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**APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION**

SEP 9 2013

**For Small Utilities Pursuant to 807 KAR 5:076  
(Alternative Rate Filing)**

**PUBLIC SERVICE  
COMMISSION**

Rattlesnake Ride Water District  
(Name of Utility)

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3563 State Hwy 1661 Grayson, KY 41143  
(Business Mailing Address - Number and Street, or P.O. Box)

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Grayson, KY 41143  
(Business Mailing Address - City, State, and Zip)

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606-474-7570  
(Telephone Number)

**BASIC INFORMATION**

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

Bill Gilbert  
(Name)

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3563 State Hwy 1661  
(Address - Number and Street or P.O. Box)

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Grayson, KY 41143  
(Address - City, State, Zip)

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606-474-7570  
(Telephone Number)

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N/A  
(E-mail Address)

**(For each statement below, the Applicant should check either "YES" or "NO".)**

- |   | YES                                 | NO                                  |
|---|-------------------------------------|-------------------------------------|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 3. Applicant's records are kept separate from other commonly-owned enterprises.   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

- |   | YES                                 | NO                                  |
|---|-------------------------------------|-------------------------------------|
| 4. a. Applicant is a corporation. A certified copy of its articles of incorporation and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| b. Applicant is a limited liability company. A certified copy of its articles of organization and all amendments are attached to this application or were filed with the Public Service Commission in Case No. _____.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| c. Applicant is a limited partnership. A certified copy of its limited partnership agreement and all amendments thereto are attached to this application or were filed with the Public Service Commission in Case No. _____.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| d. Applicant is a sole proprietorship or partnership.   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| e. Applicant is a water district organized pursuant to KRS Chapter 74.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| f. Applicant is a water association organized pursuant to KRS Chapter 273.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| 5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 6. a. Applicant has 20 or fewer customers or is a sewer utility and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. <b>(Attach a copy of customer notice.)</b>  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| b. Applicant has more than 20 customers, is not a sewer utility, and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. <b>(Attach a copy of customer notice.)</b>   | <input type="checkbox"/>            | <input type="checkbox"/> N/A        |
| c. Applicant has more than 20 customers, is not a sewer utility, and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. <b>(Attach a copy of customer notice.)</b> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| 7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." <b>(Attach completed "Reasons for Application" Attachment.)</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

- |  | YES                                 | NO                       |
|--|-------------------------------------|--------------------------|
| 8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." <b>(Attach completed "Current and Proposed Rates" Attachment.)</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, <u>2012</u> .   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." <b>(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)</b> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ <u>                    </u> and total revenues from service rates of \$ <u>587,004</u> . The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. <b>(Attach a completed "Revenue Requirement Calculation" Attachment.)</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 12. As of the <b>date of the filing of this application</b> , Applicant had <u>4049</u> customers.   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 13. A billing analysis of Applicant's current and proposed rates is attached to this application. <b>(Attach a completed "Billing Analysis" Attachment.)</b>   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 14. Applicant's depreciation schedule of utility plant in service is attached. <b>(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)</b>  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.  | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- |  | YES                                 | NO                                  |
|--|-------------------------------------|-------------------------------------|
| 16. a. Applicant is not required to file state and federal tax returns.  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |
| b. Applicant is required to file state and federal tax returns.  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| c. Applicant's most recent state and federal tax returns are attached to this Application. <b>(Attach a copy of returns.)</b>  | <input type="checkbox"/>            | <input type="checkbox"/> NIA        |
| 17. Approximately _____ <b>(Insert dollar amount or percentage of total utility plant)</b> of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions. | <input type="checkbox"/>            | <input type="checkbox"/> NIA        |
| 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires complete such form.                                       | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed Bernie McDaniel  
 Officer of the Company/Authorized Representative  
 Title Commissioner  
 Date Sept. 6, 2013

COMMONWEALTH OF KENTUCKY

COUNTY OF Bowling

Before me appeared Bernie McDaniel, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.

Kerry McJannet #484033  
 Notary Public  
 My commission expires: 02/25/17



**REASONS FOR APPLICATION**

**(In the space below list all reasons why the Applicant requires a rate adjustment. Describe any event or occurrence of significance that may affect the Applicant's present or future financial condition, including but not limited to excessive water line losses, regulatory changes, major repairs, planned construction, and increases in wholesale water costs.)**

The District is currently running a loss, they need a rate increase.

**SCHEDULE OF ADJUSTED OPERATIONS - WATER UTILITY**TYE 12/31/20 12

	Test Year	Adjustment	Ref.	Pro Forma
<b><u>Operating Revenues</u></b>				
<b>Sales of Water</b>				
Unmetered Water Sales				0.00
Metered Water Sales	2,022,798			0.00
Bulk Loading Stations				0.00
Fire Protection Revenue				0.00
Sales for Resale				0.00
<b>Total Sales of Water</b>	<u>2,022,798 <del>0.00</del></u>	<u>0.00</u>		<u>0.00</u>
<b>Other Water Revenues</b>				
Forfeited Discounts				0.00
Miscellaneous Service Revenues	19,414			0.00
Rents from Water Property				0.00
Other Water Revenues	18,459			0.00
<b>Total Other Water Revenues</b>	<u>37,873 <del>0.00</del></u>	<u>0.00</u>		<u>0.00</u>
<b>Total Operating Revenues</b>	<u>2,060,671 <del>0.00</del></u>	<u>0.00</u>		<u>0.00</u>
<b><u>Operating Expenses</u></b>				
<b>Operation and Maintenance Expenses</b>				
Salaries and Wages - Employees	580,614			0.00
Salaries and Wages - Officers				0.00
Employee Pensions and Benefits	298,324			0.00
Purchased Water	4169			0.00
Purchased Power	249,211			0.00
Fuel for Power Production				0.00
Chemicals				0.00
Materials and Supplies	272,930			0.00
Contractual Services	10,354			0.00
Water Testing	23,506			0.00
Rents				0.00
Transportation Expenses	60,554			0.00
Insurance	53,426			0.00
Regulatory Commission Expenses				0.00
Bad Debt Expense				0.00

Miscellaneous Expenses	11,489		0.00
Total Operation and Maintenance Expenses	1,564,577	0.00	1,564,577
Depreciation Expense	809,075	(214,014)	595,061
Amortization Expense			0.00
Taxes Other Than Income	48,754		48,754
Income Tax Expense			0.00
<b>Total Operating Expenses</b>	2,422,406	0.00	2,110,886
<b>Utility Operating Income</b>	(361,735)	(214,014)	(88,086)

References

- updated deprec schedule to <sup>75</sup> years for transmission/Distributions.

**REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD**

(This method is used commonly by non-profits that have long-term debts outstanding.)

Pro forma Operating Expenses	2,110,884
Plus: Average Annual Debt Principal and Interest Payments*	498,984
Debt Coverage Requirement**	0
Total Revenue Requirement	<u>2,609,868</u> <del>0.00</del>
Less: Other Operating Revenue	0
Non-operating Revenue	0
Interest Income	<u>66</u>
Revenue Required from Rates	<u>2,609,802</u> <del>0.00</del>
Less: Revenue from Sales at Present Rates	<u>2,022,798</u>
Required Revenue Increase	<u>587,004</u> <del>\$0.00</del>

Required Revenue Increase stated as a Percentage of Revenue at Present Rates

29%

\* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

\*\* This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.

PUBLIC NOTICE OF PROPOSED ADJUSTMENT OF WATER RATES AND CHARGES

RATTLESNAKE RIDGE WATER DISTRICT

NOTICE

Notice is hereby given that the Rattlesnake Ridge Water District (the District) has filed an application with the Public Service Commission of Kentucky (the PSC) seeking approval of revised water rates. The District plans to implement the proposed rates upon approval of the PSC.

**Monthly Rate:**

<b>Residential 5/8"</b>	Current	Proposed
1,000 Gallons	14.98	19.32
Next 4,000 Gallons	9.18	11.84
Next 5,000 Gallons	7.90	10.19
Next 10,000 Gallons	6.78	8.75
Next 20,000 Gallons	4.75	6.13
Over 40,000 Gallons	3.74	4.82
 <b>3/4"</b>		
5,000 Gallons	51.70	66.69
Next 5,000 Gallons	7.90	10.19
Next 10,000 Gallons	6.78	8.75
Next 20,000 Gallons	4.75	6.13
Over 40,000 Gallons	3.74	4.82
 <b>2'</b>		
First 50,000 Gallons	291.40	375.91
Over 50,000 Gallons	3.74	4.82
 <b>3'</b>		
First 100,000 Gallons	478.40	617.14
All over 100,000 Gallons	3.74	4.82
 <b>6'</b>		
First 500,000 Gallons	1,974.40	2,546.98
Over 500,000 Gallons	3.74	4.82
 <b>1'</b>		
First 10,000 Gallons	91.20	117.65
Next 10,000 Gallons	6.78	8.75
Next 20,000 Gallons	4.75	6.13
Over 40,000 Gallons	3.74	4.82
 <b>1.5'</b>		
First 30,000 Gallons	206.50	266.39
Next 10,000 Gallons	4.75	6.13
Over 40,000 Gallons	3.74	4.82

Typical Residential Monthly Usage	Current Monthly Bill	Proposed Monthly Bill	Percent Increase
1,000 Gallons	\$ 14.98	\$ 19.32	29%
5,000 Gallon	\$ 51.70	\$ 66.69	29%
10,000 Gallons	\$ 91.20	\$ 117.65	29%
20,000 Gallons	\$ 159.00	\$ 205.11	29%
40,000 Gallons	\$ 254.00	\$ 327.66	29%
80,000 Gallons	\$ 403.60	\$ 520.64	29%

The rates contained in this notice are the rates proposed by the District. However, the PSC may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates included in this notice.

Customers of the District are advised that any corporation, District, public body, or person with a substantial interest in the matter may, and showing grounds for the request, intervene in this filing. Any motion to intervene shall be submitted to the Kentucky Public Service Commission, 211 Sower Boulevard, PO. Box 615, Frankfort, KY 40602; Attn: Executive Director. (Telephone 502-564-3940) and shall set forth the grounds of the request, including the status and interest of the party intervening and may obtain copies of the rate application and any other filings made by the District by contacting the District at its main office or by telephone (859-654-2100). Any person may examine the rate application and any other filings made by the District at the District's main office located in Grayson, Kentucky or at the Public Service Commission's office located at 211 Sower Boulevard, Frankfort, KY 40602, telephone 502-564-3940.

NEW

Rattlesnake Ridge Water District  
 Fixed Asset Listing  
 For the Year Ended December 31, 2012

Code	Description	Date	Meth	Life	Cost	Accum Depr	Depreciation	Accum Depr	Depreciation	Accum Depr	Depreciation	Accum Depr
						2010	2011	2011	2012	2012		
304	Tanks	1986	S/L	0	302,600	279,905	7,565	287,470	7,565	295,035		
304	Tanks	1989	S/L	40	82,571	59,752	2,064	61,816	2,064	63,880		
304	Tanks	1994	S/L	20	63,822	54,248	3,191	57,439	3,191	60,630		
304	Tanks-IV	1995	S/L	20	121,851	93,422	6,093	99,515	6,093	105,608		
304	Tanks-V	1997	S/L	20	10,609	7,423	530	7,953	530	8,483		
304	Tanks-VB	1997	S/L	20	129,677	90,775	6,484	97,259	6,484	103,743		
304	Tanks-IV	1996	S/L	10	2,123	2,123	-	2,123	-	2,123		
304	Tanks	2002	S/L	40	240,620	51,135	6,016	57,151	6,016	63,167		
304	Tanks	2002	S/L	40	232,000	50,750	5,800	56,550	5,800	62,350		
304	Tanks	2005	S/L	40	654,037	96,743	16,351	113,094	16,351	129,445		
304	Tank Improvement	2009	S/L	20	3,998	400	200	600	200	800		
304	Radio and Tank Impro	2010	S/L	20	1,104	55	55	110	55	165		
304	Tank Improvement	2010	S/L	20	7,491	375	375	750	375	1,125		
304	Pressure Transmitter	2010	S/L	20	680	34	34	68	34	102		
304	Tank Improvement	2011	S/L	20	9,862	-	493	492	493	985		
304	Meters	2012	S/L	20	23,762	-	-	-	1,188	1,188		
					1,886,807	787,140	55,251	842,390	56,439	898,829		
311	Greg PS	12/1/1997	S/L	10	34,075	34,075	-	34,075	-	34,075		
311	Pumps	1986	S/L	10	228,080	228,080	-	228,080	-	228,080		
311	Pumps	1989	S/L	10	27,524	27,524	-	27,524	-	27,524		
311	Pumps	1993	S/L	10	9,681	9,681	-	9,681	-	9,681		
311	Pumps	1994	S/L	10	135,222	135,222	-	135,222	-	135,222		
311	Pumps	1995	S/L	10	121,851	121,851	-	121,851	-	121,851		
311	Pumps Replace	1995	S/L	10	2,238	2,238	-	2,238	-	2,238		
311	Pumps V	1997	S/L	10	1,277	1,277	-	1,277	-	1,277		
311	Pumps V	1997	S/L	10	72,039	72,039	-	72,039	-	72,039		
311	PS	4/1/1999	S/L	10	5,458	5,458	-	5,458	-	5,458		
311	Pump Station	6/24/2002	S/L	10	20,874	17,741	2,087	19,828	1,046	20,874		
311	Pump Station	9/30/2004	S/L	10	19,950	10,973	1,995	12,968	1,995	14,963		
311	Pumps	1/27/2005	S/L	10	213,026	126,042	21,303	147,345	21,303	168,648		
311	Pumps	2006	S/L	10	37,515	16,884	3,752	20,636	3,752	24,388		
311	Pumps	2010	S/L	10	5,968	597	597	1,194	597	1,791		
311	Pumps	2011	S/L	10	16,950	-	1,695	1,695	1,695	3,390		
311	Rebuilt motor	2012	S/L	10	1,650	-	-	-	165	165		
311	Controller @ pump station	2012	S/L	10	2,008	-	-	-	201	201		
311	Chemical pump	2012	S/L	10	685	-	-	-	69	69		
					956,069	809,682	31,429	841,111	30,821	871,932		
					18,344,070	4,864,747	458,335	5,323,082	458,602	5,781,684		
331	Ext Lines	1989	S/L	40	446,935	234,183	11,173	245,356	11,173	256,529	new life	2012 new
331	Lines	1994	S/L	40	980,818	416,845	24,520	441,365	24,520	465,885	75	deprec
331	Lines III	1995	S/L	40	29,048	11,618	726	12,344	726	13,070	75	deprec var
331	Lines IV	1995	S/L	40	1,549,962	594,152	38,749	632,901	38,749	671,650	75	
331	Lines IV	1996	S/L	40	105,331	39,498	2,633	42,131	2,633	44,764	75	
331	Lines V	1997	S/L	40	56,832	19,892	1,421	21,313	1,421	22,734	75	
331	Lines VA	1997	S/L	40	1,062,677	371,937	26,567	398,504	26,567	425,071	75	
331	Water Lines	1986	S/L	40	2,405,320	1,503,325	60,133	1,563,458	60,133	1,623,591	75	
331	Water Lines	2002	S/L	40	3,137,872	666,799	78,447	745,246	78,447	823,693	75	
331	Lines	2002	S/L	40	35,443	7,384	886	8,270	886	9,156	75	
331	Lines	2002	S/L	40	465,086	101,736	11,627	113,363	11,627	124,990	75	
331	Lines	2005	S/L	40	4,381,065	648,034	109,527	757,561	109,527	867,088	75	
331	Lines	2008	S/L	40	2,623,301	197,395	65,582	262,977	65,583	328,560	75	
331	Lines	2009	S/L	40	1,024,191	51,210	25,605	76,815	25,605	102,420	75	
331	Lines	2010	S/L	40	29,552	739	739	1,478	739	2,217	75	
331	Lines	2012	S/L	40	10,637	-	-	-	266	266	75	
					18,344,070	4,864,747	458,335	5,323,082	458,602	5,781,684	244,588	214,014
334	Hert Elem	10/1/1999	S/L	40	1,568	443	39	482	39	521		
334	Install	1991	S/L	40	16,233	7,915	406	8,321	406	8,727		
334	Install	1992	S/L	40	17,150	7,933	429	8,362	429	8,791		
334	Install	1993	S/L	40	22,097	9,665	552	10,217	552	10,769		
334	Install	1994	S/L	40	32,012	13,203	800	14,003	800	14,803		
334	Install	1995	S/L	40	48,132	18,649	1,203	19,852	1,203	21,055		
334	Install	1996	S/L	40	44,860	16,265	1,122	17,387	1,122	18,509		
334	Install	1997	S/L	40	39,822	13,443	996	14,439	996	15,435		
334	Install	6/30/1998	S/L	40	31,885	9,963	797	10,760	797	11,557		
334	Install	6/30/1999	S/L	40	34,425	9,903	861	10,764	861	11,625		
334	Install	6/30/2000	S/L	40	41,630	10,929	1,041	11,970	1,041	13,011		
334	Install	6/30/2001	S/L	40	51,170	12,151	1,279	13,430	1,279	14,709		
334	Install	12/1/2000	S/L	40	10,232	2,581	256	2,837	256	3,093		
334	Install	4/26/2001	S/L	40	52,914	11,245	1,323	12,568	1,323	13,891		
334	Install	1/27/2005	S/L	40	785,200	116,144	19,630	135,774	19,630	155,404		
334	Install	2006	S/L	40	36,600	4,122	916	5,038	915	5,953		
334	Install	2007	S/L	40	48,600	4,253	1,215	5,468	1,215	6,683		
334	Install	2008	S/L	40	46,800	2,925	1,170	4,095	1,170	5,265		
334	Install	2009	S/L	40	28,600	1,430	715	2,145	715	2,860		
334	Install	2010	S/L	40	37,050	926	926	1,852	926	2,778		
334	Install	2011	S/L	40	28,140	-	704	704	704	1,408		
334	Install	2012	S/L	40	9,210	-	-	-	230	230		
					1,464,330	274,088	36,380	310,468	36,608	347,076		
	Total Water System				22,651,275	6,735,657	581,395	7,317,051	582,470	7,899,521		

lb14600



Rattlesnake Ridge Water District  
 Fixed Asset Listing  
 For the Year Ended December 31, 2012

Code	Description	Date	Meth	Life	Cost	Accum Depr 2010	Depreciation 2011	Accum Depr 2011	Depreciation 2012	Accum Depr 2012
304	Storage Building	9/1/1988	S/L	5	699	699	-	699	-	699
304	Trailer	3/8/1985	S/L	5	3,150	3,150	-	3,150	-	3,150
	Disposed of Trailer				(3,150)	(3,150)	-	(3,150)	-	(3,150)
					699	699	-	699	-	699
310	Generator	10/19/1995	S/L	7	530	530	-	530	-	530
340	Cash Register	2/14/1996	S/L	5	1,744	1,744	-	1,744	-	1,744
	Disposed of cash register				(1,744)	(1,744)	-	(1,744)	-	(1,744)
340	Computer Equipment	9/24/1998	S/L	5	9,980	9,980	-	9,980	-	9,980
340	Computer Equipment	10/16/1998	S/L	5	9,905	9,905	-	9,905	-	9,905
340	Computer Equipment	5/17/1999	S/L	5	9,170	9,170	-	9,170	-	9,170
340	Computer Equipment	9/20/1999	S/L	5	1,590	1,590	-	1,590	-	1,590
340	Copier	1/11/1990	S/L	5	900	900	-	900	-	900
	Disp computer Equip&Copier				(31,545)	(31,545)	-	(31,545)	-	(31,545)
340	Furn Fixture	2/2/1992	DDE	5	1,669	1,669	-	1,669	-	1,669
340	Safe	12/31/1994	S/L	7	1,609	1,609	-	1,609	-	1,609
340	Safe	7/12/2001	S/L	7	1,675	1,675	-	1,675	-	1,675
340	U Building Heat	2/14/1995	S/L	7	440	440	-	440	-	440
340	Computer Equipment	4/3/2006	S/L	5	1,941	1,746	388	2,134	-	2,134
340	Computer Equipment	3/12/2007	S/L	5	3,644	2,916	729	3,645	-	3,645
340	Dell Laptop reading	2/3/2008	S/L	5	1,760	1,056	352	1,408	352	1,760
340	Laser Printer	11/7/2008	S/L	5	950	570	190	760	-	950
340	computer	12/3/2010	S/L	5	5,675	1,135	1,135	2,270	1,135	3,405
340	computers	6/1/2010	S/L	5	35,978	7,196	7,196	14,392	7,196	21,588
340	furniture and supplies	7/22/2010	S/L	7	1,965	642	642	1,284	281	1,565
340	a/c unit	7/22/2010	S/L	7	2,529	361	361	722	361	1,083
340	telephones	7/22/2010	S/L	5	4,691	938	938	1,876	938	2,814
340	sensors	6/20/2010	S/L	5	780	156	156	312	156	468
340	website	3/15/2010	S/L	5	750	150	150	300	150	450
340	Amperometric Analyzer	11/4/2008	S/L	5	2,771	1,780	554	2,334	437	2,771
340	Lexmark Printer	2012	S/L	5	1,170	-	-	-	234	234
340	Data Radio	2012	S/L	5	1,185	-	-	-	237	237
340	Lawn Mower	2012	S/L	7	1,900	-	-	-	271	271
340	computer	2012	S/L	5	595	-	-	-	119	119
					73,677	24,039	12,791	36,830	12,058	48,888
341	200 S-10	10/25/2000	S/L	5	15,037	15,037	-	15,037	-	15,037
341	2001 Chevy	2/1/2001	S/L	5	25,069	25,069	-	25,069	-	25,069
341					(25,069)	(25,069)	-	(25,069)	-	(25,069)
341	1995 Pickup	3/31/1995	S/L	5	19,552	19,552	-	19,552	-	19,552
341	1996 Chevy PU	8/8/1996	S/L	5	15,298	15,298	-	15,298	-	15,298
341					(34,850)	(34,850)	-	(34,850)	-	(34,850)
341	1996 Ford PU	8/8/1996	S/L	5	20,092	20,092	-	20,092	-	20,092
	sold				(20,092)	(20,092)	-	(20,092)	-	(20,092)
341	1997 Blazer	2/10/1998	S/L	5	18,500	18,500	-	18,500	-	18,500
341	1997 Chevy PU	6/25/1997	S/L	5	20,125	20,125	-	20,125	-	20,125
	sold				(38,625)	(38,625)	-	(38,625)	-	(38,625)
341	TRK Tool Box	1/11/1993	S/L	5	700	700	-	700	-	700
341	1997 Chevy PU	8/14/2003	S/L	5	20,015	13,343	-	13,343	-	13,343
	sold truck				(20,015)	(13,343)	-	(13,343)	-	(13,343)
341	2004 Ford PU	4/9/2004	S/L	5	21,158	21,158	-	21,158	-	21,158
341	Dump truck	11/30/2005	S/L	5	22,000	22,000	4,033	26,033	-	26,033
341	2007 chevy PU	1/31/2007	S/L	5	25,675	20,540	5,135	25,675	-	25,675
341	2004 chevy PU	4/29/2008	S/L	5	7,603	4,562	1,521	6,083	1,521	7,604
341	09 Chevy pu	9/1/2009	S/L	5	23,744	3,166	1,583	4,749	4,749	9,498
341	Truck 208, Radio/Lights	9/1/2009	S/L	5	613	82	41	123	123	246
341	2012 Ford F250 truck	2012	S/L	5	26,142	-	-	-	5,228	5,228
					142,672	87,245	12,313	99,558	6,392	105,950
345	Boring Machine	8/1/1988	S/L	5	2,751	2,751	-	2,751	-	2,751
345	Leak Detector	2/20/1998	S/L	7	1,776	1,776	-	1,776	-	1,776
345	Pressure Wash	3/25/1997	S/L	5	689	689	-	689	-	689
345	Trash Pump	3/20/1998	S/L	7	850	850	-	850	-	850
345	fuel pump	10/30/2010	S/L	7	525	75	75	150	75	225
345	Boring Machine	4/1/2007	S/L	5	1,200	960	240	1,200	-	1,200
345	Impact drill	7/31/2011	S/L	5	654	-	131	131	131	262
345	Pressure Wash	8/28/2011	S/L	5	700	-	140	140	140	280
345	Reciprocating saw	2012	S/L	7	550	-	-	-	79	79
					9,695	7,101	586	7,687	424	8,111
348	Radio	4/1/1955	S/L	5	1,225	1,225	-	1,225	-	1,225
348	Radio	10/18/1999	S/L	5	1,655	1,655	-	1,655	-	1,655
348	Trk # 205 Radio	6/25/1997	S/L	5	1,532	1,532	-	1,532	-	1,532
348	Truck Radios	3/10/1994	S/L	7	1,160	1,160	-	1,160	-	1,160
					5,572	5,572	-	5,572	-	5,572
	Total Other Assets				232,845	125,186	25,690	150,876	18,874	169,750

Rattlesnake Ridge Water District  
 Fixed Asset Listing  
 For the Year Ended December 31, 2012

Code	Description	Date	Meth	Life	Cost	Accum Depr 2010	Depreciation 2011	Accum Depr 2011	Depreciation 2012	Accum Depr 2012
341	1 985 C70 Truck Disposed of truck	12/27/1995	S/L	5	14,767 (14,767)	14,767 (14,767)	- -	14,767 (14,767)	- -	14,767 (14,767)
345	Backhoe	8/2/2004	S/L	5	48,401	48,101	-	48,401	-	48,401
345	Trailer	12/1/2008	S/L	5	5,603	3,362	1,121	4,483	1,121	5,604
345	Trailer sold	8/2/2004	S/L	5	8,400 (8,400)	8,400 (8,400)	- -	8,400 (8,400)	- -	8,400 (8,400)
345	Excavator	6/10/2010	S/L	5	42,588	8,518	8,518	17,036	8,518	25,554
345	Trailer	3/28/2011	S/L	5	3,430	-	686	686	686	1,372
345	Trailer Improv	5/23/2011	S/L	5	2,808	-	562	562	562	1,124
					102,830	59,981	10,887	71,168	10,886	82,054
	Total Heavy Equipment				102,830	59,981	10,887	71,168	10,886	82,054
								tb15220		
303	Land	10/1/2008			2,000					
303	Land	1/2/1992			4,500					
					6,500					
304	Bal Utility Bldg	2/14/1995	S/L	31.5	1,088	550	35	585	35	620
304	Handicap Access	7/7/1998	S/L	31.5	1,770	701	56	757	56	813
304	Office Bldg	1/24/1992	S/L	31.5	45,077	27,129	1,431	28,560	1,431	29,991
304	Pave Lot	8/24/1994	S/L	15	4,000	4,000	-	4,000	-	4,000
304	Pave Lot	8/7/1996	S/L	15	2,525	2,439	168	2,607	-	2,607
304	Utility Bldg	11/1/1994	S/L	31.5	15,385	7,893	488	8,381	488	8,869
304	Wiring Cable	9/15/1995	S/L	31.5	2,841	1,374	90	1,464	90	1,554
304	Shed	6/15/2006	S/L	31.5	9,000	1,287	286	1,573	286	1,859
					81,686	45,373	2,554	47,927	2,386	50,313
340	A/C Furn Util	9/15/1995	S/L	7	3,687	3,687	-	3,687	-	3,687
340	Security System	12/8/1994	S/L	7	1,621	1,621	-	1,621	-	1,621
					5,308	5,308	-	5,308	-	5,308
	Total Building and Land				93,494	50,681	2,554	53,235	2,386	55,621
								tb15100		
304	Structures	4/1/2002	S/L	40	1,346,167	294,473	33,654	328,127	33,654	361,781
304	Structures	4/1/2002	S/L	40	805,788	176,268	20,145	196,413	20,145	216,558
304	Structures	1/1/2003	S/L	40	1,072	216	27	243	27	270
304	Structures	2/28/2003	S/L	40	4,425	869	111	980	111	1,091
					2,157,452	471,826	53,937	525,763	53,936	579,699
320	WTP Equipment	4/1/2002	S/L	20	2,288,544	1,001,237	114,427	1,115,664	114,427	1,230,091
320	WTP Equipment	5/4/2002	S/L	20	256,233	108,901	12,812	121,713	12,812	134,525
320	WTP Equipment	2009	S/L	20	46,055	2,302	1,151	3,453	2,303	5,756
320	WTP Equipment	6/30/2010	S/L	20	3,806	190	190	380	190	570
320	WTP Equipment	6/30/2010	S/L	20	3,295	165	165	330	165	495
320	WTP Equipment	2011	S/L	20	10,613	-	531	531	531	1,062
320	WTP Equipment	2012	S/L	20	620	-	-	-	31	31
					2,609,166	1,112,795	129,276	1,242,071	130,458	1,372,529
	Total Water Treatment Plant				4,766,618	1,584,621	183,213	1,767,834	184,395	1,952,229
								tb14700		
	Total				27,847,061	8,556,124	803,737	9,360,162	799,008	10,159,172

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Rattlesnake Ridge Water Dist ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

Billy A Gilbert  
(Print Name)

Billy A Gilbert  
(Signed)

CHAIRMAN  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Carter

Subscribed and sworn to before me by Billy A. Gilbert  
(Name)

this 5<sup>th</sup> day of Sept, 20 13.

Karen E. Dickerson  
NOTARY PUBLIC  
State-at-Large

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between \_\_\_\_\_ ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

Benjamin W. Harmon  
(Print Name)

Benjamin W. Harmon  
(Signed)

Board Member  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Carter

Subscribed and sworn to before me by Benjamin W Harmon  
(Name)

this 5<sup>th</sup> day of Sept, 20 13.

Mary E Dieffenber  
NOTARY PUBLIC  
State-at-Large

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm that to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Rattlesnake Ridge Water District and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include all transactions and payments in excess of \$25.00 made directly to or on behalf of: 1) current or former employees other than their regular wages and benefits; 2) current or former officers, directors, and shareholders of Rattlesnake Ridge Water District; 3) family members\* of any current or former employee, officer, or director of Rattlesnake Ridge Water District; or 4) a business enterprise in which a current or former employee, officer, or director or a family member of a current or former employee, officer, or director has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if Utility had no related party transaction.

Check box if additional transactions are listed on the supplemental page.

LARRY CARROLL  
(Print Name)

*Larry Carroll*  
(Signature)

COMM. MEMBER  
Position/Office

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of a water district employee or officer or of a member of the water district's board of directors; or is a dependent for tax purposes of a water district officer, board director, employee, or an officer's or board director's or employee's spouse; or is a member of the officer's or board director's or employee's household.

COMMONWEALTH OF KENTUCKY  
COUNTY OF Walter

Subscribed and sworn to before me by Larry Carroll  
(Name)

this 5<sup>th</sup> day of Sept, 2013

[Signature]  
NOTARY PUBLIC  
State-at-Large





**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between \_\_\_\_\_ ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

Jennifer R. Carter  
(Print Name)

Jennifer R. Carter  
(Signed)

Board member - Rattlesnake Ridge  
(Position/Office) Water District

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Carter

Subscribed and sworn to before me by Jennifer B. Carter  
(Name)

this 5 day of September, 20 13.

Judy Dickerson  
NOTARY PUBLIC  
State-at-Large

**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Rattle Snake Water District ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

Check this box if the Utility has no related party transactions.

Check box if additional transactions are listed on the supplemental page.

Bernie McDavie  
(Print Name)

Bernie McDavie  
(Signed)

Commissioner  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Clinton

Subscribed and sworn to before me by *Bonnie McDaniel*  
(Name)

this 3<sup>rd</sup> day of August, 2013.

*Greg E. Hatfield*  
NOTARY PUBLIC  
State-at-Large

C-1  
 SS  
 4/23/13

Rattlesnake Ridge Water District  
 12/31/2012  
 Debt Maturities

	91-05			91-07			91-10			91-13		
	Principal	Prin Bal.	Interest	Principal	Prin Bal.	Interest	Principal	Prin Bal.	Interest	Principal	Prin Bal.	Interest
		125,000			260,500			336,000			150,000	
2013	5,000	120,000	6,125	8,500	252,000	12,813	9,000	327,000	14,917	4,000	146,000	6,660
2014	6,000	114,000	5,850	9,000	243,000	12,375	9,000	318,000	14,512	4,500	141,500	6,469
2015	6,000	108,000	5,550	9,500	233,500	11,912	10,000	308,000	14,085	4,500	137,000	6,266
2016	6,000	102,000	5,250	10,000	223,500	11,425	10,000	298,000	13,635	5,000	132,000	6,052
2017	6,000	96,000	4,950	10,500	213,000	10,913	11,000	287,000	13,162	5,000	127,000	5,827
2018	7,000	89,000	4,625	11,000	202,000	10,375	11,000	276,000	12,668	5,000	122,000	5,603
2019	7,000	82,000	4,275	11,500	190,500	9,812	12,000	264,000	12,150	5,500	116,500	5,366
2020	7,000	75,000	3,925	12,000	178,500	9,225	12,000	252,000	11,610	5,500	111,000	5,119
2021	8,000	67,000	3,550	13,000	165,500	8,600	13,000	239,000	11,047	6,000	105,000	4,860
2022	8,000	59,000	3,150	13,000	152,500	7,950	14,000	225,000	10,440	6,000	99,000	4,590
2023	9,000	50,000	2,725	14,000	138,500	7,275	14,000	211,000	9,810	6,500	92,500	4,309
2024	9,000	41,000	2,275	14,500	124,000	6,563	15,000	196,000	9,157	6,500	86,000	4,016
2025	9,000	32,000	1,825	15,500	108,500	5,813	16,000	180,000	8,460	7,000	79,000	3,713
2026	10,000	22,000	1,350	16,000	92,500	5,025	17,000	163,000	7,717	7,500	71,500	3,386
2027	11,000	11,000	825	17,000	75,500	4,200	17,000	146,000	6,952	7,500	64,000	3,049
		11,000										
2028	11,000	-	275	17,500	58,000	3,338	18,000	128,000	6,165	8,000	56,000	2,700
2029				18,500	39,500	2,437	19,000	109,000	5,333	8,500	47,500	2,329
2030				19,500	20,000	1,487	20,000	89,000	4,455	8,500	39,000	1,946
2031				20,000	-	500	21,000	68,000	3,533	9,500	29,500	1,541
2032							22,000	46,000	2,565	9,500	20,000	1,114
2033							23,000	23,000	1,553	10,000	10,000	675
2034							23,000	-	518	10,000	-	225
2035												
2036												
2037												
2038												
2039												
2040												
2041												
2042												
2043												
2044												
2045												
2046												
2047												
2048												
2049												
2050												
2051												
	125,000		56,525	260,500		142,038	336,000		194,444	150,000		85,815
Original	195,000			365,000			434,000			197,000		
	5.00%			5.00%			4.50%			4.50%		

91-15			91-17			91-19			91-22			91-24		
Principal	Prin Bal.	Interest	Principal	Prin Bal.	Interest	Principal	Prin Bal.	Interest	Principal	Prin Bal.	Interest	Principle	Prin Bal.	Interest
	347,000			78,600			794,000			773,000			374,000	
9,000	338,000	15,412	2,000	76,600	3,492	15,000	779,000	35,392	16,500	756,500	24,854	7,000	367,000	16,673
9,000	329,000	15,007	2,100	74,500	3,400	15,000	764,000	34,717	17,000	739,500	24,310	7,000	360,000	16,358
10,000	319,000	14,580	2,200	72,300	3,303	16,000	748,000	34,020	17,500	722,000	23,749	8,000	352,000	16,020
10,000	309,000	14,130	2,300	70,000	3,202	17,000	731,000	33,277	18,000	704,000	23,172	8,000	344,000	15,660
11,000	298,000	13,657	2,400	67,600	3,096	17,000	714,000	32,513	19,000	685,000	22,571	8,000	336,000	15,300
11,000	287,000	13,162	2,500	65,100	2,986	19,000	695,000	31,702	19,000	666,000	21,954	9,000	327,000	14,918
12,000	275,000	12,645	2,600	62,500	2,871	19,000	676,000	30,847	20,000	646,000	21,230	9,000	318,000	14,512
12,000	263,000	12,105	2,700	59,800	2,752	20,000	656,000	29,970	20,500	625,500	20,662	10,000	308,000	14,085
13,000	250,000	11,542	2,900	56,900	2,626	21,000	635,000	29,048	21,500	604,000	19,979	10,000	298,000	13,635
13,000	237,000	10,958	3,000	53,900	2,493	22,000	613,000	28,080	22,000	582,000	19,273	10,000	288,000	13,185
14,000	223,000	10,350	3,100	50,800	2,356	23,000	590,000	27,068	22,500	559,500	18,549	11,000	277,000	12,713
15,000	208,000	9,698	3,300	47,500	2,212	24,000	566,000	26,010	23,500	536,000	17,802	11,000	266,000	12,218
15,000	193,000	9,023	3,400	44,100	2,061	25,000	541,000	24,908	24,000	512,000	17,030	12,000	254,000	11,700
16,000	177,000	8,325	3,600	40,500	1,903	26,000	515,000	23,760	25,000	487,000	16,234	12,000	242,000	11,160
17,000	160,000	7,583	3,700	36,800	1,739	27,000	488,000	22,568	25,500	461,500	15,413	13,000	229,000	10,598
17,000	143,000	6,818	3,900	32,900	1,568	29,000	459,000	21,308	26,500	435,000	14,568	13,000	216,000	10,012
18,000	125,000	6,030	4,100	28,800	1,388	29,000	430,000	20,003	27,500	407,500	13,691	14,000	202,000	9,405
19,000	106,000	5,198	4,200	24,600	1,202	31,000	399,000	18,652	28,500	379,000	12,781	15,000	187,000	8,753
20,000	86,000	4,320	4,500	20,100	1,006	32,000	367,000	17,235	29,000	350,000	11,846	15,000	172,000	8,078
21,000	65,000	3,398	4,600	15,500	801	34,000	333,000	15,750	30,500	319,500	10,879	16,000	156,000	7,380
21,000	44,000	2,452	4,900	10,600	587	35,000	298,000	14,198	31,000	288,500	9,880	17,000	139,000	6,637
22,000	22,000	1,485	5,000	5,600	364	37,000	261,000	12,578	32,500	256,000	8,848	17,000	122,000	5,872
22,000	-	495	5,600	-	126	39,000	222,000	10,867	33,000	223,000	7,784	19,000	103,000	5,062
						40,000	182,000	9,090	34,500	188,500	6,687	19,000	84,000	4,207
						42,000	140,000	7,245	35,500	153,000	5,549	20,000	64,000	3,330
						45,000	95,000	5,288	36,500	116,500	4,379	21,000	43,000	2,407
						47,000	48,000	3,217	38,000	78,500	3,169	22,000	21,000	1,440
						48,000	-	1,080	39,000	39,500	1,918	21,000	-	472
									39,500	-	642			
347,000		208,373	78,600		47,534	794,000		600,391	773,000		419,403	374,000		281,790
445,000			100,000			900,000			900,000			425,000		
4.50%			4.50%			4.50%			4.50%			4.50%		

91-26			91-31			91-33			91-36			91-39		
Principle	Prin Bal.	Interest	Principal	Prin Bal.	Interest	Principal	Prin Bal.	Interest	Principal	Prin Bal.	Interest	Principal	Prin Bal.	Interest
	53,100			1,246,500			511,000			1,336,000			1,146,000	
900	52,200	2,369	18,000	1,228,500	55,687	7,500	503,500	22,192	-	1,336,000	-	-	1,146,000	-
1,000	51,200	2,326	19,000	1,209,500	54,855	8,000	495,500	21,853	21,000	1,315,000	26,510	19,500	1,126,500	22,725
1,000	50,200	2,281	20,000	1,189,500	53,978	8,000	487,500	21,503	21,500	1,293,500	26,085	20,000	1,106,500	12,330
1,100	49,100	2,234	20,500	1,169,000	53,066	8,500	479,000	21,142	22,000	1,271,500	25,650	20,500	1,086,000	21,925
1,100	48,000	2,185	21,500	1,147,500	52,121	9,000	470,000	20,759	22,500	1,249,000	25,205	21,000	1,065,000	21,510
				1,147,500										
1,200	46,800	2,133	22,500	1,125,000	51,131	9,500	460,500	20,355	23,000	1,226,000	24,750	21,000	1,044,000	21,090
1,200	45,600	2,079	23,500	1,101,500	50,096	9,500	451,000	19,939	24,000	1,202,000	24,280	21,500	1,022,500	20,665
1,300	44,300	2,023	24,500	1,077,000	49,016	10,000	441,000	19,513	24,500	1,177,500	23,795	22,000	1,000,500	20,230
1,300	43,000	1,964	26,000	1,051,000	47,880	10,500	430,500	19,064	25,000	1,152,500	23,300	22,500	978,000	19,785
1,400	41,600	1,903	27,000	1,024,000	46,688	11,000	419,500	18,594	25,500	1,127,000	22,795	23,000	955,000	19,330
1,400	40,200	1,841	28,000	996,000	45,450	11,500	408,000	18,102	26,500	1,100,500	22,275	23,500	931,500	18,865
1,500	38,700	1,775	29,500	966,500	44,156	12,000	396,000	17,588	27,000	1,073,500	21,740	24,000	907,500	18,390
1,600	37,100	1,706	31,000	935,500	42,795	12,500	383,500	17,052	28,000	1,045,500	21,190	25,000	882,500	17,900
1,600	35,500	1,634	32,000	903,500	41,377	13,000	370,500	16,494	28,500	1,017,000	20,625	25,500	857,000	17,395
1,800	33,700	1,557	33,500	870,000	39,904	13,500	357,000	15,914	29,500	987,500	20,045	26,000	831,000	16,880
1,800	31,900	1,476	35,000	835,000	38,363	14,500	342,500	15,301	30,000	957,500	19,450	26,500	804,500	16,355
1,900	30,000	1,393	36,500	798,500	36,754	15,000	327,500	14,656	31,000	926,500	18,840	27,000	777,500	15,820
2,000	28,000	1,305	38,500	760,000	35,066	15,500	312,000	13,989	31,500	895,000	18,215	27,500	750,000	15,275
2,100	25,900	1,213	40,000	720,000	33,300	16,500	295,500	13,289	32,500	862,500	17,575	28,500	721,500	14,715
2,100	23,800	1,118	42,000	678,000	31,455	17,000	278,500	12,556	33,500	829,000	16,915	29,000	692,500	14,140
2,300	21,500	1,019	43,500	634,500	29,531	18,000	260,500	11,791	34,000	795,000	16,240	29,500	663,000	13,555
2,300	19,200	916	45,500	589,000	27,529	18,500	242,000	10,992	35,000	760,000	15,550	30,500	632,500	12,955
2,400	16,800	810	47,500	541,500	25,436	19,500	222,500	10,161	36,000	724,000	14,840	31,000	601,500	12,340
2,500	14,300	700	50,000	491,500	23,242	20,500	202,000	9,286	37,000	687,000	14,110	31,500	570,000	11,715
2,600	11,700	585	52,000	439,500	20,948	21,500	180,500	8,367	38,000	649,000	13,360	32,500	537,500	11,075
2,700	9,000	466	54,500	385,000	18,551	22,500	158,000	7,405	39,000	610,000	12,590	33,000	504,500	10,420
2,800	6,200	342	57,000	328,000	16,043	23,500	134,500	6,398	40,000	570,000	11,800	34,000	470,500	9,750
3,000	3,200	211	59,500	268,500	13,421	24,500	110,000	5,348	41,000	529,000	10,990	34,500	436,000	9,065
3,200	-	72	62,000	206,500	10,688	25,500	84,500	4,255	42,000	487,000	10,160	35,500	400,500	8,365
			65,000	141,500	7,830	26,500	58,000	3,117	43,000	444,000	9,310	36,000	364,500	7,650
			68,000	73,500	4,838	28,000	30,000	1,925	44,500	399,500	8,435	37,000	327,500	6,920
			73,500	-	1,654	30,000	-	656	45,500	354,000	7,535	38,000	289,500	6,170
									46,500	307,500	6,615	38,500	251,000	5,405
									48,000	259,500	5,670	39,500	211,500	4,625
									49,000	210,500	4,700	40,500	171,000	3,825
									50,500	160,000	3,705	41,500	129,500	3,005
									52,000	108,000	2,680	42,500	87,000	2,165
									53,000	55,000	1,630	43,000	44,000	1,310
									55,000	-	550	44,000	-	440
53,100		41,636	1,246,500		1,102,849	511,000		439,556	1,336,000		589,710	1,146,000		486,080
600,000			1,340,000			549,000			1,336,000			1,146,000		
4.50%			4.375%			4.375%			2.00%			2.00%		



SUB-TOTALS		1996 REFINANCING BONDS			TOTALS	
Principle	Interest	Principal	Prin Bal.	Interest	Principle	Interest
	7,530,700		545,000			
102,400	216,586	35,000	510,000	22,150	137,400	238,736
147,100	261,267	30,000	480,000	21,100	177,100	282,367
154,200	245,662	35,000	445,000	19,919	189,200	265,581
158,900	249,820	35,000	410,000	18,606	193,900	268,426
165,000	243,769	40,000	370,000	17,175	205,000	260,944
-	-	-	-	-	-	-
171,700	237,452	40,000	330,000	15,600	211,700	253,052
178,300	230,767	45,000	285,000	13,975	223,300	244,742
184,000	224,030	40,000	245,000	12,300	224,000	236,330
193,700	216,880	45,000	200,000	10,438	238,700	227,318
198,900	209,429	45,000	155,000	8,412	243,900	217,841
-	-	-	-	-	-	-
208,000	201,688	45,000	110,000	6,244	253,000	207,932
215,800	193,600	50,000	60,000	3,931	265,800	197,531
225,000	185,176	60,000	-	1,387	285,000	186,563
233,700	176,385	-	-	-	233,700	176,385
243,000	167,227	-	-	-	243,000	167,227
-	-	-	-	-	-	-
251,700	157,697	-	-	-	251,700	157,697
250,000	148,079	-	-	-	250,000	148,079
260,700	138,324	-	-	-	260,700	138,324
270,600	128,151	-	-	-	270,600	128,151
261,200	118,071	-	-	-	261,200	118,071
-	-	-	-	-	-	-
269,200	108,118	-	-	-	269,200	108,118
278,300	97,832	-	-	-	278,300	97,832
255,000	87,921	-	-	-	255,000	87,921
235,000	79,037	-	-	-	235,000	79,037
244,100	70,459	-	-	-	244,100	70,459
-	-	-	-	-	-	-
254,200	61,506	-	-	-	254,200	61,506
264,300	52,159	-	-	-	264,300	52,159
270,500	42,505	-	-	-	270,500	42,505
207,700	34,182	-	-	-	207,700	34,182
170,500	27,907	-	-	-	170,500	27,907
-	-	-	-	-	-	-
177,500	22,118	-	-	-	177,500	22,118
187,000	16,015	-	-	-	187,000	16,015
85,000	12,020	-	-	-	85,000	12,020
87,500	10,295	-	-	-	87,500	10,295
89,500	8,525	-	-	-	89,500	8,525
-	-	-	-	-	-	-
92,000	6,710	-	-	-	92,000	6,710
94,500	4,845	-	-	-	94,500	4,845
96,000	2,940	-	-	-	96,000	2,940
99,000	990	-	-	-	99,000	990
<u>7,530,700</u>	<u>4,696,144</u>	<u>545,000</u>		<u>171,237</u>	<u>8,075,700</u>	<u>4,867,381</u>

TB  
SS  
4/23/13  
Acct #  
24000

TB  
SS  
4/23/13  
Acct #  
23970

2018-2022	1,141,600	1,179,283
2023-2027	1,280,500	935,638
2028-2032	1,294,200	690,322
2033-2037	1,281,600	443,367
2038-2042	1,167,200	218,259
2043-2047	626,500	68,973
2048-2051	381,500	15,485

C-U  
SS  
1/26/13

Rattlesnake Ridge Water District  
Notes Payable- Principle  
12/31/2012

	<u>Computers</u>	<u>2007 Chevy</u>	<u>2009 Chevy</u>	<u>Excavator</u>	<u>2012 Ford F150</u>	<u>KADD Lease</u>	<u>Corps of Engineers</u>	<u>Total</u>
2013	11,169	-	5,419	13,600	11,811	5,000	3,384	50,383
2014	10,966			10,154	12,384	5,000	3,508	42,012
2015						5,000	3,641	8,641
2016						5,000	3,782	8,782
2017						5,000	4,275	9,275
2018-2022						45,000	22,424	67,424
2023-2027						30,000	26,714	56,714
2028-2029						-	10,837	10,837
	<u>22,135</u>	<u>-</u>	<u>5,419</u>	<u>23,753</u>	<u>24,195</u>	<u>100,000</u>	<u>78,565</u>	<u>254,068</u>

New  
\$75,000

Rattlesnake Ridge Water District  
 Notes Payable- interest  
 12/31/2012

	<u>Computers</u>	<u>2007 Chevy</u>	<u>2009 Chevy</u>	<u>Excavator</u>	<u>2012 Ford F150</u>	<u>KADD Lease</u>	<u>Corps of Engineers</u>	<u>Total</u>
2013	790	-	122	744	894	5,099	3,707	11,356
2014	224			131	321	4,861	3,533	9,070
2015						4,624	3,450	8,074
2016						4,373	3,309	7,682
2017						3,494	2,816	6,310
2018-2022						14,822	13,021	27,843
2023-2027						3,391	7,706	11,097
2028-2029						-	1,335	1,335
	<u>1,015</u>	<u>-</u>	<u>122</u>	<u>875</u>	<u>1,215</u>	<u>40,664</u>	<u>38,877</u>	<u>82,767</u>

**RURAL DEVELOPMENT  
ANNUAL STATEMENT OF LOAN ACCOUNT**

CC-8  
994-26

SAVE THIS INFORMATION  
FOR INCOME TAX PURPOSES

PAGE 014  
DATE 123112

CASE NUMBER 20-022-*****7311		FINAL YEAR OF LOAN 2052		AMOUNT OF LOAN 1,146,000.00			
FUND CODE 91		LOAN NUMBER 39		DATE OF LOAN 06/12/12			
INTEREST RATE 02.0000		AMOUNT OF LOAN 1,146,000.00					
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		0.00	0.00	0.00			010112
CASH ADVANCE	1146,000.00					02.0000	061212
PAYMENT		1,193.09	0.00	1,193.09	R	02.0000	061212
PAYMENT		62.71	0.00	62.71	R	02.0000	061212
<b>TOTAL LOAN PMTS</b>		<b>1,255.80</b>	<b>0.00</b>	<b>1,255.80</b>			
<b>TOTAL PAID ON ALL LOANS THIS YEAR</b>		<b>222,131.05</b>	<b>99,300.00</b>	<b>321,431.05</b>			
<b>LOAN ACTIVITY</b>		1146,000.00	1,255.80	0.00	1,255.80		
<b>LOAN BALANCE</b>		UNPD INTEREST	11,428.70 **	UNPD PRIN	1,146,000.00 **		
<b>NXT AMT DUE</b>		11,460.00	DATE DUE	010113			
<b>PAYMENT STATUS</b>		ON SCHEDULE	INT PAID	1,255.80			
<b>TAXES PAID</b>							
<b>ALL LOAN ACTIVITY</b>		2,482,000.00	222,131.05	99,300.00	321,431.05		
<b>BORR BAL</b>		UNPD INTEREST	133,414.44	UNPD PRIN	7,530,700.00		
<small>**These unpaid balances may not reflect the total amount due to the Agency at payoff.</small>							
<b>RECIPIENT'S/LENDER'S name, address, and telephone number</b>			<small>CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.</small>		<b>OMB NO. 1545-0901</b>		<input type="checkbox"/> CORRECTED (if checked)
USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703					<b>2012</b>	<b>Mortgage Interest Statement</b>	
					Form 1098		
<b>RECIPIENT'S federal identification no.</b>		<b>PAYER'S social security number</b>		<b>1 Mortgage interest received from payer(s)/borrower(s)</b>		<b>COPY B FOR PAYER/BORROWER</b> <small>The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.</small>	
431757115		*****7311		\$ 0.00			
<b>PAYER'S/BORROWER'S name, street address, city, state, and ZIP code</b>				<b>2 Points paid on purchase of principal residence</b>			
RATTLESNAKE RIDGE WATER DISTRICT PO BOX 475 GRAYSON, KY 41143				\$			
				<b>3 Refund of overpaid interest</b>			
				\$			
				<b>4</b>			
<small>Account number (see instructions)</small>				<b>IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.</b>			
20022*****731191 39							

**RURAL DEVELOPMENT  
ANNUAL STATEMENT OF LOAN ACCOUNT**

SAVE THIS INFORMATION  
FOR INCOME TAX PURPOSES

PAGE 001  
DATE 123112

CASE NUMBER 20-022-\*\*\*\*\*7311 FINAL YEAR OF LOAN 2028  
FUND CODE 91 LOAN NUMBER 05 DATE OF LOAN 06/06/89 INTEREST RATE 05.0000 AMOUNT OF LOAN 195,000.00

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		3,272.26	130,000.00	133,272.26			010112
PAYMENT		3,250.00	5,000.00	8,250.00	R	05.0000	010912
PAYMENT		3,125.00	0.00	3,125.00	R	05.0000	070112
TOTAL LOAN PMTS		6,375.00	5,000.00	11,375.00			

LOAN ACTIVITY 0.00 6,375.00 5,000.00 11,375.00  
 LOAN BALANCE UNPD INTEREST 3,147.95 \*\* UNPD PRIN 125,000.00 \*\*  
 NXT AMT DUE 8,125.00 DATE DUE 010113  
 PAYMENT STATUS ON SCHEDULE **IN PAID 8,125.00**

**TAXES PAID**

\*\*These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, address, and telephone number  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901  <h1 align="center">2012</h1>  Form 1098	<input type="checkbox"/> CORRECTED (if checked)  <h2 align="center">Mortgage Interest Statement</h2>
RECIPIENT'S federal identification no. 431757115	PAYER'S social security number *****7311	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		<b>COPY B FOR PAYER/BORROWER</b>  The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name, street address, city, state, and ZIP code  RATTLESNAKE RIDGE WATER DISTRICT PO BOX 475 GRAYSON, KY 20-704 41143		2 Points paid on purchase of principal residence \$	3 Refund of overpaid interest \$	
Account number (see instructions) 20022*****731191 05		4  IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.		

**RURAL DEVELOPMENT  
ANNUAL STATEMENT OF LOAN ACCOUNT**

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CASE NUMBER 20-022-*****7311		FINAL YEAR OF LOAN 2031		AMOUNT OF LOAN 365,000.00			
FUND CODE 91		LOAN NUMBER 07	DATE OF LOAN 09/02/92	INTEREST RATE 05.0000			
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		6,675.72	268,500.00	275,175.72			010112
PAYMENT		6,712.50	8,000.00	14,712.50	R	05.0000	010912
PAYMENT		6,512.50	0.00	6,512.50	R	05.0000	070112
<b>TOTAL LOAN PMTS</b>		<b>13,225.00</b>	<b>8,000.00</b>	<b>21,225.00</b>			
<b>LOAN ACTIVITY</b>		0.00	13,225.00	8,000.00		21,225.00	
<b>LOAN BALANCE</b>		UNPD INTEREST	6,476.81 **	UNPD PRIN		260,500.00 **	
<b>NXT AMT DUE</b>		15,012.50	<b>DATE DUE 010113</b>				
<b>PAYMENT STATUS</b>		ON SCHEDULE		INT PAID		13,225.00	
<b>TAXES PAID</b>							
**These unpaid balances may not reflect the total amount due to the Agency at payoff.							
<b>RECIPIENT'S/LENDER'S</b> name, address, and telephone number  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703			CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901  <h1 style="margin:0;">2012</h1> Form 1098		<input type="checkbox"/> CORRECTED (if checked)  <h2 style="margin:0;">Mortgage Interest Statement</h2>
<b>RECIPIENT'S</b> federal identification no. 431757115		<b>PAYER'S</b> social security number *****7311		1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		<b>COPY B FOR PAYER/BORROWER</b>  The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.	
<b>PAYER'S/BORROWER'S</b> name, street address, city, state, and ZIP code  RATTLESNAKE RIDGE WATER DISTRICT PO BOX 475 GRAYSON, KY 20-704 41143			2 Points paid on purchase of principal residence \$				
			3 Refund of overpaid interest \$				
Account number (see instructions) 20022*****731191 07				IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.			

**RURAL DEVELOPMENT  
ANNUAL STATEMENT OF LOAN ACCOUNT**

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CASE NUMBER 20-022-*****7311		FINAL YEAR OF LOAN 2035						
FUND CODE 91	LOAN NUMBER 10	DATE OF LOAN 05/08/95	INTEREST RATE 04.5000 AMOUNT OF LOAN 434,000.00					
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE	
BEGIN LOAN BALNCE		7,800.22	345,000.00	352,800.22			010112	
PAYMENT		7,762.50	9,000.00	16,762.50	R	04.5000	010912	
PAYMENT		7,560.00	0.00	7,560.00	R	04.5000	070112	
<b>TOTAL LOAN PMTS</b>		<b>15,322.50</b>	<b>9,000.00</b>	<b>24,322.50</b>				
<b>LOAN ACTIVITY</b>		0.00	15,322.50	9,000.00		24,322.50		
<b>LOAN BALANCE</b>		UNPD INTEREST	7,598.83 **	UNPD PRIN		336,000.00 **		
<b>NXT AMT DUE</b>		16,560.00	<b>DATE DUE 010113</b>					
<b>PAYMENT STATUS</b>		ON SCHEDULE		INT PAID	15,322.50			
<b>TAXES PAID</b>								
<small>*These unpaid balances may not reflect the total amount due to the Agency at payoff.</small>								
<b>RECIPIENT'S/LENDER'S</b> name, address, and telephone number  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703				<small>CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.</small>		OMB NO.1545-0901  <h1 style="font-size: 2em;">2012</h1>  Form 1098		<input type="checkbox"/> CORRECTED (if checked)  <h2 style="text-align:center;">Mortgage Interest Statement</h2>
<b>RECIPIENT'S</b> federal identification no. 431757115		<b>PAYER'S</b> social security number *****7311		1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		<b>COPY B FOR PAYER/BORROWER</b>  <small>The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.</small>		
<b>PAYER'S/BORROWER'S</b> name, street address, city, state, and ZIP code  RATTLESNAKE RIDGE 20-704 WATER DISTRICT PO BOX 475 GRAYSON, KY 41143				2 Points paid on purchase of principal residence \$				
				3 Refund of overpaid interest \$				
				4				
Account number (see instructions) 20022*****731191 10				IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.				

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CASE NUMBER 20-022-\*\*\*\*\*7311 FINAL YEAR OF LOAN 2035  
FUND CODE 91 LOAN NUMBER 13 DATE OF LOAN 05/08/95 INTEREST RATE 04.5000 AMOUNT OF LOAN 197,000.00

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		3,482.44	154,000.00	157,482.44			010112
PAYMENT		3,465.00	4,000.00	7,465.00	R	04.5000	010912
PAYMENT		3,375.00	0.00	3,375.00	R	04.5000	070112
TOTAL LOAN PMTS		6,840.00	4,000.00	10,840.00			

LOAN ACTIVITY 0.00 6,840.00 4,000.00 10,840.00  
 LOAN BALANCE UNPD INTEREST 3,392.94 \*\* UNPD PRIN 150,000.00 \*\*  
 NXT AMT DUE 7,375.00 DATE DUE 010113  
 PAYMENT STATUS ON SCHEDULE INT PAID 6,840.00  
 TAXES PAID

\*\*These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, address, and telephone number  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703		CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901  <h1>2012</h1>  Form 1098	<input type="checkbox"/> CORRECTED (if checked)  <h2>Mortgage Interest Statement</h2>
RECIPIENT'S Federal Identification no. 431757115	PAYER'S social security number *****7311	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		<b>COPY B FOR PAYER/BORROWER</b>  The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name, street address, city, state, and ZIP code  RATTLESNAKE RIDGE 20-704 WATER DISTRICT PO BOX 475 GRAYSON, KY 41143		2 Points paid on purchase of principal residence \$		
		3 Refund of overpaid interest \$		
		4  IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.		
Account number (see instructions) 20022*****731191 13				



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CASE NUMBER 20-022-\*\*\*\*\*7311 FINAL YEAR OF LOAN 2036  
FUND CODE 91 LOAN NUMBER 15 DATE OF LOAN 09/06/96 INTEREST RATE 04.5000 AMOUNT OF LOAN 445,000.00

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		7,966.11	356,000.00	363,966.11			010112
PAYMENT		8,010.00	9,000.00	17,010.00	R	04.5000	010912
PAYMENT		7,807.50	0.00	7,807.50	R	04.5000	070112
TOTAL LOAN PMTS		15,817.50	9,000.00	24,817.50			

LOAN ACTIVITY	0.00	15,817.50	9,000.00	24,817.50
LOAN BALANCE	UNPD INTEREST	7,764.72 **	UNPD PRIN	347,000.00 **
NXT AMT DUE	16,807.00	DATE DUE	010113	
PAYMENT STATUS	ON SCHEDULE INT PAID 15,817.50			
TAXES PAID				

\*\*These unpaid balances may not reflect the total amount due to the Agency at payoff.

RECIPIENT'S/LENDER'S name, address, and telephone number  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703	CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901  <h1 style="text-align:center">2012</h1>  Form 1098	<input type="checkbox"/> CORRECTED (if checked)  <h2 style="text-align:center">Mortgage Interest Statement</h2>
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RECIPIENT'S federal identification no. 431757115	PAYER'S social security number *****7311	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00	<b>COPY B FOR PAYER/BORROWER</b>  The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
PAYER'S/BORROWER'S name, street address, city, state, and ZIP code  RATTLESNAKE RIDGE 20-704 WATER DISTRICT PO BOX 475 GRAYSON, KY 41143		2 Points paid on purchase of principal residence \$	
		3 Refund of overpaid interest \$	
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Account number (see instructions)  
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IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.

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CASE NUMBER 20-022-*****7311		FINAL YEAR OF LOAN 2036					
FUND CODE 91		LOAN NUMBER 17	DATE OF LOAN 09/06/96				
		INTEREST RATE 04.5000	AMOUNT OF LOAN 100,000.00				
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		1,801.33	80,500.00	82,301.33			010112
PAYMENT		1,811.25	1,900.00	3,711.25	R	04.5000	010912
PAYMENT		1,768.50	0.00	1,768.50	R	04.5000	070112
<b>TOTAL LOAN PMTS</b>		<b>3,579.75</b>	<b>1,900.00</b>	<b>5,479.75</b>			
<b>LOAN ACTIVITY</b>		0.00	3,579.75	1,900.00		5,479.75	
<b>LOAN BALANCE</b>		UNPD INTEREST	1,758.81 **	UNPD PRIN		78,600.00 **	
<b>NXT AMT DUE</b>		3,768.00	<b>DATE DUE</b> 010113				
<b>PAYMENT STATUS</b>		ON SCHEDULE		INT PAID	3,579.75		
<b>TAXES PAID</b>							
<small>**These unpaid balances may not reflect the total amount due to the Agency at payoff.</small>							
<b>RECIPIENT'S/LENDER'S</b> name, address, and telephone number  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703				<small>CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.</small>		OMB NO.1545-0901  <h1 style="font-size: 2em;">2012</h1>  Form 1098	<input type="checkbox"/> CORRECTED (if checked)  <h2 style="text-align:center;">Mortgage Interest Statement</h2>
<b>RECIPIENT'S</b> federal identification no. 431757115		<b>PAYER'S</b> social security number *****7311		<b>1</b> Mortgage interest received from payer(s)/borrower(s) \$ 0.00			
<b>PAYER'S/BORROWER'S</b> name, street address, city, state, and ZIP code  RATTLESNAKE RIDGE 20-704 WATER DISTRICT PO BOX 475 GRAYSON, KY 41143				<b>2</b> Points paid on purchase of principal residence \$ <b>3</b> Refund of overpaid interest \$ <b>4</b>			
<small>Account number (see instructions)</small> 20022*****731191 17				IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.			

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CASE NUMBER 20-022-*****7311		FINAL YEAR OF LOAN 2041		AMOUNT OF LOAN 900,000.00			
FUND CODE 91	LOAN NUMBER 19	DATE OF LOAN 10/02/01	INTEREST RATE 04.5000				
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		18,080.38	808,000.00	826,080.38			010112
PAYMENT		18,180.00	14,000.00	32,180.00	R	04.5000	010912
PAYMENT		17,865.00	0.00	17,865.00	R	04.5000	070112
TOTAL LOAN PMTS		36,045.00	14,000.00	50,045.00			
LOAN ACTIVITY		0.00	36,045.00	14,000.00	50,045.00		
LOAN BALANCE UNPD INTEREST		17,767.11 **	UNPD PRIN	794,000.00 **			
NXT AMT DUE		32,865.00	DATE DUE 010113				
PAYMENT STATUS		ON SCHEDULE	IN PAID	36,045.00			
TAXES PAID							
**These unpaid balances may not reflect the total amount due to the Agency at payoff.							
RECIPIENT'S/LENDER'S name, address, and telephone number  USDA RURAL DEVELOPMENT PHDNE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703			CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO. 1545-0901  <b>2012</b>  Form 1098		<input type="checkbox"/> CORRECTED (if checked)  <b>Mortgage Interest Statement</b>
RECIPIENT'S federal identification no. 431757115		PAYER'S social security number *****7311		1 Mortgage interest received from payer(s)/borrower(s)* \$ 0.00		<b>COPY B FOR PAYER/BORROWER</b>  The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.	
PAYER'S/BORROWER'S name, street address, city, state, and ZIP code  RATTLESNAKE RIDGE WATER DISTRICT PO BOX 475 GRAYSON, KY 41143		2 Points paid on purchase of principal residence \$		3 Refund of overpaid interest \$			
Account number (see instructions) 20022*****731191 19		IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.					

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CASE NUMBER 20-022-\*\*\*\*\*7311 FINAL YEAR OF LOAN 2041  
FUND CODE 91 LOAN NUMBER 22 DATE OF LOAN 06/21/01 INTEREST RATE 03.2500 AMOUNT OF LOAN 900,000.00

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		12,871.24	789,000.00	801,871.24			010112
PAYMENT		12,821.25	16,000.00	28,821.25	R	03.2500	010912
PAYMENT		12,561.25	0.00	12,561.25	R	03.2500	070112
<b>TOTAL LOAN PMTS</b>		<b>25,382.50</b>	<b>16,000.00</b>	<b>41,382.50</b>			

LOAN ACTIVITY	0.00	25,382.50	16,000.00	41,382.50			
LOAN BALANCE	UNPD INTEREST	12,612.66 **	UNPD PRIN	773,000.00 **			
NXT AMT DUE	29,061.25		DATE DUE	010113			
PAYMENT STATUS	ON SCHEDULE INT PAID 25,382.50						
TAXES PAID							

##These unpaid balances may not reflect the total amount due to the Agency at payoff.

<b>RECIPIENT'S/LENDER'S name, address, and telephone number</b>  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703		<b>CAUTION:</b> The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO.1545-0901  <h1 style="text-align: center;">2012</h1>  Form 1098	<input type="checkbox"/> CORRECTED (if checked)  <h2 style="text-align: center;">Mortgage Interest Statement</h2>
<b>RECIPIENT'S federal identification no.</b> 431757115	<b>PAYER'S social security number</b> *****7311	<b>1 Mortgage interest received from payer(s)/borrower(s)**</b> \$ 0.00		<b>COPY B FOR PAYER/BORROWER</b>  The information in boxes 1, 2, and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
<b>PAYER'S/BORROWER'S name, street address, city, state, and ZIP code</b>  RATTLESNAKE RIDGE WATER DISTRICT PO BOX 475 GRAYSON, KY 41143		<b>2 Points paid on purchase of principal residence</b> \$		
		<b>3 Refund of overpaid interest</b> \$		
		<b>4</b>		
Account number (see instructions) 20022*****731191 22		IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.		

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CASE NUMBER 20-022-*****7311		FINAL YEAR OF LOAN 2041		AMOUNT OF LOAN 425,000.00	
FUND CODE 91		LOAN NUMBER 24	DATE OF LOAN 10/02/01	INTEREST RATE 04.5000	
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	EFFECTIVE DATE
BEGIN LOAN BALNCE		8,525.53	381,000.00	389,525.53	010112
PAYMENT		8,572.50	7,000.00	15,572.50	R 04.5000 010912
PAYMENT		8,415.00	0.00	8,415.00	R 04.5000 070112
TOTAL LOAN PMTS		16,987.50	7,000.00	23,987.50	
LOAN ACTIVITY		0.00	16,987.50	7,000.00	23,987.50
LOAN BALANCE UNPD INTEREST		8,368.89 **	UNPD PRIN	374,000.00 **	
NXT AMT DUE		15,415.00	DATE DUE 010113		
PAYMENT STATUS		ON SCHEDULE INT PAID 16,987.50			
TAXES PAID					
<small>**These unpaid balances may not reflect the total amount due to the Agency at payoff.</small>					
RECIPIENT'S/LENDER'S name, address, and telephone number  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703		<small>CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.</small>		OMB NO. 1545-0901  <h1 style="margin:0;">2012</h1> Form 1098	
RECIPIENT'S Federal Identification no. 431757115		PAYER'S social security number *****7311		1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00	
PAYER'S/BORROWER'S name, street address, city, state, and ZIP code  RATTLESNAKE RIDGE WATER DISTRICT PO BOX 475 GRAYSON, KY 41143		2 Points paid on purchase of principal residence \$		3 Refund of overpaid interest \$	
		4			
Account number (see instructions) 20022*****731191 24		IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.			

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CASE NUMBER 20-022-*****7311		FINAL YEAR OF LOAN 2041		AMOUNT OF LOAN 60,000.00	
FUND CODE 91		LOAN NUMBER 26		DATE OF LOAN 06/21/01	
INTEREST RATE 04.5000		AMOUNT OF LOAN 60,000.00			
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T
BEGIN LOAN BALNCE		1,219.44	54,000.00	55,219.44	
PAYMENT		1,215.00	900.00	2,115.00	R 04.5000
PAYMENT		1,194.75	0.00	1,194.75	R 04.5000
TOTAL LOAN PMTS		2,409.75	900.00	3,309.75	
LOAN ACTIVITY	0.00	2,409.75	900.00	3,309.75	
LOAN BALANCE	UNPD INTEREST	1,199.30 **	UNPD PRIN	53,100.00 **	
NXT AMT DUE	2,094.75	DATE DUE 010113			
PAYMENT STATUS		ON SCHEDULE		TAXES PAID	
*These unpaid balances may not reflect the total amount due to the Agency at payoff.					
RECIPIENT'S/LENDER'S name, address, and telephone number  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703			OMB NO.1545-0901  <b>2012</b>  Form 1098		<input type="checkbox"/> CORRECTED (if checked)  <b>Mortgage Interest Statement</b>
RECIPIENT'S Federal Identif/Location no. 431757115	PAYER'S social security number *****7311	1 Mortgage interest received from payer(s)/borrower(s) \$ 0.00		<b>COPY B FOR PAYER/BORROWER</b>  The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.	
PAYER'S/BORROWER'S name, street address, city, state, and ZIP code  RATTLESNAKE RIDGE 20-704 WATER DISTRICT PO BOX 475 GRAYSON, KY 41143		2 Points paid on purchase of principal residence \$			
		3 Refund of overpaid interest \$			
		4			
Account number (see instructions) 20022*****731191 26		IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.			

**RURAL DEVELOPMENT  
ANNUAL STATEMENT OF LOAN ACCOUNT**

SAVE THIS INFORMATION  
FOR INCOME TAX PURPOSES

PAGE 011  
DATE 123112

CASE NUMBER 20-022-*****7311		FINAL YEAR OF LOAN 2044					
FUND CODE 91		LOAN NUMBER 31	DATE OF LOAN 06/04/04				
		INTEREST RATE 04.3750	AMOUNT OF LOAN 1,340,000.00				
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
BEGIN LOAN BALNCE		27,739.47	1,264,000.00	1,291,739.47			010112
PAYMENT		27,650.00	17,500.00	45,150.00	R	04.3750	010912
PAYMENT		27,267.18	0.00	27,267.18	R	04.3750	070112
TOTAL LOAN PMTS		54,917.18	17,500.00	72,417.18			
LOAN ACTIVITY	0.00	54,917.18	17,500.00	72,417.18			
LOAN BALANCE	UNPD INTEREST	27,358.76 **	UNPD PRIN	1,246,500.00 **			
NXT AMT DUE	45,267.18		DATE DUE	010113			
PAYMENT STATUS	ON SCHEDULE		INT PAID	54,917.18			
TAXES PAID							
**These unpaid balances may not reflect the total amount due to the Agency at payoff.							
<b>RECIPIENT'S/LENDER'S name, address, and telephone number</b>  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703				<b>CAUTION:</b> The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.		OMB NO.1545-0901  <h1 style="font-size: 2em;">2012</h1>  Form 1098	<input type="checkbox"/> CORRECTED (if checked)  <h2 style="text-align:center;">Mortgage Interest Statement</h2>
<b>RECIPIENT'S Federal Identification no.</b> 431757115		<b>PAYER'S social security number</b> *****7311		<b>1 Mortgage interest received from payer(s)/borrower(s)</b> \$ 0.00		<b>COPY B FOR PAYER/BORROWER</b>  The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.	
<b>PAYER'S/BORROWER'S name, street address, city, state, and ZIP code</b>  RATTLESNAKE RIDGE WATER DISTRICT PO BOX 475 GRAYSON, KY 41143				<b>2 Points paid on purchase of principal residence</b> \$			
				<b>3 Refund of overpaid interest</b> \$			
				<b>4</b>			
Account number (see instructions) 20022*****731191 31				IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.			

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
ANNUAL STATEMENT OF LOAN ACCOUNT

SAVE THIS INFORMATION  
FOR INCOME TAX PURPOSES

DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T	INTEREST RATE	EFFECTIVE DATE
CASE NUMBER 20-022-*****7311	FINAL YEAR OF LOAN 2044		AMOUNT OF LOAN 549,000.00				
FUND CODE 91	LOAN NUMBER 33	DATE OF LOAN 06/04/04	INTEREST RATE 04.3750				
BEGIN LOAN BALNCE		11,367.92	518,000.00	529,367.92			010112
PAYMENT		11,331.25	7,000.00	18,331.25	R	04.3750	010912
PAYMENT		11,178.12	0.00	11,178.12	R	04.3750	070112
TOTAL LOAN PMTS		22,509.37	7,000.00	29,509.37			
LOAN ACTIVITY	0.00	22,509.37	7,000.00	29,509.37			
LOAN BALANCE	UNPD INTEREST	11,215.64 **	UNPD PRIN	511,000.00 **			
NXT AMT DUE	18,678.12	DATE DUE 010113					
PAYMENT STATUS	ON SCHEDULE <del>IN PAID</del>						
TAXES PAID							

\*\*These unpaid balances may not reflect the total amount due to the Agency at payoff.

<b>RECIPIENT'S/LENDER'S</b> name, address, and telephone number USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703		<b>CAUTION:</b> The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.	OMB NO. 1545-0901 <h1>2012</h1> Form 1098	<input type="checkbox"/> CORRECTED (if checked) <b>Mortgage Interest Statement</b>
<b>RECIPIENT'S</b> federal identification no. 431757115	<b>PAYER'S</b> social security number *****7311	<b>1</b> Mortgage interest received from payer(s)/borrower(s) \$ 0.00		<b>COPY B FOR PAYER/BORROWER</b> The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.
<b>PAYER'S/BORROWER'S</b> name, street address, city, state, and ZIP code RATTLESNAKE RIDGE WATER DISTRICT PO BOX 475 GRAYSON, KY 41143		<b>2</b> Points paid on purchase of principal residence \$		
		<b>3</b> Refund of overpaid interest \$		
		<b>4</b>		
Account number (see instructions) 20022*****731191 33		IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.		



**RURAL DEVELOPMENT  
ANNUAL STATEMENT OF LOAN ACCOUNT**

SAVE THIS INFORMATION  
FOR INCOME TAX PURPOSES

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DATE 123112

CASE NUMBER 20-022-*****7311		FINAL YEAR OF LOAN 2052		AMOUNT OF LOAN 1,336,000.00	
FUND CODE 91		LOAN NUMBER 36	DATE OF LOAN 06/12/12	INTEREST RATE 02.0000	
DESCRIPTION	ADVANCES	INTEREST	PRINCIPAL	TOTAL	T
BEGIN LOAN BALNCE		0.00	0.00	0.00	
CASH ADVANCE	1336,000.00				
PAYMENT		1,390.90	0.00	1,390.90	R
PAYMENT		73.30	0.00	73.30	R
					INTEREST RATE
					EFFECTIVE DATE
					02.0000
					061212
					02.0000
					061212
					02.0000
					061212
TOTAL LOAN PMTS		1,464.20	0.00	1,464.20	
<b>LOAN ACTIVITY</b>		1336,000.00	1,464.20	0.00	1,464.20
<b>LOAN BALANCE</b>		UNPD INTEREST	13,323.32 **	UNPD PRIN	1,336,000.00 **
<b>NXT AMT DUE</b>		13,360.00	DATE DUE	010113	
<b>PAYMENT STATUS</b>		ON SCHEDULE	INT PAID	1,464.20	
<b>TAXES PAID</b>					
<small>**These unpaid balances may not reflect the total amount due to the Agency at payoff.</small>					
<b>RECIPIENT'S/LENDER'S</b> name, address, and telephone number  USDA RURAL DEVELOPMENT PHONE#(314)457-4310 4300 GOODFELLOW BLVD FC-351 ST. LOUIS, MO 63120-1703		<small>CAUTION: The amount shown may not be fully deductible by you. Limits based on the loan amount and the cost and value of the secured property may apply. Also, you may only deduct interest to the extent it was incurred by you, actually paid by you, and not reimbursed by another person.</small>		OMB NO.1545-0901  <h1 style="font-size: 2em;">2012</h1>  Form 1098	<input type="checkbox"/> CORRECTED (if checked)  <h2 style="font-size: 1.2em;">Mortgage Interest Statement</h2>
<b>RECIPIENT'S</b> federal identification no. 431757115	<b>PAYER'S</b> social security number *****7311	<b>1</b> Mortgage interest received from payor(s)/borrower(s) \$ 0.00		<b>COPY B FOR PAYER/BORROWER</b>  <small>The information in boxes 1, 2 and 3 is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if the IRS determines that an underpayment of tax results because you overstated a deduction for this mortgage interest or for these points or because you did not report this refund of interest on your return.</small>	
<b>PAYER'S/BORROWER'S</b> name, street address, city, state, and ZIP code  RATTLESNAKE RIDGE 20-704 WATER DISTRICT PD BOX 475 GRAYSON, KY 41143		<b>2</b> Points paid on purchase of principal residence \$			
		<b>3</b> Refund of overpaid interest \$			
		<b>4</b>			
Account number (see instructions) 20022*****731191 36		IRS FORM 1098 DOES NOT APPLY TO YOUR LOAN TYPE. PLEASE SEE IRS INSTRUCTIONS.			

Rattlesnake Ridge Water District  
 Other Assets  
 For the year ended 12/31/12

**Bond Issuance Costs**

Balance @ 12/31/11	23,586.66
2012 Amortization Expense	<u>1,747.16</u>
Balance @ 12/31/12	21,839.50

Accumulated Amortization (A/C# 14710)	
12/31/2008	1,747.16
12/31/2009	3,494.32
12/31/2010	5,241.48
12/31/2011	6,988.64
12/31/2012	8,735.80

Note: The bond issuance costs are a result of the refinancing of the 1996 issue on May 29, 2008. The bond costs will be amortized over the life of the loan which is 17.5 years.  
 Total cost: \$30,575.30 A/C# 15700

**Bond Issuance Costs**

Balance @ 12/31/11	-
2012 Amortization Expense	<u>1,119.10</u>
Balance @ 12/31/11	1,119.10

Accumulated Amortization (A/C# 14710)	
12/31/2011	-
12/31/2012	1,119.10

Note: The bond issuance costs are a result of the RRWD Waterworks Revenue bonds Series 2011, in the principal amount of \$2,482,000, consisting of \$1,336,000 of Series A Bonds and \$1,146,000 of Series B Bonds. The bond costs will be amortized over the life of the loan which is 17.5 years  
 Total cost: \$19,584.26 A/C# 15700

Total balance of 14710  
 at 12/31/12 9,854.90

old

Rattlesnake Ridge Water District  
 Fixed Asset Listing  
 For the Year Ended December 31, 2012

Code	Description	Date	Meth	Life	Cost	Accum Depr	Depreciation	Accum Depr	Depreciation	Accum Depr
						2010	2011	2011	2012	2012
304	Tanks	1986	S/L	0	302,600	279,905	7,565	287,470	7,565	285,035
304	Tanks	1989	S/L	40	82,571	59,752	2,064	61,816	2,064	63,880
304	Tanks	1994	S/L	20	63,822	54,248	3,191	57,439	3,191	60,630
304	Tanks-IV	1995	S/L	20	121,851	93,422	6,093	99,515	6,093	105,608
304	Tanks-V	1997	S/L	20	10,609	7,423	530	7,953	530	8,483
304	Tanks-VB	1997	S/L	20	129,677	90,775	6,484	97,259	6,484	103,743
304	Tanks-IV	1996	S/L	10	2,123	2,123	-	2,123	-	2,123
304	Tanks	2002	S/L	40	240,620	51,135	6,016	57,151	6,016	63,167
304	Tanks	2002	S/L	40	232,000	50,750	5,800	56,550	5,800	62,350
304	Tanks	2005	S/L	40	654,037	96,743	16,351	113,094	16,351	129,445
304	Tank Improvement	2009	S/L	20	3,998	400	200	600	200	800
304	Radio and Tank Impro	2010	S/L	20	1,104	55	55	110	55	165
304	Tank Improvement	2010	S/L	20	7,491	375	375	750	375	1,125
304	Pressure Transmitter	2010	S/L	20	680	34	34	68	34	102
304	Tank Improvement	2011	S/L	20	9,862	-	493	492	493	985
304	Meters	2012	S/L	20	23,762	-	-	-	1,188	1,188
					1,886,807	787,140	55,251	842,390	56,439	898,829
311	Greg PS	12/1/1997	S/L	10	34,075	34,075	-	34,075	-	34,075
311	Pumps	1986	S/L	10	228,080	228,080	-	228,080	-	228,080
311	Pumps	1989	S/L	10	27,524	27,524	-	27,524	-	27,524
311	Pumps	1993	S/L	10	9,681	9,681	-	9,681	-	9,681
311	Pumps	1994	S/L	10	135,222	135,222	-	135,222	-	135,222
311	Pumps	1995	S/L	10	121,851	121,851	-	121,851	-	121,851
311	Pumps Replace	1995	S/L	10	2,238	2,238	-	2,238	-	2,238
311	Pumps V	1997	S/L	10	1,277	1,277	-	1,277	-	1,277
311	Pumps V	1997	S/L	10	72,039	72,039	-	72,039	-	72,039
311	PS	4/1/1999	S/L	10	5,458	5,458	-	5,458	-	5,458
311	Pump Station	6/24/2002	S/L	10	20,874	17,741	2,087	19,828	1,046	20,874
311	Pump Station	9/30/2004	S/L	10	19,950	10,973	1,995	12,968	1,995	14,963
311	Pumps	1/27/2005	S/L	10	213,026	126,042	21,303	147,345	21,303	168,648
311	Pumps	2006	S/L	10	37,515	16,884	3,752	20,636	3,752	24,388
311	Pumps	2010	S/L	10	5,968	597	597	1,194	597	1,791
311	Pumps	2011	S/L	10	16,950	-	1,695	1,695	1,695	3,390
311	Rebuilt motor	2012	S/L	10	1,650	-	-	-	-	165
311	Controller @ pump station	2012	S/L	10	2,006	-	-	-	-	201
311	Chemical pump	2012	S/L	10	685	-	-	-	-	69
					956,069	809,682	31,429	841,111	30,821	871,932
331	Ext Lines	1989	S/L	40	446,935	234,183	11,173	245,356	11,173	256,529
331	Lines	1994	S/L	40	980,818	416,845	24,520	441,365	24,520	465,885
331	Lines III	1995	S/L	40	29,048	11,618	726	12,344	726	13,070
331	Lines IV	1995	S/L	40	1,549,962	594,152	38,749	632,901	38,749	671,650
331	Lines IV	1996	S/L	40	105,331	39,498	2,633	42,131	2,633	44,764
331	Lines V	1997	S/L	40	56,832	19,892	1,421	21,313	1,421	22,734
331	Lines VA	1997	S/L	40	1,062,677	371,937	26,567	398,504	26,567	425,071
331	Water Lines	1986	S/L	40	2,405,320	1,503,325	60,133	1,563,458	60,133	1,623,591
331	Water Lines	2002	S/L	40	3,137,872	666,799	78,447	745,246	78,447	823,693
331	Lines	2002	S/L	40	35,443	7,384	886	8,270	886	9,156
331	Lines	2002	S/L	40	465,086	101,736	11,627	113,363	11,627	124,990
331	Lines	2005	S/L	40	4,381,065	648,034	109,527	757,561	109,527	867,088
331	Lines	2008	S/L	40	2,623,301	197,395	65,582	262,977	65,583	328,560
331	Lines	2009	S/L	40	1,024,191	51,210	25,605	76,815	25,605	102,420
331	Lines	2010	S/L	40	29,552	739	739	1,478	739	2,217
331	Lines	2012	S/L	40	10,637	-	-	-	-	266
					18,344,070	4,864,747	458,335	5,323,082	458,602	5,781,684
334	Hert Elem	10/1/1999	S/L	40	1,568	443	39	482	39	521
334	Install	1991	S/L	40	16,233	7,915	406	8,321	406	8,727
334	Install	1992	S/L	40	17,150	7,933	429	8,362	429	8,791
334	Install	1993	S/L	40	22,097	9,665	552	10,217	552	10,769
334	Install	1994	S/L	40	32,012	13,203	800	14,003	800	14,803
334	Install	1995	S/L	40	48,132	18,649	1,203	19,852	1,203	21,055
334	Install	1996	S/L	40	44,860	16,265	1,122	17,387	1,122	18,509
334	Install	1997	S/L	40	39,822	13,443	996	14,439	996	15,435
334	Install	6/30/1998	S/L	40	31,885	9,963	797	10,760	797	11,557
334	Install	6/30/1999	S/L	40	34,425	9,903	861	10,764	861	11,625
334	Install	6/30/2000	S/L	40	41,630	10,929	1,041	11,970	1,041	13,011
334	Install	6/30/2001	S/L	40	51,170	12,151	1,279	13,430	1,279	14,709
334	Install	12/1/2000	S/L	40	10,232	2,581	256	2,837	256	3,093
334	Install	4/26/2001	S/L	40	52,914	11,245	1,323	12,568	1,323	13,891
334	Install	1/27/2005	S/L	40	785,200	116,144	19,630	135,774	19,630	155,404
334	Install	2006	S/L	40	36,600	4,122	916	5,038	916	5,953
334	Install	2007	S/L	40	48,600	4,253	1,215	5,468	1,215	6,683
334	Install	2008	S/L	40	46,800	2,925	1,170	4,095	1,170	5,265
334	Install	2009	S/L	40	28,600	1,430	715	2,145	715	2,860
334	Install	2010	S/L	40	37,050	926	926	1,852	926	2,778
334	Install	2011	S/L	40	28,140	-	704	704	704	1,408
334	Install	2012	S/L	40	9,210	-	-	-	-	230
					1,464,330	274,088	36,380	310,468	36,608	347,076
Total Water System					22,651,275	6,735,657	581,395	7,317,051	582,470	7,899,521

tb14600

old

Rattlesnake Ridge Water District  
 Fixed Asset Listing  
 For the Year Ended December 31, 2012

Code	Description	Date	Meth	Life	Cost	Accum Depr 2010	Depreciation 2011	Accum Depr 2011	Depreciation 2012	Accum Depr 2012
304	Storage Building	9/1/1988	S/L	5	699	699	-	699	-	699
304	Trailer	3/8/1985	S/L	5	3,150	3,150	-	3,150	-	3,150
	Disposed of Trailer				(3,150)	(3,150)	-	(3,150)	-	(3,150)
					699	699	-	699	-	699
310	Generator	10/19/1995	S/L	7	530	530	-	530	-	530
340	Cash Register	2/14/1996	S/L	5	1,744	1,744	-	1,744	-	1,744
	Disposed of cash register				(1,744)	(1,744)	-	(1,744)	-	(1,744)
340	Computer Equipment	9/24/1998	S/L	5	9,980	9,980	-	9,980	-	9,980
340	Computer Equipment	10/16/1998	S/L	5	9,905	9,905	-	9,905	-	9,905
340	Computer Equipment	5/17/1999	S/L	5	9,170	9,170	-	9,170	-	9,170
340	Computer Equipment	9/20/1999	S/L	5	1,590	1,590	-	1,590	-	1,590
340	Copier	1/11/1990	S/L	5	900	900	-	900	-	900
	Disp computer Equip&Copier				(31,545)	(31,545)	-	(31,545)	-	(31,545)
340	Furn Fixture	2/2/1992	DDE	5	1,669	1,669	-	1,669	-	1,669
340	Safe	12/31/1994	S/L	7	1,609	1,609	-	1,609	-	1,609
340	Safe	7/12/2001	S/L	7	1,675	1,675	-	1,675	-	1,675
340	U Building Heat	2/14/1995	S/L	7	440	440	-	440	-	440
340	Computer Equipment	4/3/2006	S/L	5	1,941	1,746	388	2,134	-	2,134
340	Computer Equipment	3/12/2007	S/L	5	3,644	2,916	729	3,645	-	3,645
340	Dell Laptop reading	2/3/2008	S/L	5	1,760	1,056	352	1,408	352	1,760
340	Laser Printer	11/7/2008	S/L	5	950	570	190	760	190	950
340	computer	12/3/2010	S/L	5	5,675	1,135	1,135	2,270	1,135	3,405
340	computers	6/1/2010	S/L	5	35,978	7,196	7,196	14,392	7,196	21,588
340	furniture and supplies	7/22/2010	S/L	7	1,965	642	642	1,284	281	1,565
340	a/c unit	7/22/2010	S/L	7	2,529	361	361	722	361	1,083
340	telephones	7/22/2010	S/L	5	4,691	938	938	1,876	938	2,814
340	sensors	6/20/2010	S/L	5	780	156	156	312	156	468
340	website	3/15/2010	S/L	5	750	150	150	300	150	450
340	Amperometric Analyzer	11/4/2008	S/L	5	2,771	1,780	554	2,334	437	2,771
340	Lexmark Printer	2012	S/L	5	1,170	-	-	-	234	234
340	Data Radio	2012	S/L	5	1,185	-	-	-	237	237
340	Lawn Mower	2012	S/L	7	1,900	-	-	-	271	271
340	computer	2012	S/L	5	595	-	-	-	119	119
					73,677	24,039	12,791	36,830	12,058	48,888
341	200 S-10	10/25/2000	S/L	5	15,037	15,037	-	15,037	-	15,037
341	2001 Chevy	2/1/2001	S/L	5	25,069	25,069	-	25,069	-	25,069
341					(25,069)	(25,069)	-	(25,069)	-	(25,069)
341	1995 Pickup	3/31/1995	S/L	5	19,552	19,552	-	19,552	-	19,552
341	1996 Chevy PU	8/8/1996	S/L	5	15,298	15,298	-	15,298	-	15,298
341					(34,850)	(34,850)	-	(34,850)	-	(34,850)
341	1996 Ford PU	8/8/1996	S/L	5	20,092	20,092	-	20,092	-	20,092
341	1996 Ford PU	sold			(20,092)	(20,092)	-	(20,092)	-	(20,092)
341	1997 Blazer	2/10/1998	S/L	5	18,500	18,500	-	18,500	-	18,500
341	1997 Chevy PU	6/25/1997	S/L	5	20,125	20,125	-	20,125	-	20,125
341	sold				(38,625)	(38,625)	-	(38,625)	-	(38,625)
341	TRK Tool Box	1/11/1993	S/L	5	700	700	-	700	-	700
341	1997 Chevy PU	8/14/2003	S/L	5	20,015	13,343	-	13,343	-	13,343
341	sold truck				(20,015)	(13,343)	-	(13,343)	-	(13,343)
341	2004 Ford PU	4/9/2004	S/L	5	21,158	21,158	-	21,158	-	21,158
341	Dump truck	11/30/2005	S/L	5	22,000	22,000	4,033	26,033	-	26,033
341	2007 chevy PU	1/31/2007	S/L	5	25,675	20,540	5,135	25,675	-	25,675
341	2004 chevy PU	4/29/2008	S/L	5	7,603	4,562	1,521	6,083	1,521	7,604
341	09 Chevy pu	9/1/2009	S/L	5	23,744	3,166	1,583	4,749	4,749	9,498
341	Truck 208, Radio/Lights	9/11/2009	S/L	5	613	82	41	123	123	246
341	2012 Ford F250 truck	2012	S/L	5	26,142	-	-	-	5,228	5,228
					142,672	87,245	12,313	99,558	6,392	105,950
345	Boring Machine	8/1/1988	S/L	5	2,751	2,751	-	2,751	-	2,751
345	Leak Detector	2/20/1998	S/L	7	1,776	1,776	-	1,776	-	1,776
345	Pressure Wash	3/25/1997	S/L	5	689	689	-	689	-	689
345	Trash Pump	3/20/1998	S/L	7	850	850	-	850	-	850
345	fuel pump	10/30/2010	S/L	7	525	75	75	75	75	225
345	Boring Machine	4/1/2007	S/L	5	1,200	960	240	1,200	-	1,200
345	Impact drill	7/31/2011	S/L	5	654	-	131	131	131	262
345	Pressure Wash	8/28/2011	S/L	5	700	-	140	140	140	280
345	Reciprocating saw	2012	S/L	7	550	-	-	-	79	79
					9,695	7,101	586	7,687	424	8,111
348	Radio	4/1/1955	S/L	5	1,225	1,225	-	1,225	-	1,225
348	Radio	10/18/1999	S/L	5	1,655	1,655	-	1,655	-	1,655
348	Trk # 205 Radio	6/25/1997	S/L	5	1,532	1,532	-	1,532	-	1,532
348	Truck Radios	3/10/1994	S/L	7	1,160	1,160	-	1,160	-	1,160
					5,572	5,572	-	5,572	-	5,572
	Total Other Assets				232,845	125,186	25,690	150,876	18,874	169,750

OLD

Rattlesnake Ridge Water District  
 Fixed Asset Listing  
 For the Year Ended December 31, 2012

Code	Description	Date	Meth	Life	Cost	Accum Depr 2010	Depreciation 2011	Accum Depr 2011	Depreciation 2012	Accum Depr 2012
341	1 985 C70 Truck Disposed of truck	12/27/1995	S/L	5	14,767 (14,767)	14,767 (14,767)	- -	14,767 (14,767)	- -	14,767 (14,767)
345	Backhoe	8/2/2004	S/L	5	48,401	48,101	-	48,401	-	48,401
345	Trailer	12/1/2008	S/L	5	5,603	3,362	1,121	4,483	1,121	5,604
345	Trailer sold	8/2/2004	S/L	5	8,400 (8,400)	8,400 (8,400)	- -	8,400 (8,400)	- -	8,400 (8,400)
345	Excavator	6/10/2010	S/L	5	42,588	8,518	8,518	17,036	8,518	25,554
345	Trailer	3/28/2011	S/L	5	3,430	-	686	686	686	1,372
345	Trailer Improv	5/23/2011	S/L	5	2,808	-	562	562	562	1,124
					102,830	59,981	10,887	71,168	10,886	82,054
	Total Heavy Equipment				102,830	59,981	10,887	71,168	10,886	82,054
								tb15220		
303	Land	10/1/2008			2,000					
303	Land	1/2/1992			4,500					
					6,500					
304	Bal Utility Bldg	2/14/1995	S/L	31.5	1,088	550	35	585	35	620
304	Handicap Access	7/7/1998	S/L	31.5	1,770	701	56	757	56	813
304	Office Bldg	1/24/1992	S/L	31.5	45,077	27,129	1,431	28,560	1,431	29,991
304	Pave Lot	8/24/1994	S/L	15	4,000	4,000	-	4,000	-	4,000
304	Pave Lot	6/7/1996	S/L	15	2,525	2,439	168	2,607	-	2,607
304	Utility Bldg	11/1/1994	S/L	31.5	15,385	7,893	488	8,381	488	8,869
304	Wiring Cable	9/15/1995	S/L	31.5	2,841	1,374	90	1,464	90	1,554
304	Shed	6/15/2006	S/L	31.5	9,000	1,287	286	1,573	286	1,859
					81,686	45,373	2,554	47,927	2,386	50,313
340	A/C Furn Util	9/15/1995	S/L	7	3,687	3,687	-	3,687	-	3,687
340	Security System	12/8/1994	S/L	7	1,621	1,621	-	1,621	-	1,621
					5,308	5,308	-	5,308	-	5,308
	Total Building and Land				93,494	50,681	2,554	53,235	2,386	55,621
								tb15100		
304	Structures	4/1/2002	S/L	40	1,346,167	294,473	33,654	328,127	33,654	361,781
304	Structures	4/1/2002	S/L	40	805,788	176,268	20,145	196,413	20,145	216,558
304	Structures	1/1/2003	S/L	40	1,072	216	27	243	27	270
304	Structures	2/28/2003	S/L	40	4,425	869	111	980	111	1,091
					2,157,452	471,826	53,937	525,763	53,936	579,699
320	WTP Equipment	4/1/2002	S/L	20	2,288,544	1,001,237	114,427	1,115,664	114,427	1,230,091
320	WTP Equipment	5/4/2002	S/L	20	256,233	108,901	12,812	121,713	12,812	134,525
320	WTP Equipment	2009	S/L	20	46,055	2,302	1,151	3,453	2,303	5,756
320	WTP Equipment	6/30/2010	S/L	20	3,806	190	190	380	190	570
320	WTP Equipment	6/30/2010	S/L	20	3,295	165	165	330	165	495
320	WTP Equipment	2011	S/L	20	10,613	-	531	531	531	1,062
320	WTP Equipment	2012	S/L	20	620	-	-	-	31	31
					2,609,166	1,112,795	129,276	1,242,071	130,458	1,372,529
	Total Water Treatment Plant				4,766,618	1,584,621	183,213	1,767,834	184,395	1,952,229
								tb14700		
Total					27,847,061	8,556,124	803,737	9,360,162	799,008	10,159,172

**KRWFC Flexible Term Program Series 2008 C  
Sinking Fund Payment Schedule**

**Borrower:** Rattlesnake Ridge Water District  
**Closing Date:** 05/29/08

*Note General  
Entered into  
Amended*

*One Entry  
to 116-6*

*Switched  
1 mo before*

*Jan '11  
July '11*

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
8/08-1/09	4,166.67	2,796.17	6,962.83
2/09-7/09	2,500.00	2,030.83	<del>4,530.83</del>
8/09-1/10	2,500.00	2,030.83	<del>4,530.83</del>
2/10-7/10	2,500.00	1,967.08	4,467.08
-8/10-1/11	2,500.00	1,967.08	<del>4,467.08</del>
-2/11-7/11	2,916.67	1,890.83	<del>4,807.50</del>
8/11-1/12	2,916.67	1,890.83	4,807.50
2/12-7/12	2,916.67	1,801.88	4,718.54
8/12-1/13	2,916.67	1,801.88	4,718.54
2/13-7/13	2,500.00	1,705.63	4,205.63
8/13-1/14	2,500.00	1,705.63	4,205.63
2/14-7/14	2,916.67	1,623.13	4,539.79
8/14-1/15	2,916.67	1,623.13	4,539.79
2/15-7/15	2,916.67	1,519.58	4,436.25
8/15-1/16	2,916.67	1,519.58	4,436.25
2/16-7/16	3,333.33	1,416.04	4,749.38
8/16-1/17	3,333.33	1,416.04	4,749.38
2/17-7/17	3,333.33	1,281.04	4,614.38
8/17-1/18	3,333.33	1,281.04	4,614.38
2/18-7/18	3,750.00	1,146.04	4,896.04
8/18-1/19	3,750.00	1,146.04	4,896.04
2/19-7/19	3,333.33	994.17	4,327.50
8/19-1-20	3,333.33	994.17	4,327.50
2/20-7/20	3,750.00	859.17	4,609.17
8/20-1/21	3,750.00	859.17	4,609.17
2/21-7/21	3,750.00	707.29	4,457.29
8/21-1/22	3,750.00	707.29	4,457.29
2/22-7/22	3,750.00	550.73	4,300.73
8/22-1/23	3,750.00	550.73	4,300.73
2/23-7/23	4,166.67	394.17	4,560.83
8/23-1/24	4,166.67	394.17	4,560.83
2/24-7/24	5,000.00	215.00	5,215.00
8/24-1/25	5,000.00	215.00	5,215.00
	<u>665,000.00</u>	<u>258,008.25</u>	<u>923,008.25</u>

HARPER, FERGUSON & DAVIS

ATTORNEYS AT LAW  
310 WEST LIBERTY STREET  
LOUISVILLE, KENTUCKY 40202

TELEPHONE  
(502) 582-3871

April 23, 1985

Farmers Home Administration  
United States of America  
c/o State Director  
333 Waller Avenue  
Lexington, Kentucky 40504

Re: \$706,000 "Rattlesnake Ridge Water District Water  
System Revenue Bonds, 1984 Series A" and  
\$80,000 "Rattlesnake Ridge Water District Water  
System Revenue Bonds, 1984 Series B"

Gentlemen:

We have examined certified copies of pertinent proceedings of the Rattlesnake Ridge Water District, Carter, Elliott and Lawrence Counties, Kentucky (the "District"), precedent to and in connection with the authorization and issuance by the District of its "Water System Revenue Bonds, 1984 Series A," in the principal amount of \$706,000 (the "Series A Bonds"), and "Water System Revenue Bonds, 1984 Series B," in the principal amount of \$80,000 (the "Series B Bonds"), collectively hereinafter referred to as the "Bonds," which Bonds are issued only in the form of a single fully registered Bond for each such Series, dated as of the date of delivery, bearing interest at the rate of 9-1/8% per annum in the case of the Series A Bonds and 10% per annum in the case of the Series B Bonds, payable on January 1 and July 1 of each year, beginning July 1, 1985, and maturing as to principal on January 1 of each year as shown in the following schedules:

Series A Bonds - \$706,000

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>
1988	\$ 2,000	2001	\$ 7,000	2014	\$ 23,000
1989	3,000	2002	8,000	2015	25,000
1990	3,000	2003	9,000	2016	28,000
1991	3,000	2004	10,000	2017	30,000
1992	3,000	2005	11,000	2018	33,000
1993	4,000	2006	12,000	2019	36,000
1994	4,000	2007	13,000	2020	39,000
1995	4,000	2008	14,000	2021	43,000
1996	5,000	2009	15,000	2022	47,000
1997	5,000	2010	16,000	2023	51,000
1998	6,000	2011	18,000	2024	56,000
1999	6,000	2012	20,000	2025	66,000
2000	7,000	2013	21,000		

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Re: \$706,000 "Rattlesnake Ridge Water District Water System Revenue Bonds, 1984 Series A" and  
 \$ 80,000 "Rattlesnake Ridge Water District Water System Revenue Bonds, 1984 Series B"

Series B Bonds - \$80,000

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>
1988	\$ 200	2001	\$ 800	2014	\$ 2,600
1989	200	2002	800	2015	2,900
1990	300	2003	900	2016	3,200
1991	300	2004	1,000	2017	3,500
1992	300	2005	1,100	2018	3,800
1993	400	2006	1,200	2019	4,200
1994	400	2007	1,300	2020	4,600
1995	400	2008	1,500	2021	5,100
1996	500	2009	1,600	2022	5,600
1997	500	2010	1,800	2023	6,200
1998	600	2011	2,000	2024	6,800
1999	600	2012	2,200	2025	7,500
2000	700	2013	2,400		

provided, however, that principal installments of the Bonds maturing on and after January 1, 1997, are subject to prepayment at the option of the District on any interest payment date on or after January 1, 1996, at par and subject to notice and other conditions set forth in the Resolution of the District authorizing the Bonds. It is our opinion that the Bonds have been authorized and issued in conformity with the Constitution and applicable laws of the Commonwealth of Kentucky, particular reference being made to Chapters 74 and 106 of the Kentucky Revised Statutes, now in full force and effect. The Resolution of the District authorizing the Bonds stipulates that the Series A Bonds and the Series B Bonds rank on a parity, one with the other, as to security and source of payment.

Based upon our examination of the foregoing evidence, it is our opinion that the Bonds in the aggregate amount of \$786,000 are valid and legally binding upon the District according to the import thereof and that the Bonds, together with bonds ranking on a parity therewith which may hereafter be issued and outstanding from time to time under the restrictions and conditions set forth in said proceedings, are payable only from and secured by a pledge of a fixed portion of the income and revenues to be derived from the operation of the District's municipal water distribution system, which fixed portion, according to the terms of said Bond-authorizing Resolution, shall be sufficient to pay the maturing principal of and interest on the Bonds and any such outstanding parity bonds.



Page -3-

Re: \$706,000 "Rattlesnake Ridge Water District Water  
System Revenue Bonds, 1984 Series A" and  
\$ 80,000 "Rattlesnake Ridge Water District Water  
System Revenue Bonds, 1984 Series B"

It is our further opinion that the Bonds in the amount of \$786,000 are exempt from all present Kentucky ad valorem taxes, and interest thereon is exempt from present Federal and Kentucky income taxes; provided, however, if the Bonds or any portion thereof are acquired by the Federal government, or any of its agencies, and sold on an insured basis from the Agricultural Credit Insurance Fund or the Rural Development Insurance Fund, as provided in the last sentence of Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) and in Section 309A(h) of said Act (7 U.S.C. 1929a(h)), respectively, no opinion is expressed as to the exemption from Federal and Kentucky income taxation of interest derived in respect of the Bonds or such portion thereof.

Respectfully submitted,

HARPER, FERGUSON & DAVIS

By

  
\_\_\_\_\_  
William W. Davis



\*0000388061231000364010620120920\*

# COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$26,142.05	06-20-2012	06-20-2014	12310	M / 7	00038806	LSM	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*" has been omitted due to text length limitations.

**Grantor:** Rattlesnake Ridge Water District (TIN: 61-1037311)  
P. O. Box 475  
Grayson, KY 41143

**Lender:** The Commercial Bank of Grayson  
208 E. Main St.  
P. O. Box 7  
Grayson, KY 41143

THIS COMMERCIAL SECURITY AGREEMENT dated June 20, 2012, is made and executed between Rattlesnake Ridge Water District ("Grantor") and The Commercial Bank of Grayson ("Lender").

**GRANT OF SECURITY INTEREST.** For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

**COLLATERAL DESCRIPTION.** The word "Collateral" as used in this Agreement means the following described property in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

2012 Ford F250 SL Super Duty Reg. Cab 4WD (VIN 1FTBF2B6CEC08959)

In addition, the word "Collateral" also includes all the following:

- (A) All accessions, attachments, accessories, replacements and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

**CROSS-COLLATERALIZATION.** In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

**GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL.** With respect to the Collateral, Grantor represents and promises to Lender that:

**Perfection of Security Interest.** Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Grantor may not be indebted to Lender.

**Notices to Lender.** Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the structure of the association Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

**No Violation.** The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party.

**Enforceability of Collateral.** To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

**Location of the Collateral.** Except for vehicles, and except otherwise in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. If the Collateral is a vehicle, Grantor will keep the Collateral at those addresses except for routine travel. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

**Removal of the Collateral.** Except in the ordinary course of Grantor's business, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the Commonwealth of Kentucky, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

**Transactions Involving Collateral.** Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

**Title.** Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

**Repairs and Maintenance.** Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair



\*0000388068416100301011011121122\*

### PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$22,719.69	10-15-2012	10-15-2014	84161	M / s	38806	MDS	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Rattlesnake Ridge Water District (TIN:  
81-1037311)  
P. O. Box 475  
Grayson, KY 41143

**Lender:** The Commercial Bank of Grayson  
208 E. Main St.  
P. O. Box 7  
Grayson, KY 41143

**Principal Amount:** \$22,719.69      **Interest Rate:** 4.990%      **Date of Note:** October 15, 2012

**PROMISE TO PAY.** Rattlesnake Ridge Water District ("Borrower") promises to pay to The Commercial Bank of Grayson ("Lender"), or order, in lawful money of the United States of America, the principal amount of Twenty-two Thousand Seven Hundred Nineteen & 69/100 Dollars (\$22,719.69), together with interest on the unpaid principal balance from October 15, 2012, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 4.990% per annum, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in 23 regular payments of \$880.80 each and one irregular last payment estimated at \$8,634.01. Borrower's first payment is due November 15, 2012, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on October 15, 2014, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied to first, any unpaid credit insurance premiums, accrued to the date of receipt of payment; then to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Loan payments should be in U.S. dollars and may be made in person, by telephone or electronically at any of the Lender's offices, Monday through Friday, 8:30 a.m. to 2:00 p.m. Payments made outside this time period will be credited the next business weekday. Mail payments should be in the form of checks or money orders. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (366 during leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: The Commercial Bank of Grayson, 208 E. Main St., P. O. Box 7, Grayson, KY 41143.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$5.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the total sum due under this Note will continue to accrue interest at the interest rate under this Note.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going organization, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Kentucky.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$15.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.



\*0000388062241000301010318131108\*

### PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$75,075.00	03-18-2013	03-18-2014	22410	C / 1	38806	JWS	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any Item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Rattlesnake Ridge Water District  
P. O. Box 475  
Grayson, KY 41143

**Lender:** The Commercial Bank of Grayson  
208 E. Main St.  
P. O. Box 7  
Grayson, KY 41143

**Principal Amount:** \$75,075.00      **Interest Rate:** 4.750%      **Date of Note:** March 18, 2013

**PROMISE TO PAY.** Rattlesnake Ridge Water District ("Borrower") promises to pay to The Commercial Bank of Grayson ("Lender"), or order, in lawful money of the United States of America, the principal amount of Seventy-five Thousand Seventy-five & 00/100 Dollars (\$75,075.00), together with interest on the unpaid principal balance from March 18, 2013, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 4.750% per annum, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in 12 payments of \$6,419.25 each payment. Borrower's first payment is due April 18, 2013, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on March 18, 2014, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied to Unless otherwise agreed or required by applicable law, payments will be applied to first, any unpaid credit insurance premiums, accrued to the date of receipt of payment; then to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Loan payments should be in U. S. Dollars and may be made in person, by telephone or electronically at any of the Lender's offices, on Monday through Friday during business hours. Payments made on Saturdays, Sundays and National Holidays will be credited on the next business day that office is open. Mail payments should be in the form of checks or money orders. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (366 during leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: The Commercial Bank of Grayson, 208 E. Main St., P. O. Box 7, Grayson, KY 41143.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$5.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the total sum due under this Note will continue to accrue interest at the interest rate under this Note.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Insolvency.** The dissolution or termination of Borrower's existence as a going organization, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Kentucky.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$15.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the debt against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights



\*0000388061340000301010712121203\*

### PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$27,314.87	07-12-2012	07-12-2014	13400	P	00038806	LSM	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "\*\*\*\*" has been omitted due to text length limitations.

**Borrower:** Rattlesnake Ridge Water District (TIN: 61-1037311)  
P. O. Box 475  
Grayson, KY 41143

**Lender:** The Commercial Bank of Grayson  
208 E. Main St.  
P. O. Box 7  
Grayson, KY 41143

**Principal Amount:** \$27,314.87      **Interest Rate:** 4.750%      **Date of Note:** July 12, 2012

**PROMISE TO PAY.** Rattlesnake Ridge Water District ("Borrower") promises to pay to The Commercial Bank of Grayson ("Lender"), or order, in lawful money of the United States of America, the principal amount of Twenty-seven Thousand Three Hundred Fourteen & 67/100 Dollars (\$27,314.87), together with interest on the unpaid principal balance from July 12, 2012, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 4.750% per annum, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

**PAYMENT.** Borrower will pay this loan in 23 regular payments of \$815.62 each and one irregular last payment estimated at \$10,354.84. Borrower's first payment is due August 12, 2012, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on July 12, 2014, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied to first, any unpaid credit insurance premiums, accrued to the date of receipt of payment; then to any accrued unpaid interest; then to principal; then to any unpaid collection costs; and then to any late charges. Loan payments should be in U.S. dollars and may be made in person, by telephone or electronically at any of the Lender's offices, Monday through Friday, 8:30 a.m. to 2:00 p.m. Payments made outside this time period will be credited the next business weekday. Mail payments should be in the form of checks or money orders. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

**INTEREST CALCULATION METHOD.** Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (366 during leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

**PREPAYMENT.** Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: The Commercial Bank of Grayson, 208 E. Main St., P. O. Box 7, Grayson, KY 41143.

**LATE CHARGE.** If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$5.00, whichever is greater.

**INTEREST AFTER DEFAULT.** Upon default, including failure to pay upon final maturity, the total sum due under this Note will continue to accrue interest at the interest rate under this Note.

**DEFAULT.** Each of the following shall constitute an event of default ("Event of Default") under this Note:

**Payment Default.** Borrower fails to make any payment when due under this Note.

**Other Defaults.** Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Note or the related documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

**Death or Insolvency.** The dissolution of Borrower (regardless of whether election to continue is made), any member withdraws from Borrower, or any other termination of Borrower's existence as a going business or the death of any member, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any guarantor, endorser, surety, or accommodation party of any of the indebtedness or any guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

**Insecurity.** Lender in good faith believes itself insecure.

**LENDER'S RIGHTS.** Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

**ATTORNEYS' FEES; EXPENSES.** Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

**GOVERNING LAW.** This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Kentucky.

**DISHONORED ITEM FEE.** Borrower will pay a fee to Lender of \$15.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

**RIGHT OF SETOFF.** To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this

# HARPER, FERGUSON & DAVIS

ATTORNEYS AT LAW

310 WEST LIBERTY STREET

LOUISVILLE, KENTUCKY 40202

28 WEST FIFTH STREET

COVINGTON, KENTUCKY 41011

LOUISVILLE OFFICE

(502) 582-3871

TELECOPIER (502) 582-3905

COVINGTON OFFICE

(606) 491-0712

TELECOPIER (606) 491-0187

June 6, 1989

United States of America  
Farmers Home Administration  
c/o State Director  
333 Waller Avenue  
Lexington, Kentucky 40504

Re: \$195,000 Rattlesnake Ridge Water District  
Water System Revenue Bonds, Series of 1989

Ladies and Gentlemen:

We have examined certified copies of pertinent proceedings of the Rattlesnake Ridge Water District, Carter, Elliott and Lawrence Counties, Kentucky (the "District"), precedent to and in connection with the authorization and issuance by the District of its Water System Revenue Bonds, Series of 1989, in the principal amount of \$195,000, which bonds are issued only in the form of a single fully registered bond (the "Bond"), dated as of the date of delivery, bearing interest at five percent (5%) per annum, payable on January 1 and July 1 of each year, and maturing as to principal on January 1 of each year as shown in the following schedule:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>
1991	\$ 2,000	2010	\$ 5,000
1992	2,000	2011	5,000
1993	2,000	2012	5,000
1994	2,000	2013	5,000
1995	2,000	2014	6,000
1996	2,000	2015	6,000
1997	2,000	2016	6,000
1998	3,000	2017	6,000
1999	3,000	2018	7,000
2000	3,000	2019	7,000
2001	3,000	2020	7,000
2002	3,000	2021	8,000
2003	3,000	2022	8,000
2004	3,000	2023	9,000
2005	4,000	2024	9,000
2006	4,000	2025	9,000
2007	4,000	2026	10,000
2008	4,000	2027	11,000
2009	4,000	2028	11,000

91-05

**HARPER, FERGUSON & DAVIS**

**ATTORNEYS AT LAW**

310 WEST LIBERTY STREET

**LOUISVILLE, KENTUCKY 40202**

28 WEST FIFTH STREET

COVINGTON, KENTUCKY 41011

**LOUISVILLE OFFICE**

(502) 582-3871

TELECOPIER (502) 582-3905

**COVINGTON OFFICE**

(606) 491-0712

TELECOPIER (606) 491-0187

September 2, 1992

United States of America  
Farmers Home Administration  
c/o State Director  
771 Corporate Drive  
Lexington, Kentucky 40503

Re: \$365,000 Rattlesnake Ridge Water District  
Water System Revenue Bonds, Series of 1992

Ladies and Gentlemen:

We have examined certified copies of pertinent proceedings of the Rattlesnake Ridge Water District, Carter, Elliott and Lawrence Counties, Kentucky (the "District"), precedent to and in connection with the authorization and issuance by the District of its Water System Revenue Bonds, Series of 1992, in the principal amount of \$365,000, which bonds are issued only in the form of a single fully registered bond (the "Bond"), dated as of the date of delivery, bearing interest at five percent (5%) per annum, payable on January 1 and July 1 of each year, and maturing as to principal on January 1 of each year as shown in the following schedule:

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>YEAR</u>	<u>PRINCIPAL</u>
1994	\$ 3,500	2013	\$ 8,500
1995	3,500	2014	9,000
1996	4,000	2015	9,500
1997	4,000	2016	10,000
1998	4,000	2017	10,500
1999	4,500	2018	11,000
2000	4,500	2019	11,500
2001	5,000	2020	12,000
2002	5,000	2021	13,000
2003	5,500	2022	13,000
2004	5,500	2023	14,000
2005	6,000	2024	14,500
2006	6,000	2025	15,500
2007	6,500	2026	16,000
2008	6,500	2027	17,000
2009	7,000	2028	17,500
2010	7,500	2029	18,500
2011	8,000	2030	19,500
2012	8,000	2031	20,000

91-06

# HARPER, FERGUSON & DAVIS

ATTORNEYS AT LAW

1730 MEIDINGER TOWER

462 SOUTH FOURTH AVENUE

LOUISVILLE, KENTUCKY 40202-3413

28 WEST FIFTH STREET

COVINGTON, KENTUCKY 41011

LOUISVILLE OFFICE

(502) 582-3871

TELECOPIER (502) 582-3905

COVINGTON OFFICE

(606) 491-0712

TELECOPIER (606) 491-0187

May 8, 1995

United States of America  
Department of Agriculture  
c/o State Director  
771 Corporate Drive, Suite 200  
Lexington, Kentucky 40503-5477

Re: \$631,000 Rattlesnake Ridge Water District Water  
System Revenue Bonds, 1994 Series A and B

Ladies and Gentlemen:

We have examined certified copies of pertinent proceedings of the Rattlesnake Ridge Water District, Carter, Elliott and Lawrence Counties, Kentucky (the "District"), precedent to and in connection with the authorization and issuance of its Water System Revenue Bonds, 1994 Series A and B, in the aggregate principal amount of \$631,000, which bonds are issued only in the form of a single fully registered bond for each series, in the principal amounts shown in the following schedules (the "Bonds"), dated as of the date of delivery, bearing interest at 4-1/2% per annum, such interest being payable on January 1 and July 1 of each year, and maturing as to principal on January 1 of each year as shown in the following schedules:

## 1994 Series A Maturity Schedule (\$434,000)

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
1997	\$4,000	2010	\$8,000	2023	\$14,000
1998	4,000	2011	8,000	2024	15,000
1999	5,000	2012	9,000	2025	16,000
2000	5,000	2013	9,000	2026	17,000
2021	5,000	2014	9,000	2027	17,000
2002	5,000	2015	10,000	2028	18,000
2003	6,000	2016	10,000	2029	19,000
2004	6,000	2017	11,000	2030	20,000
2005	6,000	2018	11,000	2031	21,000
2006	6,000	2019	12,000	2032	22,000
2007	7,000	2020	12,000	2033	23,000
2008	7,000	2021	13,000	2034	23,000
2009	7,000	2022	14,000		



Re: \$631,000 Rattlesnake Ridge Water District Water System Revenue Bonds, 1994 Series A and B

1994 Series B Maturity Schedule (\$197,000)

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
1997	\$ 2,000	2010	\$ 3,500	2023	\$ 6,500
1998	2,000	2011	4,000	2024	6,500
1999	2,500	2012	4,000	2025	7,000
2000	2,500	2013	4,000	2026	7,500
2001	2,500	2014	4,500	2027	7,500
2002	2,500	2015	4,500	2028	8,000
2003	2,500	2016	5,000	2029	8,500
2004	3,000	2017	5,000	2030	8,500
2005	3,000	2018	5,000	2031	9,500
2006	3,000	2019	5,500	2032	9,500
2007	3,000	2020	5,500	2033	10,000
2008	3,500	2021	6,000	2034	10,000
2009	3,500	2022	6,000		

provided, however, that principal installments of the Bonds maturing on and after January 1, 2006, are subject to prepayment at the option of the District on any interest payment date on or after January 1, 2005, at par and subject to notice and other conditions set forth in the Resolution of the District authorizing the Bonds. It is our opinion that the Bonds have been authorized and issued in conformity with the Constitution and applicable laws of the Commonwealth of Kentucky, particular reference being made to Chapters 74 and 106 of the Kentucky Revised Statutes, now in full force and effect.

Based upon our examination of the foregoing evidence, it is our opinion that the Bonds in the aggregate amount of \$631,000 are valid and legally binding upon the District according to the import thereof, and that the Bonds, together with bonds ranking on a parity therewith which have heretofore been issued and are outstanding and which may hereafter be issued and outstanding from time to time under the restrictions and conditions set forth in said proceedings, are payable only from and secured by a pledge of a fixed portion of the income and revenues to be derived from the operation of the District's municipal water distribution system, which fixed portion, according to the terms of said Bond-authorizing Resolution, shall be sufficient to pay the maturing principal of and interest on the Bonds and such outstanding parity bonds.

It is our further opinion that the Bonds in the aggregate amount of \$631,000 are exempt from all present Kentucky ad valorem taxes, and under existing laws the interest thereon is excluded from gross income for Federal and Kentucky income tax purposes; provided, however, if the Bonds or any portion thereof are acquired by the Federal government, or any agency thereof, and sold on an insured basis from the Agricultural Credit Insurance Fund or the

TRANSCRIPT OF PROCEEDINGS

RATTLESNAKE RIDGE WATER DISTRICT  
WATERWORKS REFUNDING REVENUE BONDS  
SERIES 1996  
DATED FEBRUARY 1, 1996  
IN THE AMOUNT OF \$875,000

APPROVING LEGAL OPINION

By  
RUBIN HAYS & FOLEY  
First Trust Centre  
200 South Fifth Street  
Louisville, Kentucky 40202  
(502) 569-7550

**TRANSCRIPT OF PROCEEDINGS**

**RATTLESNAKE RIDGE WATER DISTRICT  
WATERWORKS REVENUE BONDS, SERIES 1995**

**DATED SEPTEMBER 6, 1996**

**IN THE AMOUNT OF \$545,000**

**CONSISTING OF**

**\$445,000 OF SERIES A BONDS**

**AND**

**\$100,000 SERIES B BONDS**

**TRANSCRIPT OF PROCEEDINGS**

**RATTLESNAKE RIDGE WATER DISTRICT  
WATERWORKS REVENUE BONDS, SERIES 2001**

**DATED JUNE 21, 2001**

**IN THE AMOUNT OF \$960,000**

**CONSISTING OF**

**\$900,000 OF SERIES A BONDS**

**AND**

**\$60,000 OF SERIES B BONDS**

**TRANSCRIPT OF PROCEEDINGS**

**RATTLESNAKE RIDGE WATER DISTRICT  
WATERWORKS REVENUE BONDS, SERIES 2000**

**DATED OCTOBER 2, 2001**

**IN THE AGGREGATE PRINCIPAL AMOUNT OF \$1,325,000**

**CONSISTING OF**

**\$900,000 OF SERIES A BONDS**

**AND**

**\$425,000 OF SERIES B BONDS**

**TRANSCRIPT OF PROCEEDINGS**

**RATTLESNAKE RIDGE WATER DISTRICT WATERWORKS REVENUE BONDS,  
SERIES 2004**

**DATED JUNE 4, 2004**

**IN THE AMOUNT OF \$1,889,000**

**TRANSCRIPT OF PROCEEDINGS**  
**RATTLESNAKE RIDGE WATER DISTRICT**  
**LOAN IN THE AMOUNT OF \$665,000**

**FROM THE**

**KENTUCKY RURAL WATER FINANCE CORPORATION**  
**PUBLIC PROJECTS REFUNDING AND IMPROVEMENT REVENUE BONDS**  
**(FLEXIBLE TERM PROGRAM)**  
**SERIES 2008C**  
**DATED MAY 29, 2008**  
**IN THE AMOUNT OF \$7,300,000**

**APPROVING LEGAL OPINION**

By

**RUBIN & HAYS**  
Municipal Bond Attorneys  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
(502) 569-7525

**TRANSCRIPT OF PROCEEDINGS**

**RATTLESNAKE RIDGE WATER DISTRICT WATERWORKS REVENUE BONDS,**

**SERIES 2011**

**DATED JUNE 12, 2012**

**IN THE AGGREGATE PRINCIPAL AMOUNT OF \$2,482,000**

**CONSISTING OF**

**\$1,336,000 OF SERIES A BONDS**

**AND**

**\$1,146,000 OF SERIES B BONDS**



(f) Credits. The Government shall pay the Contractor a connection charge of \$75,000.00 plus a non-refundable amount for a connection fee. The Contractor will rebate the connection charge of \$75,000.00 less the estimated cost of additional facilities unique to providing service to the Government. Those additional facilities include the cost of (i) replacing about 200 feet of Government installed 2-inch water line, including a road crossing, with 4-inch water line, (ii) the cost of 2 pressure reducing valves required to connect to the lower class pipe previously installed by the Government and (iii) the cost of material only for casing pipe across the top of the Grayson Dam and 2 valves. The estimated cost of the water line, road crossing and pressure reducing valves is \$4,000.00 and the cost of the casing pipe is \$20,700.00 for a total of \$24,700.00. The total amount to be rebated by the Contractor is therefore \$50,300.00 (\$75,000.00 - \$24,700.00). That amount is to be rebated by the Contractor to the Government over the next 40 years as follows: (i) one (1%) percent of the amount to be rebated, (\$503.00) annually, for each of the first five (5) years after service is initiated; (ii) two (2%) percent of the amount to be rebated (\$1,006.00) annually for each of the 6th through 10th years after service is initiated; (iii) two and one-half (2.5%) percent of the amount to be rebated (\$1,257.50) annually for each of the 11th through 20th years after service is initiated; and (iv) three (3%) percent of the amount to be rebated (\$1,509.00) annually for each of the 21st through 40th years after service is initiated.

EXHIBIT C REPAYMENT SCHEDULE  
(ANNUAL)

TOTAL COST	\$76,732
INTEREST RATE PERCENT	6.625%
NUMBER OF PAYMENTS	30
ANNUAL PAYMENT	\$5,582

YEAR	PAYMENT TO INTEREST (\$)	PAYMENT TO PRINCIPAL (\$)	TOTAL PAYMENT (\$)	BALANCE DUE (\$)
				76,732
1	0	5,582	5,582	71,150
2	4,714	868	5,582	70,282
3	4,656	926	5,582	69,356
4	4,595	987	5,582	68,369
5	4,529	1,053	5,582	67,316
6	4,460	1,122	5,582	66,194 <i>PAID</i>
7	4,385	1,197	5,582	64,997
8	4,306	1,276	5,582	63,721
9	4,222	1,360	5,582	62,361
10	4,131	1,451	5,582	60,910
11	4,035	1,547	5,582	59,363
12	3,933	1,649	5,582	57,714
13	3,824	1,758	5,582	55,956
14	3,707	1,875	5,582	54,081
15	3,583	1,999	5,582	52,082
16	3,450	2,132	5,582	49,950
17	3,309	2,273	5,582	47,677
18	3,159	2,423	5,582	45,254
19	2,998	2,584	5,582	42,670
20	2,827	2,755	5,582	39,915
21	2,644	2,938	5,582	36,977
22	2,450	3,132	5,582	33,845
23	2,242	3,340	5,582	30,505
24	2,021	3,561	5,582	26,944
25	1,785	3,797	5,582	23,147
26	1,534	4,048	5,582	19,099
27	1,265	4,317	5,582	14,782
28	979	4,603	5,582	10,179
29	674	4,908	5,582	5,272
30	349	5,272	5,621	0

**CURRENT AND PROPOSED RATES**  
**(List Applicant's Current and Proposed Rates)**

(see next sheet for details)

# Current and Proposed Rates ARF FORM 1-ATTACHMENT CPR-SEPTEMBER 2011

Monthly Rate

	Current	Proposed
<b>Residential 5/8"</b>		
1,000 Gallons	14.98	19.32
Next 4,000 Gallons	9.18	11.84
Next 5,000 Gallons	7.90	10.19
Next 10,000 Gallons	6.78	8.75
Next 20,000 Gallons	4.75	6.13
Over 40,000 Gallons	3.74	4.82
<b>3/4"</b>		
5,000 Gallons	51.70	66.69
Next 5,000 Gallons	7.90	10.19
Next 10,000 Gallons	6.78	8.75
Next 20,000 Gallons	4.75	6.13
Over 40,000 Gallons	3.74	4.82
<b>2'</b>		
First 50,000 Gallons	291.40	375.91
Over 50,000 Gallons	3.74	4.82
<b>3'</b>		
First 100,000 Gallons	478.40	617.14
All over 100,000 Gallons	3.74	4.82
<b>6'</b>		
First 500,000 Gallons	1,974.40	2,546.98
Over 500,000 Gallons	3.74	4.82
<b>1'</b>		
First 10,000 Gallons	91.20	117.65
Next 10,000 Gallons	6.78	8.75
Next 20,000 Gallons	4.75	6.13
Over 40,000 Gallons	3.74	4.82
<b>1.5'</b>		
First 30,000 Gallons	206.50	266.39
Next 10,000 Gallons	4.75	6.13
Over 40,000 Gallons	3.74	4.82

Revenue from Present/Proposed Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
Usage by Rate Increment

Class: 112

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
0-30,000	2	9100	9100					9,100
30,000-40,000	10	231,400	100,000	131,400				231,400
OVER 40,000								
Totals	12	240,500	109,100	131,400				240,500

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 30,000	12	109,100	206.50	\$ 2,478.00
Next 10,000		131,400	4.75	622.00
OVER 40,000			3.74	
Totals	12	240,500		\$ 3,100.00

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Sheet 4 of 4

Revenue from Present/Proposed Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGETABLE**  
Usage by Rate Increment

Class: 1

(1)	(2) Bills	(3) Gallons/Mcf	(4) 10,000	(5) 10,000	(6) 20,000	(7)	(8)	(9) Total
0 - 10,000	75	224,210	224,210					224,210
10 - 20,000	19	293,980	190,000	103,980				293,980
20 - 40,000	1	51,360	10,000	10,000	31,360			51,360
OVER 40,000								
Totals	95	569,550	424,210	113,980	31,360			569,550

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 10,000	95	424,210	91.20	8,664.00
		113,980	6.78	772.78
		31,360	4.75	148.96
			3.74	
Totals	95	569,550		9,585.74

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present/Proposed Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
Usage by Rate Increment

Class: 6

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
First 500,000	20	76,528,000	76,528,000					
Totals	20	76,528,000	76,528,000					

**REVENUE TABLE**  
Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 500,000	20	76,528,000	1,974.40	39,488.00
Totals	20			39,488.00

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present/Proposed Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
 Usage by Rate Increment

Class: 3

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
0-100,000	36	3,487,970	3,487,970					3,487,970
OVER 100,000								
Totals		3,487,970	3,487,970					3,487,970

**REVENUE TABLE**  
 Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 100,000	36	3,487,970	478.40	17,222.40
All over 100,000			3.74	
Totals	36	3,487,970		17,222.40

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.



Revenue from Present/Proposed Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
 Usage by Rate Increment

Class: 2'

(1)	(2) Bills	(3) Gallons/Mcf	(4)	(5)	(6)	(7)	(8)	(9) Total
0 - 50,000	36	7,601,110	7,601,110					7,601,110
OVER 50,000	10	538,420	500,000	38,420				538,420
Totals	46	8,139,530	8,101,110	38,420				8,139,530

**REVENUE TABLE**  
 Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
First 50,000	46	8,101,110	291.40	13,404.40
OVER 50,000		38,420	3.74	1,436.16
Totals	46	8,139,530		14,840.56

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present/Proposed Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
 Usage by Rate Increment

Class: 3/4

(1)	(2) Bills	(3) Gallons/Mcf	(4) 5,000	(5) 5,000	(6) 10,000	(7) 20,000	(8) 40,000	OVER 40,000	Total
0-1000	22	0							0
<del>1000-5000</del>	1	40,090	5,000	35,090					40,090
5001-10,000	0	0							0
10,001-20,000	3	398,100	15,000	15,000	30,000	338,100			398,100
20,001-40,000	2	683,700	10,000	10,000	20,000	40,000	683,700		683,700
40,001-999,999	2	3257,510	10,000	10,000	20,000	40,000	80,000	3,097,510	3257,510
Totals	30	4,379,400	40,000	70,090	70,000	418,100	683,700	3,097,510	4,379,400

**REVENUE TABLE**  
 Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
5,000	30	40,000	5.70	\$ 1,551.00
Next 5,000		70,090	7.90	553.72
10,000		70,000	6.78	474.60
20,000		418,100	4.75	1,985.98
40,000		683,700	3.74	2,557.04
OVER 40,000		3,097,510	3.74	11,584.69
Totals	30	4,379,400		18,707.03

**Instructions for Completing Revenue Table:**

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Revenue from Present/Proposed Rates  
 Test Period from 01-01-12 to 12-31-12

**USAGE TABLE**  
 Usage by Rate Increment

Class: Res. 5/8'

(1)	(2) Bills	(3) Gallons/Mcf	(4) First 1,000	(5) 5,000	(6) 10,000	(7) 20,000	(8) 40,000	Over	Total
1,000	48,127	130842070	130842070						130,842,070
1,000 - 5,000	1,317	20229580	1317000	18912580					202,295,80
5,000 - 10,000	29	1931220	29,000	145,000	1,757,220				19,312,20
10,000 - 20,000	10	1272670	10,000	50,000	100,000	1,121,670			12,726,70
20,000 - 40,000	2	449590	2,000	10,000	20,000	40,000	377,590		449,590
OVER	8	20919900	8,000	40,000	80,000	160,000	320,000	20,301,900	20,909,900
Totals	48,127	175135030	132208070	19157580	1,957,220	1,312,670	697,590	20,301,900	175,135,030

**REVENUE TABLE**  
 Revenue by Rate Increment

(1)	(2) Bills	(3) Gallons/Mcf	(4) Rates	(5) Revenue
1,000	48,127	132208070	14.98	720,942.46
Next 4,000		19157580	9.18	175866.58
5,000		1957220	7.90	15462.04
10,000		1312670	6.78	8899.90
20,000		697590	4.75	3313.55
Over 40,000		20301900	3.74	75929.11
Totals	48,127			1,000,413.64

Instructions for Completing Revenue Table:

- (9) Complete Columns No. 1, 2, and 3 using information from Usage Tables.
- (10) Complete Column No. 4 using rates either present or proposed.
- (11) Column No. 5 is completed by first multiplying the bills times the minimum charge. Then, starting with the second rate increment, multiply Column No. 3 by Column No. 4 and total.

Sheet 4 of 4

FOR Carter, Elliott, Lawrence and Morgan  
Counties, Kentucky

Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

**RATTLESNAKE RIDGE WATER DISTRICT**  
(Name of Utility)

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

**RATES AND CHARGES**

**5/8" X 3/4" Meter**

First 1,000 gallons  
Next 4,000 gallons  
Next 5,000 gallons  
Next 10,000 gallons  
Next 20,000 gallons  
Over 40,000 gallons

\$ 14.98 Minimum Bill  
9.18 per 1,000 gallons  
7.90 per 1,000 gallons  
6.78 per 1,000 gallons  
4.75 per 1,000 gallons  
3.74 per 1,000 gallons

**3/4" Meter**

First 5,000 gallons  
Next 5,000 gallons  
Next 10,000 gallons  
Next 20,000 gallons  
Over 40,000 gallons

\$ 51.70 Minimum Bill  
7.90 per 1,000 gallons  
6.78 per 1,000 gallons  
4.75 per 1,000 gallons  
3.74 per 1,000 gallons

**1" Meter**

First 10,000 gallons  
Next 10,000 gallons  
Next 20,000 gallons  
Over 40,000 gallons

\$ 91.20 Minimum Bill  
6.78 per 1,000 gallons  
4.75 per 1,000 gallons  
3.74 per 1,000 gallons

**1 1/2" Meter**

First 30,000 gallons  
Next 10,000 gallons  
Over 40,000 gallons

\$ 206.50 Minimum Bill  
4.75 per 1,000 gallons  
3.74 per 1,000 gallons

DATE OF ISSUE December 22, 2010  
Month / Date / Year  
DATE EFFECTIVE December 22, 2010  
Month / Date / Year  
ISSUED BY Bill A. Hunt  
(Signature of Officer)  
TITLE Chairman  
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
IN CASE NO. 2010-00458 DATED December 22, 2010

<b>KENTUCKY PUBLIC SERVICE COMMISSION</b>
<b>JEFF R. DEROUEN EXECUTIVE DIRECTOR</b>
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE <b>12/22/2010</b> PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Carroll, Elliott, Lawrence and Morgan  
Counties, Kentucky  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

RATTLESNAKE RIDGE WATER DISTRICT  
(Name of Utility)

**RATES AND CHARGES**

**5/8" X 3/4" Meter**  
 First 1,000 gallons \$ 14.98 Minimum Bill  
 Next 4,000 gallons 9.18 per 1,000 gallons  
 Next 5,000 gallons 7.90 per 1,000 gallons  
 Next 10,000 gallons 6.78 per 1,000 gallons  
 Next 20,000 gallons 4.75 per 1,000 gallons  
 Over 40,000 gallons 3.74 per 1,000 gallons

**3/4" Meter**  
 First 5,000 gallons \$ 51.70 Minimum Bill  
 Next 5,000 gallons 7.90 per 1,000 gallons  
 Next 10,000 gallons 6.78 per 1,000 gallons  
 Next 20,000 gallons 4.75 per 1,000 gallons  
 Over 40,000 gallons 3.74 per 1,000 gallons

**1" Meter**  
 First 10,000 gallons \$ 91.20 Minimum Bill  
 Next 10,000 gallons 6.78 per 1,000 gallons  
 Next 20,000 gallons 4.75 per 1,000 gallons  
 Over 40,000 gallons 3.74 per 1,000 gallons

**1 1/2" Meter**  
 First 30,000 gallons \$ 266.50 Minimum Bill  
 Next 10,000 gallons 4.75 per 1,000 gallons  
 Over 40,000 gallons 3.74 per 1,000 gallons

DATE OF ISSUE December 22, 2010  
 Month / Day / Year  
 DATE EFFECTIVE December 22, 2010  
 Month / Day / Year  
 ISSUED BY Bill Hildner  
 (Signature of Officer)  
 TITLE Chairman  
 BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION  
 IN CASE NO. 2010-0045 DATED December 22, 2010

KENTUCKY  
 PUBLIC SERVICE COMMISSION  
 JEFF R. DEROUEN  
 EXECUTIVE DIRECTOR  
 TARIFF BRANCH  
Brad Hildner  
 EFFECTIVE  
 12/22/2010  
 PURSUANT TO 907 KAR 6.011 SECTION 6.04

FOR Carter, Elliot, Lawrence and Morgan  
Counties, Kentucky  
Community, Town or City

P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

CANCELLING P.S.C. KY. NO. \_\_\_\_\_

SHEET NO. \_\_\_\_\_

RATTLESNAKE RIDGE WATER DISTRICT  
(Name of Utility)

RATES AND CHARGES

2" Meter:  
First 50,000 gallons \$ 291.40 Minimum Bill  
All over 50,000 gallons 3.74 per 1,000 gallons

3" Meter:  
First 100,000 gallons \$ 478.40 Minimum Bill  
All over 100,000 gallons 3.74 per 1,000 gallons

4" Meter:  
First 200,000 gallons \$ 852.40 Minimum Bill  
All over 200,000 gallons 3.74 per 1,000 gallons

6" Meter:  
First 500,000 gallons \$ 1,974.40 Minimum Bill  
All over 500,000 gallons 3.74 per 1,000 gallons

Wholesale Rate:  
Kentucky Department of Parks

(Golf Course Only) \$ 3.59 per 1,000 gallons

DATE OF ISSUE	December 22, 2010 Month / Date / Year
DATE EFFECTIVE	December 22, 2010
ISSUED BY	<i>Bill Ballantyne</i> (Signature of Officer)
TITLE	Chairman
BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION	
IN CASE NO.	2010-00458 DATED December 22, 2010

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH
<i>David Haskin</i> EFFECTIVE
12/22/2010
PURSUANT TO KY KAR 6.811 SECTION 6 (1)

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RATTLESNAKE RIDGE WATER DISTRI

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U/B WATER USAGE ANALYSIS

*Raw* *Raw* *Raw*

BILLS BY METER SIZE

5/8 3/4 1 1 1/2 2 3

	5/8	3/4	1	1 1/2	2	3	
0 - 1000	46761	22	75	2	23	15	
1001 - 5000	1317	1	19	10	1	3	
5001 - 10000	29	0	1	0	2	6	
10001 - 20000	10	3	0	0	7	5	
20001 - 40000	2	2	0	0	5	6	
40001 - 99999999	8	2	0	0	10	1	
TOTALS:	48127	30	95	12	48	36	

	4	6	8	10	12	14	TOTAL
0 - 1000	0	0	0	0	0	0	46898
1001 - 5000	0	0	0	0	0	0	1351
5001 - 10000	0	0	0	0	0	0	38
10001 - 20000	0	0	0	0	0	0	25
20001 - 40000	0	0	0	0	0	0	15
40001 - 99999999	0	20	0	0	0	0	41
TOTALS:	0	20	0	0	0	0	48368

REPORTING DATES: 01/01/12 TO: 12/31/12

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RATTLESNAKE RIDGE WATER DISTRI

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U/A WATER USAGE ANALYSIS

CONSUMPTION BY SIZE OF METER

	5/8	3/4	1	1 1/2	2	3	
0 - 1000	13084207	0	224210	910	7941	1360	
1001 - 5000	2022958	4009	293980	23140	1650	7959	
5001 - 10000	193122	0	51360	0	17074	43215	
10001 - 20000	127267	39810	0	0	102981	72433	
20001 - 40000	44959	68370	0	0	145887	172490	
40001 - 99999999	2090990	325751	0	0	538420	51320	
TOTALS:	17563503	437940	56955	24050	813953	348797	

	4	6	8	10	12	14	TOTAL
0 - 1000	0	0	0	0	0	0	13116889
1001 - 5000	0	0	0	0	0	0	2089114
5001 - 10000	0	0	0	0	0	0	258547
10001 - 20000	0	0	0	0	0	0	342491
20001 - 40000	0	0	0	0	0	0	431706
40001 - 99999999	0	7652800	0	0	0	0	10659281
TOTALS:	0	7652800	0	0	0	0	26897998

REPORTING DATES: 01/01/12 TO: 12/31/12



BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

In the Matter of

THE APPLICATION OF RATTLESNAKE RIDGE WATER DISTRICT, CARTER, ELLIOTT AND LAWRENCE COUNTIES, KENTUCKY (1) FOR A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY AUTHORIZING SAID DISTRICT TO CONSTRUCT A WATER DISTRIBUTION SYSTEM PURSUANT TO THE PROVISIONS OF CHAPTER 74 OF THE KENTUCKY REVISED STATUTES; (2) SEEKING APPROVAL OF A SCHEDULE OF RATES AND CHARGES TO BE CHARGED FOR WATER SERVICE; AND (3) SEEKING APPROVAL OF THE ISSUANCE OF CERTAIN SECURITIES.

CASE NO. 7071

The Applicant, Rattlesnake Ridge Water District, situated in Carter, Elliott and Lawrence Counties, Kentucky (the "District"), acting by and through its Commission, which is a public body corporate, as set forth in KRS 74.070, respectfully tenders its Application and requests that the Public Service Commission of Kentucky enter its Order issuing a Certificate of Public Convenience and Necessity, authorizing and permitting the District to construct a water distribution system for the purpose of furnishing an adequate supply of pure and potable water for domestic, agricultural, commercial and industrial use in the District, and further seeking approval of certain water rates and charges to be levied and collected by the District and the issuance of certain securities by the District. In support of this Application and in conformity with the rules of the Public Service Commission the District states as follows:

1. The formation of the District was preliminarily approved by the Public Service Commission by Order dated May 23, 1983, entered in Case No. 8764. The District was established by Order of the County Judge/Executive of Carter County, Kentucky, duly

entered under date of November 21, 1983, upon petition of the requisite number of resident freeholders of the area concerned, as required by law, and after notice and public hearing in the manner set forth in KRS 74.010. Upon the occasion of the entry of the Order creating the District, it was noted by the Court that after public notice as required by law, no objections had been filed to the petition seeking the creation and establishment of the District, and the Court found that the establishment of the District was reasonably necessary for the public health, convenience, fire protection and comfort of the District residents. A copy of said Carter County Judge/Executive's Order establishing the Rattlesnake Ridge Water District (which includes an attached description of the original territory of the District) and related materials are appended hereto as EXHIBIT A. Additional territories in Carter, Elliott and Lawrence Counties are currently being added to the District, and certified copies of the pertinent documentation will be filed with the Public Service Commission when completed.

2. The governing body of the District is its Commission, which is a public body corporate, with power to make contracts in furtherance of its lawful and proper purposes as provided in KRS 74.070. The District will be situated within Carter, Elliott and Lawrence Counties, Kentucky, and in conformity with KRS 74.020(1)(a) the County Judge/Executive of Carter County has entered an Order appointing the present Commissioners who are residents of the District, the present Commissioners, and their respective offices, being as follows: Bill Gilbert, Chairman, Danny Stamper, Secretary-Treasurer, and Johnny Miller. Each of said three Commissioners has qualified for office.

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The mailing address of the District is Route 5, Box 676, Olive Hill, Kentucky 41164.

3. Adequate facilities do not exist in the District at this time for the provision of treated, pure and potable water for domestic, agricultural, commercial and industrial purposes, and for fire protection purposes. Most of the residents of the District obtain water by means of individual wells, cisterns or springs, or by transporting water in tank trucks.

It is the opinion of the Commission of the District that the public health, safety and general welfare of the citizens and inhabitants of the District will be promoted and served by the construction of a water distribution system pursuant to authority of KRS Chapter 74, and the financing thereof (to the extent not otherwise provided to be paid) through the issuance of Water System Revenue Bonds, Series of 1984, according to the provisions of the Kentucky Revised Statutes, including Chapters 74 and 106 thereof.

4. In furtherance of the purposes for which the District was created and established, the Commission of the District has employed Renco Associates, Inc., Consulting Engineers, Ashland, Kentucky (the "Engineers"), and has caused the Engineers to prepare a preliminary engineering report recommending and describing the proposed water distribution system facilities (the "Project"), including pumping stations, water storage tanks and water mains, together with meters, valves and other appurtenant facilities. The preliminary engineering report, dated August, 1983, Revised February 17, 1984 for the Appalachian Regional Commission, with additional information added for the Public Service Commission

May 18, 1984, is appended hereto as EXHIBIT B. A copy of the District's employment agreement with the Engineers is appended hereto as EXHIBIT C.

EXHIBIT B contains, among other things, a description of the Project, cost figures and other pertinent financial data and projections, data justifying the proposed rate schedule and proposed plans for the financing of the Project. A copy of the District's proposed Water Purchase Contract with the City of Grayson, Kentucky, which will supply water to the District on a wholesale basis, is appended hereto as EXHIBIT D.

The Engineers have previously filed with the Public Service Commission copies of the final plans and specifications on Contracts "A," "B," "C" and "D" with hydraulic calculations. Upon the occasion of the hearing before the Public Service Commission, a representative of the Engineers will be present to testify with regard to the Project and this Application.

5. It is a condition of the United States Department of Agriculture, Farmers Home Administration ("FmHA") loan commitment referred to in the following Sections 6 and 7 of this Application that the District must file its Application with the Public Service Commission prior to the advertising for construction bids on the Project. Upon the filing of this Application, the District will proceed forthwith to cause public advertising to be made according to law soliciting competitive bids for the acquisition, construction and installation of the Project. Promptly after the opening and consideration of construction bids, the District will file with the Public Service Commission the data prepared by the Engineers showing

the bids received and the recommendations of the Engineers with respect thereto. The District anticipates, based upon the advice of the Engineers, that the best construction bids can be reasonably expected to fall within the cost estimates of the Engineers and that the District will then be in a position to go forward with the acquisition, construction and installation of the Project subject to the approval of the Public Service Commission. However, in the event the best construction bids should be materially higher or materially lower than the estimates of the Engineers, then the District will file appropriate amendatory proceedings with the Public Service Commission.

6. The costs of and sources of funds for the Project, as set out in EXHIBIT B (page 22B), are estimated as follows:

ESTIMATED COSTS

Land & Rights-of-Way	\$ 30,000
Construction Cost	2,155,000
Engineering Service	265,000
Legal & Administrative	25,000
Interest	75,000
Project Contingency	236,700
Initial Operation and Maintenance	10,000
Initial Reserve	40,000
Total Estimated Project Cost	\$3,036,700

SOURCES OF FUNDS

FmHA Loan (Bond Issue)	\$ 706,000
FmHA Grant	1,587,600
Area Development Fund	5,000
Appalachian Regional Commission Grant	390,000
Kentucky Department of Parks	95,700
U.S. Corps of Engineers	75,000
Carter County Board of Education	5,000
Customer Tap Fees	172,400
Total	\$3,036,700

7. As shown in the foregoing schedule, the District proposes to finance the acquisition, construction and installation of the Project by the application of local contributions, funds and grants in the amounts indicated above, by connection fees of \$300 paid by 575 customers to be served by the Project, and by the issuance of its bonds, to be styled "Water System Revenue Bonds, Series of 1984," in the aggregate principal amount of \$706,000. A copy of the proposed Bond-authorizing Resolution of the District is appended hereto as EXHIBIT E.

The District has entered into a loan agreement with FmHA pursuant to which FmHA will make a loan of \$706,000 to the District, which loan is to be represented by the District's "Water System Revenue Bonds, Series of 1984" (the "Bonds"). The Bonds in the amount of \$706,000 are to bear interest at the single, uniform rate of 9-1/8% per annum. Appended hereto as EXHIBIT F is a copy of an FmHA letter to the District dated August 23, 1983, as amended by letter of May 18, 1984, setting forth terms, conditions and understandings relating to said loan, and an FmHA letter to the District dated May 18, 1984, setting forth terms and conditions relating to the Appalachian Regional Commission grant.

With reference to the proposed issuance of the Bonds, the proceedings relating thereto will provide for the public advertisement of competitive bids for the Bonds according to Kentucky law, and in the event a bid or bids are received for the

Bonds at an interest cost basis to the District more advantageous to the District than the loan commitment of EmHA, the Bonds will be sold to such other bidder; however, it is not expected any other bids will be received in view of the interest rates stipulated by EmHA. The Bonds will not be delivered to EmHA until such time as the Project is substantially completed. This procedure is in accord with EmHA rules requiring interim financing of EmHA projects to the amount of the EmHA loan. Accordingly, construction of the Project will be instituted and funded initially from the proceeds of interim financing loans obtained either from private financial institutions or lenders or from EmHA itself pending issuance of the Bonds.

8. The District represents that, based upon the projections of the Engineers and the financial studies of EmHA, the proposed water service rates and charges, which are set out at page 24 (monthly rates) and page 23A (tap fees) of EXHIBIT B, will be adequate and sufficient to amortize the proposed Bonds, to pay operation and maintenance costs and to provide for a depreciation reserve. The District respectfully requests instructions from the Public Service Commission regarding any required publication of the proposed rate schedule and notice of the hearing on this Application.

9. The District has entered into legal service agreements with its local counsel and bond counsel setting forth the terms and conditions of their employments, copies of which are appended hereto as EXHIBIT G and EXHIBIT H, respectively.

10. All exhibits referred to herein are incorporated by reference as a part of this Application.

11. The Commission of the District respectfully represents to the Public Service Commission that there is a genuine need and demand for the Project and that the Commission should enter herein its Order (a) issuing its Certificate of Public Convenience and Necessity pursuant to KRS 278.020 authorizing acquisition, construction and installation of the Project, (b) approving the schedule of water rates and charges as described herein, and (c) approving the issuance of \$706,000 aggregate principal amount of "Water System Revenue Bonds, Series of 1984," by the District as described herein.

WHEREFORE, the Applicant, Rattlesnake Ridge Water District, respectfully requests that such Order be issued.

Respectfully submitted,  
RATTLESNAKE RIDGE WATER DISTRICT

By Bill Gilbert  
Bill Gilbert  
Chairman of the Commission

ATTEST:  
Danny Stanger  
Danny Stanger  
Secretary-Treasurer

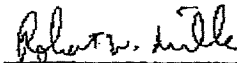
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COMMONWEALTH OF KENTUCKY

COUNTY OF CARTER

I, the undersigned, a Notary Public in and for the Commonwealth and County aforesaid, do certify that Bill Gilbert and Danny Stamper, who are both personally known to me, did personally appear before me and each of them after being duly sworn, did certify, swear and declare that Bill Gilbert is the Chairman of the Rattlesnake Ridge Water District and that Danny Stamper is the Secretary-Treasurer of said Commission, and that they acknowledged and executed the foregoing Application as the respective Chairman and Secretary of said Commission, and that all statements contained therein are true and correct as of this 24<sup>th</sup> day of May, 1984.



NOTARY PUBLIC

My Commission Expires: August 20, 1985