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APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

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

Marion County Water District

(Name of Utility)

PO Box 528, 1835 Campbellsville Road

(Business Mailing Address - Number and Street, or P.O. Box)

Lebanon KY 40033

(Business Mailing Address - City, State, and Zip)

270-692-2004

(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:

Holly Nicholas

(Name)

PO Box 1034

(Address - Number and Street or P.O. Box)

Versailles KY 40383

(Address - City, State, Zip)

859-333-9742

(Telephone Number)

hnicolas@kyengr.com

(Email Address)

RECEIVED

APR 28 2016

Public Service
Commission

(For each statement below, the Applicant should check either "YES", "NO", or
"NOT APPLICABLE" (N/A))

- | | YES | NO | N/A |
|---|-------------------------------------|-------------------------------------|-----|
| 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 N/A

4. a. Applicant is a corporation that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
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.
- 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.
6. a. Applicant has 20 or fewer customers 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. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers 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. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers 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. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
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, 2015.
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." **(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.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 324,726 and total revenues from service rates of \$ 2,810,555. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the date of the filing of this application, Applicant had 5,851 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(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.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

16. a. Applicant is not required to file state and federal tax returns.
- b. Applicant is required to file state and federal tax returns.
- c. Applicant's most recent state and federal tax returns are attached to this Application.
(Attach a copy of returns.)
17. Approximately _____ (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions.
18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

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

Jeff Preston
Officer of the Company/Authorized Representative

Title

Chairman

Date

4/24/16

COMMONWEALTH OF KENTUCKY

COUNTY OF Kentucky

Before me appeared Jeff Preston, 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.

James Lee Model

Notary Public

My commission expires: 6-15-2019

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- Attachment Billing Analysis" Attachment
- Depreciation Schedules
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

CUSTOMER NOTICE

Notice is hereby given that the Marion County Water District expects to file an application on or about April 26, 2016 with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

Monthly Water Rates

Customer Charge	Current Rates	Proposed Rates	Dollar Increase	Percent Increase
5/8 inch x 3/4 inch meter	\$7.23	\$7.83	\$0.60	8.0%
1 inch meter	\$15.70	\$17.00	\$1.30	8.0%
2 inch meter	\$24.90	\$26.94	\$2.04	8.0%
3 inch meter	\$39.49	\$42.75	\$3.26	8.0%
4 inch meter	\$62.63	\$67.81	\$5.18	8.0%
6 inch	\$157.52	\$170.12	\$12.60	8.0%
Water Charge, All Usage Per 1000 gallons	\$5.47	\$6.20	\$0.73	13.0%

If the Public Service Commission approves the proposed rates, then the monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$29.11 to \$32.63. This is an increase of \$3.52 or 12.09%.

The rates contained in this notice are the rates proposed by the Marion County Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

Marion County Water District has available for inspection at its office the application which is submitted to the Public Service Commission. A person may examine this application at the Marion County Water District office located at 1835 Campbellsville Road, Lebanon, KY 40033. You may contact the office at 270-692-2004.

A person may also examine the application at the Public Service Commission's office located at 211 Sower Boulevard, Frankfort KY 40602; Monday through Friday, 8:00 AM to 4:30 PM or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Public Service Commission through its website or by mail to Public Service Commission, PO Box 615, Frankfort KY 40602. You may contact the Public Service Commission at 502-564-3940.

A person may submit a timely written request for intervention to the Public Service Commission, PO Box 615, Frankfort, KY 40602, establishing the grounds for the request including the status and interest of the party. If the Public Service Commission does not receive a written request for intervention within 30 days of the initial publication of this notice, the Public Service Commission may take final action on the application.

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.)

1. The Marion County Water District wants to maintain revenues sufficient to successfully operate and maintain its system in an efficient and effective manner.
2. Ensure compliance with Federal accounting guidelines in funding its pension program.
3. Ensure that maintenance items are paid for at the most reasonable cost; with limited need for additional long term debt.
4. Ensure rates that enable the District to operate in compliance with state and Federal utility laws and regulations.

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

Current Rates:

Customer Charge, minimum

5/8 x 3/4 Inch \$7.23

1 Inch \$15.70

2 Inch \$24.90

3 Inch \$39.49

4 Inch \$62.63

6 Inch \$157.52

Water Charge, per 1000 gallons all usage \$5.47 per 1,000 gallons

Proposed Rates:

Customer Charge, minimum

5/8 x 3/4 Inch \$7.83

1 Inch \$17.00

2 Inch \$26.94

3 Inch \$42.75

4 Inch \$67.8102

6 Inch \$170.12

Water Charge, per 1000 gallons all usage \$6.20 per 1,000 gallons

SCHEDULE OF ADJUSTED OPERATIONS - WATER UTILITY

TYE 12/31/20 15

	Test Year	Adjustment	Ref.	Pro Forma
<u>Operating Revenues</u>				
Sales of Water				
Unmetered Water Sales	0.00			0.00
Metered Water Sales	2,485,829.00			2,485,829.00
Bulk Loading Stations	0.00			0.00
Fire Protection Revenue	0.00			0.00
Sales for Resale	0.00			0.00
Total Sales of Water	2,485,829.00	0.00		2,485,829.00
Other Water Revenues				
Forfeited Discounts	47,763.00			47,763.00
Miscellaneous Service Revenues	37,580.00			37,580.00
Rents from Water Property	36,879.00			36,879.00
Other Water Revenues	0.00			0.00
Total Other Water Revenues	122,222.00	0.00		122,222.00
Total Operating Revenues	2,608,051.00	0.00		2,608,051.00
<u>Operating Expenses</u>				
Operation and Maintenance Expenses				
Salaries and Wages - Employees	252,523.00			252,523.00
Salaries and Wages - Officers	41,104.00			41,104.00
Employee Pensions and Benefits	103,811.00	126,250.00	A	230,061.00
Purchased Water	1,459,693.00			1,459,693.00
Purchased Power	39,339.00			39,339.00
Fuel for Power Production	0.00			0.00
Chemicals	0.00			0.00
Materials and Supplies	145,947.00	42,500.00	B	188,447.00
Contractual Services	36,199.00			36,199.00
Water Testing	0.00			0.00
Rents	0.00			0.00
Transportation Expenses	28,603.00			28,603.00
Insurance	29,602.00			29,602.00
Regulatory Commission Expenses	0.00			0.00
Bad Debt Expense	5,409.00			5,409.00

Miscellaneous Expenses	23,849.00		23,849.00
Total Operation and Maintenance Expenses	2,166,079.00	168,750.00	2,334,829.00
Depreciation Expense	452,189.00		452,189.00
Amortization Expense	0.00		0.00
Taxes Other Than Income	26,782.00		26,782.00
Income Tax Expense	0.00		0.00
Total Operating Expenses	2,645,050.00	168,750.00	2,813,800.00
Utility Operating Income	-36,999.00	-168,750.00	-205,749.00

References

A.
The Marion County Water District, as a participant in the CERS (County Employees Retirement System), was required to adopt the Governmental Accounting Standards Board (GASB) Statement No. 68, "Accounting and Financial Reporting for Pensions." GASB 68 requires governmental employers, such as the District, to report a net pension liability, pension expense and pension-related assets and liabilities based on their proportionate share of the collective amounts for all governments in the plan.

The pension liability, based on the District's proportionate share of the Net CERS Pension Liability, is shown on its balance sheet. The pension expense is an actual payment that is calculated as required by GASB 68 and is reflected in its Water Utility Expense Accounts / Employee Pensions and Benefits (604) line item.

The total amount of this expense for 2016 has been calculated by the District's auditor to be \$230,061 which is an increase of \$126,250 over what the expense was in 2015. It is expected that the annual amount will continue to be at the higher amounts.

B.
MCWD needs to replace a main creek crossing and the cost for the crossing is:
\$30,000 – directional bore
\$2,500 – pipe and fittings

The District also needs to replace two smaller creek crossings with the material cost being \$5,000 each.

REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD

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

Pro forma Operating Expenses	\$2,813,800.00
Plus: Average Annual Debt Principal and Interest Payments*	144,771.00
Debt Coverage Requirement**	<u>17,373.00</u>
Total Revenue Requirement	2,975,944.00
Less: Other Operating Revenue	-122,222.00
Non-operating Revenue	-39,463.00
Interest Income	<u>-3,704.00</u>
Revenue Required from Rates	2,810,555.00
Less: Revenue from Sales at Present Rates	<u>-2,485,829.00</u>
Required Revenue Increase	<u><u>\$324,726.00</u></u>

Required Revenue Increase stated as a Percentage of Revenue at Present Rates 13.06%

* 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.

BILLING ANALYSIS - FLATE RATES
Revenue from Present/Proposed Rates

	Current Rate	Proposed Rate No. 2
Number of Customers		
5/8 x 3/4 Inch	5792	5792
1 Inch	25	25
2 Inch	28	28
3 Inch	4	4
4 Inch	2	2
Customer Charge, minimum		
5/8 x 3/4 Inch	\$ 7.23	7.83
1 Inch	\$ 15.70	17
2 Inch	\$ 24.90	26.94
3 Inch	\$ 39.49	42.75
4 Inch	\$ 62.63	67.81
6 Inch	\$ 157.52	170.12
Monthly Minimum Revenue		
5/8 x 3/4 Inch	\$ 41,876.16	\$ 45,351.36
1 Inch	\$ 392.50	\$ 425.00
2 Inch	\$ 697.20	\$ 754.32
3 Inch	\$ 157.96	\$ 171.00
4 Inch	\$ 125.26	\$ 135.62
6 Inch	\$ -	\$ -
Monthly Minimum Total:	\$ 43,249.08	\$ 46,837.30
Number of Months	12	12
Annual Revenue, Customer Charge	\$ 518,988.96	\$ 562,047.60
Flat Monthly Rate	\$ 5.47	\$ 6.20
Monthly Gallons Sold	30,234,250	30,234,250
Monthly Revenue - Flat Rate	\$ 165,381.35	\$ 187,452.35
Number of Months	12	12
Annual Revenue, Flat Rate	\$ 1,984,576.17	\$ 2,249,428.20
Total Annual Revenue (Customer Charge + Flat Rate Charges)	\$ 2,503,565.13	\$ 2,811,475.80

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: BUILDING												
3		NEW BUILDING	6/30/79	46,796.00	0.00	0.00	46,796.00	0.00	46,796.00	0.00	S/L	33.30
4		NEW BUILDING	6/30/80	419.00	0.00	0.00	419.00	0.00	419.00	0.00	S/L	33.30
5		NEW BUILDING	6/30/86	9,375.00	0.00	0.00	8,027.36	281.53	8,308.89	1,066.11	S/L	33.30
6		NEW BUILDING	12/01/90	1,270.00	0.00	0.00	914.68	38.14	952.82	317.18	S/L	33.30
7		NEW BUILDING ADDITIONS	9/01/93	5,504.00	0.00	0.00	3,522.48	165.29	3,687.77	1,816.23	S/L	33.30
152		BUILDING	7/15/96	967.00	0.00	0.00	537.48	29.04	566.52	400.48	S/L	33.30
212		BUILDING ADD-ON	7/01/01	23,812.00	0.00	0.00	9,653.96	715.08	10,369.04	13,442.96	S/L	33.30
226		BUILDING ADD-ON	7/01/02	2,317.20	0.00	0.00	870.08	69.59	939.67	1,377.53	S/L	33.30
244		SHOP ADDITION	7/01/03	1,498.81	0.00	0.00	517.61	45.01	562.62	936.19	S/L	33.30
254		BUILDING RENOVATION	6/30/04	10,570.85	0.00	0.00	10,570.85	0.00	10,570.85	0.00	S/L	33.30
260		BLACKTOP RESURFACE	5/12/04	1,080.00	0.00	0.00	1,080.00	0.00	1,080.00	0.00	S/L	15.00
262		BUILDING RENOVATION	2/28/05	237.81	0.00	0.00	237.81	0.00	237.81	0.00	S/L	33.30
283		RECC BUILDING	1/17/07	130,820.00	0.00	0.00	31,100.86	3,928.53	35,029.39	95,790.61	S/L	33.30
284		SECURITY-RECC NEW BUILDIN	3/05/07	1,350.00	0.00	0.00	1,350.00	0.00	1,350.00	0.00	S/L	10.00
285		GARAGE DOORS FOR BLDG	3/15/07	2,095.00	0.00	0.00	1,885.52	139.67	2,025.19	69.81	S/L	15.00
298		BLACKTOP	4/02/08	10,062.00	0.00	0.00	6,875.70	670.80	7,546.50	2,515.50	S/L	15.00
299		OVERHEAD DOOR	6/30/08	1,470.00	0.00	0.00	931.00	98.00	1,029.00	441.00	S/L	15.00
328		NEW SHOP BLDG ROOF	12/02/10	9,562.20	0.00	0.00	2,603.04	637.48	3,240.52	6,321.68	S/L	15.00
370		HEAT PUMP (TIME WARNER RI	4/30/15	4,300.00	0.00c	0.00	0.00	191.11	191.11	4,108.89	S/L	15.00
BUILDING				263,506.87	0.00c	0.00	127,893.43	7,009.27	134,902.70	128,604.17		

Group: COMMUNICATION EQUIPMENT

186		TELEMETER EQUIPMENT	12/31/98	16,500.00	0.00	0.00	16,500.00	0.00	16,500.00	0.00	S/L	10.00
187		COMMUNICATIONS EQUIP - TA	7/31/99	3,610.00	0.00	0.00	3,610.00	0.00	3,610.00	0.00	S/L	10.00
188		COMMUNICATIONS EQUIP - TA	11/15/99	6,078.00	0.00	0.00	6,078.00	0.00	6,078.00	0.00	S/L	10.00
223	d	COMMUNICATION EQUIPMENT	7/01/01	18,409.00	0.00	0.00	18,409.00	0.00	18,409.00	0.00	S/L	10.00
236		COMMUNICATION EQUIPMENT	7/01/02	2,800.00	0.00	0.00	2,800.00	0.00	2,800.00	0.00	S/L	10.00
238		PHONE SYSTEM	7/01/02	20,500.00	0.00	0.00	20,500.00	0.00	20,500.00	0.00	S/L	10.00
239		PHONE SYSTEM-CALDWELL C	7/01/02	2,749.17	0.00	0.00	2,749.17	0.00	2,749.17	0.00	S/L	10.00
241	d	RADIOS	3/31/03	4,645.00	0.00	0.00	4,645.00	0.00	4,645.00	0.00	S/L	10.00
252		TELEMETER EQUIPMENT	3/31/04	1,191.42	0.00	0.00	1,191.42	0.00	1,191.42	0.00	S/L	10.00
291		COMMUNICATION EQUIPMENT	4/04/07	511.94	0.00	0.00	396.73	51.19	447.92	64.02	S/L	10.00
309		NARROWS RD TANK-COMM. E	1/31/09	34,411.99	0.00	0.00	20,360.43	3,441.20	23,801.63	10,610.36	S/L	10.00
336		COMM. EQUIPMENT	3/31/11	460.00	0.00	0.00	172.50	46.00	218.50	241.50	S/L	10.00
337		COMMUNICATION SYSTEM (R	8/31/11	33,263.00	0.00	0.00	11,087.67	3,326.30	14,413.97	18,849.03	S/L	10.00
350		COMMUNICATION EQUIPMENT	6/30/12	1,492.45	0.00	0.00	373.12	149.25	522.37	970.08	S/L	10.00
COMMUNICATION EQUIPMENT				146,621.97	0.00c	0.00	108,873.04	7,013.94	115,886.98	30,734.99		
*Less: Dispositions and Transfers				23,054.00	0.00	0.00	23,054.00	0.00	23,054.00	0.00		
Net COMMUNICATION EQUIPMENT				123,567.97	0.00c	0.00	85,819.04	7,013.94	92,832.98	30,734.99		

Group: DIST. RESERVOIRS & STANDP

17		DIST RES & STANDPIPE	6/30/70	49,170.00	0.00	0.00	44,249.80	983.40	45,233.20	3,936.80	S/L	50.00
19		DIST RES & STANDPIPE	6/30/76	246.00	0.00	0.00	192.04	4.92	196.96	49.04	S/L	50.00
20		DIST RES & STANDPIPE	6/30/84	644.00	0.00	0.00	393.56	12.88	406.44	237.56	S/L	50.00
21		B'VILLE DIST RES	6/30/85	1,767.00	0.00	0.00	957.08	35.34	992.42	774.58	S/L	50.00

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: DIST. RESERVOIRS & STANDP (continued)												
22		B'VILLE DIST RES	12/01/86	222,346.00	0.00	0.00	124,885.04	4,446.92	129,331.96	93,014.04	S/L	50.00
23		B'VILLE DIST RES	6/30/87	42,475.00	0.00	0.00	23,365.00	849.50	24,214.50	18,260.50	S/L	50.00
24		B'VILLE DIST RES	6/30/89	29,631.00	0.00	0.00	15,411.44	592.62	16,004.06	13,626.94	S/L	50.00
25		DIST RES PAINTING	6/30/91	18,885.00	0.00	0.00	18,885.00	0.00	18,885.00	0.00	S/L	20.00
27		DIST RES PAINTING	5/01/93	11,000.00	0.00	0.00	11,000.00	0.00	11,000.00	0.00	S/L	20.00
150		DIST RES & STANDPIPE	12/31/95	12,275.00	0.00	0.00	4,668.00	245.50	4,913.50	7,361.50	S/L	50.00
154		DIST REC & STANDPIPE	10/15/96	169,745.00	0.00	0.00	61,957.80	3,394.90	65,352.70	104,392.30	S/L	50.00
162		DIST RESERV & STANDPIPES	6/01/97	9,502.00	0.00	0.00	3,230.48	190.04	3,420.52	6,081.48	S/L	50.00
189		DIST RESERV & STANDPIPES	6/30/99	1,054.00	0.00	0.00	315.96	21.08	337.04	716.96	S/L	50.00
204		DIST RES & STANDPIPES	5/15/00	33,400.00	0.00	0.00	9,797.00	668.00	10,465.00	22,935.00	S/L	50.00
214		DIST RES & STANDPIPES	7/01/01	248,448.00	0.00	0.00	67,080.52	4,968.96	72,049.48	176,398.52	S/L	50.00
228		DIST RESERVOIRS	7/01/02	278,070.43	0.00	0.00	69,517.92	5,561.41	75,079.33	202,991.10	S/L	50.00
245		PAINT TANK	7/31/03	39,112.50	0.00	0.00	22,326.78	1,955.63	24,282.41	14,830.09	S/L	20.00
255		DIST RESERVOIRS	6/30/04	355,805.91	0.00	0.00	74,719.26	7,116.12	81,835.38	273,970.53	S/L	50.00
263		DISTR. RES & STANDUP PIPES	6/15/05	4,869.17	0.00	0.00	1,602.76	97.38	1,700.14	3,169.03	S/L	50.00
286		HOLY CROSS WATER TANK	12/21/07	75,200.00	0.00	0.00	10,528.00	1,504.00	12,032.00	63,168.00	S/L	50.00
297		HOLY CROSS TANK	1/29/08	16,360.00	0.00	0.00	2,263.13	327.20	2,590.33	13,769.67	S/L	50.00
300		RILEY STORAGE TANK PAINTI	12/03/08	75,926.00	0.00	0.00	23,094.16	3,796.30	26,890.46	49,035.54	S/L	20.00
301		NARROWS ROAD TANK	12/02/08	597,737.02	0.00	0.00	72,724.67	11,954.74	84,679.41	513,057.61	S/L	50.00
340		FENCING - ST. CHARLES TANK	12/31/12	4,861.00	0.00	0.00	1,388.86	694.43	2,083.29	2,777.71	S/L	7.00
341		TANK PAINTING - ST. CHARLES	10/24/12	58,234.00	0.00	0.00	8,411.58	3,882.27	12,293.85	45,940.15	S/L	15.00
DIST. RESERVOIRS & STANDP				2,356,764.03	0.00c	0.00	672,965.84	53,303.54	726,269.38	1,630,494.65		

Group: HYDRANTS

66		HYDRANTS	6/30/70	757.00	0.00	0.00	664.68	15.14	679.82	77.18	S/L	50.00
67		HYDRANTS	6/30/75	2,015.00	0.00	0.00	1,589.60	40.30	1,629.90	385.10	S/L	50.00
68		HYDRANTS	6/30/76	7.00	0.00	0.00	4.68	0.14	4.82	2.18	S/L	50.00
69		HYDRANTS	6/30/78	2,588.00	0.00	0.00	1,865.12	51.76	1,916.88	671.12	S/L	50.00
70		HYDRANTS	6/30/85	35.00	0.00	0.00	23.40	0.70	24.10	10.90	S/L	50.00
71		HYDRANTS	12/01/86	6,210.00	0.00	0.00	3,481.40	124.20	3,605.60	2,604.40	S/L	50.00
72		HYDRANTS	6/30/86	268.00	0.00	0.00	139.32	5.36	144.68	123.32	S/L	50.00
148		HYDRANTS	2/07/95	1,825.00	0.00	0.00	730.00	36.50	766.50	1,058.50	S/L	50.00
158		HYDRANTS	7/01/96	1,041.00	0.00	0.00	385.84	20.82	406.66	634.34	S/L	50.00
176		HYDRANTS	4/07/98	800.00	0.00	0.00	268.00	16.00	284.00	516.00	S/L	50.00
193		HYDRANTS	2/28/99	4,717.00	0.00	0.00	1,414.08	94.34	1,508.42	3,208.58	S/L	50.00
207		HYDRANTS	3/06/00	1,845.00	0.00	0.00	547.80	36.90	584.70	1,260.30	S/L	50.00
218		HYDRANTS	7/01/01	17,134.00	0.00	0.00	4,626.16	342.68	4,968.84	12,165.16	S/L	50.00
232		HYDRANTS	7/01/02	3,328.81	0.00	0.00	831.96	66.58	898.54	2,430.27	S/L	50.00
259		HYDRANTS	6/30/04	2,152.99	0.00	0.00	452.13	43.06	495.19	1,657.80	S/L	50.00
267		HYDRANTS	5/31/05	905.00	0.00	0.00	173.46	18.10	191.56	713.44	S/L	50.00
273		HYDRANTS	11/30/06	543.34	0.00	0.00	87.87	10.87	98.74	444.60	S/L	50.00
274		HYDRANTS	12/04/06	1,740.46	0.00	0.00	281.38	34.81	316.19	1,424.27	S/L	50.00
288		HYDRANTS	5/08/07	5,400.00	0.00	0.00	828.00	108.00	936.00	4,464.00	S/L	50.00
289		HYDRANTS	7/11/07	3,274.40	0.00	0.00	491.17	65.49	556.66	2,717.74	S/L	50.00
290		HYDRANTS	8/06/07	50.08	0.00	0.00	7.42	1.00	8.42	41.66	S/L	50.00
310		HYDRANTS	3/12/09	2,400.00	0.00	0.00	280.00	48.00	328.00	2,072.00	S/L	50.00
323		HYDRANTS	4/30/10	11,797.67	0.00	0.00	1,101.10	235.95	1,337.05	10,460.62	S/L	50.00

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: HYDRANTS (continued)												
338		HYDRANTS	11/30/11	2,541.00	0.00	0.00	783.48	254.10	1,037.58	1,503.42	S/L	10.00
357		HYDRANT	11/30/14	1,050.00	0.00	0.00	8.75	105.00	113.75	936.25	S/L	10.00
367		HYDRANT	7/31/13	1,381.04	0.00	0.00	195.64	138.10	333.74	1,047.30	S/L	10.00
		HYDRANTS		75,806.79	0.00c	0.00	21,262.44	1,913.90	23,176.34	52,630.45		
Group: LABORATORY EQUIPMENT												
128		LAB EQUIPMENT	6/30/87	57.00	0.00	0.00	57.00	0.00	57.00	0.00	S/L	10.00
129		LAB EQUIPMENT	6/30/88	4,101.00	0.00	0.00	4,101.00	0.00	4,101.00	0.00	S/L	10.00
130		LAB EQUIPMENT	6/30/99	460.78	0.00	0.00	460.78	0.00	460.78	0.00	S/L	10.00
		LABORATORY EQUIPMENT		4,618.78	0.00c	0.00	4,618.78	0.00	4,618.78	0.00		
Group: LAND & LAND RIGHTS												
1		LAND & LAND RIGHTS	1/01/78	4,531.00	0.00	0.00	0.00	0.00	0.00	4,531.00	Land	0.00
151		LAND	3/15/96	2,526.00	0.00	0.00	0.00	0.00	0.00	2,526.00	Land	0.00
161		LAND	7/01/97	264.00	0.00	0.00	0.00	0.00	0.00	264.00	Land	0.00
171		LAND	7/08/98	24.00	0.00	0.00	0.00	0.00	0.00	24.00	Land	0.00
194		LAND	2/28/99	120.00	0.00	0.00	0.00	0.00	0.00	120.00	Land	0.00
202		LAND & LAND RIGHTS	6/30/00	60.00	0.00	0.00	0.00	0.00	0.00	60.00	Land	0.00
211		LAND-GAP KNOB	10/31/01	4,562.00	0.00	0.00	0.00	0.00	0.00	4,562.00	Land	0.00
225		LAND-MAKERS MARK	7/01/02	3,108.06	0.00	0.00	0.00	0.00	0.00	3,108.06	Land	0.00
243		EASEMENTS	7/01/03	1,180.00	0.00	0.00	0.00	0.00	0.00	1,180.00	Land	0.00
253		LAND	6/30/04	14.00	0.00	0.00	0.00	0.00	0.00	14.00	Land	0.00
281		LAND EASEMENT	12/31/06	64.00	0.00	0.00	0.00	0.00	0.00	64.00	Land	0.00
318		EASEMENT	3/31/10	17.00	0.00	0.00	0.00	0.00	0.00	17.00	Land	0.00
330		LAND - EASEMENT	3/09/11	85.00	0.00	0.00	0.00	0.00	0.00	85.00	Land	0.00
331		LAND - MARY VIVIAN CAMBR	12/31/11	11,250.00	0.00	0.00	0.00	0.00	0.00	11,250.00	Land	0.00
339		LAND IMPROV. - V. CAMBRON	3/31/12	7,446.00	0.00	0.00	0.00	0.00	0.00	7,446.00	Land	0.00
342		EASEMENT	1/05/12	37.00	0.00	0.00	0.00	0.00	0.00	37.00	Land	0.00
351		EASEMENT	5/22/12	20.00	0.00	0.00	0.00	0.00	0.00	20.00	Land	0.00
353		EASEMENTS	7/31/14	6,845.00	0.00	0.00	0.00	0.00	0.00	6,845.00	Land	0.00
361		EASEMENTS KY 49 - STATE RE	12/31/13	14,734.00	0.00	0.00	0.00	0.00	0.00	14,734.00	Land	0.00
362		EASEMENTS	12/31/13	273.00	0.00	0.00	0.00	0.00	0.00	273.00	Land	0.00
369		EASEMENTS	4/13/15	517.00	0.00c	0.00	0.00	0.00	0.00	517.00	Land	0.00
		LAND & LAND RIGHTS		57,677.06	0.00c	0.00	0.00	0.00	0.00	57,677.06		
Group: LAND GENERAL PLANT												
2		LAND - GEN PLANT	1/01/79	4,400.00	0.00	0.00	0.00	0.00	0.00	4,400.00	Land	0.00
296		LAND - RECC BUILDING	1/17/07	20,000.00	0.00	0.00	0.00	0.00	0.00	20,000.00	Land	0.00
		LAND GENERAL PLANT		24,400.00	0.00c	0.00	0.00	0.00	0.00	24,400.00		
Group: METERS AND METER INSTALLA												
58		METERS	6/30/90	153,445.00	0.00	0.00	116,055.80	3,068.90	119,124.70	34,320.30	S/L	50.00

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: METERS AND METER INSTALLA (continued)												
59		METERS	6/30/91	9,288.00	0.00	0.00	4,366.12	185.76	4,551.88	4,736.12	S/L	50.00
60		METERS	6/30/92	21,089.00	0.00	0.00	9,702.36	421.78	10,124.14	10,964.86	S/L	50.00
61		METERS	6/30/93	104,772.00	0.00	0.00	45,048.28	2,095.44	47,143.72	57,628.28	S/L	50.00
62		METERS	6/30/94	31,920.00	0.00	0.00	13,083.80	638.40	13,722.20	18,197.80	S/L	50.00
63		METER INSTALLATION	6/30/90	290,336.00	0.00	0.00	181,267.64	5,806.72	187,074.36	103,261.64	S/L	50.00
64		METER INSTALLATION	6/30/91	6,089.00	0.00	0.00	2,924.36	121.78	3,046.14	3,042.86	S/L	50.00
65		METER INSTALLATION	6/30/92	6,140.00	0.00	0.00	2,825.60	122.80	2,948.40	3,191.60	S/L	50.00
143		METER INSTALLATIONS	6/30/95	26,501.00	0.00	0.00	10,335.24	530.02	10,865.26	15,635.74	S/L	50.00
157		METER INSTALLATION	7/01/96	70,972.00	0.00	0.00	26,257.28	1,419.44	27,676.72	43,295.28	S/L	50.00
165		METER INSTALLATION	7/01/97	31,977.00	0.00	0.00	10,874.48	639.54	11,514.02	20,462.98	S/L	50.00
175		METER INSTALLATION	7/01/98	112,361.00	0.00	0.00	37,078.64	2,247.22	39,325.86	73,035.14	S/L	50.00
195		METER INSTALLATION	7/01/99	53,891.00	0.00	0.00	16,167.84	1,077.82	17,245.66	36,645.34	S/L	50.00
206		METER INSTALLATION	7/01/00	31,901.00	0.00	0.00	9,251.24	638.02	9,889.26	22,011.74	S/L	50.00
217		METERS & METER INSTALLAT.	7/01/01	63,940.00	0.00	0.00	17,263.60	1,278.80	18,542.40	45,397.60	S/L	50.00
231		METERS & METER INSTALLAT.	7/01/02	26,123.13	0.00	0.00	6,617.52	522.46	7,139.98	18,983.15	S/L	50.00
248		METERS & METER INSTALLAT.	7/01/03	28,090.71	0.00	0.00	6,460.82	561.81	7,022.63	21,068.08	S/L	50.00
258		METERS & METER INSTALL.	6/30/04	36,504.33	0.00	0.00	7,665.94	730.09	8,396.03	28,108.30	S/L	50.00
266		METERS & INSTALLATION	6/30/05	53,570.16	0.00	0.00	10,178.30	1,071.40	11,249.70	42,320.46	S/L	50.00
272		METERS & INSTALLATION	6/30/06	26,296.27	0.00	0.00	4,470.40	525.93	4,996.33	21,299.94	S/L	50.00
287		METERS & INSTALLATION	6/30/07	45,347.94	0.00	0.00	6,802.20	906.96	7,709.16	37,638.78	S/L	50.00
305		METER INSTALLATION	6/30/08	30,448.91	0.00	0.00	3,958.37	608.98	4,567.35	25,881.56	S/L	50.00
313		ELECTORNIC METERS	6/30/09	216,328.52	0.00	0.00	56,245.44	10,816.43	67,061.87	149,266.65	S/L	20.00
322		ELECTRONIC METERS	6/30/10	152,483.57	0.00	0.00	34,308.81	7,624.18	41,932.99	110,550.58	S/L	20.00
333		ELECTRONIC METERS	9/30/11	186,370.90	0.00	0.00	30,285.29	9,318.55	39,603.84	146,767.06	S/L	20.00
345		METERS & INSTALLATION	6/30/12	228,564.31	0.00	0.00	28,570.55	11,428.22	39,998.77	188,565.54	S/L	20.00
356		METERS & METER INSTALLAT.	6/30/14	130,018.53	0.00	0.00	2,396.65	6,500.93	8,897.58	121,120.95	S/L	20.00
366		METERS & INSTALLATION	6/30/13	191,493.63	0.00	0.00	14,362.02	9,574.68	23,936.70	167,556.93	S/L	20.00
372		METERS & METER INSTALLAT.	6/30/15	75,689.74	0.00c	0.00	0.00	1,892.24	1,892.24	73,797.50	S/L	20.00
METERS AND METER INSTALLA				2,441,952.65	0.00c	0.00	714,824.59	82,375.30	797,199.89	1,644,752.76		

Group: OFFICE FURNITURE & FIXTUR

96		CHAIRS	11/15/93	375.00	0.00	0.00	375.00	0.00	375.00	0.00	S/L	10.00
167	d	EQUIPMENT	12/15/97	580.00	0.00	0.00	580.00	0.00	580.00	0.00	S/L	10.00
177		OFFICE FURNITURE	7/01/98	540.00	0.00	0.00	540.00	0.00	540.00	0.00	S/L	10.00
191		FURNITURE	9/30/99	2,563.00	0.00	0.00	2,563.00	0.00	2,563.00	0.00	S/L	10.00
192		IMPROVEMENTS	5/31/99	1,646.00	0.00	0.00	1,646.00	0.00	1,646.00	0.00	S/L	10.00
208		FURNITURE	10/01/00	2,360.00	0.00	0.00	2,360.00	0.00	2,360.00	0.00	S/L	10.00
219		OFFICE FURNITURE	7/01/01	1,300.00	0.00	0.00	1,300.00	0.00	1,300.00	0.00	S/L	10.00
233		OFFICE FURNITURE	7/01/02	2,057.44	0.00	0.00	2,057.44	0.00	2,057.44	0.00	S/L	10.00
242		OFFICE FURNITURE	6/30/03	600.00	0.00	0.00	600.00	0.00	600.00	0.00	S/L	10.00
250		BILLING SOFTWARE	5/31/04	10,967.00	0.00	0.00	10,967.00	0.00	10,967.00	0.00	S/L	5.00
251		EXECUTIVE CHAIR	10/08/04	299.98	0.00	0.00	299.98	0.00	299.98	0.00	S/L	10.00
268		CONFERENCE ROOM CHAIRS	6/30/05	5,510.00	0.00	0.00	5,234.50	275.50	5,510.00	0.00	S/L	10.00
275		OFFICE FURNITURE	3/06/06	2,995.00	0.00	0.00	2,995.00	0.00	2,995.00	0.00	S/L	10.00
276		OFFICE FURNITURE	4/06/06	383.60	0.00	0.00	383.60	0.00	383.60	0.00	S/L	10.00
277		OFFICE FURNITURE	5/02/06	219.99	0.00	0.00	219.99	0.00	219.99	0.00	S/L	10.00
278		OFFICE FURNITURE	6/05/06	600.00	0.00	0.00	600.00	0.00	600.00	0.00	S/L	10.00

Asset t	d Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: OFFICE FURNITURE & FIXTUR (continued)											
308	DESK	5/08/08	894.00	0.00	0.00	596.00	89.40	685.40	208.60	S/L	10.00
317	MAS 90 SOFTWARE & INSTALL	6/01/09	3,267.10	0.00	0.00	3,267.10	0.00	3,267.10	0.00	S/L	5.00
334	NEW OFFICE COMPUTERS	8/31/11	7,652.50	0.00	0.00	2,550.83	765.25	3,316.08	4,336.42	S/L	10.00
346	SOFTWARE	2/29/12	574.79	0.00	0.00	325.72	114.96	440.68	134.11	S/L	5.00
347	SOFTWARE	11/30/12	1,040.04	0.00	0.00	433.35	208.01	641.36	398.68	S/L	5.00
359	LEXMARK PRINTER NS810	11/30/14	1,705.50	0.00	0.00	28.43	341.10	369.53	1,335.97	S/L	5.00
373	SAVIN MP224SP COPIER	8/31/15	4,000.00	0.00c	0.00	0.00	133.33	133.33	3,866.67	S/L	10.00
374	OFFICE EQUIPMENT	11/04/15	723.74	0.00c	0.00	0.00	24.12	24.12	699.62	S/L	5.00
	OFFICE FURNITURE & FIXTUR		52,854.68	0.00c	0.00	39,922.94	1,951.67	41,874.61	10,980.07		
	*Less: Dispositions and Transfers		580.00	0.00	0.00	580.00	0.00	580.00	0.00		
	Net OFFICE FURNITURE & FIXTUR		52,274.68	0.00c	0.00	39,342.94	1,951.67	41,294.61	10,980.07		
Group: POWER OPERATED EQUIPMENT											
132	BUCKET	8/06/92	850.00	0.00	0.00	850.00	0.00	850.00	0.00	S/L	10.00
149	MACHINERY	3/23/95	7,600.00	0.00	0.00	7,600.00	0.00	7,600.00	0.00	S/L	10.00
196	MACHINERY	4/30/99	1,280.00	0.00	0.00	1,280.00	0.00	1,280.00	0.00	S/L	10.00
222	POWER OPERATED EQUIPMEN	7/01/01	1,056.00	0.00	0.00	1,056.00	0.00	1,056.00	0.00	S/L	10.00
235	BACKHOE	7/01/02	42,985.63	0.00	0.00	42,985.63	0.00	42,985.63	0.00	S/L	10.00
249	BACKHOE ROCKHAMMER	11/18/04	10,900.00	0.00	0.00	10,900.00	0.00	10,900.00	0.00	S/L	10.00
324	KUBOTA TRACTOR	10/31/10	1,995.00	0.00	0.00	831.25	199.50	1,030.75	964.25	S/L	10.00
326	TRACTOR	9/30/10	21,333.00	0.00	0.00	9,066.53	2,133.30	11,199.83	10,133.17	S/L	10.00
327	EQUIPMENT	11/30/10	1,369.00	0.00	0.00	559.01	136.90	695.91	673.09	S/L	10.00
335	EQUIPMENT	4/30/11	2,537.40	0.00	0.00	930.38	253.74	1,184.12	1,353.28	S/L	10.00
349	POWER EQUIPMENT	3/09/12	4,332.09	0.00	0.00	1,227.43	433.21	1,660.64	2,671.45	S/L	10.00
375	USED FORK LIFT	9/30/15	7,800.00	0.00c	0.00	0.00	195.00	195.00	7,605.00	S/L	10.00
	POWER OPERATED EQUIPMENT		104,038.12	0.00c	0.00	77,286.23	3,351.65	80,637.88	23,400.24		
Group: PUMPING EQUIPMENT											
8	PUMPING STATION	6/30/78	22,292.00	0.00	0.00	22,292.00	0.00	22,292.00	0.00	S/L	20.00
9	PUMPING STATION	6/30/79	1,429.00	0.00	0.00	1,429.00	0.00	1,429.00	0.00	S/L	20.00
10	PUMPING STATION	6/30/80	4,667.00	0.00	0.00	4,667.00	0.00	4,667.00	0.00	S/L	20.00
11	PUMPING STATION	6/30/82	116.00	0.00	0.00	116.00	0.00	116.00	0.00	S/L	20.00
12	PUMPING STATION-ST. ROSE	6/30/84	96,316.00	0.00	0.00	96,316.00	0.00	96,316.00	0.00	S/L	20.00
13	PUMPING STATION-BOOSTER	9/01/85	375.00	0.00	0.00	375.00	0.00	375.00	0.00	S/L	20.00
14	PUMPING STATION-FROGTOWI	9/01/86	3,937.00	0.00	0.00	3,937.00	0.00	3,937.00	0.00	S/L	20.00
15	PUMPING STATION-ADD'N	6/30/92	5,689.00	0.00	0.00	5,689.00	0.00	5,689.00	0.00	S/L	20.00
16	PUMPING STATION ADD'N	6/30/94	8,335.00	0.00	0.00	8,335.00	0.00	8,335.00	0.00	S/L	20.00
140	DANVILLE HWY PUMP STATIO	12/31/95	8,390.00	0.00	0.00	8,026.00	364.00	8,390.00	0.00	S/L	20.00
153	PUMPING EQUIPMENT	2/15/96	1,135.00	0.00	0.00	1,073.00	56.75	1,129.75	5.25	S/L	20.00
172	PUMPING EQUIPMENT	7/01/98	32,108.00	0.00	0.00	15,411.12	1,605.40	17,016.52	15,091.48	S/L	20.00
197	PUMPING EQUIPMENT	7/01/99	4,778.00	0.00	0.00	2,151.42	238.90	2,390.32	2,387.68	S/L	20.00
203	PUMPING EQUIPMENT	10/01/00	8,690.00	0.00	0.00	3,780.10	434.50	4,214.60	4,475.40	S/L	20.00
213	PUMPING EQUIPMENT	7/01/01	25.00	0.00	0.00	10.75	1.25	12.00	13.00	S/L	20.00
227	PUMPING EQUIPMENT	7/01/02	3,627.07	0.00	0.00	1,450.53	181.35	1,631.88	1,995.19	S/L	20.00
329	PORTABLE GENERATORS	12/30/10	50,779.29	0.00	0.00	10,155.84	2,538.96	12,694.80	38,084.49	S/L	20.00

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: PUMPING EQUIPMENT (continued)												
352		EXTRA MOTOR - PUMPING EQU	8/31/12	2,744.53	0.00	0.00	640.38	274.45	914.83	1,829.70	S/L	10.00
		PUMPING EQUIPMENT		255,432.89	0.00c	0.00	185,855.14	5,695.56	191,550.70	63,882.19		
Group: SERVICE LINES												
53		SERVICE	6/30/90	300,570.00	0.00	0.00	193,766.80	6,011.40	199,778.20	100,791.80	S/L	50.00
54		SERVICE	6/30/91	6,372.00	0.00	0.00	2,365.28	127.44	2,492.72	3,879.28	S/L	50.00
55		SERVICE	6/30/92	7,923.00	0.00	0.00	3,640.52	158.46	3,798.98	4,124.02	S/L	50.00
56		SERVICE	6/30/93	65,383.00	0.00	0.00	28,116.92	1,307.66	29,424.58	35,958.42	S/L	50.00
57		SERVICE	6/30/94	10,405.00	0.00	0.00	4,265.20	208.10	4,473.30	5,931.70	S/L	50.00
142		SERVICE	6/30/95	8,746.00	0.00	0.00	3,411.04	174.92	3,585.96	5,160.04	S/L	50.00
156		SERVICE LINES	7/01/96	25,516.00	0.00	0.00	9,438.84	510.32	9,949.16	15,566.84	S/L	50.00
164		SERVICE	7/01/97	5,200.00	0.00	0.00	1,560.00	104.00	1,664.00	3,536.00	S/L	50.00
174		SERVICE	7/01/98	35,219.00	0.00	0.00	11,620.56	704.38	12,324.94	22,894.06	S/L	50.00
198		SERVICE	7/01/99	10,286.00	0.00	0.00	3,086.64	205.72	3,292.36	6,993.64	S/L	50.00
210		SERVICE	7/01/99	7,850.00	0.00	0.00	2,355.00	157.00	2,512.00	5,338.00	S/L	50.00
216		SERVICES	7/01/01	5,295.00	0.00	0.00	1,429.80	105.90	1,535.70	3,759.30	S/L	50.00
230		SERVICES	7/01/02	127.01	0.00	0.00	118.48	2.54	121.02	5.99	S/L	50.00
247		SERVICE LINES	7/01/03	3,650.83	0.00	0.00	839.73	73.02	912.75	2,738.08	S/L	50.00
257		SERVICES	6/30/04	809.87	0.00	0.00	170.10	16.20	186.30	623.57	S/L	50.00
265		SERVICE	6/30/05	740.50	0.00	0.00	140.70	14.81	155.51	584.99	S/L	50.00
282		SERVICE LINES	6/30/06	551.59	0.00	0.00	93.76	11.03	104.79	446.80	S/L	50.00
304		SERVICE LINES	6/30/08	3,208.11	0.00	0.00	641.61	80.20	721.81	2,486.30	S/L	40.00
316		SERVICE LINES	6/30/09	4,739.96	0.00	0.00	711.00	118.50	829.50	3,910.46	S/L	40.00
321		SERVICE LINES	6/30/10	3,770.85	0.00	0.00	424.22	94.27	518.49	3,252.36	S/L	40.00
344		SERVICE LINES	6/30/12	2,538.91	0.00	0.00	158.68	63.47	222.15	2,316.76	S/L	40.00
365		SERVICE LINES	6/30/13	12,433.87	0.00	0.00	466.27	310.85	777.12	11,656.75	S/L	40.00
		SERVICE LINES		521,336.50	0.00c	0.00	268,821.15	10,560.19	279,381.34	241,955.16		
Group: TOOLS, SHOP, & GARAGE EQ												
119		GATE VALVE LOCATOR	11/15/89	823.00	0.00	0.00	823.00	0.00	823.00	0.00	S/L	10.00
123		LEAK DETECTOR	7/22/92	1,668.00	0.00	0.00	1,668.00	0.00	1,668.00	0.00	S/L	10.00
169		EQUIPMENT	8/15/97	1,525.00	0.00	0.00	1,525.00	0.00	1,525.00	0.00	S/L	10.00
180		TOOL BOXES	10/21/98	617.00	0.00	0.00	617.00	0.00	617.00	0.00	S/L	10.00
181		LAWN TRACTOR	4/23/98	950.00	0.00	0.00	950.00	0.00	950.00	0.00	S/L	10.00
182		STEEL SAW	8/06/98	896.00	0.00	0.00	896.00	0.00	896.00	0.00	S/L	10.00
183		ARC WELDER	9/12/98	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	10.00
184		TOOLS	10/12/98	250.00	0.00	0.00	250.00	0.00	250.00	0.00	S/L	10.00
200		TOOLS	7/01/99	620.00	0.00	0.00	620.00	0.00	620.00	0.00	S/L	10.00
221		TOOLS	7/01/01	939.00	0.00	0.00	939.00	0.00	939.00	0.00	S/L	10.00
234		TOOLS, SHOP, & GARAGE EQU	7/01/02	1,084.61	0.00	0.00	1,084.61	0.00	1,084.61	0.00	S/L	10.00
270		TOOLS SHOP	9/30/05	1,076.00	0.00	0.00	995.30	80.70	1,076.00	0.00	S/L	10.00
280		SHOP TOOLS	12/04/06	749.00	0.00	0.00	605.44	74.90	680.34	68.66	S/L	10.00
311		TOOLS	2/13/09	499.95	0.00	0.00	295.83	50.00	345.83	154.12	S/L	10.00
312		TOOLS	12/31/09	478.20	0.00	0.00	239.10	47.82	286.92	191.28	S/L	10.00

Asset	d t	Property Description	Date In Service	Book Cost	Book Sec 179 Exp c	Book Sal Value	Book Prior Depreciation	Book Current Depreciation	Book End Depr	Book Net Book Value	Book Method	Book Period
Group: TOOLS, SHOP, & GARAGE EQ (continued)												
TOOLS, SHOP, & GARAGE EQ				<u>13,175.76</u>	<u>0.00c</u>	<u>0.00</u>	<u>12,508.28</u>	<u>253.42</u>	<u>12,761.70</u>	<u>414.06</u>		
Group: TRANSMISSION & DIST. MAIN												
28		T & D MAINS	6/30/70	266,480.00	0.00	0.00	239,832.20	5,329.60	245,161.80	21,318.20	S/L	50.00
29		T & D MAINS	6/30/73	709.00	0.00	0.00	580.16	14.18	594.34	114.66	S/L	50.00
30		T & D MAINS	6/30/75	4,319.00	0.00	0.00	3,408.56	86.38	3,494.94	824.06	S/L	50.00
31		T & D MAINS	6/30/75	664,860.00	0.00	0.00	525,237.40	13,297.20	538,534.60	126,325.40	S/L	50.00
32		T & D MAINS	6/30/76	10,620.00	0.00	0.00	8,280.80	212.40	8,493.20	2,126.80	S/L	50.00
33		T & D MAINS	6/30/78	5,816.00	0.00	0.00	4,184.84	116.32	4,301.16	1,514.84	S/L	50.00
34		T & D MAINS	6/30/78	202,864.00	0.00	0.00	146,059.36	4,057.28	150,116.64	52,747.36	S/L	50.00
35		T & D MAINS	6/30/79	11,825.00	0.00	0.00	7,215.00	236.50	7,451.50	4,373.50	S/L	50.00
36		T & D MAINS	6/30/80	5,814.00	0.00	0.00	3,429.36	116.28	3,545.64	2,268.36	S/L	50.00
37		T & D MAINS	6/30/81	24,571.00	0.00	0.00	16,705.04	491.42	17,196.46	7,374.54	S/L	50.00
38		T & D MAINS	6/30/82	3,696.00	0.00	0.00	2,440.04	73.92	2,513.96	1,182.04	S/L	50.00
39		T & D MAINS - ST MARY	6/30/84	378,763.00	0.00	0.00	231,043.12	7,575.26	238,618.38	140,144.62	S/L	50.00
40		T & D MAINS	6/30/84	8,865.00	0.00	0.00	5,405.60	177.30	5,582.90	3,282.10	S/L	50.00
41		T & D MAINS	6/30/85	24,007.00	0.00	0.00	14,162.68	480.14	14,642.82	9,364.18	S/L	50.00
42		T & D MAINS	12/01/85	337,532.00	0.00	0.00	189,583.68	6,750.64	196,334.32	141,197.68	S/L	50.00
43		T & D MAINS	6/30/86	22,126.00	0.00	0.00	12,615.24	442.52	13,057.76	9,068.24	S/L	50.00
44		T & D MAINS	6/30/87	25,774.00	0.00	0.00	14,171.76	515.48	14,687.24	11,086.76	S/L	50.00
45		T & D MAINS EXTENSION	6/30/87	25,269.00	0.00	0.00	13,922.56	505.38	14,427.94	10,841.06	S/L	50.00
46		T & D MAINS EXTENSION	6/30/88	14,540.00	0.00	0.00	7,707.60	290.80	7,998.40	6,541.60	S/L	50.00
47		T & D MAINS	6/30/89	21,253.00	0.00	0.00	10,838.72	425.06	11,263.78	9,989.22	S/L	50.00
48		T & D MAINS	6/30/90	896,263.00	0.00	0.00	439,167.12	17,925.26	457,092.38	439,170.62	S/L	50.00
49		T & D MAINS	6/30/91	212,014.00	0.00	0.00	101,759.36	4,240.28	105,999.64	106,014.36	S/L	50.00
50		T & D MAINS	6/30/92	14,176.00	0.00	0.00	6,525.24	283.52	6,808.76	7,367.24	S/L	50.00
51		T & D MAINS	6/30/93	1,320,717.00	0.00	0.00	567,906.08	26,414.34	594,320.42	726,396.58	S/L	50.00
52		T & D MAINS	6/30/94	89,774.00	0.00	0.00	36,803.76	1,795.48	38,599.24	51,174.76	S/L	50.00
141		T & D MAINS	6/30/95	56,889.00	0.00	0.00	22,188.36	1,137.78	23,326.14	33,562.86	S/L	50.00
155		T & D MAINS	12/15/96	509,758.00	0.00	0.00	184,361.92	10,195.16	194,557.08	315,200.92	S/L	50.00
163		T & D MAINS	7/01/97	143,889.00	0.00	0.00	48,923.36	2,877.78	51,801.14	92,087.86	S/L	50.00
173		T & D MAINS	7/01/98	694,028.00	0.00	0.00	229,030.72	13,880.56	242,911.28	451,116.72	S/L	50.00
199		T & D MAINS	7/01/99	175,107.00	0.00	0.00	52,531.68	3,502.14	56,033.82	119,073.18	S/L	50.00
205		T & D MAINS	7/01/00	296,649.00	0.00	0.00	86,027.76	5,932.98	91,960.74	204,688.26	S/L	50.00
215		T & D MAINS	7/01/01	802,674.00	0.00	0.00	216,721.76	16,053.48	232,775.24	569,898.76	S/L	50.00
229		T & D MAINS	7/01/02	221,388.29	0.00	0.00	53,464.24	4,427.77	57,892.01	163,496.28	S/L	50.00
246		T & D MAINS	7/01/03	95,937.25	0.00	0.00	22,065.62	1,918.75	23,984.37	71,952.88	S/L	50.00
256		T & D MAINS	6/30/04	114,281.55	0.00	0.00	23,999.12	2,285.63	26,284.75	87,996.80	S/L	50.00
264		T&D MAINS	6/30/05	125,895.64	0.00	0.00	23,920.15	2,517.91	26,438.06	99,457.58	S/L	50.00
271		T&D MAINS	6/30/06	19,343.20	0.00	0.00	3,288.31	386.86	3,675.17	15,668.03	S/L	50.00
292		T & D MAINS	5/31/07	415,384.84	0.00	0.00	63,000.06	8,307.70	71,307.76	344,077.08	S/L	50.00
293		T & D MAINS	6/30/07	200,397.63	0.00	0.00	30,059.63	4,007.95	34,067.58	166,330.05	S/L	50.00
294		T & D MAINS	8/30/07	37,776.47	0.00	0.00	5,540.55	755.53	6,296.08	31,480.39	S/L	50.00
295		T & D MAINS	6/30/07	2,640.48	0.00	0.00	396.07	52.81	448.88	2,191.60	S/L	50.00
302		T&D MAINS - CALV. RD/LEE HI	1/29/08	41,404.01	0.00	0.00	9,143.38	1,035.10	10,178.48	31,225.53	S/L	40.00
303		T&D MAINS - DRY FORK, FARR	7/20/08	122,550.56	0.00	0.00	23,999.47	3,063.76	27,063.23	95,487.33	S/L	40.00
306		T&D MAINS	6/30/08	14,625.55	0.00	0.00	2,925.12	365.64	3,290.76	11,334.79	S/L	40.00

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Group: TRANSMISSION & DIST. MAIN (continued)												
307		T&D MAINS - NARROWS ROAD	12/02/08	58,635.80	0.00	0.00	10,505.61	1,465.90	11,971.51	46,664.29	S/L	40.00
314		T&D MAINS	10/07/09	200,244.68	0.00	0.00	27,533.66	5,006.12	32,539.78	167,704.90	S/L	40.00
315		T&D MAINS	6/30/09	16,757.14	0.00	0.00	2,513.58	418.93	2,932.51	13,824.63	S/L	40.00
319		T&D MAINS - LORETTO LINE	6/30/10	1,224,981.77	0.00	0.00	137,810.43	30,624.54	168,434.97	1,056,546.80	S/L	40.00
320		T&D MAINS - HWY 527 PHASE 1	11/30/10	269,796.82	0.00	0.00	27,541.76	6,744.92	34,286.68	235,510.14	S/L	40.00
332		T&D MAINS - LEB. BYPASS	8/04/11	968,701.82	0.00	0.00	82,743.29	24,217.55	106,960.84	861,740.98	S/L	40.00
343		T&D MAINS	6/30/12	43,963.08	0.00	0.00	2,747.70	1,099.08	3,846.78	40,116.30	S/L	40.00
354		T&D MAINS-NARROWS ROAD	5/21/14	197,100.52	0.00	0.00	2,874.38	4,927.51	7,801.89	189,298.63	S/L	40.00
355		T&D MAINS	6/30/14	36,305.69	0.00	0.00	453.82	907.64	1,361.46	34,944.23	S/L	40.00
363		T&D MAINS - HWY 84	10/15/13	469,296.37	0.00	0.00	14,665.51	11,732.41	26,397.92	442,898.45	S/L	40.00
364		T&D MAINS	6/30/13	7,827.02	0.00	0.00	293.52	195.68	489.20	7,337.82	S/L	40.00
371		TRANSMISSION & DIST MAINS	6/30/15	68,635.40	0.00c	0.00	0.00	857.94	857.94	67,777.46	S/L	40.00
TRANSMISSION & DIST. MAIN				12,245,512.58	0.00c	0.00	4,020,255.82	262,756.45	4,283,012.27	7,962,500.31		
Group: TRANSPORTATION EQUIPMENT												
98		TRAILER	7/14/87	2,500.00	0.00	0.00	2,500.00	0.00	2,500.00	0.00	S/L	10.00
168		TRUCK	4/15/97	38,214.00	0.00	0.00	38,214.00	0.00	38,214.00	0.00	S/L	10.00
178		98 DODGE	7/20/98	17,000.00	0.00	0.00	17,000.00	0.00	17,000.00	0.00	S/L	7.00
220		DODGE TRUCK	7/01/01	42,283.45	0.00	0.00	42,283.45	0.00	42,283.45	0.00	S/L	7.00
269		2005 CHEVY 4X4	4/30/05	19,281.00	0.00	0.00	19,281.00	0.00	19,281.00	0.00	S/L	7.00
279		FORD 4X4 PICK UP	12/29/06	16,615.00	0.00	0.00	16,615.00	0.00	16,615.00	0.00	S/L	7.00
325		2010 FORD TRUCK	11/30/10	20,209.10	0.00	0.00	11,788.62	2,887.01	14,675.63	5,533.47	S/L	7.00
348		2012 CHEVY PICKUP	4/30/12	24,770.00	0.00	0.00	9,436.19	3,538.57	12,974.76	11,795.24	S/L	7.00
358		2015 FORD F450 SUPER DUTY T	5/29/14	48,411.00	0.00	0.00	4,034.25	6,915.86	10,950.11	37,460.89	S/L	7.00
368		TRAILER	5/31/13	18,636.25	0.00	0.00	4,215.34	2,662.32	6,877.66	11,758.59	S/L	7.00
TRANSPORTATION EQUIPMENT				247,919.80	0.00c	0.00	165,367.85	16,003.76	181,371.61	66,548.19		
Group: WATER TREATMENT EQUIPMENT												
209		WATER TREATMENT EQUIPME	8/31/00	1,199.00	0.00	0.00	1,199.00	0.00	1,199.00	0.00	S/L	10.00
224		WATER TREATMENT EQUIPME	7/01/01	1,308.00	0.00	0.00	1,308.00	0.00	1,308.00	0.00	S/L	10.00
237		WATER TREATMENT EQUIPME	7/01/02	731.79	0.00	0.00	731.79	0.00	731.79	0.00	S/L	10.00
WATER TREATMENT EQUIPMENT				3,238.79	0.00c	0.00	3,238.79	0.00	3,238.79	0.00		
Grand Total				18,814,857.27	0.00c	0.00	6,423,694.32	452,188.65	6,875,882.97	11,938,974.30		
Less: Dispositions and Transfers				23,634.00	0.00	0.00	23,634.00	0.00	23,634.00	0.00		
Net Grand Total				18,791,223.27	0.00c	0.00	6,400,060.32	452,188.65	6,852,248.97	11,938,974.30		

EXHIBIT A

DESIGNATION OF BOND: Marion County Water District, Water System Revenue Bond, Taxable Series 2009.
(Build America Bonds – Direct Payment to Issuer), Numbered R-1

AMOUNT: \$1,433,000

CHARACTER: Single, non-negotiable Bond in fully registered form, payable to the United States of America, Department of Agriculture (“USDA”), as provided in the Resolutions adopted by the Water District on October 20, 2009, and May 11, 2010

DATE: As of date of delivery (June 9, 2010)

DENOMINATION: \$1,433,000

PAYABLE AS TO PRINCIPAL IN ANNUAL INSTALLMENTS ON JANUARY 1 OF THE RESPECTIVE YEARS, AS FOLLOWS:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2013	\$18,000	2026	\$29,000	2039	\$46,000
2014	19,000	2027	30,000	2040	47,000
2015	19,000	2028	31,000	2041	49,000
2016	20,000	2029	32,000	2042	51,000
2017	21,000	2030	33,000	2043	53,000
2018	22,000	2031	34,000	2044	55,000
2019	22,000	2032	36,000	2045	57,000
2020	23,000	2033	37,000	2046	59,000
2021	24,000	2034	38,000	2047	61,000
2022	25,000	2035	40,000	2048	63,000
2023	26,000	2036	41,000	2049	65,000
2024	27,000	2037	43,000	2050	65,000
2025	28,000	2038	44,000		

INTEREST RATE (TAXABLE): 3.250% per annum (adjusted as approved by USDA), payable semiannually on each January 1 and July 1, beginning January 1, 2013, to maturity of principal

FIXED RATE BOND DEBT SERVICE SCHEDULE

Interest Payment Date	Outstanding Principal	Interest Rate	Total Interest	Requested Payment 35%
7/1/2010	1,433,000.00	-	2,846.10	996.14
7/1/2011	1,433,000.00	3.250%	23,286.25	8,150.19
7/1/2012	1,433,000.00	3.250%	23,286.25	8,150.19
7/1/2013	1,433,000.00	3.250%	23,286.25	8,150.19
7/1/2014	1,396,000.00	3.250%	22,993.75	8,047.81
7/1/2015	1,359,000.00	3.250%	22,691.25	7,939.75
7/1/2016	1,322,000.00	3.250%	22,388.75	7,831.69
7/1/2017	1,285,000.00	3.250%	22,086.25	7,723.63
7/1/2018	1,248,000.00	3.250%	21,783.75	7,615.57
7/1/2019	1,211,000.00	3.250%	21,481.25	7,507.51
7/1/2020	1,174,000.00	3.250%	21,178.75	7,399.45
7/1/2021	1,137,000.00	3.250%	20,876.25	7,291.39
7/1/2022	1,100,000.00	3.250%	20,573.75	7,183.33
7/1/2023	1,063,000.00	3.250%	20,271.25	7,075.27
7/1/2024	1,026,000.00	3.250%	19,968.75	6,967.21
7/1/2025	989,000.00	3.250%	19,666.25	6,859.15
7/1/2026	952,000.00	3.250%	19,363.75	6,751.09
7/1/2027	915,000.00	3.250%	19,061.25	6,643.03
7/1/2028	878,000.00	3.250%	18,758.75	6,534.97
7/1/2029	841,000.00	3.250%	18,456.25	6,426.91
7/1/2030	804,000.00	3.250%	18,153.75	6,318.85
7/1/2031	767,000.00	3.250%	17,851.25	6,210.79
7/1/2032	730,000.00	3.250%	17,548.75	6,102.73
7/1/2033	693,000.00	3.250%	17,246.25	5,994.67
7/1/2034	656,000.00	3.250%	16,943.75	5,886.61
7/1/2035	619,000.00	3.250%	16,641.25	5,778.55
7/1/2036	582,000.00	3.250%	16,338.75	5,670.49
7/1/2037	545,000.00	3.250%	16,036.25	5,562.43
7/1/2038	508,000.00	3.250%	15,733.75	5,454.37
7/1/2039	471,000.00	3.250%	15,431.25	5,346.31
7/1/2040	434,000.00	3.250%	15,128.75	5,238.25
7/1/2041	397,000.00	3.250%	14,826.25	5,130.19
7/1/2042	360,000.00	3.250%	14,523.75	5,022.13
7/1/2043	323,000.00	3.250%	14,221.25	4,914.07
7/1/2044	286,000.00	3.250%	13,918.75	4,806.01
7/1/2045	249,000.00	3.250%	13,616.25	4,697.95
7/1/2046	212,000.00	3.250%	13,313.75	4,589.89
7/1/2047	175,000.00	3.250%	13,011.25	4,481.83
7/1/2048	138,000.00	3.250%	12,708.75	4,373.77
7/1/2049	101,000.00	3.250%	12,406.25	4,265.71
7/1/2050	64,000.00	3.250%	12,103.75	4,157.65
Total			\$1,173,207.25	\$410,297.57

KENTUCKY INFRASTRUCTURE AUTHORITY
EPAYMENT SCHEDULE
JAN #B12-06
ARION COUNTY WATER DISTRICT
NAL

1.75% Rate \$16,301.67 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$548,180.00		
12/01/14	\$11,505.09	\$4,797.50	1.75%	\$16,302.59	\$548.18	\$0.00	\$16,850.77	\$536,674.91	\$1,370.00	\$1,370.00
06/01/15	\$11,605.76	\$4,695.91	1.75%	\$16,301.67	\$536.67	\$0.00	\$16,838.34	\$525,069.15	\$0.00	\$1,370.00
12/01/15	\$11,707.31	\$4,594.36	1.75%	\$16,301.67	\$525.07	\$0.00	\$16,826.74	\$513,361.84	\$1,370.00	\$2,740.00
06/01/16	\$11,809.75	\$4,491.92	1.75%	\$16,301.67	\$513.36	\$0.00	\$16,815.03	\$501,552.09	\$0.00	\$2,740.00
12/01/16	\$11,913.09	\$4,388.58	1.75%	\$16,301.67	\$501.55	\$0.00	\$16,803.22	\$489,639.00	\$1,370.00	\$4,110.00
06/01/17	\$12,017.33	\$4,284.34	1.75%	\$16,301.67	\$489.64	\$0.00	\$16,791.31	\$477,621.67	\$0.00	\$4,110.00
12/01/17	\$12,122.48	\$4,179.19	1.75%	\$16,301.67	\$477.62	\$0.00	\$16,779.29	\$465,499.19	\$1,370.00	\$5,480.00
06/01/18	\$12,228.55	\$4,073.12	1.75%	\$16,301.67	\$465.50	\$0.00	\$16,767.17	\$453,270.64	\$0.00	\$5,480.00
12/01/18	\$12,335.55	\$3,966.12	1.75%	\$16,301.67	\$453.27	\$0.00	\$16,754.94	\$440,935.09	\$1,370.00	\$6,850.00
06/01/19	\$12,443.49	\$3,858.18	1.75%	\$16,301.67	\$440.94	\$0.00	\$16,742.61	\$428,491.60	\$0.00	\$6,850.00
12/01/19	\$12,552.37	\$3,749.30	1.75%	\$16,301.67	\$428.49	\$0.00	\$16,730.16	\$415,939.23	\$1,370.00	\$8,220.00
06/01/20	\$12,662.20	\$3,639.47	1.75%	\$16,301.67	\$415.94	\$0.00	\$16,717.61	\$403,277.03	\$0.00	\$8,220.00
12/01/20	\$12,773.00	\$3,528.67	1.75%	\$16,301.67	\$403.28	\$0.00	\$16,704.95	\$390,504.03	\$1,370.00	\$9,590.00
06/01/21	\$12,884.76	\$3,416.91	1.75%	\$16,301.67	\$390.50	\$0.00	\$16,692.17	\$377,619.27	\$0.00	\$9,590.00
12/01/21	\$12,997.50	\$3,304.17	1.75%	\$16,301.67	\$377.62	\$0.00	\$16,679.29	\$364,621.77	\$1,370.00	\$10,960.00
06/01/22	\$13,111.23	\$3,190.44	1.75%	\$16,301.67	\$364.62	\$0.00	\$16,666.29	\$351,510.54	\$0.00	\$10,960.00
12/01/22	\$13,225.95	\$3,075.72	1.75%	\$16,301.67	\$351.51	\$0.00	\$16,653.18	\$338,284.59	\$1,370.00	\$12,330.00
06/01/23	\$13,341.68	\$2,959.99	1.75%	\$16,301.67	\$338.28	\$0.00	\$16,639.95	\$324,942.91	\$0.00	\$12,330.00
12/01/23	\$13,458.42	\$2,843.25	1.75%	\$16,301.67	\$324.94	\$0.00	\$16,626.61	\$311,484.49	\$1,370.00	\$13,700.00
06/01/24	\$13,576.18	\$2,725.49	1.75%	\$16,301.67	\$311.48	\$0.00	\$16,613.15	\$297,908.31	\$0.00	\$13,700.00
12/01/24	\$13,694.97	\$2,606.70	1.75%	\$16,301.67	\$297.91	\$0.00	\$16,599.58	\$284,213.34	\$0.00	\$13,700.00
06/01/25	\$13,814.80	\$2,486.87	1.75%	\$16,301.67	\$284.21	\$0.00	\$16,585.88	\$270,398.54	\$0.00	\$13,700.00
12/01/25	\$13,935.68	\$2,365.99	1.75%	\$16,301.67	\$270.40	\$0.00	\$16,572.07	\$256,462.86	\$0.00	\$13,700.00
06/01/26	\$14,057.62	\$2,244.05	1.75%	\$16,301.67	\$256.46	\$0.00	\$16,558.13	\$242,405.24	\$0.00	\$13,700.00
12/01/26	\$14,180.62	\$2,121.05	1.75%	\$16,301.67	\$242.41	\$0.00	\$16,544.08	\$228,224.62	\$0.00	\$13,700.00
06/01/27	\$14,304.70	\$1,996.97	1.75%	\$16,301.67	\$228.22	\$0.00	\$16,529.89	\$213,919.92	\$0.00	\$13,700.00
12/01/27	\$14,429.87	\$1,871.80	1.75%	\$16,301.67	\$213.92	\$0.00	\$16,515.59	\$199,490.05	\$0.00	\$13,700.00
06/01/28	\$14,556.13	\$1,745.54	1.75%	\$16,301.67	\$199.49	\$0.00	\$16,501.16	\$184,933.92	\$0.00	\$13,700.00
12/01/28	\$14,683.50	\$1,618.17	1.75%	\$16,301.67	\$184.93	\$0.00	\$16,486.60	\$170,250.42	\$0.00	\$13,700.00
06/01/29	\$14,811.98	\$1,489.69	1.75%	\$16,301.67	\$170.25	\$0.00	\$16,471.92	\$155,438.44	\$0.00	\$13,700.00
12/01/29	\$14,941.58	\$1,360.09	1.75%	\$16,301.67	\$155.44	\$0.00	\$16,457.11	\$140,496.86	\$0.00	\$13,700.00
06/01/30	\$15,072.32	\$1,229.35	1.75%	\$16,301.67	\$140.50	\$0.00	\$16,442.17	\$125,424.54	\$0.00	\$13,700.00
12/01/30	\$15,204.21	\$1,097.46	1.75%	\$16,301.67	\$125.42	\$0.00	\$16,427.09	\$110,220.33	\$0.00	\$13,700.00
06/01/31	\$15,337.24	\$964.43	1.75%	\$16,301.67	\$110.22	\$0.00	\$16,411.89	\$94,883.09	\$0.00	\$13,700.00
12/01/31	\$15,471.44	\$830.23	1.75%	\$16,301.67	\$94.88	\$0.00	\$16,396.55	\$79,411.65	\$0.00	\$13,700.00
06/01/32	\$15,606.82	\$694.85	1.75%	\$16,301.67	\$79.41	\$0.00	\$16,381.08	\$63,804.83	\$0.00	\$13,700.00
12/01/32	\$15,743.38	\$558.29	1.75%	\$16,301.67	\$63.80	\$0.00	\$16,365.47	\$48,061.45	\$0.00	\$13,700.00
06/01/33	\$15,881.13	\$420.54	1.75%	\$16,301.67	\$48.06	\$0.00	\$16,349.73	\$32,180.32	\$0.00	\$13,700.00
12/01/33	\$16,020.09	\$281.58	1.75%	\$16,301.67	\$32.18	\$0.00	\$16,333.85	\$16,160.23	\$0.00	\$13,700.00
06/01/34	\$16,160.23	\$141.44	1.75%	\$16,301.67	\$16.16	\$0.00	\$16,317.83	\$0.00	\$0.00	\$13,700.00
Totals	\$548,180.00	\$103,887.72		\$652,067.72	\$11,872.73	\$0.00	\$663,940.45		\$13,700.00	

KIA FUND	KIA LOAN NUMBER	BORROWER	Date	Rate	PRINCIPAL	INTEREST	FEE	CREDIT	PENALTY	PAYMENT
B	B12-06	Marion County Water	6/1/2015	1.75%	\$11,605.76	\$4,695.91	\$536.67	\$0.00	\$0.00	\$16,838.34
B	B12-06	Marion County Water	12/1/2015	1.75%	\$11,707.31	\$4,594.36	\$525.07	\$0.00	\$0.00	\$16,826.74
B	B12-06	Marion County Water	6/1/2016	1.75%	\$11,809.75	\$4,491.92	\$513.36	\$0.00	\$0.00	\$16,815.03
B	B12-06	Marion County Water	12/1/2016	1.75%	\$11,913.09	\$4,388.58	\$501.55	\$0.00	\$0.00	\$16,803.22
B	B12-06	Marion County Water	6/1/2017	1.75%	\$12,017.33	\$4,284.34	\$489.64	\$0.00	\$0.00	\$16,791.31
B	B12-06	Marion County Water	12/1/2017	1.75%	\$12,122.48	\$4,179.19	\$477.62	\$0.00	\$0.00	\$16,779.29
B	B12-06	Marion County Water	6/1/2018	1.75%	\$12,228.55	\$4,073.12	\$465.50	\$0.00	\$0.00	\$16,767.17
B	B12-06	Marion County Water	12/1/2018	1.75%	\$12,335.55	\$3,966.12	\$453.27	\$0.00	\$0.00	\$16,754.94
B	B12-06	Marion County Water	6/1/2019	1.75%	\$12,443.49	\$3,858.18	\$440.94	\$0.00	\$0.00	\$16,742.61
B	B12-06	Marion County Water	12/1/2019	1.75%	\$12,552.37	\$3,749.30	\$428.49	\$0.00	\$0.00	\$16,730.16
B	B12-06	Marion County Water	6/1/2020	1.75%	\$12,662.20	\$3,639.47	\$415.94	\$0.00	\$0.00	\$16,717.61
B	B12-06	Marion County Water	12/1/2020	1.75%	\$12,773.00	\$3,528.67	\$403.28	\$0.00	\$0.00	\$16,704.95
B	B12-06	Marion County Water	6/1/2021	1.75%	\$12,884.76	\$3,416.91	\$390.50	\$0.00	\$0.00	\$16,692.17
B	B12-06	Marion County Water	12/1/2021	1.75%	\$12,997.50	\$3,304.17	\$377.62	\$0.00	\$0.00	\$16,679.29
B	B12-06	Marion County Water	6/1/2022	1.75%	\$13,111.23	\$3,190.44	\$364.62	\$0.00	\$0.00	\$16,666.29
B	B12-06	Marion County Water	12/1/2022	1.75%	\$13,225.95	\$3,075.72	\$351.51	\$0.00	\$0.00	\$16,653.18
B	B12-06	Marion County Water	6/1/2023	1.75%	\$13,341.68	\$2,959.99	\$338.28	\$0.00	\$0.00	\$16,639.95
B	B12-06	Marion County Water	12/1/2023	1.75%	\$13,458.42	\$2,843.25	\$324.94	\$0.00	\$0.00	\$16,626.61
B	B12-06	Marion County Water	6/1/2024	1.75%	\$13,576.18	\$2,725.49	\$311.48	\$0.00	\$0.00	\$16,613.15
B	B12-06	Marion County Water	12/1/2024	1.75%	\$13,694.97	\$2,606.70	\$297.91	\$0.00	\$0.00	\$16,599.58
B	B12-06	Marion County Water	6/1/2025	1.75%	\$13,814.80	\$2,486.87	\$284.21	\$0.00	\$0.00	\$16,585.88
B	B12-06	Marion County Water	12/1/2025	1.75%	\$13,935.68	\$2,365.99	\$270.40	\$0.00	\$0.00	\$16,572.07
B	B12-06	Marion County Water	6/1/2026	1.75%	\$14,057.62	\$2,244.05	\$256.46	\$0.00	\$0.00	\$16,558.13
B	B12-06	Marion County Water	12/1/2026	1.75%	\$14,180.62	\$2,121.05	\$242.41	\$0.00	\$0.00	\$16,544.08
B	B12-06	Marion County Water	6/1/2027	1.75%	\$14,304.70	\$1,996.97	\$228.22	\$0.00	\$0.00	\$16,529.89
B	B12-06	Marion County Water	12/1/2027	1.75%	\$14,429.87	\$1,871.80	\$213.92	\$0.00	\$0.00	\$16,515.59
B	B12-06	Marion County Water	6/1/2028	1.75%	\$14,556.13	\$1,745.54	\$199.49	\$0.00	\$0.00	\$16,501.16
B	B12-06	Marion County Water	12/1/2028	1.75%	\$14,683.50	\$1,618.17	\$184.93	\$0.00	\$0.00	\$16,486.60
B	B12-06	Marion County Water	6/1/2029	1.75%	\$14,811.98	\$1,489.69	\$170.25	\$0.00	\$0.00	\$16,471.92
B	B12-06	Marion County Water	12/1/2029	1.75%	\$14,941.58	\$1,360.09	\$155.44	\$0.00	\$0.00	\$16,457.11
B	B12-06	Marion County Water	6/1/2030	1.75%	\$15,072.32	\$1,229.35	\$140.50	\$0.00	\$0.00	\$16,442.17
B	B12-06	Marion County Water	12/1/2030	1.75%	\$15,204.21	\$1,097.46	\$125.42	\$0.00	\$0.00	\$16,427.09
B	B12-06	Marion County Water	6/1/2031	1.75%	\$15,337.24	\$964.43	\$110.22	\$0.00	\$0.00	\$16,411.89
B	B12-06	Marion County Water	12/1/2031	1.75%	\$15,471.44	\$830.23	\$94.88	\$0.00	\$0.00	\$16,396.55
B	B12-06	Marion County Water	6/1/2032	1.75%	\$15,606.82	\$694.85	\$79.41	\$0.00	\$0.00	\$16,381.08
B	B12-06	Marion County Water	12/1/2032	1.75%	\$15,743.38	\$558.29	\$63.80	\$0.00	\$0.00	\$16,365.47
B	B12-06	Marion County Water	6/1/2033	1.75%	\$15,881.13	\$420.54	\$48.06	\$0.00	\$0.00	\$16,349.73
B	B12-06	Marion County Water	12/1/2033	1.75%	\$16,020.09	\$281.58	\$32.18	\$0.00	\$0.00	\$16,333.85
B	B12-06	Marion County Water	6/1/2034	1.75%	\$16,160.23	\$141.44	\$16.16	\$0.00	\$0.00	\$16,317.83

CNB LOAN PAYABLE

Compound Period : Monthly

Nominal Annual Rate : 3.500 %

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	12/11/2015	726,050.64	1		
2 Payment	01/12/2016	5,227.69	177	Monthly	09/12/2030
3 Payment	10/12/2030	6,996.61	1		

AMORTIZATION SCHEDULE - Normal Amortization

Date	Payment	Interest	Principal	Balance
Loan 12/11/2015				726,050.64
2015 Totals	0.00	0.00	0.00	
1 01/12/2016	5,227.69	2,187.47	3,040.22	723,010.42
2 02/12/2016	5,227.69	2,108.78	3,118.91	719,891.51
3 03/12/2016	5,227.69	2,099.68	3,128.01	716,763.50
4 04/12/2016	5,227.69	2,090.56	3,137.13	713,626.37
5 05/12/2016	5,227.69	2,081.41	3,146.28	710,480.09
6 06/12/2016	5,227.69	2,072.23	3,155.46	707,324.63
7 07/12/2016	5,227.69	2,063.03	3,164.66	704,159.97
8 08/12/2016	5,227.69	2,053.80	3,173.89	700,986.08
9 09/12/2016	5,227.69	2,044.54	3,183.15	697,802.93
10 10/12/2016	5,227.69	2,035.26	3,192.43	694,610.50
11 11/12/2016	5,227.69	2,025.95	3,201.74	691,408.76
12 12/12/2016	5,227.69	2,016.61	3,211.08	688,197.68
2016 Totals	62,732.28	24,879.32	37,852.96	
13 01/12/2017	5,227.69	2,007.24	3,220.45	684,977.23
14 02/12/2017	5,227.69	1,997.85	3,229.84	681,747.39
15 03/12/2017	5,227.69	1,988.43	3,239.26	678,508.13
16 04/12/2017	5,227.69	1,978.98	3,248.71	675,259.42
17 05/12/2017	5,227.69	1,969.51	3,258.18	672,001.24
18 06/12/2017	5,227.69	1,960.00	3,267.69	668,733.55
19 07/12/2017	5,227.69	1,950.47	3,277.22	665,456.33
20 08/12/2017	5,227.69	1,940.91	3,286.78	662,169.55
21 09/12/2017	5,227.69	1,931.33	3,296.36	658,873.19
22 10/12/2017	5,227.69	1,921.71	3,305.98	655,567.21
23 11/12/2017	5,227.69	1,912.07	3,315.62	652,251.59
24 12/12/2017	5,227.69	1,902.40	3,325.29	648,926.30
2017 Totals	62,732.28	23,460.90	39,271.38	
25 01/12/2018	5,227.69	1,892.70	3,334.99	645,591.31
26 02/12/2018	5,227.69	1,882.97	3,344.72	642,246.59
27 03/12/2018	5,227.69	1,873.22	3,354.47	638,892.12
28 04/12/2018	5,227.69	1,863.44	3,364.25	635,527.87

CNB LOAN PAYABLE

Date	Payment	Interest	Principal	Balance
29 05/12/2018	5,227.69	1,853.62	3,374.07	632,153.80
30 06/12/2018	5,227.69	1,843.78	3,383.91	628,769.89
31 07/12/2018	5,227.69	1,833.91	3,393.78	625,376.11
32 08/12/2018	5,227.69	1,824.01	3,403.68	621,972.43
33 09/12/2018	5,227.69	1,814.09	3,413.60	618,558.83
34 10/12/2018	5,227.69	1,804.13	3,423.56	615,135.27
35 11/12/2018	5,227.69	1,794.14	3,433.55	611,701.72
36 12/12/2018	5,227.69	1,784.13	3,443.56	608,258.16
2018 Totals	62,732.28	22,064.14	40,668.14	
37 01/12/2019	5,227.69	1,774.09	3,453.60	604,804.56
38 02/12/2019	5,227.69	1,764.01	3,463.68	601,340.88
39 03/12/2019	5,227.69	1,753.91	3,473.78	597,867.10
40 04/12/2019	5,227.69	1,743.78	3,483.91	594,383.19
41 05/12/2019	5,227.69	1,733.62	3,494.07	590,889.12
42 06/12/2019	5,227.69	1,723.43	3,504.26	587,384.86
43 07/12/2019	5,227.69	1,713.21	3,514.48	583,870.38
44 08/12/2019	5,227.69	1,702.96	3,524.73	580,345.65
45 09/12/2019	5,227.69	1,692.67	3,535.02	576,810.63
46 10/12/2019	5,227.69	1,682.36	3,545.33	573,265.30
47 11/12/2019	5,227.69	1,672.02	3,555.67	569,709.63
48 12/12/2019	5,227.69	1,661.65	3,566.04	566,143.59
2019 Totals	62,732.28	20,617.71	42,114.57	
49 01/12/2020	5,227.69	1,651.25	3,576.44	562,567.15
50 02/12/2020	5,227.69	1,640.82	3,586.87	558,980.28
51 03/12/2020	5,227.69	1,630.36	3,597.33	555,382.95
52 04/12/2020	5,227.69	1,619.87	3,607.82	551,775.13
53 05/12/2020	5,227.69	1,609.34	3,618.35	548,156.78
54 06/12/2020	5,227.69	1,598.79	3,628.90	544,527.88
55 07/12/2020	5,227.69	1,588.21	3,639.48	540,888.40
56 08/12/2020	5,227.69	1,577.59	3,650.10	537,238.30
57 09/12/2020	5,227.69	1,566.95	3,660.74	533,577.56
58 10/12/2020	5,227.69	1,556.27	3,671.42	529,906.14
59 11/12/2020	5,227.69	1,545.56	3,682.13	526,224.01
60 12/12/2020	5,227.69	1,534.82	3,692.87	522,531.14
2020 Totals	62,732.28	19,119.83	43,612.45	
61 01/12/2021	5,227.69	1,524.05	3,703.64	518,827.50
62 02/12/2021	5,227.69	1,513.25	3,714.44	515,113.06
63 03/12/2021	5,227.69	1,502.41	3,725.28	511,387.78
64 04/12/2021	5,227.69	1,491.55	3,736.14	507,651.64
65 05/12/2021	5,227.69	1,480.65	3,747.04	503,904.60
66 06/12/2021	5,227.69	1,469.72	3,757.97	500,146.63
67 07/12/2021	5,227.69	1,458.76	3,768.93	496,377.70
68 08/12/2021	5,227.69	1,447.77	3,779.92	492,597.78
69 09/12/2021	5,227.69	1,436.74	3,790.95	488,806.83
70 10/12/2021	5,227.69	1,425.69	3,802.00	485,004.83
71 11/12/2021	5,227.69	1,414.60	3,813.09	481,191.74

CNB LOAN PAYABLE

Date	Payment	Interest	Principal	Balance
72 12/12/2021	5,227.69	1,403.48	3,824.21	477,367.53
2021 Totals	62,732.28	17,568.67	45,163.61	
73 01/12/2022	5,227.69	1,392.32	3,835.37	473,532.16
74 02/12/2022	5,227.69	1,381.14	3,846.55	469,685.61
75 03/12/2022	5,227.69	1,369.92	3,857.77	465,827.84
76 04/12/2022	5,227.69	1,358.66	3,869.03	461,958.81
77 05/12/2022	5,227.69	1,347.38	3,880.31	458,078.50
78 06/12/2022	5,227.69	1,336.06	3,891.63	454,186.87
79 07/12/2022	5,227.69	1,324.71	3,902.98	450,283.89
80 08/12/2022	5,227.69	1,313.33	3,914.36	446,369.53
81 09/12/2022	5,227.69	1,301.91	3,925.78	442,443.75
82 10/12/2022	5,227.69	1,290.46	3,937.23	438,506.52
83 11/12/2022	5,227.69	1,278.98	3,948.71	434,557.81
84 12/12/2022	5,227.69	1,267.46	3,960.23	430,597.58
2022 Totals	62,732.28	15,962.33	46,769.95	
85 01/12/2023	5,227.69	1,255.91	3,971.78	426,625.80
86 02/12/2023	5,227.69	1,244.33	3,983.36	422,642.44
87 03/12/2023	5,227.69	1,232.71	3,994.98	418,647.46
88 04/12/2023	5,227.69	1,221.06	4,006.63	414,640.83
89 05/12/2023	5,227.69	1,209.37	4,018.32	410,622.51
90 06/12/2023	5,227.69	1,197.65	4,030.04	406,592.47
91 07/12/2023	5,227.69	1,185.89	4,041.80	402,550.67
92 08/12/2023	5,227.69	1,174.11	4,053.58	398,497.09
93 09/12/2023	5,227.69	1,162.28	4,065.41	394,431.68
94 10/12/2023	5,227.69	1,150.43	4,077.26	390,354.42
95 11/12/2023	5,227.69	1,138.53	4,089.16	386,265.26
96 12/12/2023	5,227.69	1,126.61	4,101.08	382,164.18
2023 Totals	62,732.28	14,298.88	48,433.40	
97 01/12/2024	5,227.69	1,114.65	4,113.04	378,051.14
98 02/12/2024	5,227.69	1,102.65	4,125.04	373,926.10
99 03/12/2024	5,227.69	1,090.62	4,137.07	369,789.03
100 04/12/2024	5,227.69	1,078.55	4,149.14	365,639.89
101 05/12/2024	5,227.69	1,066.45	4,161.24	361,478.65
102 06/12/2024	5,227.69	1,054.31	4,173.38	357,305.27
103 07/12/2024	5,227.69	1,042.14	4,185.55	353,119.72
104 08/12/2024	5,227.69	1,029.93	4,197.76	348,921.96
105 09/12/2024	5,227.69	1,017.69	4,210.00	344,711.96
106 10/12/2024	5,227.69	1,005.41	4,222.28	340,489.68
107 11/12/2024	5,227.69	993.09	4,234.60	336,255.08
108 12/12/2024	5,227.69	980.74	4,246.95	332,008.13
2024 Totals	62,732.28	12,576.23	50,156.05	
109 01/12/2025	5,227.69	968.36	4,259.33	327,748.80
110 02/12/2025	5,227.69	955.93	4,271.76	323,477.04
111 03/12/2025	5,227.69	943.47	4,284.22	319,192.82
112 04/12/2025	5,227.69	930.98	4,296.71	314,896.11

CNB LOAN PAYABLE

	Date	Payment	Interest	Principal	Balance
	113 05/12/2025	5,227.69	918.45	4,309.24	310,586.87
	114 06/12/2025	5,227.69	905.88	4,321.81	306,265.06
	115 07/12/2025	5,227.69	893.27	4,334.42	301,930.64
	116 08/12/2025	5,227.69	880.63	4,347.06	297,583.58
	117 09/12/2025	5,227.69	867.95	4,359.74	293,223.84
	118 10/12/2025	5,227.69	855.24	4,372.45	288,851.39
	119 11/12/2025	5,227.69	842.48	4,385.21	284,466.18
	120 12/12/2025	5,227.69	829.69	4,398.00	280,068.18
	2025 Totals	62,732.28	10,792.33	51,939.95	
	121 01/12/2026	5,227.69	816.87	4,410.82	275,657.36
	122 02/12/2026	5,227.69	804.00	4,423.69	271,233.67
	123 03/12/2026	5,227.69	791.10	4,436.59	266,797.08
	124 04/12/2026	5,227.69	778.16	4,449.53	262,347.55
	125 05/12/2026	5,227.69	765.18	4,462.51	257,885.04
	126 06/12/2026	5,227.69	752.16	4,475.53	253,409.51
	127 07/12/2026	5,227.69	739.11	4,488.58	248,920.93
	128 08/12/2026	5,227.69	726.02	4,501.67	244,419.26
	129 09/12/2026	5,227.69	712.89	4,514.80	239,904.46
	130 10/12/2026	5,227.69	699.72	4,527.97	235,376.49
	131 11/12/2026	5,227.69	686.51	4,541.18	230,835.31
	132 12/12/2026	5,227.69	673.27	4,554.42	226,280.89
	2026 Totals	62,732.28	8,944.99	53,787.29	
	133 01/12/2027	5,227.69	659.99	4,567.70	221,713.19
	134 02/12/2027	5,227.69	646.66	4,581.03	217,132.16
	135 03/12/2027	5,227.69	633.30	4,594.39	212,537.77
	136 04/12/2027	5,227.69	619.90	4,607.79	207,929.98
	137 05/12/2027	5,227.69	606.46	4,621.23	203,308.75
	138 06/12/2027	5,227.69	592.98	4,634.71	198,674.04
	139 07/12/2027	5,227.69	579.47	4,648.22	194,025.82
	140 08/12/2027	5,227.69	565.91	4,661.78	189,364.04
	141 09/12/2027	5,227.69	552.31	4,675.38	184,688.66
	142 10/12/2027	5,227.69	538.68	4,689.01	179,999.65
	143 11/12/2027	5,227.69	525.00	4,702.69	175,296.96
	144 12/12/2027	5,227.69	511.28	4,716.41	170,580.55
	2027 Totals	62,732.28	7,031.94	55,700.34	
	145 01/12/2028	5,227.69	497.53	4,730.16	165,850.39
	146 02/12/2028	5,227.69	483.73	4,743.96	161,106.43
	147 03/12/2028	5,227.69	469.89	4,757.80	156,348.63
	148 04/12/2028	5,227.69	456.02	4,771.67	151,576.96
	149 05/12/2028	5,227.69	442.10	4,785.59	146,791.37
	150 06/12/2028	5,227.69	428.14	4,799.55	141,991.82
	151 07/12/2028	5,227.69	414.14	4,813.55	137,178.27
	152 08/12/2028	5,227.69	400.10	4,827.59	132,350.68
	153 09/12/2028	5,227.69	386.02	4,841.67	127,509.01
	154 10/12/2028	5,227.69	371.90	4,855.79	122,653.22
	155 11/12/2028	5,227.69	357.74	4,869.95	117,783.27

CNB LOAN PAYABLE

Date	Payment	Interest	Principal	Balance
156 12/12/2028	5,227.69	343.53	4,884.16	112,899.11
2028 Totals	62,732.28	5,050.84	57,681.44	
157 01/12/2029	5,227.69	329.29	4,898.40	108,000.71
158 02/12/2029	5,227.69	315.00	4,912.69	103,088.02
159 03/12/2029	5,227.69	300.67	4,927.02	98,161.00
160 04/12/2029	5,227.69	286.30	4,941.39	93,219.61
161 05/12/2029	5,227.69	271.89	4,955.80	88,263.81
162 06/12/2029	5,227.69	257.44	4,970.25	83,293.56
163 07/12/2029	5,227.69	242.94	4,984.75	78,308.81
164 08/12/2029	5,227.69	228.40	4,999.29	73,309.52
165 09/12/2029	5,227.69	213.82	5,013.87	68,295.65
166 10/12/2029	5,227.69	199.20	5,028.49	63,267.16
167 11/12/2029	5,227.69	184.53	5,043.16	58,224.00
168 12/12/2029	5,227.69	169.82	5,057.87	53,166.13
2029 Totals	62,732.28	2,999.30	59,732.98	
169 01/12/2030	5,227.69	155.07	5,072.62	48,093.51
170 02/12/2030	5,227.69	140.27	5,087.42	43,006.09
171 03/12/2030	5,227.69	125.43	5,102.26	37,903.83
172 04/12/2030	5,227.69	110.55	5,117.14	32,786.69
173 05/12/2030	5,227.69	95.63	5,132.06	27,654.63
174 06/12/2030	5,227.69	80.66	5,147.03	22,507.60
175 07/12/2030	5,227.69	65.65	5,162.04	17,345.56
176 08/12/2030	5,227.69	50.59	5,177.10	12,168.46
177 09/12/2030	5,227.69	35.49	5,192.20	6,976.26
178 10/12/2030	6,996.61	20.35	6,976.26	0.00
2030 Totals	54,045.82	879.69	53,166.13	
Grand Totals	932,297.74	206,247.10	726,050.64	

RESOLUTION

WHEREAS, the Marion County Water District has negotiated with the Citizens National Bank of Lebanon, Kentucky, to refinance three outstanding bond issues at significant savings over the life of the new loans as a result of reduced interest rate charges and a change in the frequency of payments, which proposed new loan from the Citizens National Bank will be in the approximate amount of \$820,000.00 with a fixed rate of 3.5% per annum, amortized over 17.5 years; and

WHEREAS, it is necessary for representatives of the Marion County Water District to be authorized to execute documents in furtherance of the new loan from the Citizens National Bank,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE MARION COUNTY WATER DISTRICT, that Barbara May, as Chairperson, and Donnie Browning, as Treasurer, be and they hereby are, authorized to execute all necessary documents on behalf of the Marion County Water District to secure the aforesaid loan from the Citizens National Bank of Lebanon, Kentucky, and to do all and every other act necessary to accomplish same.

Adopted at a meeting of the Board of Commissioners of the Marion County Water District held on the 12th day of March, 2013.

MARION COUNTY WATER DISTRICT

By: Barbara May
BARBARA MAY, Chairperson

ATTEST:

MARION COUNTY WATER DISTRICT

By: Everett Thomas
EVERETT THOMAS, Secretary

MARION COUNTY WATER DISTRICT P O BOX 528 LEBANON, KY 40033 BORROWER'S NAME AND ADDRESS <small>"I" includes each borrower above, jointly and severally.</small>	CITIZENS NATIONAL BANK 149 W. Main Street Lebanon, KY 40033 LENDER'S NAME AND ADDRESS <small>"You" means the lender, its successors and assigns.</small>	SSN/ID M0000660 Loan Number 77236 Date 04-12-2013 Maturity Date 10-12-2030 Loan Amount \$ 820,000.00 Renewal Of _____ PH# _____
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For value received, I promise to pay to you, or your order, at your address listed above the PRINCIPAL sum of eight hundred twenty thousand and no/100 Dollars \$ 820,000.00

Single Advance: I will receive all of this principal sum on 04-12-2013. No additional advances are contemplated under this note.
 Multiple Advance: The principal sum shown above is the maximum amount of principal I can borrow under this note. On _____ I will receive the amount of \$ _____ and future principal advances are contemplated.
 Conditions: The conditions for future advances are _____

Open End Credit: You and I agree that I may borrow up to the maximum amount of principal more than one time. This feature is subject to all other conditions and expires on _____
 Closed End Credit: You and I agree that I may borrow up to the maximum only one time (and subject to all other conditions).

INTEREST: I agree to pay interest on the outstanding principal balance from 04-12-2013 at the rate of 3.500 % per year until 10-12-2030

Variable Rate: This rate may then change as stated below.
 Index Rate: The future rate will be _____ the following index rate: **AFT**

No Index: The future rate will not be subject to any internal or external index. It will be entirely in your control.
 Frequency and Timing: The rate on this note may change as often as _____
 A change in the interest rate will take effect _____

Limitations: During the term of this loan, the applicable annual interest rate will not be more than _____ % or less than _____ %.
 The rate may not change more than _____ % each _____
Effect of Variable Rate: A change in the interest rate will have the following effect on the payments:
 The amount of each scheduled payment will change. The amount of the final payment will change.

ACCRUAL METHOD: Interest will be calculated on a Actual/Actual basis.

POST MATURITY RATE: I agree to pay interest on the unpaid balance of this note owing after maturity, and until paid in full, as stated below:
 on the same fixed or variable rate basis in effect before maturity (as indicated above).
 at a rate equal to _____

LATE CHARGE: If a payment is made more than 10 days after it is due, I agree to pay a late charge of 5.000% of the late amount with a minimum of \$5.00

ADDITIONAL CHARGES: In addition to interest, I agree to pay the following charges which are are not included in the principal amount above: \$750.00 CLOSING FEE

PAYMENTS: I agree to pay this note as follows:
 On demand, but if no demand is made then 210 monthly payments of \$5,227.69 beginning 05-12-2013. The actual amount of my final payment will depend on my payment record.

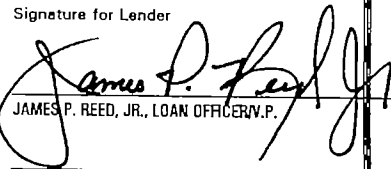
ADDITIONAL TERMS:

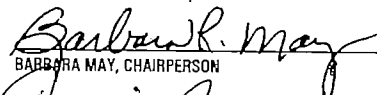
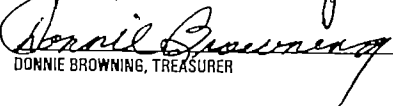
SECURITY: This note is separately secured by (describe separate document by type and date):
SEE ADDENDUM(S) TO LOAN #77236 ATTACHED HERETO AND MADE A PART HEREOF
(This section is for your internal use. Failure to list a separate security document does not mean the agreement will not secure this note.)

PURPOSE: The purpose of this loan is BUSINESS; REFINANCE THREE BOND ISSUES

SIGNATURES: I AGREE TO THE TERMS OF THIS NOTE (INCLUDING THOSE ON PAGE 2). I have received a copy on today's date.

MARION COUNTY WATER DISTRICT

Signature for Lender

 JAMES P. REED, JR., LOAN OFFICER/V.P.


 BARBARA MAY, CHAIRPERSON

 DONNIE BROWNING, TREASURER

R-1

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY

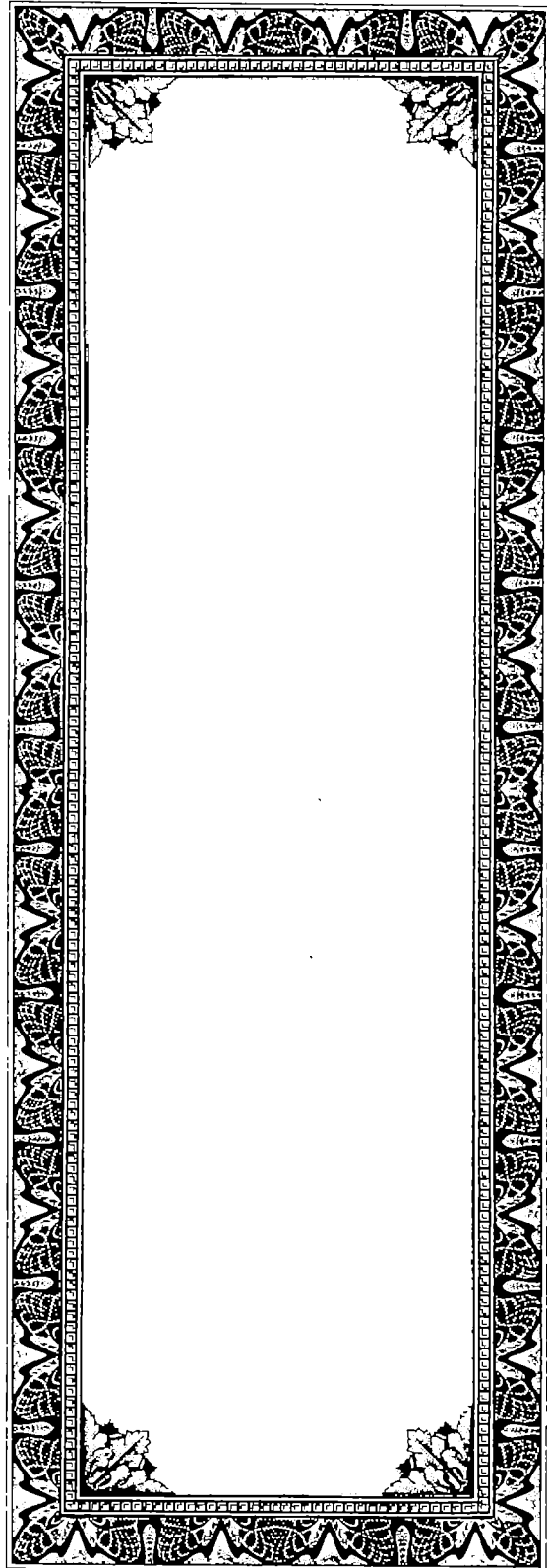
**MARION COUNTY
WATER DISTRICT**



REGISTERED
3.250%
WATER SYSTEM
REVENUE BOND,
TAXABLE SERIES 2009
(BUILD AMERICA BONDS –
DIRECT PAYMENT TO ISSUER)
INTEREST PAYABLE
ANNUALLY ON

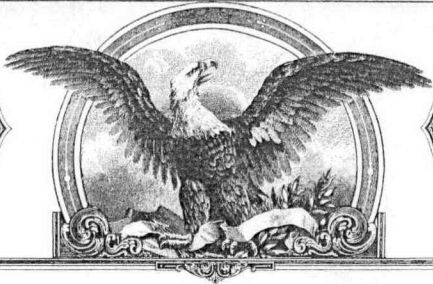
JANUARY 1

PRINCIPAL AND INTEREST PAYABLE
AS SPECIFIED HEREIN



NUMBER

R-1



UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY

MARION COUNTY WATER DISTRICT

WATER SYSTEM REVENUE BOND, TAXABLE SERIES 2009 (BUILD AMERICA BONDS – DIRECT PAYMENT TO ISSUER)

KNOW ALL MEN BY THESE PRESENTS: That Marion County Water District (the "District"), acting by and through its Commission, a public body corporate created and existing pursuant to Chapter 74 of the Kentucky Revised Statutes and situated in Marion, Nelson and Washington Counties, Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special fund hereinafter identified, the sum of

ONE MILLION FOUR HUNDRED THIRTY-THREE THOUSAND DOLLARS (\$1,433,000)

on the first day of January in years and installments as follows:

Year	Principal	Year	Principal	Year	Principal
2013	\$18,000	2026	\$29,000	2039	\$46,000
2014	19,000	2027	30,000	2040	47,000
2015	19,000	2028	31,000	2041	49,000
2016	20,000	2029	32,000	2042	51,000
2017	21,000	2030	33,000	2043	53,000
2018	22,000	2031	34,000	2044	55,000
	22,000		36,000	2045	
	23,000		37,000	2046	
	24,000		38,000	2047	
	25,000	2035	40,000	2048	
	26,000	2036	41,000	2049	
2024	27,000	2037	43,000	2050	65,000
2025	28,000	2038	44,000		

A statutory mortgage lien upon the System and appurtenant facilities, together with all future additions and improvements thereto, and extensions thereof, is created by Section 106.080 of the Kentucky Revised Statutes and by the aforesaid Resolution for the benefit and protection of the holder of this Bond, and the same shall remain in effect until payment in full of the principal of and interest on this Bond.

This Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Bond or the interest hereon except from said special fund. The District, acting by and through its Commission, covenants that it will file, and if necessary adjust, the principal of and interest on this Bond, and the same shall remain in effect until payment in full of the principal of and interest on this Bond.

This Bond shall be registered as to principal and interest in the name of the holder hereof, after which it shall be transferable only upon presentation to the Secretary of the District, as the Bond Registrar, with a written transfer duly acknowledged by the registered holder or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the books of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after July 1, 2019, in the inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof in multiples of One Thousand Dollars (\$1,000) as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered holder of the Bond at least thirty (30) days prior to the date fixed for prepayment. Provided, however, that so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, this Bond may be prepaid at any time in whole or in part, at par or face value and without notice or prepayment premium.

Upon default in the payment of any principal or interest payment on this Bond or upon failure by the District to comply with any other provisions of this Bond or with the provisions of the Resolution authorizing the issuance of this Bond, the registered holder may, at his option, institute proceedings to enforce all rights and remedies provided by law or by said Resolution.

This Bond is exempt from *ad valorem* taxation in the Commonwealth of Kentucky.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, being the total authorized amount of Bonds of the issue which this Bond represents, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the Marion County Water District, in the Commonwealth of Kentucky, by its Commission, has caused this Bond to be executed by the Chairman of its Commission, attested by the Secretary, and its corporate seal to be hereunto affixed, on the date of this Bond, which is

without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, without deduction for exchange or collection charges and in like coin or currency, at the rate of 3.250% per annum, semiannually on the first days of January and July in each year hereafter until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable to the registered holder hereof at the address shown on the registration books of the District or, so long as the United States of America, Department of Agriculture is the registered holder of this Bond, at the office or address as may be designated by said Department of Agriculture from time to time.

This Bond is the Bond in fully registered form representing a duly authorized issue of Bonds in the principal amount of \$1,433,000 issued by the District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 74 and 106 of the Kentucky Revised Statutes, and pursuant to a duly adopted Resolution of the District, for the purpose of paying the costs (to the extent not otherwise provided to be paid) of the construction and installation of major extensions and additions to the District's municipal water distribution system (the "System"), together with appurtenant facilities, and incidental expenses.

This Bond and the issue which it represents, together with such additional bonds ranking on a parity therewith as have heretofore been issued and are outstanding and as may hereafter be issued and outstanding from time to time in accordance with the conditions and restrictions set forth in the Resolution authorizing the issuance of this Bond, are payable from and secured by a pledge of a fixed portion of the income and revenues to be derived from the operation of the System, which fixed portion shall be sufficient to pay the principal of and interest on this Bond and the issue which it represents, and any outstanding party bonds, as and when the same shall become due and payable, and which shall be set aside as a special fund for that purpose and identified as the "Water Revenue Bond and Interest Sinking Fund"; provided that payment of this Bond from such income and revenues is subject to the priority of the District's loan repayment obligation under an Assistance Agreement with the Kentucky Infrastructure Authority dated as of March 1, 2008.

Attest:

MARION COUNTY WATER DISTRICT

- BOND-AUTHORIZING RESOLUTION -

A RESOLUTION OF THE COMMISSION OF MARION COUNTY WATER DISTRICT, MARION, NELSON AND WASHINGTON COUNTIES, KENTUCKY, PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$1,433,000 WATER SYSTEM REVENUE BONDS, SERIES 2009, TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS PREVIOUSLY ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; SETTING FORTH CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

Adopted October 20, 2009

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A RESOLUTION OF THE COMMISSION OF MARION COUNTY WATER DISTRICT, MARION, NELSON AND WASHINGTON COUNTIES, KENTUCKY, PROVIDING FOR THE CONSTRUCTION AND INSTALLATION OF MAJOR IMPROVEMENTS AND ADDITIONS TO THE DISTRICT'S MUNICIPAL WATER DISTRIBUTION SYSTEM; AUTHORIZING THE ISSUANCE OF THE DISTRICT'S \$1,433,000 WATER SYSTEM REVENUE BONDS, SERIES 2009, TO PAY THE COSTS THEREOF (TO THE EXTENT NOT OTHERWISE PROVIDED TO BE PAID); CONFIRMING, RATIFYING AND CONTINUING PRE-EXISTING PROVISIONS PREVIOUSLY ADOPTED BY THE DISTRICT RELATING TO THE COLLECTION, SEGREGATION, DISTRIBUTION AND DISBURSEMENT OF THE INCOME AND REVENUES OF THE MUNICIPAL WATER DISTRIBUTION SYSTEM; SETTING FORTH CONDITIONS AND RESTRICTIONS UNDER WHICH ADDITIONAL BONDS MAY BE ISSUED IN THE FUTURE, PAYABLE FROM THE INCOME AND REVENUES OF THE SYSTEM AND RANKING ON A BASIS OF PARITY WITH THE BONDS HEREIN AUTHORIZED; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF THE BONDS HEREIN AUTHORIZED.

WHEREAS, upon petition and hearing, and upon proper public notice according to the provisions of Chapter 74 of the Kentucky Revised Statutes ("KRS"), an Order and Judgment was duly entered by the County Court of Marion County, Kentucky, on June 5, 1961, determining necessity for and creating and establishing the Marion County Water District (the "District"), defining the geographical area thereof, and appointing Commissioners, the same thereupon constituting and being a public body corporate with all powers and authority as provided in KRS Chapter 74; and thereafter (a) the District, by virtue of an Order of the County Court of Nelson County, Kentucky, duly entered under date of November 20, 1974, pursuant to proper proceedings brought in said Court as provided in KRS Chapter 74, annexed additional territory in Nelson County, Kentucky, and (b) the District acquired additional territory in Marion County when the Northeast Marion County Water District was merged into the District pursuant to a certain Agreement between the parties dated May 9, 1977; and

WHEREAS, the District is at this time a *de jure* Water District situated wholly in Marion, Nelson and Washington Counties, Kentucky; and

WHEREAS, by Resolutions of the Commission of the District adopted on September 13, 1989 (the "1989 Resolution"), August 20, 1992 (the "1992A Resolution"), March 9, 1993 (the "1993 Resolution"), January 19, 1996 (the "1996 Resolution") March 19, 1998 (the "1998 Resolution") and June 28, 2000 (the "2000 Resolution"), the District authorized and issued, respectively, its Water System Revenue Bonds, Series of 1989 (the "1989 Bonds"), Water System Revenue Bonds, Series of 1992A (the "1992A Bonds"), Water System Revenue Bonds, Series of 1993 (the "1993 Bonds"), Water System Revenue Bonds, Series of 1996 (the "1996 Bonds") and Water System Revenue Bonds, Series of 1998 (the "1998 Bonds"), and Water

System Revenue Bonds, Series of 2000 (the "2000 Bonds"), for the purpose of providing funds for the construction and installation of major additions and extensions its water distribution system (the "System"); and

WHEREAS, the 1989 Bonds, 1992A Bonds, 1993 Bonds, 1996 Bonds, 1998 Bonds and 2000 Bonds (collectively, the "Prior Bonds") rank on a parity one with the other; and

WHEREAS, pursuant to the provisions of the 1989 Resolution, 1992A Resolution, 1993 Resolution, 1996 Resolution, 1998 Resolution and 2000 Resolution (collectively, the "Prior Resolutions"), the necessary waiver and consent of the United States Department of Agriculture, Rural Development ("USDA"), as the holder of the Prior Bonds, have been obtained so that the Water System Revenue Bonds, Series 2009, herein authorized, may now be authorized and issued on a basis of parity with the Prior Bonds, but subject to the priority of the District's loan repayment obligation under an Assistance Agreement with the Kentucky Infrastructure Authority dated as of March 1, 2008 (the "KIA Obligation"); and

WHEREAS, in proceedings before the Public Service Commission of Kentucky, the District has obtained the right and authority to construct and operate major extensions and additions to the System (the "Project"), and plans and specifications have heretofore been prepared by Monarch Engineering, Inc., Lawrenceburg, Kentucky, and approved by the District's Commission and all State and other supervisory authorities having jurisdiction thereof; and it is the opinion of the Commission of the District that it is feasible to undertake the construction and installation of the Project at this time; and

WHEREAS, it has been determined upon the basis of public bids for construction duly solicited in the manner required by law, and upon the basis of other costs and estimates, that the aggregate of all costs and expenses in connection with the Project will be \$2,633,000, and to provide a portion of such funds the District has received from the United States Department of Agriculture, Rural Development ("USDA") an offer to make a loan to the District in the amount of \$1,433,000, which will be supplemented by a USDA Grant in the amount of \$615,000 and a 2008 Kentucky General Assembly Grant in the amount of \$585,000; and

WHEREAS, it is now appropriate for the District to provide for borrowing the sum of \$1,433,000 through issuance and sale of its Water System Revenue Bonds, Series 2009 (the "2009 Bonds") according to authority of Kentucky Revised Statutes ("KRS") Chapters 74 and 106 and the provisions of the Prior Resolutions permitting the issuance of parity bonds; and

WHEREAS, the 2009 Bonds shall be payable as to both principal and interest solely (except as to capitalized interest) from the income and revenues to be derived from the operation of the System, as extended from time to time, and shall not constitute an indebtedness of the District within the meaning of debt-limiting provisions of the Constitution of Kentucky;

NOW, THEREFORE, THE COMMISSION OF MARION COUNTY WATER DISTRICT, MARION, NELSON AND WASHINGTON COUNTIES, KENTUCKY, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1

AFFIRMATION OF PREAMBLE RECITALS;
AUTHORIZATION OF THE PROJECT;
DECLARATION OF NECESSITY

All statements and recitals set forth in the preamble of this Resolution, including the terms defined therein, are hereby affirmed and adopted as a part of this Resolution.

It is hereby further determined and declared to be necessary in the interests of the general welfare of the citizens and inhabitants of the District that the District undertake at this time the construction and installation of major additions and extensions (the "Project") to the District's municipal water distribution system (the "System"), all substantially according to the plans, specifications and designs prepared for the District by Monarch Engineering, Inc., Lawrenceburg, Kentucky (the "Engineers") and on file with the District. Immediate undertaking of such construction and installation is hereby authorized.

SECTION 2

PROJECT TO BE MUNICIPALLY
OWNED AND OPERATED

The construction and installation of the Project is undertaken by the District for public purposes and the same shall constitute and be a part of the System, and so long as any of the 2009 Bonds hereinafter authorized, or bonds issued on a parity therewith, shall remain outstanding and unpaid as to principal or interest, the System shall continue to be municipally owned, controlled, operated and maintained by the District for the security and source of payment of the 2009 Bonds and all other parity bonds outstanding heretofore or hereafter issued. The Project is to be constructed, installed and acquired and the System is to be operated pursuant to the provisions of KRS Chapters 74 and 106, now in full force and effect.

SECTION 3

2009 BOND ISSUE AUTHORIZED;
CERTAIN TERMS AND DETAILS

For the purpose of providing funds to defray the costs of the Project (to the extent not otherwise provided to be paid), including all necessary and proper appurtenances, and expenses incident thereto and incident to the issuance of the 2009 Bonds, there are hereby authorized to be issued the District's \$1,433,000 Water System Revenue Bonds, Series 2009 (the "2009 Bonds"), with reservation of right on the part of the District to issue additional bonds in the future, payable from the income and revenues of the System, subject to the conditions and restrictions hereinafter reaffirmed, readopted and set forth. The 2009 Bonds hereby authorized shall be offered at public sale as provided in Section 4 hereof and shall be issuable in the form of a single fully registered bond as provided in Section 5 hereof.

The 2009 Bonds shall be dated as of the date of delivery to the original purchaser thereof; shall mature as to principal in installments on January 1 in each of the years 2011 to 2050, inclusive, as set forth in the schedule appearing below; and shall bear interest from their date until payment of principal, such interest to the respective principal maturity dates to be payable semiannually on January 1 and July 1 of each year, and such interest to be at such rate as shall be established by a supplemental resolution upon the basis of competitive sale of the 2009 Bonds as hereinafter provided. The installments of principal of the 2009 Bonds, in fully registered form as aforesaid, shall be as set forth in the following schedule:

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
2013	\$ 18,000	2026	\$ 29,000	2039	\$ 46,000
2014	19,000	2027	30,000	2040	47,000
2015	19,000	2028	31,000	2041	49,000
2016	20,000	2029	32,000	2042	51,000
2017	21,000	2030	33,000	2043	53,000
2018	22,000	2031	34,000	2044	55,000
2019	22,000	2032	36,000	2045	57,000
2020	23,000	2033	37,000	2046	59,000
2021	24,000	2034	38,000	2047	61,000
2022	25,000	2035	40,000	2048	63,000
2023	26,000	2036	41,000	2049	65,000
2024	27,000	2037	43,000	2050	65,000
2025	28,000	2038	44,000		

provided, however, that installments of principal of 2009 Bonds maturing on and after January 1, 2020, shall be subject to prepayment at the option of the District prior to maturity in whole or from time to time in part in inverse order of maturities (less than all of a single maturity to be selected by lot) on any interest payment date on and after July 1, 2019, upon terms of par plus accrued interest without any prepayment premium, upon thirty (30) days' prior written notice mailed to the registered holder or holders of the 2009 Bonds; provided, that so long as USDA is the owner of any of the 2009 Bonds, the same may be prepaid in whole or in part at any time at par plus accrued interest, and without notice or prepayment premium. The 2009 Bonds may be prepaid only in increments of \$1,000.

Both principal of and interest on the 2009 Bonds shall be payable, without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, to the registered holder at the address shown on the registration books of the District or, so long as USDA is the registered holder, at the office or address as may be designated by USDA from time to time.

If any District officer whose signature appears on any 2009 Bond shall cease to be such officer prior to delivery, such signature shall nevertheless be valid and binding for all purposes, the same as if such officer had continued in office until the time of delivery of such 2009 Bond. The 2009 Bonds, together with the Prior Bonds, and the interest thereon, and any bonds which may hereafter be issued on a basis of parity therewith subject to the conditions and restrictions hereinafter set forth, shall be payable only out of the Water Revenue Bond and Interest Sinking Fund created by the 1969 Resolution, and continued by the subsequent Prior Resolutions, and

shall be a valid claim of the holder thereof only against said Fund and the fixed portion or amount of the revenues of the System which the District has pledged to said Fund, subject to the terms hereof.

The District finds and declares that the 2009 Bonds shall rank on a basis of parity and equality as to security and source of payment with each other and with the Prior Bonds, but shall be subject to the priority of the KIA Obligation, inasmuch as the District is in compliance with all covenants and undertakings in connection with the Prior Bonds and has obtained the consent of USDA to the issuance of the parity 2009 Bonds herein authorized.

SECTION 4

PROVISIONS RELATING TO SALE OF 2009 BOND ISSUE

The 2009 Bonds authorized by this Resolution shall be publicly offered for sale according to a Notice of Sale of Bonds conforming to the requirements of KRS Chapter 424 (and particularly KRS 424.140(3) and KRS 424.360), which shall be published one time, not less than seven (7) days nor more than twenty-one (21) days prior to the date therein specified (by and at the discretion of the Chairman of the Commission of the District) for the opening and consideration of purchase bids, in each of the following: (a) the Lebanon Enterprise, the legal newspaper published in Lebanon, Marion County, Kentucky, which is qualified under KRS 424.120 to publish advertisements for Marion County and for the District to the extent of its area within said County; (b) the Kentucky Standard, the legal newspaper published in Bardstown, Nelson County, Kentucky, which is qualified under KRS 424.120 to publish advertisements for Nelson County and for the District to the extent of its area within said County; (c) the Courier-Journal, Louisville, Kentucky, a legal newspaper having statewide circulation, and (d) any other newspaper in which the Notice of Bond Sale is required to be published.

Such Notice shall state the name and amount of the 2009 Bonds to be sold, the time of the sale and other details concerning the 2009 Bonds and the sale and shall inform prospective bidders that a copy of the Official Notice of Bond Sale, setting out the maturities, security of the 2009 Bonds, provisions as to redemption prior to maturity and related information, may be obtained from the District. Such Official Notice shall contain, *inter alia*, substantially the following bidding requirements:

(A) Bidders shall be limited to institutions or persons having knowledge and experience in financial and business matters who are capable of evaluating the merits and risks of the 2009 Bonds and who are not purchasing for more than one account and do not intend to redistribute the 2009 Bonds. The District will make available to any such qualified bidder, upon written request, any financial or other material information regarding the District and the System in the District's possession. Bidders are required to bid a cash price of not less than par value for the 2009 Bonds.

(B) A single interest rate must be bid in a multiple of 1/8 or 1/10 of one percent.

(C) Bids will be considered only for the entire 2009 Bond issue, to be issued as a single fully registered bond.

(D) Bidders (except USDA) are required to deposit a good faith check by cashier's check or certified check in the minimum amount of 2% of the face amount of the 2009 Bonds for which the bid is submitted, which good faith deposit may be applied as partial payment for such 2009 Bonds, or as liquidated damage in the event that such bidder, if successful, fails to comply with the terms of his bid.

(E) Preference in award will be given to the bid resulting in the lowest net interest cost to the District.

(F) The lowest net interest cost will be determined by deducting the total amount of any premium bid from the aggregate amount of interest upon the 2009 Bonds bid for, computed from the first day of the month following the date of sale of the 2009 Bonds (even though the 2009 Bonds will bear interest only from the date of delivery) to the final maturity specified in each respective bid.

(G) The District expects to deliver, and the successful bidder must be prepared to accept delivery of and pay for, the 2009 Bonds at the office of the District within 45 days after notice is given of the award. If the 2009 Bonds are not ready for delivery and payment within 45 days from the aforesaid date of sale, the successful bidder shall be relieved of any liability to accept delivery of the 2009 Bonds, except that 2009 Bonds purchased by any agency of the federal government will be delivered to it at a place and time designated by such agency in accordance with its established practices and procedures.

(H) The District reserves the right, in its discretion, to determine the best bid or bids, to waive any informality or irregularity and to reject any or all bids.

(I) The District will furnish the 2009 Bonds, together with evidence of approval of the 2009 Bond issue by the Public Service Commission of Kentucky pursuant to the requirements of KRS Chapter 278 and customary closing documents, including a no-litigation certificate.

(J) The successful bidder will receive the approving legal opinion of Stoll Keenon Ogden PLLC, Bond Counsel, Louisville, Kentucky, as to the legality of and tax-exempt status of interest on the 2009 Bonds, without additional cost to the successful bidder.

In the event that there is no bid, or that all bids are rejected, the District may re-advertise the sale pursuant to this Resolution.

Bond Counsel having submitted to the Commission of the District forms of the Notice of Sale of Bonds and the Official Notice of Bond Sale, together with an Official Bid Form for use by all bidders except USDA, said documents are hereby approved and authorized for use in connection with the aforesaid sale of the 2009 Bonds.

SECTION 5

2009 BONDS TO BE ISSUED IN FULLY REGISTERED FORM; FULLY REGISTERED BOND FORM

Upon the sale of the 2009 Bonds, the District shall issue a single fully registered 2009 Bond numbered R-1 (hereinafter referred to as the "Fully Registered Bond"). The Fully Registered Bond shall be in the aggregate principal amount of the 2009 Bonds it represents, maturing as to principal in installments as set out in Section 3 hereof. The Fully Registered Bond shall be of type composition, on paper of sufficient weight and strength to prevent deterioration until the last day of maturity of any installment of principal as stated therein, and shall conform in size to standard practice. The Fully Registered Bond shall, upon execution on behalf of the District (which execution shall be by manual signatures of the Chairman and Secretary of the Commission, and actual impression of the corporate seal), constitute the 2009 Bond issue it represents and shall be non-negotiable, without interest coupons, registered as to principal and interest, and payable as directed by the payee, and be in substantially the form hereinafter set forth.

The District hereby directs that books for the registration and for the transfer of the Fully Registered Bond shall be kept by the Secretary, who is hereby appointed as Bond Registrar in connection with such Bond. The Fully Registered Bond shall be transferable only upon said Bond Registrar's books at the request of the registered holder thereof in person or by his attorney duly authorized in writing, upon surrender thereof together with a written instrument of transfer satisfactory to the Bond Registrar duly executed by the registered holder or his duly authorized attorney. Upon such transfer of the Fully Registered Bond, the Bond Registrar shall complete (with the name of the transferee), date and execute the registration schedule appearing on the Fully Registered Bond and deliver the Fully Registered Bond to such transferee. The person in whose name the Fully Registered Bond shall be properly registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of either principal thereof or interest thereon shall be made only to or upon the order of the registered holder thereof or his legal representative, but such registration may be changed as hereinabove provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon the Fully Registered Bond to the extent of the sum or sums so paid. The face amount of the Fully Registered Bond, portions of which mature on different dates, will be reduced upon the payment of each maturity, and the Secretary shall keep appropriate records of all payments (both principal and interest) with respect to the Fully Registered Bond.

The Fully Registered Bond shall be in substantially the following form (with appropriate insertions and modifications):

(FORM OF FULLY REGISTERED BOND)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
MARION, NELSON AND WASHINGTON COUNTIES, KENTUCKY
MARION COUNTY WATER DISTRICT
WATER SYSTEM REVENUE BOND, SERIES 2009

No. R-1

\$1,433,000

KNOW ALL MEN BY THESE PRESENTS:

That Marion County Water District (the "District"), acting by and through its Commission, a public body corporate created and existing pursuant to Chapter 74 of the Kentucky Revised Statutes and situated in Marion, Nelson and Washington Counties, Kentucky, for value received, hereby promises to pay to the registered holder hereof, as hereinafter provided, solely from the special fund hereinafter identified, the sum of ONE MILLION FOUR HUNDRED THIRTY-THREE THOUSAND DOLLARS (\$1,433,000) on the first day of January in years and installments as follows:

Year Principal Year Principal Year Principal

[Here insert the principal maturities of the 2009 Bonds]

without deduction for exchange or collection charges, in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of debts due the United States of America, and in like manner, solely from said special fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, without deduction for exchange or collection charges and in like coin or currency, at the rate of _____ (_____%) per annum, semiannually on the first days of January and July in each year hereafter until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable to the registered holder hereof at the address shown on the registration books of the District or, so long as the United States of America, Department of Agriculture is the registered holder of this Bond, at the office or address as may be designated by said Department of Agriculture from time to time.

This Bond is the Bond in fully registered form representing a duly authorized issue of Bonds in the principal amount of \$1,433,000 issued by the District pursuant to the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 74 and 106 of the Kentucky Revised Statutes, and pursuant to a duly adopted Resolution of the District, for the purpose of paying the costs (to the extent not otherwise provided to be paid) of the construction and installation of major extensions and additions to the District's municipal water distribution system (the "System"), together with appurtenant facilities, and incidental expenses.

This Bond and the issue which it represents, together with such additional bonds ranking on a parity therewith as have heretofore been issued and are outstanding and as may hereafter be issued and outstanding from time to time in accordance with the conditions and restrictions set

forth in the Resolution authorizing the issuance of this Bond, are payable from and secured by a pledge of a fixed portion of the income and revenues to be derived from the operation of the System, which fixed portion shall be sufficient to pay the principal of and interest on this Bond and the issue which it represents, and any outstanding parity bonds, as and when the same shall become due and payable, and which shall be set aside as a special fund for that purpose and identified as the "Water Revenue Bond and Interest Sinking Fund"; provided that payment of this Bond from such income and revenues is subject to the priority of the District's loan repayment obligation under an Assistance Agreement with the Kentucky Infrastructure Authority dated as of March 1, 2008.

A statutory mortgage lien upon the System and appurtenant facilities, together with all future additions and improvements thereto, and extensions thereof, is created by Section 106.080 of the Kentucky Revised Statutes and by the aforesaid Resolution for the benefit and protection of the holder of this Bond, and the same shall remain in effect until payment in full of the principal of and interest on this Bond.

This Bond does not in any manner constitute an indebtedness of the District within the meaning of the Statutes and Constitution of Kentucky, and the District is not and shall not be obligated to pay this Bond or the interest hereon except from said special fund. The District, acting by and through its Commission, covenants that it will fix, and if necessary adjust from time to time, such rates and charges for use of the services and facilities of the System and will collect and account for the income and revenues therefrom sufficient to pay promptly the interest on and principal of this issue of Bonds and all other bonds ranking on a parity therewith as may be issued and outstanding from time to time in accordance with the conditions and restrictions prescribed in that connection, as well as to pay the costs of operation and maintenance of the System.

This Bond shall be registered as to principal and interest in the name of the holder hereof, after which it shall be transferable only upon presentation to the Secretary of the District, as the Bond Registrar, with a written transfer duly acknowledged by the registered holder or his duly authorized attorney, which transfer shall be noted upon this Bond and upon the books of the District kept for that purpose.

The District, at its option, shall have the right to prepay, on any interest payment date on and after July 1, 2019, in the inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof in multiples of One Thousand Dollars (\$1,000) as the District may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by registered mail to the registered holder of the Bond at least thirty (30) days prior to the date fixed for prepayment. Provided, however, that so long as the United States of America, Department of Agriculture, is the registered holder of this Bond, this Bond may be prepaid at any time in whole or in part, at par or face value and without notice or prepayment premium.

Upon default in the payment of any principal or interest payment on this Bond or upon failure by the District to comply with any other provisions of this Bond or with the provisions of

the Resolution authorizing the issuance of this Bond, the registered holder may, at his option, institute proceedings to enforce all rights and remedies provided by law or by said Resolution.

This Bond is exempt from *ad valorem* taxation in the Commonwealth of Kentucky.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, being the total authorized amount of Bonds of the issue which this Bond represents, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, the Marion County Water District, in the Commonwealth of Kentucky, by its Commission, has caused this Bond to be executed by the Chairman of its Commission, attested by the Secretary, and its corporate seal to be hereunto affixed, on the date of this Bond, which is

MARION COUNTY WATER DISTRICT

By Barbara May
Chairman of the Commission

Attest:

Everett Thomas
Secretary

(Seal of District)

PROVISION FOR REGISTRATION

This Bond shall be registered on the books of Marion County Water District kept for that purpose by the Secretary, as Bond Registrar, upon presentation hereof to the Secretary, who shall make notation of such registration in the registration blank, and this Bond may thereafter be transferred only upon written transfer acknowledged by the registered holder or his attorney, such transfer to be made on said books and endorsed hereon.

(FORM OF REGISTRATION)

<u>Date of Registration</u>	<u>Name of Registered Holder</u>	<u>Signature of the Water District's Bond Registrar</u>
	United States of America Department of Agriculture State Office 771 Corporate Dr., Suite 200 Lexington, Kentucky 40503*	

*(To be inserted if USDA purchases the 2009 Bonds)

SECTION 6

DISPOSITION OF 2009 BOND PROCEEDS; CONSTRUCTION FUND

The Treasurer of the District shall be the custodian of all funds belonging to and associated with the System, as expanded and improved from time to time, and such funds shall be deposited in such bank or banks in Kentucky as the Commission of the District may from time to time designate (hereinafter sometimes referred to, singularly and collectively, as the "Depository Bank"). All such moneys of the District deposited in the Depository Bank in excess of the amount insured by the Federal Deposit Insurance Corporation ("FDIC") shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The Treasurer shall execute a fidelity bond in an amount and with a surety company approved by USDA so long as it is the holder of any of the 2009 Bonds; and USDA and the District shall be named co-obligees in such surety bond, and the amount thereof shall not be reduced without the written consent of USDA. The proceeds of the 2009 Bonds shall be applied as follows:

Upon the issuance and delivery of the 2009 Bonds authorized by this Resolution, the entire proceeds thereof shall be deposited in an account of the District designated "Marion County Water District 2009 Construction Fund" (the "Construction Fund"). The 2009 Bond proceeds shall constitute a part of the Construction Fund and shall be applied, to the extent necessary, in paying the costs incident to constructing, installing and acquiring the Project, including expenses incurred in the issuance of the 2009 Bonds and paying interim financing obligations (both principal and interest) incurred in connection with the Project as authorized by said separate interim financing Resolution of the Commission of the District; provided, however, any 2009 Bond proceeds so used to pay such interim financing obligations may be disbursed directly to the appropriate lending institution(s) without the requirement of being deposited to the Construction Fund.

A sum in the Construction Fund estimated to be equal to interest which will accrue on the 2009 Bonds (following delivery thereof) during construction and development of the Project shall be earmarked, used and applied to the payment of interest on the 2009 Bonds next becoming due.

Disbursements from the Construction Fund shall be made by checks signed by the District Treasurer and/or Chairman, and such disbursements shall be authorized and approved in writing by the District Chairman and/or Treasurer and, if USDA is the purchaser of the 2009 Bonds, by USDA (if USDA so requires). Reference is made in this connection to the provisions of the separate interim financing Resolution adopted concurrently herewith.

Pending disbursement, the 2009 Bond proceeds shall be deposited, as aforesaid, in the Construction Fund, and to the extent that such deposit causes the aggregate deposits by the District in the Depository Bank to be in excess of the amount insured by FDIC, the same shall be secured by a surety bond or bonds furnished by a surety company or companies qualified to do business in Kentucky and approved by the Commission of the District, or by a valid pledge of direct obligations of the United States Government, or obligations as to which the payment of principal and interest are guaranteed by the United States Government, having a market value at least equivalent to such deposit.

Where the moneys on deposit in the Construction Fund exceed the estimated disbursements on account of the Project for the next 60 days, the District shall direct the Depository Bank to invest such excess funds in direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, which shall mature not later than six months after the date of such investment and which shall be subject to redemption at any time by the holder thereof. The earnings from any such investments shall be deposited in the Construction Fund by the District, unless otherwise authorized by USDA.

In the event any unexpected balance shall remain in the Construction Fund after completion of the Project, and payment of all of the costs thereof, as certified by the Engineers, such unexpended balance, subject to the terms and conditions of the aforesaid USDA loan, and to USDA approval, shall be transferred and deposited in the Water Revenue Bond and Interest Sinking Fund, hereinafter referred to, and shall be used at the earliest practicable date for the retirement of 2009 Bonds by purchase thereof (or principal prepayment) in inverse order of maturities or established annual payment amounts.

In the event that the amount hereinabove provided to be set aside from 2009 Bond proceeds for payment for interest during the construction and development of the Project should prove to be insufficient for such purpose, additional moneys may, upon approval by USDA, be withdrawn from the Construction Fund and so applied, inasmuch as interest during such period is a proper part of the cost of the Project, to the extent authorized by USDA.

Pending disbursements for the authorized purposes, the proceeds of all 2009 Bonds at any time issued pursuant to this Resolution shall be subject to a first and paramount lien and charge in favor of the holders of 2009 Bonds issued and outstanding hereunder and for their further security.

SECTION 7

OPERATION OF SYSTEM; FLOW OF FUNDS; ACCUMULATION OF REVENUES

From and after issuance and delivery of the 2009 Bonds, and so long as any of the 2009 Bonds or parity bonds remain outstanding and unpaid, the System shall continue to be operated on a fiscal year basis beginning each January 1 and ending on the last day of the next December, as at present, and on that basis the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

A separate and special fund or account of the District, distinct and apart from all other funds and accounts, was created by the 1969 Resolution designated and identified as the "Marion County Water District Water Revenue Fund" (the "Revenue Fund"), which shall continue to be maintained by the District, and into which shall be deposited all income and revenues of the System (to the extent not otherwise provided to be deposited hereinafter). The moneys in the Revenue Fund from time to time shall be used and disbursed and applied by the District only for the purposes, and in the manner and order of priorities, specified in the succeeding subsections of this Section 7, all as permitted by applicable statutes, as follows:

(A) A separate and special fund or account of the District was created by the 1969 Resolution and designated the "Marion County Water District Operation and Maintenance Fund" (the "Operation and Maintenance Fund"), which shall continue to be maintained for the benefit of the System and all bonds payable from the income and revenues of the System. The District covenants that it will continue to transfer monthly from the funds in the Revenue Fund to the Operation and Maintenance Fund sums sufficient to pay as they accrue the Current Expenses of operating and maintaining the System pursuant to the Annual Budget, for which provision is hereafter made.

(B) A separate and special fund or account of the District was created by the 1969 Resolution, distinct and apart from all other funds and accounts, and the same is designated and identified as the "Marion County Water District Water Revenue Bond and Interest Sinking Fund" (the "Bond Fund"), which shall continue to be maintained so long as any of the Prior Bonds, the 2009 Bonds or parity bonds herein permitted to be issued are outstanding; and all moneys deposited therein from time to time shall be used and disbursed and applied, and are hereby irrevocably pledged, solely for the purpose of paying the principal of and interest on the Prior Bonds, the 2009 Bonds and any parity bonds hereafter issued and outstanding pursuant to the provisions of this Resolution; provided, that payment of the 2009 Bonds from the Bond Fund is subject to the priority of the District's loan repayment obligation under the KIA Obligation.

Subject to subparagraph (A) of this Section 7, there shall continue to be set aside and transferred on or before the 15th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Bond Fund, sums sufficient to pay when due the principal and interest requirements on the Prior Bonds, the 2009 Bonds and any parity bonds. Specifically, there shall be paid into the Bond Fund on or before the 15th day of each month, on account of the Prior Bonds and the 2009 Bonds not less than the following:

(i) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-sixth (1/6) of the next succeeding interest installment to become due on all Prior Bonds and 2009 Bonds then outstanding; and

(ii) a sum which together with other funds available in the Bond Fund for such purpose will be equal to one-twelfth (1/12) of the principal of all Prior Bonds and 2009 Bonds maturing on the next succeeding January 1.

In the event additional parity bonds are issued pursuant to the conditions and restrictions hereinafter prescribed in that connection, the monthly deposits to the Bond Fund shall be increased to provide for payment of interest thereon and the principal thereof as the same respectively become due.

Moneys from time to time in the Bond Fund may be held in cash, in which event the same shall, to the extent not insured by FDIC, be secured by a valid pledge of bonds, notes, or certificates of indebtedness of the United States Government having at all times an equal market value; or the same may, upon order of the Commission, be invested and reinvested in interest-bearing obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, maturing not later than the date on which such funds are needed to pay principal and interest on outstanding bonds. Income from any such investments shall be accumulated in the Bond Fund and may be invested in the same manner.

(C) A separate and special fund or account of the District was heretofore created by the 1969 Resolution, which Fund is hereby continued, and the same is designated and identified as the "Marion County Water District Reserve and Depreciation Account" (the "Reserve Fund").

After observing the priority of deposits set forth in (A) and (B) above, which are cumulative, there shall be set apart and paid into the Reserve Fund each month not less than \$2,556 (or more, if fixed by Resolution of the Commission of the District) from the remaining funds in the Revenue Fund, such monthly deposits to continue so long as any bonds payable from the income and revenues of the System remain outstanding and unpaid.

In addition to the above deposits from the Revenue Fund, there shall also be deposited in the Reserve Fund, as received, the proceeds of all property damage insurance (except public liability) maintained in connection with the System, and the cash proceeds of any surplus, worn out or obsolescent properties of the System, if the same be sold upon order of the Commission. As required by the provisions of the 1969 Resolution, any fees which may be levied and collected by the Commission of the District for the privilege of connecting to the System (excluding initial deposits received in aid of the Project, if any) shall be paid, as received, into the Reserve Fund. The term "cash revenues" of the System, as used in Section 7 hereof, means all proceeds of water service rates and charges, and does not include any of the cash items enumerated in this paragraph.

The Reserve Fund shall be available and may be withdrawn and used by the District, upon appropriate certification as to the authorization for such withdrawal, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals or replacements, not included in the Annual Budget of Current Expenses, and the cost of constructing additions and

improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. Said Fund shall also be available for transfer to the Bond Fund in order to avoid default in connection with any bonds payable from the Bond Fund.

If and when the balance in the Reserve Fund, including the market value of investments held for the account thereof, shall equal the sum of \$285,900, the monthly deposits therein may be discontinued and at the election of the Commission such sums may be paid into the Bond Fund, but the same shall be resumed whenever authorized disbursements therefrom shall reduce the balance below \$285,900, and shall be continued until such balance is restored; provided that so long as the 2009 Bonds remain outstanding, the monthly deposits into the Reserve Fund shall be at least \$585. Notwithstanding the provisions of this Section, no amount shall be deemed to be required to be deposited in the Reserve Fund which exceeds permissible deposits in such a fund under the terms of the rules and regulations of USDA.

At any time when the accumulations in the Reserve Fund shall exceed anticipated and foreseeable needs for authorized purposes, all or any portion of such excess may be invested and reinvested upon order of the Commission in interest-bearing obligations of, or obligations the principal of and interest on which are guaranteed by, the United States Government, maturing or subject to redemption at the option of the holder not later than three (3) years after the date of investment; but as and when funds may be required for authorized purposes a sufficient portion thereof shall be converted into cash and so applied. All investments of money in the Reserve Fund shall be carried to the credit of said Fund; all income from investments and any profit from the sale thereof shall be credited thereto; and any expenses incident to investment or reinvestment, together with any loss from forced conversion of investments into cash, shall be charged thereto.

(D) The District shall also fund an account for short-lived assets (the "Short-Lived Assets Account") by depositing the sum of \$12,114 monthly into the Short-Lived Assets Account. The funds in the Short-Lived Assets Account may be used by the District as needed to replace or add short-lived assets in the System. The Short-Lived Assets Account replaces any previous short-lived assets requirements with respect to any of the Prior Bonds.

(E) Subject to the provisions of subparagraphs (A), (B), (C) and (D) of this Section 7, which are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred within sixty (60) days after the end of each fiscal year the balance of excess funds in the Revenue Fund on such date to the Bond Fund to be used in redeeming outstanding bonds payable from the Bond Fund in inverse numerical or maturity order or purchasing such outstanding bonds at a price not to exceed the price at which such bonds may be redeemed on the next succeeding redemption date; provided, however, that notwithstanding the provisions hereof, the District reserves the right to redeem bonds which are redeemable without redemption premium prior to redeeming bonds which are only redeemable upon the payment of redemption premium.

* * * * *

All payments into the above special funds shall be made on or before the fifteenth (15th) day of each month, except that when the fifteenth (15th) day of any month shall be a Sunday or a legal holiday, then such payment shall be made on the next succeeding business day.

All moneys held in any of the above special funds shall be kept apart from all other District funds and shall be deposited in a bank or banks selected by the District from time to time (in each case, a "Depository Bank"), and all such deposits which cause the aggregate of all deposits of the District in any Depository Bank to be in excess of the amount secured by FDIC shall (unless invested as herein authorized) be secured by a surety bond or bonds or by pledge of direct obligations or by guaranteed bonds or securities of the United States Government having a market value at least equivalent to such excess deposit.

SECTION 8

COVENANTS TO BONDHOLDERS

The District hereby irrevocably covenants and agrees with the holder or holders of any and all 2009 Bonds and parity bonds at any time issued and outstanding pursuant to authority of this Resolution that so long as the same or any part thereof or interest thereon remain outstanding and unpaid:

(A) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky, and by the terms and provisions of this Resolution.

(B) It will at all times operate the System on a revenue-producing basis, and will permit no free services to be rendered or afforded thereby.

(C) It will maintain the System in good condition through application of revenues accumulated and set aside for operation and maintenance, as herein provided; and will make unusual or extraordinary repairs, renewals and replacements, as the same may be required, through application of revenues accumulated and set aside for such purposes.

(D) The District covenants and agrees that, so long as any of the 2009 Bonds are outstanding, it will not sell or otherwise dispose of any of the System facilities or any part thereof, and, except as provided for in this Resolution and in the Prior Resolutions, it will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of the 2009 Bonds. Notwithstanding the foregoing, the District may at any time permanently abandon the use of, or sell at fair market value, any of its System facilities, provided that:

(i) it is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the revenues of the System;

(ii) it will, in the event of sale, apply the proceeds to either (1) redemption of outstanding 2009 Bonds or parity bonds in accordance with the provisions governing prepayment of bonds in advance of maturity, or (2) replacement of the facility so

disposed of by another facility the revenues of which shall be incorporated into the System as hereinbefore provided;

(iii) it certifies, prior to any abandonment of use, that the facility to be abandoned is no longer economically feasible of producing net revenues; and

(iv) notwithstanding all of the foregoing, no such sale, abandonment or transfer of System facilities shall be made so long as USDA owns any of the 2009 Bonds herein authorized, without the written consent and approval of USDA.

(E) It will establish, enforce and collect rates and charges for services rendered and facilities afforded by the System; and the same shall be reasonable and just, taking into account and consideration the cost and value of the System, the costs of operating the same and maintaining it in a good state of repair, proper and necessary allowances for depreciation and for additions and extensions, and the amounts necessary for the orderly retirement of all outstanding bonds as aforesaid and the accruing interest thereon, and the accumulation of reserves as herein provided; and such rates and charges shall be adequate to meet all such requirements as provided in this Resolution, and shall, if necessary, be adjusted from time to time in order to comply herewith.

On or before the date of issuance of the 2009 Bonds, the District will adopt a Budget of Current Expenses for the System for the remainder of the then current fiscal year of the System, and thereafter, on or before the first day of each fiscal year so long as any 2009 Bonds are outstanding, it will adopt an Annual Budget of Current Expenses for the ensuing fiscal year, and will file a copy of each such Budget, and of any amendments thereto, in the office of the Secretary of the District, and furnish copies thereof to the holder of any Bond upon request. The term "Current Expenses," as herein used, includes all reasonable and necessary costs of operating, repairing, maintaining, and insuring the System, but shall exclude any allowance for depreciation, payments into the Reserve Fund for extensions, improvements, and extraordinary repairs and maintenance, and payments into the Bond Fund. The District covenants that the Current Expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that it will not expend any amount or incur any obligations for operation, maintenance and repairs in excess of the amounts provided for Current Expenses in the Annual Budget, except upon resolution duly adopted by the Commission of the District determining that such expenses are necessary in order to operate and maintain the System. At the same time, and in like manner, the District agrees that it will prepare an estimate of cash income and revenues to be derived from operation of the System for each fiscal year, and to the extent that said cash income and revenues are insufficient to provide for all payments required to be made into the Bond Fund during such ensuing fiscal year, and to make the monthly payments specified by subsection (C) of Section 7 of this Resolution, and to pay Current Expenses, the District covenants and agrees that it will revise its rates and charges for services rendered by the System, so that the same will be adequate to meet all of such requirements.

(F) It will not at any time make any reduction in any prevailing schedule of rates and charges for use of the services and facilities of the System without first obtaining the written determination of a Consulting Engineer of national reputation that the proposed reduction will

not adversely affect the ability of the District to meet all the requirements set forth in this Resolution.

(G) It will at all times segregate the revenues of the System from all other revenues, moneys, and funds of the District, and will promptly and regularly make application and distribution thereof into the special funds provided in the Prior Resolutions, and in this Resolution, in the amount and with due regard for the priorities herein attributed thereto.

(H) It will keep proper books of record and account, separate and clearly distinguishable from all other municipal records and accounts, showing complete and correct entries of all transactions relating to the System, and the same shall be available and open to inspection by any 2009 Bondholder, and any agent or representative of a 2009 Bondholder.

(I) It will, within ninety (90) days after the end of each fiscal year, cause an audit to be made of the books of record and account pertinent to the System, by an independent state-licensed accountant not in the employ of the District on a monthly salary basis, showing all receipts and disbursements, and reflecting in reasonable detail the financial condition and records of the System, including the status of the several funds hereinbefore created, the status of the insurance and fidelity bonding, the number and type of connections, and the current rates and charges, with comments of the auditor concerning whether the books and records are being kept in compliance with this Resolution and in accordance with recognized accounting practices, and will promptly cause a copy of the Audit Report to be filed in the Office of the Secretary where it will be available for public inspection, and will promptly mail a copy thereof to the original recipients of 2009 Bonds issued hereunder. If requested to do so, the District will furnish to any 2009 Bondholder a condensed form of the Balance Sheet, and a condensed form of the Operating Report, in reasonable detail. All expenses incurred in causing such audits to be made, and copies distributed, shall constitute proper expenses of operating and maintaining the System, and may be paid from revenues allocated for such purposes, as herein provided. Provided, so long as USDA holds any of the 2009 Bonds herein authorized, the District shall furnish operating and other financial statements in such form and substance and for such periods as may be requested by USDA.

(J) Any holder of 2009 Bonds may either at law or in equity, by suit, action, mandamus, or other proceedings, enforce and compel performance by the District and its officers and agents of all duties imposed or required by law or this Resolution in connection with the operation of the System, including the making and collecting of sufficient rates and segregation of the revenues and application thereof.

(K) If there be any default in the payment of the principal of or interest on any of the 2009 Bonds, then upon the filing of suit by any holder of the 2009 Bonds, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the District, with power to charge and collect rates sufficient to provide for the payment of any bonds or obligations outstanding against the System, and for the payment of Current Expenses, and to apply the revenues in conformity with this Resolution and the provisions of the statute laws of Kentucky aforesaid.

(L) The District will cause each officer or other person (other than depository banks) having custody of any moneys administered under the provisions of this Resolution to be bonded at all times in an amount at least equal to the maximum amount of such moneys in his custody at any time; each such bond to have surety given by a surety corporation qualified to do business in Kentucky and approved by the Commission, and the premiums for such surety shall constitute a proper expense of operating the System, and may be paid from moneys available in the Operation and Maintenance Fund.

(M) It will procure, and at all times maintain in force, insurance of all insurable properties constituting parts of, or being appurtenant to, the System to the full insurable value thereof, against damage or destruction by fire, windstorm, and the hazards covered by the standard "extended coverage" policy endorsements or provisions, the premiums therefor to be paid from the Operation and Maintenance Fund; and will deposit all sums collected under the terms of such policies in the Reserve Fund. Such insurance shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percentum (80%) of the full insurable value of the damaged facility.

(N) The District will procure and at all times maintain public liability insurance relating to the operation of the System, with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death; and not less than \$100,000 from claims for damage to property of others which may arise from the District's operation of the System.

(O) The District will carry suitable worker's compensation insurance in accordance with law.

(P) If the District owns or operates a vehicle in the operation of the System, the District will procure and at all times maintain vehicular public liability insurance with limits of not less than \$200,000 for one person and \$500,000 for more than one person involved in one accident to protect the District from claims for bodily injury and/or death, and not less than \$100,000 against claims for damage to property of others which may arise from the District's operation of vehicles. Provided, notwithstanding (M), (N), (O) and (P) above, that so long as USDA holds any 2009 Bonds, the District will procure and maintain insurance of such types and amounts as USDA may specify, which shall not be less than the amounts specified in this Section 8 so long as the Prior Bonds and the 2009 Bonds are outstanding.

(Q) So long as USDA is the holder of any bonds of the District, the District shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of such bonds held by USDA without immediately prepaying all of such bonds held by USDA.

SECTION 9

PARITY BONDS PERMITTED; TERMS

The 2009 Bonds authorized to be issued hereunder and from time to time outstanding shall not be entitled to priority one over the other in the application of the revenues herein

pledged, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the 2009 Bonds authorized to be issued under the provisions of this Resolution, regardless of the fact that they may actually be issued and delivered at different times. No other bonds or other obligations shall be issued by the District and made payable from the income and revenues of the System unless the pledge of revenues for the same is expressly made subordinate and inferior to the lien and pledge herein created; provided, however, the District hereby reserves the right and privilege of issuing additional bonds, from time to time, payable from the revenues of the System, ranking on a basis of equality and parity as to security and source of payment with the 2009 Bonds herein authorized for the following purposes and subject to the following conditions and restrictions:

(A) The District hereby reserves the right to add new System facilities and related auxiliary facilities by the issuance of one or more additional series of bonds to be secured by a parity lien on and ratably payable from the revenues and any other security pledged to the 2009 Bonds, provided in each instance that:

(i) the facility or facilities to be built from the proceeds of the additional parity bonds is or are made a part of the System and its or their revenues are pledged as additional security for the additional parity bonds and the outstanding Prior Bonds;

(ii) the District is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the income and revenues of the System or any part thereof; and

(iii) there is procured and filed with the Secretary of the District a statement by an independent certified, public accountant, not in the regular employ of the District on a monthly salary basis, reciting the opinion, based upon reasonable investigation, that the annual net revenues (defined as gross revenues less essential operation and maintenance expenses) of the then existing System for the fiscal year preceding the year of issuance of such additional parity bonds were equal to at least one hundred twenty percent (120%) of the average annual debt service requirements for principal and interest on all Prior Bonds and parity bonds, if any, then outstanding and on the additional parity bonds then to be issued. (The calculation of average annual debt service requirements of principal and interest on the additional bonds to be issued shall, regardless of whether such bonds are to be serial or term bonds, be determined on the basis of the principal of and interest on such bonds being payable in approximately equal annual installments.) Provided, however, the foregoing conditions and limitations prescribed in this subparagraph (iii) may be waived or modified by the written consent of the holders of at least seventy-five percent (75%) in principal amount of the then outstanding Prior Bonds and any parity bonds.

(B) The District hereby covenants and agrees that in the event additional series of parity bonds are issued, it shall:

(i) adjust the monthly deposits into the Bond Fund on the same basis as that prescribed in Section 7(B) hereof to reflect the annual debt service on the additional bonds;

(ii) adjust and increase appropriately the monthly amount to be deposited into the Reserve Fund to give recognition to the facilities and equipment to be constructed or acquired with the proceeds of such additional bonds; and

(iii) make such additional bonds payable as to principal on January 1 of each year in which principal falls due and payable as to interest on January 1 and July 1 of each year.

(C) If in any subsequently issued series of bonds secured by a parity lien on the revenues of the System, it is provided that excess revenues in the Revenue Fund shall be used to redeem bonds in advance of scheduled maturity, or if the District at its option undertakes to redeem outstanding bonds in advance of scheduled maturity, it is agreed and understood (a) that calls of bonds will be applied to each series of bonds on an equal pro rata basis (reflecting the proportion of the original amount of each series of bonds outstanding at the time of such call), and (b) that calls of bonds for each series of bonds will be in accordance with the call provisions of the respective bond series. However, the District shall have the right to call, subject to the call provisions of the respective bond series, any or all outstanding bonds which may be called at par prior to calling any bonds that are callable at a premium.

The additional parity bonds (sometimes herein referred to as “permitted” to be issued), the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds payable from the income and revenues of the System on a parity with the 2009 Bonds, and shall not be deemed to include other bonds or obligations, the security and source of payment of which are subordinate and subject to the priority of the 2009 Bonds. The District expressly reserves the right to issue its bonds or other obligations payable from the revenues herein pledged, and not ranking on a basis of equality and parity with the 2009 Bonds, without any proof of previous earnings or net revenues, but only if such bonds or other obligations are issued to provide for additions or extensions or improvements of the System, and only if the same are issued in express recognition of the priorities, liens and rights created and existing for the security, source of payment, and protection of the 2009 Bonds. Provided, however, that nothing in this Section is intended or shall be construed as a restriction upon the ordinary refunding of the 2009 Bonds, and/or of any bonds which may have been issued and are outstanding under any of the provisions of this Resolution, if such refunding does not operate to increase, in any year until the final maturity of the refunding bonds, the aggregate of the principal and interest requirements of the bonds to remain outstanding and the bonds proposed to be refunded.

SECTION 10

PROVISIONS OF RESOLUTION CONSTITUTE CONTRACT

The provisions of this Resolution shall constitute a contract between the District and the holders of the 2009 Bonds herein authorized and any parity bonds herein permitted to be issued, and after the issuance of any of the 2009 Bonds, no material change, variation or alteration of any kind of the provisions of this Resolution shall be made in any manner without the written consent of the holder or holders of the 2009 Bonds, except as herein provided, until such time as all of the 2009 Bonds and parity bonds issued hereunder, and the interest thereon, have been paid in full.

SECTION 11

STATUTORY MORTGAGE LIEN ACKNOWLEDGED

A statutory mortgage lien upon the System, together with all appurtenances and additions thereto and extensions thereof, and including the revenues thereof, is granted and created by Section 106.080 of the Kentucky Revised Statutes for the benefit and protection of the holders of the 2009 Bonds issued and parity bonds permitted to be issued under authority of this Resolution, and previously issued and outstanding parity bonds, and of the interest payable thereon; and said statutory mortgage lien is hereby recognized and shall be effective upon delivery of any of the 2009 Bonds and shall continue in full force and effect so long as there shall remain unpaid any part of the principal of or interest on the 2009 Bonds and any parity bonds.

SECTION 12

TAX COVENANTS AND REPRESENTATIONS

The District certifies, covenants and agrees that the Project will be constructed expeditiously and the expenditure of the portion of the proceeds of the 2009 Bonds deposited in the Construction Fund for the payment of the costs of the Project will be made promptly in order that the Project will be completed and in operation at the earliest possible date. The District further certifies and covenants with the holders of the 2009 Bonds that so long as any of the 2009 Bonds remain outstanding, moneys on deposit in any fund or account in connection with the 2009 Bonds, whether or not such moneys were derived from the proceeds of the sale of the 2009 Bonds or from any other sources, will not be invested or used in a manner which will cause the 2009 Bonds to be "arbitrage bonds" within the meaning of Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any lawful regulations promulgated or proposed thereunder, including applicable sections of the Income Tax Regulations, as the same presently exist, or may from time to time hereafter be amended, supplemented or revised. The Chairman, the Secretary and/or the Treasurer, as the officers of the District charged with the responsibility for issuing the 2009 Bonds, are authorized and directed, for and on behalf of the District, to execute all papers, documents, certificates and other instruments that may be required for evidencing compliance with federal "arbitrage bond" regulations, and any representations and certifications contained in such papers, documents, certificates and other instruments so executed shall be deemed to constitute representations and certifications of the District.

The District further represents, warrants, agrees and covenants as follows:

(A) Within the meaning of Section 141 of the Code and the Income Tax Regulations issued thereunder, over the terms of the Bonds (i) less than 10% of the proceeds of the 2009 Bonds, if any, will be applied for any private business use, and the payment of principal of or interest on less than 10% of the amount of the 2009 Bonds, if any, will be secured directly or indirectly by any interest in property used for a private business use, or payments in respect of such property, or will be derived directly or indirectly from payments (whether or not to the District) in respect of such property; (ii) at least 90% of the proceeds of the 2009 Bonds will be applied for a governmental use of the District; (iii) any private business use of the Project will be

related to such governmental use of the District and will not be unrelated or disproportionate; and (iv) none of the proceeds of the 2009 Bonds will be used, directly or indirectly, to make or finance loans to private persons. It is reasonably expected that over the term of the 2009 Bonds (a) the Project will be available for general public use, in that it will be reasonably available for use by natural persons not engaged in a trade or business on the same basis as any other person or entity, (b) no nongovernmental person will have any special legal entitlement to use the Project, and (c) there will be no direct or indirect payments made with respect to the Project or the security of the 2009 Bonds by any persons or entities other than payments by the general public as described in clause (a) above.

(B) Within the meaning of Section 148(f)(4)(B), it is reasonably expected at least 75% of the net proceeds (including investment proceeds) of the 2009 Bonds will be used for construction expenditures with respect to property which is owned by a governmental unit, at least 10% of such proceeds will be spent for the governmental purposes of the issue within six months from the date the 2009 Bonds are issued, at least 45% of such proceeds will be spent for such purposes within one year from such date, at least 75% of such proceeds will be spent for such purposes within eighteen months from such date, and at least 100% of such proceeds will be spent within two years from such date. It is also reasonably expected at least 50% of all proceeds (including investment proceeds) of the Bonds will be used for expenditures on the Project within six months, at least 60% will be so used within 12 months and 100% will be so used within 18 months from the date of issuance of the 2009 Bonds. If for any reason the arbitrage rebate requirements of Section 148(f) of the Code should be deemed to apply to the 2009 Bonds, the District will take all action necessary to comply therewith.

(C) It is reasonably expected that during the term of the 2009 Bonds the Project will not be disposed of, provided, however, should there be any disposition of any personal property constituting a part of the Project because it is no longer suitable for its governmental purpose, it is reasonably expected that the fair market value of such personal property will not exceed 25% of its cost.

(D) The weighted average maturity of the 2009 Bonds does not exceed 120% of the weighted average useful life of the facilities comprising the Project.

(E) The District has not heretofore expended any sums on the Project which are to be reimbursed from the proceeds of the 2009 Bonds, other than (a) certain preliminary expenditures such as engineering and planning costs not exceeding 20% of the 2000 Bond proceeds, (b) expenditures made within 60 days prior to the date of adoption of this Resolution, and (c) expenditures prior to which the District had adopted an official intent resolution regarding reimbursement from tax-exempt bond proceeds.

(F) The 2009 Bonds are not federally guaranteed within the meaning of Section 149(b) of the Code.

(G) The District will comply with the information reporting requirements of Section 149(e) of the Code.

(H) The District will not use or permit the use of any of the funds provided by the 2009 Bonds in such manner as to, or take or omit to take any action which would, impair the exclusion from gross income for federal income tax purposes of interest on the 2009 Bonds. The District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the 2009 Bonds shall, for the purposes of federal income taxation, be excludable from gross income.

(I) This Resolution is intended to and does constitute, in part, a declaration of official intent under applicable Income Tax Regulations.

SECTION 13

SEVERABILITY CLAUSE

If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

SECTION 14

REPEAL OF INCONSISTENT PROVISIONS

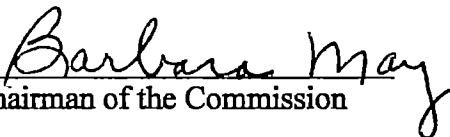
All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed.

SECTION 15

WHEN RESOLUTION EFFECTIVE

This Resolution shall be in full force and effect from and after its adoption, approval and attestation as provided by law.

ADOPTED BY THE COMMISSION OF THE MARION COUNTY WATER DISTRICT, MARION, NELSON AND WASHINGTON COUNTIES, KENTUCKY, at a meeting held on the 20th day of October, 2009, on the same occasion signed by the Chairman, attested by the Secretary, and declared to be in full force and effect.


Chairman of the Commission

Attest:


Secretary

Certification

The undersigned, Secretary of the Commission of Marion County Water District, Marion, Nelson and Washington Counties, Kentucky, hereby certifies that the foregoing is a true, complete and correct copy of a Resolution adopted by the Commission of the District, signed by the Chairman thereof, and attested by me as Secretary upon the occasion of a properly convened meeting of the Commission of said District held on the 20th day of October, 2009, as shown by the official records in my custody and under my control.

WITNESS my hand this 20th day of October, 2009.

Ewrett Thomas
Secretary

RESOLUTION

RESOLUTION OF THE MARION COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE MARION COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners, ("governing authority") of the Marion County Water District, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Governmental Agency's Water System (the "Project"); and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement with the Authority;

NOW, THEREFORE, BE IT RESOLVED by the Marion County Water District, as follows:

SECTION 1. That the governing authority hereby approves and authorizes of the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the Project.

SECTION 2. That any officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on March 12th, 2013.

Barbara R May
Chairperson

Attest:

Ernesta Thomas
Secretary

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CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Marion County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said District at a meeting duly held on March 12th, 2013; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 12 day of March, 2013.

Everett Thomas
Secretary

EXHIBIT A
MARION COUNTY WATER DISTRICT
PROJECT SPECIFICS
B12-06

GOVERNMENTAL AGENCY:

Name: Marion County Water District
P.O. Box 528
Lebanon, KY 40033

Contact Person: Barbara R. May, Chairperson
(270) 692-2004

SYSTEM: Infrastructure

PROJECT:

This project is for the replacement of approximately 25,000 linear feet of forty year old four inch water line with a six in line along Highway 84 in the Raywick area of Marion County. Water demand in the area and beyond it requires a six inch line to provide the necessary pressure and volume. The existing line has been prone to breakage resulting in water outages and boil water orders when pressure has dropped below mandatory levels.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 10,000
Legal Expenses	5,000
Engineering Fees	76,930
Construction	414,750
Contingency	41,500
Total	\$ 548,180

FUNDING SOURCES:

	<u>Amount</u>	<u>%</u>
Fund B Loan	\$ 548,180	100%
Total	\$ 548,180	100%

KIA DEBT SERVICE:

Construction Loan	\$ 548,180
Interest Rate	1.75%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 32,603
Administrative Fee (0.20%)	\$ 1,096
Total Estimated Annual Debt Service	\$ 33,700

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 06/01/13).

Full principal and interest payments will commence within one year of initiation of operation (estimated 6/1/2014).

REPLACEMENT RESERVE ACCOUNT:	\$	1,370	ANNUAL AMOUNT
	\$	13,700	TOTAL AMOUNT

The annual replacement cost is \$1,370. This amount should be added to the replacement account each December 1 until the balance reaches \$13,700 and maintained for the life of the loan.

ADMINISTRATIVE FEE:	0.20%
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DEFAULT RATE:	8.0%
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DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

	Outstanding	Maturity	
Series 1989 Bonds	\$ 420,000	2027	paid off in 2012
Series 1992A Bonds	368,000	2032	
Series 1993 Bonds	172,500	2032	
Series 1996 Bonds	102,700	2035	
Series 2000 Bonds	301,500	2039	
Series 2009 Bonds	1,433,000	2050	
Total	\$ 2,797,700		

LIABILITY INSURANCE COVERAGE: (SEE ATTACHED DECLARATIONS PAGE)

Death or Personal Injury (per person)	<u>N/A</u>
Death or Personal Injury (per occurrence)	<u>\$1,000,000</u>
Property Damage on System	<u>REPLACEMENT COST</u>

**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 Marion County 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
Hill & Sandusky Plb. Elec. & HVAC	Electrical repair on box & breakers for water tank	\$313.40
Spalding Meter Reading Service	Contract for reading water meters	\$50,757.63
John Timothy Spalding	Part-time temporary employee wages 1/1-3/31/14	\$3,822.50

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Jeff Prestow
(Print Name)

Jeff Prestow
(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 Marion

Subscribed and sworn to before me by Jeff Preston
(Name)

this 21 day of April, 2016.

James Lee Mudd
NOTARY PUBLIC
State-at-Large