,503.13	36,503.13	-
12/31/2014	-	-	-	-	260,133.76
02/01/2015	180,000.00	2.300%	36,503.13	216,503.13	-
08/01/2015	-	-	34,433.13	34,433.13	-
12/31/2015	-	-	-	-	250,936.26
02/01/2016	185,000.00	2.300%	34,433.13	219,433.13	-
08/01/2016	-	-	32,305.63	32,305.63	-
12/31/2016	-	-	-	-	251,738.76
02/01/2017	190,000.00	2.300%	32,305.63	222,305.63	-
08/01/2017	-	-	30,120.63	30,120.63	-
12/31/2017	-	-	-	-	252,426.26
02/01/2018	190,000.00	2.300%	30,120.63	220,120.63	-
08/01/2018	-	-	27,935.63	27,935.63	-
12/31/2018	-	-	-	-	248,056.26
02/01/2019	105,000.00	2.300%	27,935.63	132,935.63	-
08/01/2019	-	-	26,728.13	26,728.13	-
12/31/2019	-	-	-	-	159,663.76
02/01/2020	115,000.00	2.300%	26,728.13	141,728.13	-
08/01/2020	-	-	25,405.63	25,405.63	-
12/31/2020	-	-	-	-	167,133.76
02/01/2021	115,000.00	2.800%	25,405.63	140,405.63	-
08/01/2021	-	-	23,795.63	23,795.63	-
12/31/2021	-	-	-	-	164,201.26
02/01/2022	120,000.00	2.800%	23,795.63	143,795.63	-
08/01/2022	-	-	22,115.63	22,115.63	-
12/31/2022	-	-	-	-	165,911.26
02/01/2023	120,000.00	2.800%	22,115.63	142,115.63	-
08/01/2023	-	-	20,435.63	20,435.63	-
12/31/2023	-	-	-	-	162,551.26
02/01/2024	125,000.00	2.925%	20,435.63	145,435.63	-
08/01/2024	-	-	18,607.50	18,607.50	-
12/31/2024	-	-	-	-	164,043.13
02/01/2025	130,000.00	3.050%	18,607.50	148,607.50	-
08/01/2025	-	-	16,625.00	16,625.00	-
12/31/2025	-	-	-	-	165,232.50
02/01/2026	130,000.00	3.050%	16,625.00	146,625.00	-
08/01/2026	-	-	14,642.50	14,642.50	-
12/31/2026	-	-	-	-	161,267.50
02/01/2027	135,000.00	3.300%	14,642.50	149,642.50	-
08/01/2027	-	-	12,415.00	12,415.00	-
12/31/2027	-	-	-	-	162,057.50
02/01/2028	140,000.00	3.300%	12,415.00	152,415.00	-
08/01/2028	-	-	10,105.00	10,105.00	-
12/31/2028	-	-	-	-	162,520.00
02/01/2029	145,000.00	3.300%	10,105.00	155,105.00	-
08/01/2029	-	-	7,712.50	7,712.50	-
12/31/2029	-	-	-	-	162,817.50
02/01/2030	145,000.00	3.300%	7,712.50	152,712.50	-
08/01/2030	-	-	5,320.00	5,320.00	-
12/31/2030	-	-	-	-	158,032.50
02/01/2031	150,000.00	3.425%	5,320.00	155,320.00	-
08/01/2031	-	-	2,751.25	2,751.25	-
12/31/2031	-	-	-	-	158,071.25
02/01/2032	155,000.00	3.550%	2,751.25	157,751.25	-
12/31/2032	-	-	-	-	157,751.25
<b>Total</b>	<b>\$2,760,000.00</b>	<b>-</b>	<b>\$807,596.38</b>	<b>\$3,567,596.38</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$26,290.67
Average Life	9.526 Years
Average Coupon	3.0717988%
Net Interest Cost (NIC)	3.1357521%
True Interest Cost (TIC)	3.1222137%
Bond Yield for Arbitrage Purposes	2.9277080%
All Inclusive Cost (AIC)	3.3310003%
<b>IRS Form 8038</b>	
Net Interest Cost	3.0056412%
Weighted Average Maturity	9.426 Years

**Raymond James I Morgan Keegan**

Final

**\$1,415,000**

Kentucky Rural Water Finance Corporation  
 Flexible Term Finance Program  
 McCreary County Water District

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/27/2013	-	-	-	-	-
08/01/2013	-	-	16,175.88	16,175.88	-
12/31/2013	-	-	-	-	16,175.88
02/01/2014	90,000.00	2.300%	18,906.88	108,906.88	-
08/01/2014	-	-	17,871.88	17,871.88	-
12/31/2014	-	-	-	-	126,778.76
02/01/2015	90,000.00	2.300%	17,871.88	107,871.88	-
08/01/2015	-	-	16,836.88	16,836.88	-
12/31/2015	-	-	-	-	124,708.76
02/01/2016	90,000.00	2.300%	16,836.88	106,836.88	-
08/01/2016	-	-	15,801.88	15,801.88	-
12/31/2016	-	-	-	-	122,638.76
02/01/2017	95,000.00	2.300%	15,801.88	110,801.88	-
08/01/2017	-	-	14,709.38	14,709.38	-
12/31/2017	-	-	-	-	125,511.26
02/01/2018	95,000.00	2.300%	14,709.38	109,709.38	-
08/01/2018	-	-	13,616.88	13,616.88	-
12/31/2018	-	-	-	-	123,326.26
02/01/2019	95,000.00	2.300%	13,616.88	108,616.88	-
08/01/2019	-	-	12,524.38	12,524.38	-
12/31/2019	-	-	-	-	121,141.26
02/01/2020	100,000.00	2.300%	12,524.38	112,524.38	-
08/01/2020	-	-	11,374.38	11,374.38	-
12/31/2020	-	-	-	-	123,898.76
02/01/2021	100,000.00	2.800%	11,374.38	111,374.38	-
08/01/2021	-	-	9,974.38	9,974.38	-
12/31/2021	-	-	-	-	121,348.76
02/01/2022	105,000.00	2.800%	9,974.38	114,974.38	-
08/01/2022	-	-	8,504.38	8,504.38	-
12/31/2022	-	-	-	-	123,478.76
02/01/2023	90,000.00	2.800%	8,504.38	98,504.38	-
08/01/2023	-	-	7,244.38	7,244.38	-
12/31/2023	-	-	-	-	105,748.76
02/01/2024	95,000.00	2.925%	7,244.38	102,244.38	-
08/01/2024	-	-	5,855.00	5,855.00	-
12/31/2024	-	-	-	-	108,099.38
02/01/2025	100,000.00	3.050%	5,855.00	105,855.00	-
08/01/2025	-	-	4,330.00	4,330.00	-
12/31/2025	-	-	-	-	110,185.00
02/01/2026	100,000.00	3.050%	4,330.00	104,330.00	-
08/01/2026	-	-	2,805.00	2,805.00	-
12/31/2026	-	-	-	-	107,135.00
02/01/2027	45,000.00	3.300%	2,805.00	47,805.00	-
08/01/2027	-	-	2,062.50	2,062.50	-
12/31/2027	-	-	-	-	49,867.50
02/01/2028	40,000.00	3.300%	2,062.50	42,062.50	-
08/01/2028	-	-	1,402.50	1,402.50	-
12/31/2028	-	-	-	-	43,465.00
02/01/2029	40,000.00	3.300%	1,402.50	41,402.50	-
08/01/2029	-	-	742.50	742.50	-
12/31/2029	-	-	-	-	42,145.00
02/01/2030	45,000.00	3.300%	742.50	45,742.50	-
12/31/2030	-	-	-	-	45,742.50
<b>Total</b>	<b>\$1,415,000.00</b>	<b>-</b>	<b>\$326,395.36</b>	<b>\$1,741,395.36</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$11,387.81
Average Life	8.048 Years
Average Coupon	2.8661831%
Net Interest Cost (NIC)	2.8950653%
True Interest Cost (TIC)	2.8818215%
Bond Yield for Arbitrage Purposes	2.9277080%
All Inclusive Cost (AIC)	3.1292730%
<b>IRS Form 8038</b>	
Net Interest Cost	2.7216187%
Weighted Average Maturity	7.983 Years

**Raymond James I Morgan Keegan**

Final

**\$330,000**

Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program  
Simpson County Water District

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/27/2013	-	-	-	-	-
08/01/2013	-	-	3,246.83	3,246.83	-
12/31/2013	-	-	-	-	3,246.83
02/01/2014	60,000.00	2.300%	3,795.00	63,795.00	-
08/01/2014	-	-	3,105.00	3,105.00	-
12/31/2014	-	-	-	-	66,900.00
02/01/2015	60,000.00	2.300%	3,105.00	63,105.00	-
08/01/2015	-	-	2,415.00	2,415.00	-
12/31/2015	-	-	-	-	65,520.00
02/01/2016	55,000.00	2.300%	2,415.00	57,415.00	-
08/01/2016	-	-	1,782.50	1,782.50	-
12/31/2016	-	-	-	-	59,197.50
02/01/2017	45,000.00	2.300%	1,782.50	46,782.50	-
08/01/2017	-	-	1,265.00	1,265.00	-
12/31/2017	-	-	-	-	48,047.50
02/01/2018	40,000.00	2.300%	1,265.00	41,265.00	-
08/01/2018	-	-	805.00	805.00	-
12/31/2018	-	-	-	-	42,070.00
02/01/2019	40,000.00	2.300%	805.00	40,805.00	-
08/01/2019	-	-	345.00	345.00	-
12/31/2019	-	-	-	-	41,150.00
02/01/2020	30,000.00	2.300%	345.00	30,345.00	-
12/31/2020	-	-	-	-	30,345.00
<b>Total</b>	<b>\$330,000.00</b>	<b>-</b>	<b>\$26,476.83</b>	<b>\$356,476.83</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$1,151.17
Average Life	3.488 Years
Average Coupon	2.2999997%
Net Interest Cost (NIC)	1.9469101%
True Interest Cost (TIC)	1.9296994%
Bond Yield for Arbitrage Purposes	2.9277080%
All Inclusive Cost (AIC)	2.6350958%
<b>IRS Form 8038</b>	
Net Interest Cost	1.5251564%
Weighted Average Maturity	3.489 Years

**Raymond James I Morgan Keegan**

Final

**\$1,975,000**

Kentucky Rural Water Finance Corporation  
 Flexible Term Finance Program  
 Warren County Water District

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/27/2013	-	-	-	-	-
08/01/2013	-	-	22,471.70	22,471.70	-
12/31/2013	-	-	-	-	22,471.70
02/01/2014	125,000.00	2.300%	26,265.63	151,265.63	-
08/01/2014	-	-	24,828.13	24,828.13	-
12/31/2014	-	-	-	-	176,093.76
02/01/2015	125,000.00	2.300%	24,828.13	149,828.13	-
08/01/2015	-	-	23,390.63	23,390.63	-
12/31/2015	-	-	-	-	173,218.76
02/01/2016	130,000.00	2.300%	23,390.63	153,390.63	-
08/01/2016	-	-	21,895.63	21,895.63	-
12/31/2016	-	-	-	-	175,286.26
02/01/2017	130,000.00	2.300%	21,895.63	151,895.63	-
08/01/2017	-	-	20,400.63	20,400.63	-
12/31/2017	-	-	-	-	172,296.26
02/01/2018	130,000.00	2.300%	20,400.63	150,400.63	-
08/01/2018	-	-	18,905.63	18,905.63	-
12/31/2018	-	-	-	-	169,306.26
02/01/2019	135,000.00	2.300%	18,905.63	153,905.63	-
08/01/2019	-	-	17,353.13	17,353.13	-
12/31/2019	-	-	-	-	171,258.76
02/01/2020	140,000.00	2.300%	17,353.13	157,353.13	-
08/01/2020	-	-	15,743.13	15,743.13	-
12/31/2020	-	-	-	-	173,096.26
02/01/2021	140,000.00	2.800%	15,743.13	155,743.13	-
08/01/2021	-	-	13,783.13	13,783.13	-
12/31/2021	-	-	-	-	169,526.26
02/01/2022	145,000.00	2.800%	13,783.13	158,783.13	-
08/01/2022	-	-	11,753.13	11,753.13	-
12/31/2022	-	-	-	-	170,536.26
02/01/2023	150,000.00	2.800%	11,753.13	161,753.13	-
08/01/2023	-	-	9,653.13	9,653.13	-
12/31/2023	-	-	-	-	171,406.26
02/01/2024	155,000.00	2.925%	9,653.13	164,653.13	-
08/01/2024	-	-	7,386.25	7,386.25	-
12/31/2024	-	-	-	-	172,039.38
02/01/2025	155,000.00	3.050%	7,386.25	162,386.25	-
08/01/2025	-	-	5,022.50	5,022.50	-
12/31/2025	-	-	-	-	167,408.75
02/01/2026	140,000.00	3.050%	5,022.50	145,022.50	-
08/01/2026	-	-	2,887.50	2,887.50	-
12/31/2026	-	-	-	-	147,910.00
02/01/2027	145,000.00	3.300%	2,887.50	147,887.50	-
08/01/2027	-	-	495.00	495.00	-
12/31/2027	-	-	-	-	148,382.50
02/01/2028	30,000.00	3.300%	495.00	30,495.00	-
12/31/2028	-	-	-	-	30,495.00
<b>Total</b>	<b>\$1,975,000.00</b>	-	<b>\$435,732.43</b>	<b>\$2,410,732.43</b>	-

**Yield Statistics**

Bond Year Dollars	\$15,372.36
Average Life	7.783 Years
Average Coupon	2.8345186%
Net Interest Cost (NIC)	2.8578000%
True Interest Cost (TIC)	2.8466969%
Bond Yield for Arbitrage Purposes	2.9277080%
All Inclusive Cost (AIC)	3.0930261%

**IRS Form 8038**

Net Interest Cost	2.6751034%
Weighted Average Maturity	7.727 Years

**Raymond James I Morgan Keegan**



**\$1,755,000**

Christian County Water District  
Correct Schedule 2013 B

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### Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
02/01/2014	139,518.26	139,518.26	151,246.36	11,728.10
02/01/2015	140,798.76	140,798.76	152,102.96	11,304.20
02/01/2016	138,613.76	138,613.76	150,798.36	12,184.60
02/01/2017	141,428.76	141,428.76	153,413.16	11,984.40
02/01/2018	144,128.76	144,128.76	153,786.16	9,657.40
02/01/2019	141,713.76	141,713.76	153,997.96	12,284.20
02/01/2020	144,298.76	144,298.76	155,926.06	11,627.30
02/01/2021	146,768.76	146,768.76	155,604.86	8,836.10
02/01/2022	143,548.76	143,548.76	156,982.46	13,433.70
02/01/2023	145,328.76	145,328.76	156,103.26	10,774.50
02/01/2024	146,968.76	146,968.76	158,905.36	11,936.60
02/01/2025	148,312.50	148,312.50	159,355.06	11,042.56
02/01/2026	149,347.50	149,347.50	161,540.46	12,192.96
02/01/2027	145,230.00	145,230.00	160,373.46	15,143.46
02/01/2028	150,775.00	150,775.00	166,986.20	16,211.20
02/01/2029	30,990.00	30,990.00	48,026.30	17,036.30
<b>Total</b>	<b>\$2,197,770.86</b>	<b>\$2,197,770.86</b>	<b>\$2,395,148.44</b>	<b>\$197,377.58</b>

#### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	197,377.58
Gross PV Debt Service Savings	152,330.19
Net PV Cashflow Savings @ 3.181%(AIC)	152,330.19
Contingency or Rounding Amount	805.86
Net Present Value Benefit	\$153,136.05
Net PV Benefit / \$1,717,000 Refunded Principal	8.919%
Net Future Value Benefit	\$198,183.44
Net PV Benefit / \$1,755,000 Refunding Principal	8.726%
Average Annual Cash Flow Savings	12,336.10

#### Refunding Bond Information

Refunding Dated Date	2/27/2013
Refunding Delivery Date	2/27/2013

**Raymond James I Morgan Keegan**

**\$1,960,000**

Edmonson County Water District  
Correct Schedule - 2013 B

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	22,733.18	22,733.18	40,860.00	18,126.82
12/31/2014	166,820.00	166,820.00	175,800.00	8,980.00
12/31/2015	164,175.00	164,175.00	173,920.00	9,745.00
12/31/2016	161,530.00	161,530.00	173,920.00	12,390.00
12/31/2017	163,827.50	163,827.50	173,760.00	9,932.50
12/31/2018	161,067.50	161,067.50	175,400.00	14,332.50
12/31/2019	163,250.00	163,250.00	174,767.50	11,517.50
12/31/2020	160,375.00	160,375.00	173,825.00	13,450.00
12/31/2021	157,187.50	157,187.50	172,562.50	15,375.00
12/31/2022	158,617.50	158,617.50	173,006.25	14,388.75
12/31/2023	159,907.50	159,907.50	171,231.25	11,323.75
12/31/2024	160,970.00	160,970.00	173,193.75	12,223.75
12/31/2025	156,787.50	156,787.50	170,893.75	14,106.25
12/31/2026	157,441.25	157,441.25	172,331.25	14,890.00
12/31/2027	157,755.00	157,755.00	175,375.00	17,620.00
12/31/2028	162,640.00	162,640.00	174,068.75	11,428.75
12/31/2029	-	-	8,175.00	8,175.00
<b>Total</b>	<b>\$2,435,084.43</b>	<b>\$2,435,084.43</b>	<b>\$2,653,090.00</b>	<b>\$218,005.57</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	218,005.57
Gross PV Debt Service Savings	170,379.42
Net PV Cashflow Savings @ 3.133%(AIC)	170,379.42
Contingency or Rounding Amount	2,844.93
Net Present Value Benefit	\$173,224.35
Net PV Benefit / \$1,922,000 Refunded Principal	9.013%
Net Future Value Benefit	\$220,850.50
Net PV Benefit / \$1,960,000 Refunding Principal	8.838%
Average Annual Cash Flow Savings	13,625.35

### Refunding Bond Information

Refunding Dated Date	2/27/2013
Refunding Delivery Date	2/27/2013

**Raymond James | Morgan Keegan**

Final

**\$1,990,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Grayson County Water District

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	22,287.76	22,287.76	41,378.85	19,091.09
12/31/2014	200,376.26	200,376.26	209,608.35	9,232.09
12/31/2015	196,926.26	196,926.26	207,349.20	10,422.94
12/31/2016	198,418.76	198,418.76	208,888.55	10,469.79
12/31/2017	194,853.76	194,853.76	208,186.10	13,332.34
12/31/2018	171,518.76	171,518.76	184,745.60	13,226.84
12/31/2019	168,413.76	168,413.76	183,505.95	15,092.19
12/31/2020	170,251.26	170,251.26	184,959.03	14,707.77
12/31/2021	171,611.26	171,611.26	187,009.86	15,398.60
12/31/2022	162,621.26	162,621.26	175,910.86	13,289.60
12/31/2023	158,701.26	158,701.26	173,743.26	15,042.00
12/31/2024	159,620.63	159,620.63	174,245.88	14,625.25
12/31/2025	155,288.75	155,288.75	174,440.15	19,151.40
12/31/2026	141,018.75	141,018.75	158,678.48	17,659.73
12/31/2027	121,980.00	121,980.00	138,423.38	16,443.38
<b>Total</b>	<b>\$2,393,888.49</b>	<b>\$2,393,888.49</b>	<b>\$2,611,073.50</b>	<b>\$217,185.01</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	217,185.01
Gross PV Debt Service Savings	170,021.80
Effects of changes in Expenses	5,111.62
Net PV Cashflow Savings @ 2.928%(Bond Yield)	175,133.42
Contingency or Rounding Amount	3,947.69
Net Present Value Benefit	\$179,081.11
Net PV Benefit / \$1,952,000 Refunded Principal	9.174%
Net Future Value Benefit	\$221,132.70
Net PV Benefit / \$1,990,000 Refunding Principal	8.999%
Average Annual Cash Flow Savings	15,513.22

### Refunding Bond Information

Refunding Dated Date	2/27/2013
Refunding Delivery Date	2/27/2013

**Raymond James | Morgan Keegan**

Final

**\$2,760,000**

Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program  
Henry County Water District #2

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	33,050.65	33,050.65	64,162.88	31,112.23
12/31/2014	260,133.76	260,133.76	272,919.76	12,786.00
12/31/2015	250,936.26	250,936.26	270,989.01	20,052.75
12/31/2016	251,738.76	251,738.76	270,774.26	19,035.50
12/31/2017	252,426.26	252,426.26	271,208.26	18,782.00
12/31/2018	248,056.26	248,056.26	269,359.88	21,303.62
12/31/2019	159,663.76	159,663.76	186,253.50	26,589.74
12/31/2020	167,133.76	167,133.76	186,811.75	19,677.99
12/31/2021	164,201.26	164,201.26	188,060.50	23,859.24
12/31/2022	165,911.26	165,911.26	186,943.00	21,031.74
12/31/2023	162,551.26	162,551.26	186,475.63	23,924.37
12/31/2024	164,043.13	164,043.13	186,745.63	22,702.50
12/31/2025	165,232.50	165,232.50	185,673.00	20,440.50
12/31/2026	161,267.50	161,267.50	185,254.00	23,986.50
12/31/2027	162,057.50	162,057.50	185,516.50	23,459.00
12/31/2028	162,520.00	162,520.00	186,411.50	23,891.50
12/31/2029	162,817.50	162,817.50	187,890.00	25,072.50
12/31/2030	158,032.50	158,032.50	184,050.00	26,017.50
12/31/2031	158,071.25	158,071.25	183,916.00	25,844.75
12/31/2032	157,751.25	157,751.25	184,365.50	26,614.25
12/31/2033	-	-	20,490.00	20,490.00
<b>Total</b>	<b>\$3,567,596.38</b>	<b>\$3,567,596.38</b>	<b>\$4,044,270.56</b>	<b>\$476,674.18</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	476,674.18
Gross PV Debt Service Savings	356,023.39
Net PV Cashflow Savings @ 2.928%(Bond Yield)	356,023.39
Contingency or Rounding Amount	2,782.05
Net Present Value Benefit	\$358,805.44
Net PV Benefit / \$2,703,000 Refunded Principal	13.274%
Net Future Value Benefit	\$479,456.23
Net PV Benefit / \$2,760,000 Refunding Principal	13.000%
Average Annual Cash Flow Savings	23,833.71

### Refunding Bond Information

Refunding Dated Date	2/27/2013
Refunding Delivery Date	2/27/2013

**Raymond James I Morgan Keegan**

Final

**\$1,415,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

McCreary County Water District

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	16,175.88	16,175.88	28,643.04	12,467.16
12/31/2014	126,778.76	126,778.76	131,447.96	4,669.20
12/31/2015	124,708.76	124,708.76	133,735.84	9,027.08
12/31/2016	122,638.76	122,638.76	129,856.25	7,217.49
12/31/2017	125,511.26	125,511.26	131,800.46	6,289.20
12/31/2018	123,326.26	123,326.26	130,508.22	7,181.96
12/31/2019	121,141.26	121,141.26	130,009.48	8,868.22
12/31/2020	123,898.76	123,898.76	130,314.88	6,416.12
12/31/2021	121,348.76	121,348.76	129,418.17	8,069.41
12/31/2022	123,478.76	123,478.76	133,168.16	9,689.40
12/31/2023	105,748.76	105,748.76	116,886.87	11,138.11
12/31/2024	108,099.38	108,099.38	116,717.98	8,618.60
12/31/2025	110,185.00	110,185.00	117,349.50	7,164.50
12/31/2026	107,135.00	107,135.00	115,803.62	8,668.62
12/31/2027	49,867.50	49,867.50	58,388.66	8,521.16
12/31/2028	43,465.00	43,465.00	55,193.33	11,728.33
12/31/2029	42,145.00	42,145.00	53,998.01	11,853.01
12/31/2030	45,742.50	45,742.50	56,669.63	10,927.13
<b>Total</b>	<b>\$1,741,395.36</b>	<b>\$1,741,395.36</b>	<b>\$1,899,910.06</b>	<b>\$158,514.70</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	158,514.70
Gross PV Debt Service Savings	116,565.47
Effects of changes in Expenses	5,961.59
Net PV Cashflow Savings @ 2.928%(Bond Yield)	122,527.07
Contingency or Rounding Amount	4,786.49
Net Present Value Benefit	\$127,313.56
Net PV Benefit / \$1,383,000 Refunded Principal	9.206%
Net Future Value Benefit	\$163,301.19
Net PV Benefit / \$1,415,000 Refunding Principal	8.997%
Average Annual Cash Flow Savings	9,324.39

### Refunding Bond Information

Refunding Dated Date	2/27/2013
Refunding Delivery Date	2/27/2013

**Raymond James I Morgan Keegan**

Final

**\$330,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Simpson County Water District

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	3,246.83	3,246.83	7,411.54	4,164.71
12/31/2014	66,900.00	66,900.00	72,466.19	5,566.19
12/31/2015	65,520.00	65,520.00	71,683.18	6,163.18
12/31/2016	59,197.50	59,197.50	61,360.59	2,163.09
12/31/2017	48,047.50	48,047.50	53,949.12	5,901.62
12/31/2018	42,070.00	42,070.00	46,218.29	4,148.29
12/31/2019	41,150.00	41,150.00	45,134.80	3,984.80
12/31/2020	30,345.00	30,345.00	37,833.57	7,488.57
<b>Total</b>	<b>\$356,476.83</b>	<b>\$356,476.83</b>	<b>\$396,057.28</b>	<b>\$39,580.45</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	39,580.45
Gross PV Debt Service Savings	35,530.23
Net PV Cashflow Savings @ 2.928%(Bond Yield)	35,530.23
Contingency or Rounding Amount	841.36
Net Present Value Benefit	\$36,371.59
Net PV Benefit / \$339,100 Refunded Principal	10.726%
Net Future Value Benefit	\$40,421.81
Net PV Benefit / \$330,000 Refunding Principal	11.022%
Average Annual Cash Flow Savings	5,654.35

### Refunding Bond Information

Refunding Dated Date	2/27/2013
Refunding Delivery Date	2/27/2013

**Raymond James I Morgan Keegan**

Final

**\$1,975,000**

Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program  
Warren County Water District

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	22,471.70	22,471.70	42,651.03	20,179.33
12/31/2014	176,093.76	176,093.76	187,871.25	11,777.49
12/31/2015	173,218.76	173,218.76	187,670.17	14,451.41
12/31/2016	175,286.26	175,286.26	188,025.03	12,738.77
12/31/2017	172,296.26	172,296.26	186,322.90	14,026.64
12/31/2018	169,306.26	169,306.26	187,575.98	18,269.72
12/31/2019	171,258.76	171,258.76	186,681.89	15,423.13
12/31/2020	173,096.26	173,096.26	189,079.86	15,983.60
12/31/2021	169,526.26	169,526.26	188,349.74	18,823.48
12/31/2022	170,536.26	170,536.26	188,107.56	17,571.30
12/31/2023	171,406.26	171,406.26	187,066.74	15,660.48
12/31/2024	172,039.38	172,039.38	188,960.32	16,920.94
12/31/2025	167,408.75	167,408.75	185,513.29	18,104.54
12/31/2026	147,910.00	147,910.00	164,940.50	17,030.50
12/31/2027	148,382.50	148,382.50	165,345.50	16,963.00
12/31/2028	30,495.00	30,495.00	51,225.00	20,730.00
<b>Total</b>	<b>\$2,410,732.43</b>	<b>\$2,410,732.43</b>	<b>\$2,675,386.76</b>	<b>\$264,654.33</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	264,654.33
Gross PV Debt Service Savings	211,350.68
Net PV Cashflow Savings @ 2.928%(Bond Yield)	211,350.68
Contingency or Rounding Amount	823.55
Net Present Value Benefit	\$212,174.23
Net PV Benefit / \$1,944,203 Refunded Principal	10.913%
Net Future Value Benefit	\$265,477.88
Net PV Benefit / \$1,975,000 Refunding Principal	10.743%
Average Annual Cash Flow Savings	17,643.62

### Refunding Bond Information

Refunding Dated Date	2/27/2013
Refunding Delivery Date	2/27/2013

**Raymond James I Morgan Keegan**

RECEIVED

APR 24 2013

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

PUBLIC SERVICE  
COMMISSION

This First Amendment and Supplement to Assistance Agreement made and entered into as of February 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Henry County Water District, No. 2, 8955 Main Street, Campbellsburg, Kentucky 40011 (the "Governmental Agency"):

**WITNESSETH**

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the "Program") designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued, in various series, its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program) (the "Bonds") pursuant to a Trust Indenture dated as of April 4, 2001, as supplemented from time to time (collectively, the "Indenture") between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to assistance agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2013B (the "Series 2013B Bonds") in the aggregate principal amount of \$17,365,000, pursuant to a Supplemental Trust Indenture No. 51, dated as of February 27, 2013 by and between the Issuer and the Trustee, which Series 2013B Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into the following Assistance Agreements (collectively, the "Assistance Agreement") with the Issuer: (i) on September 25, 2002, pursuant to which the Issuer provided the Governmental Agency with a loan dated September 25, 2002, in the original principal amount of \$900,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2001D (the "Series 2001D Loan") and (ii) on March 25, 2003, pursuant to which the Issuer provided the Governmental Agency with a loan dated March 25, 2003, in the original principal amount of \$2,978,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003A (the "Series 2003A Loan"); and



WHEREAS, the proceeds of the Series 2001D Loan were used to finance improvements to raw water supply, storage, and transmission and distribution of treated water, for the benefit of the Governmental Agency's waterworks system (the "System"); and

WHEREAS, the proceeds of the Series 2003A Loan were used to refund the Governmental Agency's Series 1996 Bonds; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Series 2001D Loan and the Series 2003A Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Series 2001D Loan and the Series 2003A Loan and the Obligations thereunder and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE SERIES 2001D LOAN AND THE SERIES 2003A LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

**Section 1. Definitions.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated September 25, 2002, authorizing the Series 2001D Loan and the Assistance Agreement between the Issuer and the Governmental Agency, dated March 25, 2003, authorizing the Series 2003A Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 51, dated February 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing April 1, 2013 and continuing through and including January 1, 2028 or until the Loan has been paid in full.

"*Loan*" refers to the Series 2001D Loan and the Series 2003A Loan to the Governmental Agency from the Issuer, both as amended herein.

"*Obligations*" refers to the Series 2001D Loan and the Series 2003A Loan originally authorized by their respective Assistance Agreements, which loans are supplemented, amended, modified and reauthorized by this First Amendment to Assistance Agreement, maturing January 1, 2028.

"*Trustee*" refers to Regions Bank, Nashville, Tennessee.

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Sinking Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Sinking Fund, the amounts set forth as sinking fund payments on **Exhibit A** attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the

Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

**Section 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

*[The remainder of this page intentionally left blank]*

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$1,165,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on February 27, 2013	2,703,000.00
Plus accrued interest from February 1 to February 27, 2013	9,320.34
Plus fee to bondholders for early call of the Loan	27,030.00
Plus net costs associated with amending the debt service on the Loan	61,388.75
Plus deposit to Governmental Agency's Sinking Fund (rounding)	2,782.05
Credit for current balance in Governmental Agency's Sinking Fund	<u>(43,521.14)</u>
<b>Revised principal amount of the Loan</b>	<b>\$1,165,000.00</b>

*[Signature page follows]*

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Henry County Water District, No. 2 has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

HENRY COUNTY WATER DISTRICT,  
NO. 2

By \_\_\_\_\_  
Chairman

Attest:

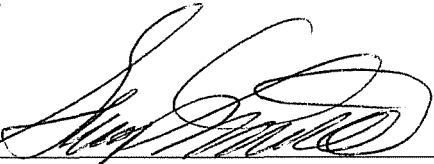
By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Henry County Water District, No. 2 has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By  \_\_\_\_\_  
Secretary/Treasurer

HENRY COUNTY WATER DISTRICT, NO. 2

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Henry County Water District, No. 2 has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

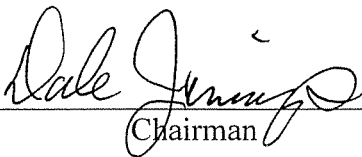
KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

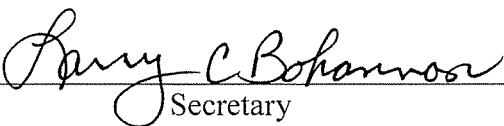
Attest:

By \_\_\_\_\_  
Secretary/Treasurer

HENRY COUNTY WATER DISTRICT,  
NO. 2

By   
Chairman

Attest:

By   
Secretary

**EXHIBIT A**

**Debt Service Schedule**



**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower: Henry County Water District #2  
Closing Date: 02/27/13**

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
4/13-7/13	18,500.00	8,262.66	26,762.66
8/13-1/14	18,500.00	6,438.44	24,938.44
2/14-8/14	15,000.00	6,083.86	21,083.86
8/14-1/15	15,000.00	6,083.86	21,083.86
2/15-7/15	15,416.67	5,738.86	21,155.52
8/15-1/16	15,416.67	5,738.86	21,155.52
2/16-7/16	15,833.33	5,384.27	21,217.61
8/16-1/17	15,833.33	5,384.27	21,217.61
2/17-7/17	15,833.33	5,020.11	20,853.44
8/17-1/18	15,833.33	5,020.11	20,853.44
2/18-7/18	8,750.00	4,655.94	13,405.94
8/18-1/19	8,750.00	4,655.94	13,405.94
2/19-7/19	9,583.33	4,454.69	14,038.02
8/19-1-20	9,583.33	4,454.69	14,038.02
2/20-7/20	9,583.33	4,234.27	13,817.61
8/20-1/21	9,583.33	4,234.27	13,817.61
2/21-7/21	10,000.00	3,965.94	13,965.94
8/21-1/22	10,000.00	3,965.94	13,965.94
2/22-7/22	10,000.00	3,685.94	13,685.94
8/22-1/23	10,000.00	3,685.94	13,685.94
2/23-7/23	10,416.67	3,405.94	13,822.61
8/23-1/24	10,416.67	3,405.94	13,822.61
2/24-7/24	10,833.33	3,101.25	13,934.58
8/24-1/25	10,833.33	3,101.25	13,934.58
2/25-7/25	10,833.33	2,770.83	13,604.17
8/25-1/26	10,833.33	2,770.83	13,604.17
2/26-7/26	11,250.00	2,440.42	13,690.42
8/26-1/27	11,250.00	2,440.42	13,690.42
2/27-7/27	11,666.67	2,069.17	13,735.83
8/27-1/28	11,666.67	2,069.17	13,735.83
2/28-7/28	12,083.33	1,684.17	13,767.50
8/28-1/29	12,083.33	1,684.17	13,767.50
2/29-7/29	12,083.33	1,285.42	13,368.75
8/29-1/30	12,083.33	1,285.42	13,368.75
2/30-7/30	12,500.00	886.67	13,386.67
8/30-2/31	12,500.00	886.67	13,386.67
2/31-7/31	12,916.67	458.54	13,375.21
8/31-1/32	12,916.67	458.54	13,375.21
2/32-7/32	-	-	-
	<u>2,760,000.00</u>	<u>807,596.38</u>	<u>3,567,596.38</u>

RECEIVED

APR 24 2013

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

PUBLIC SERVICE  
COMMISSION

This First Amendment and Supplement to Assistance Agreement made and entered into as of February 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Grayson County Water District, 113 South Lee Avenue, Leitchfield, Kentucky 42755 (the "Governmental Agency"):

**WITNESSETH**

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the "Program") designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued, in various series, its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program) (the "Bonds") pursuant to a Trust Indenture dated as of April 4, 2001, as supplemented from time to time (collectively, the "Indenture") between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to assistance agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program), Series 2013B (the "Series 2013B Bonds") in the aggregate principal amount of \$17,365,000, pursuant to a Supplemental Trust Indenture No. 51, dated as of February 27, 2013 by and between the Issuer and the Trustee, which Series 2013B Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into the following Assistance Agreements (collectively, the "Assistance Agreement") with the Issuer: (i) on September 25, 2002, pursuant to which the Issuer provided the Governmental Agency with a loan dated September 25, 2002, in the original principal amount of \$364,000, from the proceeds of the Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program), Series 2001D (the "Series 2001D Loan") and (ii) on April 27, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated April 27, 2004, in the original principal amount of \$3,136,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B (the "Series 2004B Loan"); and

WHEREAS, the proceeds of the Series 2001D Loan were used to install approximately 16,500 feet of PVC waterline with appurtenances for the benefit of the Governmental Agency's municipal water distribution system (the "System"); and

WHEREAS, the proceeds of the Series 2004B Loan were used to refund six of the Governmental Agency's prior bond issues; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Series 2001D Loan and the Series 2004B Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Series 2001D Loan and the Series 2004B Loan and the Obligations thereunder and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE SERIES 2001D LOAN AND THE SERIES 2004B LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

**Section 1. Definitions.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated September 25, 2002, authorizing the Series 2001D Loan and the Assistance Agreement between the Issuer and the Governmental Agency, dated April 27, 2004, authorizing the Series 2004B Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 51, dated February 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing April 1, 2013 and continuing through and including January 1, 2027 or until the Loan has been paid in full.

"*Loan*" refers to the Series 2001D Loan and the Series 2004B Loan to the Governmental Agency from the Issuer, both as amended herein.

"*Obligations*" refers to the Series 2001D Loan and the Series 2004B Loan originally authorized by their respective Assistance Agreements, which loans are supplemented, amended, modified and reauthorized by this First Amendment to Assistance Agreement, maturing January 1, 2027.

"*Trustee*" refers to Regions Bank, Nashville, Tennessee.

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Sinking Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Sinking Fund, the amounts set forth as sinking fund payments on **Exhibit A** attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the

Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

**Section 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$1,990,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on February 27, 2013	1,959,000.00
Plus accrued interest from February 1 to February 27, 2013	6,206.83
Plus fee to bondholders for early call of the Loan	19,590.00
Plus net costs associated with amending the debt service on the Loan	33,207.60
Plus deposit to Governmental Agency's Sinking Fund (rounding)	3,947.69
Credit for current balance in Governmental Agency's Sinking Fund	<u>(31,952.12)</u>
 <b>Revised principal amount of the Loan</b>	 <b>\$1,990,000.00</b>

*[Signature page follows]*

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Grayson County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By James A. Smith  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

GRAYSON COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

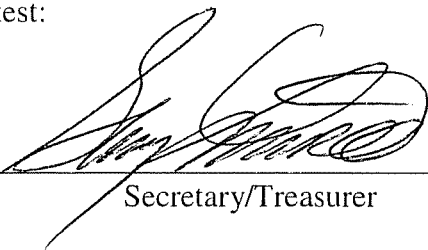
By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Grayson County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By  \_\_\_\_\_  
Secretary/Treasurer

GRAYSON COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Grayson County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

GRAYSON COUNTY WATER DISTRICT

By John R. Jones  
Chairman

Attest:

By Kenneth Gray  
Secretary



**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B**  
**Sinking Fund Payment Schedule**

**Borrower:** Grayson County Water District  
**Closing Date:** 02/27/13

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
4/13-7/13	15,000.00	5,571.94	20,571.94
8/13-1/14	15,000.00	4,341.77	19,341.77
2/14-8/14	12,500.00	4,054.27	16,554.27
8/14-1/15	12,500.00	4,054.27	16,554.27
2/15-7/15	12,916.67	3,766.77	16,683.44
8/15-1/16	12,916.67	3,766.77	16,683.44
2/16-7/16	12,916.67	3,469.69	16,386.36
8/16-1/17	12,916.67	3,469.69	16,386.36
2/17-7/17	11,250.00	3,172.61	14,422.61
8/17-1/18	11,250.00	3,172.61	14,422.61
2/18-7/18	11,250.00	2,913.86	14,163.86
8/18-1/19	11,250.00	2,913.86	14,163.86
2/19-7/19	11,666.67	2,655.11	14,321.77
8/19-1-20	11,666.67	2,655.11	14,321.77
2/20-7/20	12,083.33	2,386.77	14,470.11
8/20-1/21	12,083.33	2,386.77	14,470.11
2/21-7/21	11,666.67	2,048.44	13,715.11
8/21-1/22	11,666.67	2,048.44	13,715.11
2/22-7/22	11,666.67	1,721.77	13,388.44
8/22-1/23	11,666.67	1,721.77	13,388.44
2/23-7/23	12,083.33	1,395.11	13,478.44
8/23-1/24	12,083.33	1,395.11	13,478.44
2/24-7/24	12,083.33	1,041.67	13,125.00
8/24-1/25	12,083.33	1,041.67	13,125.00
2/25-7/25	11,250.00	673.13	11,923.13
8/25-1/26	11,250.00	673.13	11,923.13
2/26-7/26	10,000.00	330.00	10,330.00
8/26-1/27	10,000.00	330.00	10,330.00
2/27-7/27	-	-	-
	<u>1,990,000.00</u>	<u>403,888.49</u>	<u>2,393,888.49</u>

RECEIVED

APR 24 2013

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

**PUBLIC SERVICE  
COMMISSION**

This First Amendment and Supplement to Assistance Agreement made and entered into as of February 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the McCreary County Water District, 19 Crit King Road, Whitley City, Kentucky 42755 (the "Governmental Agency"):

**WITNESSETH**

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the "Program") designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued, in various series, its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program) (the "Bonds") pursuant to a Trust Indenture dated as of April 4, 2001, as supplemented from time to time (collectively, the "Indenture") between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to assistance agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2013B (the "Series 2013B Bonds") in the aggregate principal amount of \$17,365,000, pursuant to a Supplemental Trust Indenture No. 51, dated as of February 27, 2013 by and between the Issuer and the Trustee, which Series 2013B Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on March 24, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated March 24, 2004, in the original principal amount of \$2,050,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004A (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to refund bond issues secured by the Governmental Agency's water system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

**Section 1. Definitions.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated March 24, 2004, authorizing the Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 51, dated February 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing April 1, 2013 and continuing through and including January 1, 2030 or until the Loan has been paid in full.

"*Loan*" refers to the loan in the amount of \$2,050,000, dated March 24, 2004, to the Governmental Agency from the Issuer, as amended herein.

"*Obligations*" refers to the Loan originally authorized by the Assistance Agreement, which loan is supplemented, amended, modified and reauthorized by this First Amendment to Assistance Agreement, maturing January 1, 2030.

"*Trustee*" refers to Regions Bank, Nashville, Tennessee.

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Sinking Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Sinking Fund, the amounts set forth as sinking fund payments on **Exhibit A** attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

**Section 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written

approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

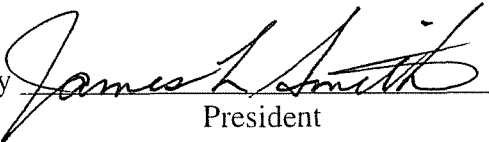
**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$1,415,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on February 27, 2013	1,383,000.00
Plus accrued interest from February 1 to February 27, 2013	4,296.46
Plus fee to bondholders for early call of the Loan	13,830.00
Plus net costs associated with amending the debt service on the Loan	27,304.05
Plus deposit to Governmental Agency's Sinking Fund (rounding)	4,786.49
Credit for current balance in Governmental Agency's Sinking Fund	<u>(18,217.00)</u>
<b>Revised principal amount of the Loan</b>	<b>\$1,415,000.00</b>

*[Signature page follows]*

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the McCreary County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By  \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

MCCREARY COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the McCreary County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By   
Secretary/Treasurer

MCCREARY COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary



IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the McCreary County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By Coy Taylor  
Secretary/Treasurer

MCCREARY COUNTY WATER DISTRICT

By Raymond Taylor  
Chairman

Attest:

By Coy Taylor  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower:** McCreary County Water District  
**Closing Date:** 02/27/13

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
4/13-7/13	9,000.00	4,043.97	13,043.97
8/13-1/14	9,000.00	3,151.15	12,151.15
2/14-8/14	7,500.00	2,978.65	10,478.65
8/14-1/15	7,500.00	2,978.65	10,478.65
2/15-7/15	7,500.00	2,806.15	10,306.15
8/15-1/16	7,500.00	2,806.15	10,306.15
2/16-7/16	7,916.67	2,633.65	10,550.31
8/16-1/17	7,916.67	2,633.65	10,550.31
2/17-7/17	7,916.67	2,451.56	10,368.23
8/17-1/18	7,916.67	2,451.56	10,368.23
2/18-7/18	7,916.67	2,269.48	10,186.15
8/18-1/19	7,916.67	2,269.48	10,186.15
2/19-7/19	8,333.33	2,087.40	10,420.73
8/19-1-20	8,333.33	2,087.40	10,420.73
2/20-7/20	8,333.33	1,895.73	10,229.06
8/20-1/21	8,333.33	1,895.73	10,229.06
2/21-7/21	8,750.00	1,662.40	10,412.40
8/21-1/22	8,750.00	1,662.40	10,412.40
2/22-7/22	7,500.00	1,417.40	8,917.40
8/22-1/23	7,500.00	1,417.40	8,917.40
2/23-7/23	7,916.67	1,207.40	9,124.06
8/23-1/24	7,916.67	1,207.40	9,124.06
2/24-7/24	8,333.33	975.83	9,309.17
8/24-1/25	8,333.33	975.83	9,309.17
2/25-7/25	8,333.33	721.67	9,055.00
8/25-1/26	8,333.33	721.67	9,055.00
2/26-7/26	3,750.00	467.50	4,217.50
8/26-1/27	3,750.00	467.50	4,217.50
2/27-7/27	3,333.33	343.75	3,677.08
8/27-1/28	3,333.33	343.75	3,677.08
2/28-7/28	3,333.33	233.75	3,567.08
8/28-1/29	3,333.33	233.75	3,567.08
2/29-7/29	3,750.00	123.75	3,873.75
8/29-1/30	3,750.00	123.75	3,873.75
2/30-7/30	-	-	-
	<u>1,415,000.00</u>	<u>326,395.36</u>	<u>1,741,395.36</u>

RECEIVED

APR 24 2013

PUBLIC SERVICE  
COMMISSION

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of February 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Christian County Water District, P.O. Box 7, Hopkinsville, Kentucky 42241 (the "Governmental Agency"):

**WITNESSETH**

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the "Program") designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued, in various series, its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program) (the "Bonds") pursuant to a Trust Indenture dated as of April 4, 2001, as supplemented from time to time (collectively, the "Indenture") between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to assistance agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2013B (the "Series 2013B Bonds") in the aggregate principal amount of \$17,365,000, pursuant to a Supplemental Trust Indenture No. 51, dated as of February 27, 2013 by and between the Issuer and the Trustee, which Series 2013B Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on October 19, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated October 19, 2004, in the original principal amount of \$2,305,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to make improvements and extensions to the Governmental Agency's waterworks system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

**Section 1. Definitions.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated October 19, 2004, authorizing the Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 51, dated February 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing April 1, 2013 and continuing through and including January 1, 2029 or until the Loan has been paid in full.

"*Loan*" refers to the loan in the amount of \$2,305,000, dated October 19, 2004, to the Governmental Agency from the Issuer, as amended herein.

"*Obligations*" refers to the Loan originally authorized by the Assistance Agreement, which loan is supplemented, amended, modified and reauthorized by this First Amendment to Assistance Agreement, maturing January 1, 2029.

"*Trustee*" refers to Regions Bank, Nashville, Tennessee.

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Sinking Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Sinking Fund, the amounts set forth as sinking fund payments on **Exhibit A** attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

**Section 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written

approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

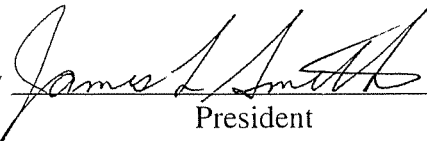
**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$1,755,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on February 27, 2013	1,717,000.00
Plus accrued interest from February 1 to February 27, 2013	5,493.48
Plus fee to bondholders for early call of the Loan	17,170.00
Plus net costs associated with amending the debt service on the Loan	35,432.75
Plus deposit to Governmental Agency's Sinking Fund (rounding)	805.86
Credit for current balance in Governmental Agency's Sinking Fund	<u>(20,902.09)</u>
 <b>Revised principal amount of the Loan</b>	 <b>\$1,755,000.00</b>

*[Signature page follows]*

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Christian County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By  \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

CHRISTIAN COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary




IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Christian County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By  \_\_\_\_\_  
Secretary/Treasurer

CHRISTIAN COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Christian County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

CHRISTIAN COUNTY WATER DISTRICT

By Ashbel Brunson III  
Chairman

Attest:

By Steve D. Hunt  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower:** Christian County Water District  
**Closing Date:** 02/27/13

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
4/13-7/13	9,500.00	5,131.60	14,631.60
8/13-1/14	9,500.00	3,998.65	13,498.65
2/14-8/14	7,916.67	3,816.56	11,733.23
8/14-1/15	7,916.67	3,816.56	11,733.23
2/15-7/15	7,916.67	3,634.48	11,551.15
8/15-1/16	7,916.67	3,634.48	11,551.15
2/16-7/16	8,333.33	3,452.40	11,785.73
8/16-1/17	8,333.33	3,452.40	11,785.73
2/17-7/17	8,750.00	3,260.73	12,010.73
8/17-1/18	8,750.00	3,260.73	12,010.73
2/18-7/18	8,750.00	3,059.48	11,809.48
8/18-1/19	8,750.00	3,059.48	11,809.48
2/19-7/19	9,166.67	2,858.23	12,024.90
8/19-1-20	9,166.67	2,858.23	12,024.90
2/20-7/20	9,583.33	2,647.40	12,230.73
8/20-1/21	9,583.33	2,647.40	12,230.73
2/21-7/21	9,583.33	2,379.06	11,962.40
8/21-1/22	9,583.33	2,379.06	11,962.40
2/22-7/22	10,000.00	2,110.73	12,110.73
8/22-1/23	10,000.00	2,110.73	12,110.73
2/23-7/23	10,416.67	1,830.73	12,247.40
8/23-1/24	10,416.67	1,830.73	12,247.40
2/24-7/24	10,833.33	1,526.04	12,359.38
8/24-1/25	10,833.33	1,526.04	12,359.38
2/25-7/25	11,250.00	1,195.63	12,445.63
8/25-1/26	11,250.00	1,195.63	12,445.63
2/26-7/26	11,250.00	852.50	12,102.50
8/26-1/27	11,250.00	852.50	12,102.50
2/27-7/27	12,083.33	481.25	12,564.58
8/27-1/28	12,083.33	481.25	12,564.58
2/28-7/28	2,500.00	82.50	2,582.50
8/28-1/29	2,500.00	82.50	2,582.50
	<u>1,755,000.00</u>	<u>442,770.86</u>	<u>2,197,770.86</u>

RECEIVED

APR 24 2013

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

**PUBLIC SERVICE  
COMMISSION**

This First Amendment and Supplement to Assistance Agreement made and entered into as of February 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Simpson County Water District, 523 Highway 31W Bypass, Bowling Green, Kentucky 42101 (the "Governmental Agency"):

**WITNESSETH**

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the "Program") designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued, in various series, its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program) (the "Bonds") pursuant to a Trust Indenture dated as of April 4, 2001, as supplemented from time to time (collectively, the "Indenture") between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to assistance agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2013B (the "Series 2013B Bonds") in the aggregate principal amount of \$17,365,000, pursuant to a Supplemental Trust Indenture No. 51, dated as of February 27, 2013 by and between the Issuer and the Trustee, which Series 2013B Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on October 29, 2003, pursuant to which the Issuer provided the Governmental Agency with a loan dated October 29, 2003, in the original principal amount of \$913,300, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003C (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to refund four bond issues secured by the Governmental Agency's public water distribution system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

**Section 1. Definitions.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

*"Assistance Agreement"* refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated October 29, 2003, authorizing the Loan.

*"First Amendment to Assistance Agreement"* refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

*"Indenture"* means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 51, dated February 27, 2013, by and between the Issuer and the Trustee.

*"Interest Payment Date"* shall mean the 1<sup>st</sup> day of each month, commencing April 1, 2013 and continuing through and including January 1, 2020 or until the Loan has been paid in full.

*"Loan"* refers to the loan in the amount of \$913,300, dated October 29, 2003, to the Governmental Agency from the Issuer, as amended herein.

"Obligations" refers to the Loan originally authorized by the Assistance Agreement, which loan is supplemented, amended, modified and reauthorized by this First Amendment to Assistance Agreement, maturing January 1, 2020.

"Trustee" refers to Regions Bank, Nashville, Tennessee.

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Sinking Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Sinking Fund, the amounts set forth as sinking fund payments on **Exhibit A** attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

**Section 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations shall not be subject to optional redemption prior to maturity.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$330,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on February 27, 2013	339,100.00
Plus accrued interest from February 1 to February 27, 2013	1,111.73
Plus fee to bondholders for early call of the Loan	1,695.50
Plus net costs associated with amending the debt service on the Loan	3,610.35
Plus deposit to Governmental Agency's Sinking Fund (rounding)	841.36
Credit for current balance in Governmental Agency's Sinking Fund	<u>(16,358.94)</u>
<b>Revised principal amount of the Loan</b>	<b>\$330,000.00</b>

*[Signature page follows]*



IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Simpson County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

SIMPSON COUNTY WATER DISTRICT

By \_\_\_\_\_  
Vice Chairman

Attest:

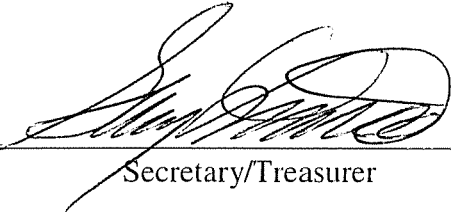
By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Simpson County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By  \_\_\_\_\_  
Secretary/Treasurer

SIMPSON COUNTY WATER DISTRICT

By \_\_\_\_\_  
Vice Chairman

Attest:

By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Simpson County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

SIMPSON COUNTY WATER DISTRICT

By \_\_\_\_\_  
Vice Chairman

Attest:

By \_\_\_\_\_  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower:** Simpson County Water District  
**Closing Date:** 02/27/13

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
4/13-7/13	6,000.00	811.71	6,811.71
8/13-1/14	6,000.00	632.50	6,632.50
2/14-8/14	5,000.00	517.50	5,517.50
8/14-1/15	5,000.00	517.50	5,517.50
2/15-7/15	4,583.33	402.50	4,985.83
8/15-1/16	4,583.33	402.50	4,985.83
2/16-7/16	3,750.00	297.08	4,047.08
8/16-1/17	3,750.00	297.08	4,047.08
2/17-7/17	3,333.33	210.83	3,544.17
8/17-1/18	3,333.33	210.83	3,544.17
2/18-7/18	3,333.33	134.17	3,467.50
8/18-1/19	3,333.33	134.17	3,467.50
2/19-7/19	2,500.00	57.50	2,557.50
8/19-1-20	2,500.00	57.50	2,557.50
2/20-7/20	-	-	-
	<u>330,000.00</u>	<u>26,476.83</u>	<u>356,476.83</u>

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APR 24 2013

PUBLIC SERVICE  
COMMISSION

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of February 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Warren County Water District, 523 Highway 31W Bypass, Bowling Green, Kentucky 42101 (the "Governmental Agency"):

**WITNESSETH**

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the "Program") designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued, in various series, its Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program) (the "Bonds") pursuant to a Trust Indenture dated as of April 4, 2001, as supplemented from time to time (collectively, the "Indenture") between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to assistance agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2013B (the "Series 2013B Bonds") in the aggregate principal amount of \$17,365,000, pursuant to a Supplemental Trust Indenture No. 51, dated as of February 27, 2013 by and between the Issuer and the Trustee, which Series 2013B Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into the following Assistance Agreements (collectively, the "Assistance Agreement") with the Issuer: (i) on March 25, 2003, pursuant to which the Issuer provided the Governmental Agency with a loan dated March 25, 2003, in the original principal amount of \$2,458,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003A (the "Series 2003A Loan") and (ii) on November 13, 2003, pursuant to which the Issuer provided the Governmental Agency with a loan dated November 13, 2003, in the original principal amount of \$499,600, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003C (the "Series 2003C Loan"); and

WHEREAS, the proceeds of the Series 2003A Loan were used to refund bonds secured by the Governmental Agency's municipal water distribution system; and

WHEREAS, the proceeds of the Series 2003C Loan were used to construct water facilities in the South Industrial Park, with appurtenances and construction of sewer facilities in the South Industrial Park, with appurtenances, for the benefit of the Governmental Agency's municipal water distribution and sanitary sewer system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Series 2003A Loan and the Series 2003C Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Series 2003A Loan and the Series 2003C Loan and the Obligations thereunder and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE SERIES 2003A LOAN AND THE SERIES 2003C LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

**Section 1. Definitions.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

*"Assistance Agreement"* refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated March 25, 2003, authorizing the Series 2003A Loan and the Assistance Agreement between the Issuer and the Governmental Agency, dated November 13, 2003, authorizing the Series 2003C Loan.

*"First Amendment to Assistance Agreement"* refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 51, dated February 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing April 1, 2013 and continuing through and including January 1, 2028 or until the Loan has been paid in full.

"*Loan*" refers to the Series 2003A Loan and the Series 2003C Loan to the Governmental Agency from the Issuer, both as amended herein.

"*Obligations*" refers to the Series 2003A Loan and the Series 2003C Loan originally authorized by their respective Assistance Agreements, which loans are supplemented, amended, modified and reauthorized by this First Amendment to Assistance Agreement, maturing January 1, 2028.

"*Trustee*" refers to Regions Bank, Nashville, Tennessee.

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Sinking Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Sinking Fund, the amounts set forth as sinking fund payments on **Exhibit A** attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and



amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

**Section 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$1,975,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on February 27, 2013	1,944,202.68
Plus accrued interest from February 1 to February 27, 2013	6,160.71
Plus fee to bondholders for early call of the Loan	18,371.01
Plus net costs associated with amending the debt service on the Loan	36,153.90
Plus deposit to Governmental Agency's Sinking Fund (rounding)	823.55
Credit for current balance in Governmental Agency's Sinking Fund	<u>(30,711.85)</u>
<b>Revised principal amount of the Loan</b>	<b>\$1,975,000.00</b>

*[Signature page follows]*

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Warren County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By James A. Smith  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

WARREN COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

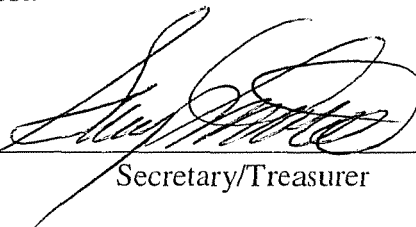
By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Warren County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By  \_\_\_\_\_  
Secretary/Treasurer

WARREN COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Warren County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

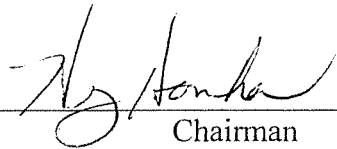
KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

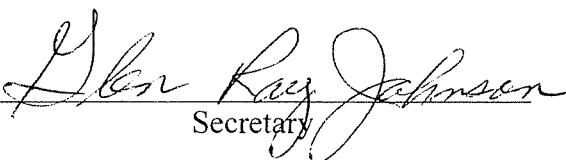
Attest:

By \_\_\_\_\_  
Secretary/Treasurer

WARREN COUNTY WATER DISTRICT

By  \_\_\_\_\_  
Chairman

Attest:

By  \_\_\_\_\_  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2012 B  
Sinking Fund Payment Schedule**

**Borrower:** Warren County Water District  
**Closing Date:** 03/28/12

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
	-	-	-
5/12-7/12	16,190.48	8,020.20	24,210.67
8/12-1/13	20,238.10	5,868.44	26,106.53
2/13-7/13	15,000.00	5,556.77	20,556.77
8/13-1/14	15,000.00	5,556.77	20,556.77
2/14-8/14	4,166.67	5,226.77	9,393.44
8/14-1/15	4,166.67	5,226.77	9,393.44
2/15-7/15	4,166.67	5,135.11	9,301.77
8/15-1/16	4,166.67	5,135.11	9,301.77
2/16-7/16	4,166.67	5,043.44	9,210.11
8/16-1/17	4,166.67	5,043.44	9,210.11
2/17-7/17	4,166.67	4,951.77	9,118.44
8/17-1/18	4,166.67	4,951.77	9,118.44
2/18-7/18	4,583.33	4,818.44	9,401.77
8/18-1/19	4,583.33	4,818.44	9,401.77
2/19-7/19	4,583.33	4,671.77	9,255.11
8/19-1-20	4,583.33	4,671.77	9,255.11
2/20-7/20	4,583.33	4,525.11	9,108.44
8/20-1/21	4,583.33	4,525.11	9,108.44
2/21-7/21	4,583.33	4,378.44	8,961.77
8/21-1/22	4,583.33	4,378.44	8,961.77
2/22-7/22	5,000.00	4,231.77	9,231.77
8/22-1/23	5,000.00	4,231.77	9,231.77
2/23-7/23	5,000.00	4,071.77	9,071.77
8/23-1/24	5,000.00	4,071.77	9,071.77
2/24-7/24	5,416.67	3,911.77	9,328.44
8/24-1/25	5,416.67	3,911.77	9,328.44
2/25-7/25	5,416.67	3,738.44	9,155.11
8/25-1/26	5,416.67	3,738.44	9,155.11
2/26-7/26	5,416.67	3,558.33	8,975.00
8/26-1/27	5,416.67	3,558.33	8,975.00
2/27-7/27	5,833.33	3,371.46	9,204.79
8/27-1/28	5,833.33	3,371.46	9,204.79
2/28-7/28	5,833.33	3,162.92	8,996.25
8/28-1/29	5,833.33	3,162.92	8,996.25
2/29-7/29	6,250.00	2,947.08	9,197.08
8/29-1/30	6,250.00	2,947.08	9,197.08
2/30-7/30	6,250.00	2,715.83	8,965.83
8/30-2/31	6,250.00	2,715.83	8,965.83
2/31-7/31	6,666.67	2,468.96	9,135.63
8/31-1/32	6,666.67	2,468.96	9,135.63
2/32-7/32	6,666.67	2,205.63	8,872.29
8/32-1/33	6,666.67	2,205.63	8,872.29
2/33-7/33	7,083.33	1,942.29	9,025.63
8/33-1/34	7,083.33	1,942.29	9,025.63
2/34-7/34	7,500.00	1,662.50	9,162.50
8/34-1/35	7,500.00	1,662.50	9,162.50
2/35-7/35	7,500.00	1,347.50	8,847.50
8/35-1/36	7,500.00	1,347.50	8,847.50
2/36-7/36	7,916.67	1,032.50	8,949.17
8/36-1/37	7,916.67	1,032.50	8,949.17
2/37-7/37	8,333.33	700.00	9,033.33
8/37-1/38	8,333.33	700.00	9,033.33
2/38-7/38	8,333.33	350.00	8,683.33
8/38-1/39	8,333.33	350.00	8,683.33
	<u>2,095,000.00</u>	<u>1,111,987.60</u>	<u>3,206,987.60</u>

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PUBLIC SERVICE  
COMMISSION

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of February 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Edmonson County Water District, P.O. Box 208, Brownsville, Kentucky 42210 (the "Governmental Agency"):

**WITNESSETH**

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the "Program") designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued, in various series, its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program) (the "Bonds") pursuant to a Trust Indenture dated as of April 4, 2001, as supplemented from time to time (collectively, the "Indenture") between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the "Trustee"), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to assistance agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2013B (the "Series 2013B Bonds") in the aggregate principal amount of \$17,365,000, pursuant to a Supplemental Trust Indenture No. 51, dated as of February 27, 2013 by and between the Issuer and the Trustee, which Series 2013B Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on April 27, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated April 27, 2004, in the original principal amount of \$2,654,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to refund five bond issues secured by the District's waterworks system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

**Section 1. Definitions.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated April 27, 2004, authorizing the Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 51, dated February 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing April 1, 2013 and continuing through and including January 1, 2029 or until the Loan has been paid in full.

"*Loan*" refers to the loan in the amount of \$2,654,000, dated April 27, 2004, to the Governmental Agency from the Issuer, as amended herein.



"Obligations" refers to the Loan originally authorized by the Assistance Agreement, which loan is supplemented, amended, modified and reauthorized by this First Amendment to Assistance Agreement, maturing January 1, 2029.

"Trustee" refers to Regions Bank, Nashville, Tennessee.

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Sinking Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Sinking Fund, the amounts set forth as sinking fund payments on **Exhibit A** attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

**Section 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written

approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$1,960,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on February 27, 2013	1,922,000.00
Plus accrued interest from February 1 to February 27, 2013	5,902.00
Plus fee to bondholders for early call of the Loan	19,220.00
Plus net costs associated with amending the debt service on the Loan	34,720.90
Plus deposit to Governmental Agency's Sinking Fund (rounding)	2,844.93
Credit for current balance in Governmental Agency's Sinking Fund	<u>(24,687.83)</u>
<b>Revised principal amount of the Loan</b>	<b>\$1,960,000.00</b>

*[Signature page follows]*

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Edmonson County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

EDMONSON COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

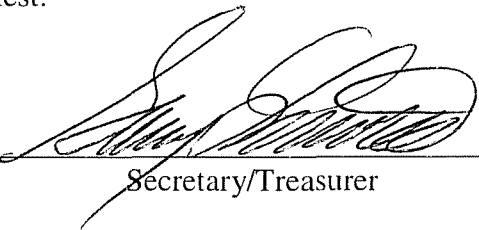
By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Edmonson County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By  \_\_\_\_\_  
Secretary/Treasurer

EDMONSON COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Edmonson County Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

EDMONSON COUNTY WATER DISTRICT

By  \_\_\_\_\_  
Chairman

Attest:

By  \_\_\_\_\_  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower:** Edmonson County Water District  
**Closing Date:** 02/27/13

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
4/13-7/13	11,500.00	5,683.05	17,183.05
8/13-1/14	11,500.00	4,428.54	15,928.54
2/14-8/14	9,583.33	4,208.13	13,791.46
8/14-1/15	9,583.33	4,208.13	13,791.46
2/15-7/15	9,583.33	3,987.71	13,571.04
8/15-1/16	9,583.33	3,987.71	13,571.04
2/16-7/16	10,000.00	3,767.29	13,767.29
8/16-1/17	10,000.00	3,767.29	13,767.29
2/17-7/17	10,000.00	3,537.29	13,537.29
8/17-1/18	10,000.00	3,537.29	13,537.29
2/18-7/18	10,416.67	3,307.29	13,723.96
8/18-1/19	10,416.67	3,307.29	13,723.96
2/19-7/19	10,416.67	3,067.71	13,484.38
8/19-1-20	10,416.67	3,067.71	13,484.38
2/20-7/20	10,416.67	2,828.13	13,244.79
8/20-1/21	10,416.67	2,828.13	13,244.79
2/21-7/21	10,833.33	2,536.46	13,369.79
8/21-1/22	10,833.33	2,536.46	13,369.79
2/22-7/22	11,250.00	2,233.13	13,483.13
8/22-1/23	11,250.00	2,233.13	13,483.13
2/23-7/23	11,666.67	1,918.13	13,584.79
8/23-1/24	11,666.67	1,918.13	13,584.79
2/24-7/24	11,666.67	1,576.88	13,243.54
8/24-1/25	11,666.67	1,576.88	13,243.54
2/25-7/25	12,083.33	1,221.04	13,304.38
8/25-1/26	12,083.33	1,221.04	13,304.38
2/26-7/26	12,500.00	852.50	13,352.50
8/26-1/27	12,500.00	852.50	13,352.50
2/27-7/27	13,333.33	440.00	13,773.33
8/27-1/28	13,333.33	440.00	13,773.33
	<u>1,960,000.00</u>	<u>475,083.43</u>	<u>2,435,083.43</u>