FILE OR RECORDING DOCUMENTS

SUBJECT: Trimble County Water District No. 1

FILING OR RECORDING OF DOCUMENTS:

Original and ten (10) copies of Application for Authority to Issue Note and Mortgage Pursuant to KRS 278.300 - Please stamp date one copy of the application and return to our office in the enclosed stamped self-addressed envelope. Thank you for your courtesy in this matter.

Ruth H. Baxterdmp

TO: Public Service Commission P.O. Box 615 Frankfort, KY 40602-0615

CRAWFORD & BAXTER, P.S.C.

JAMES M. CRAWFORD NICHOLAS A. MARSH RUTH H. BAXTER

Attorneys at Law 523 HIGHLAND AVENUE - P.O. BOX 353 CARROLLTON, KY 41008 PHONE: (502) 732-6688 - (800) 442-8680 FAX: (502) 732-6920

ase 1/6 2006 - 00544



COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF:

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RECEIVED DEC 1 3 2006

PUBLIC SERVICE COMMISSION

DISTRICT NO. 1	WATEK

CASE NO. 2006 - 00544

APPLICATION FOR AUTHORITY TO ISSUE NOTE AND MORTGAGE PURSUANT TO KRS 278.300

Comes Trimble County Water District No. 1, and for its Application for Authority

to Issue its Note to Farmers Bank of Milton, states as follows:

1. That the Applicant is Trimble County Water District No. 1 ("TCWD"), whose post office address is 34 E. Morgan Drive, Bedford, Trimble County, Kentucky. TCWD is submitting this application pursuant to KRS 278.300 and 807 KAR 5:001(6, 8, and 11), seeking authorization to issue a Note and Mortgage, for permanent financing of its operations and maintenance building to the Farmers Bank of Milton, for discharge of its construction loan currently owed to Farmers Bank of Milton;

2. That TCWD currently owns the following property, and acquired same at its original cost listed below:

- Land & Land Rights (\$400.55); a.
- Land & Transmission Easements (\$18,056.80); b.
- Easements (\$18,056.80); c.
- Water Treatment Phase III-B Auto Controls (\$4,825.48; \$73,444.19; d. \$1,268.23);
- Structure & Improvements-Pump Plant #1752 (\$22,942.15); e.
- f. Various Improvements-Pump Plant #1752 (\$30,465.60);

- g. Structures & Improvement–Transmission & Distribution (\$5,042.94);
- h. Fencing--Transmission & Distribution (\$975.00);
- i. Telemetry, Modifications & Accounts Payable (\$71,372.13);
- j. Office Building--Office Building (\$50,662.00);
- k.. Signs & Landscaping–Office Building (\$1,766.54);
- 1. Office Improvements–Office Building (\$9,183.04);

m. Coin Operated Machine–Office Building (\$3,367.50);

- n. Building Improvmeents–Office Building (\$9,155.00);
- o. Wells & Springs (\$17,135.64);
- p. Well Field Phase (\$83,159.84);
- q. Electric Pumping Equipment (\$94,132.07);
- r. Booster Station (\$88,933.90);
- s. Telemetry (\$59,228.35);
- t. Pumping Equipment (\$69,384.87);
- u. Chlorine Pump (\$1,385.46);
- v. Vacuum Valves (\$1,170.00);
- w. Distr RES-TRA (\$159,905.00);
- x. Water Tanks Behind Office Building (\$536,841.03);
- y. Transmission & Distribution Mains
 - i. Transmission & Distribution Mains (\$701,322.12);
 - ii. 1992 Additions (\$18,544.65);
 - iii. Phase III-B (\$502,550.29);
 - iv. 1993 Additions (\$5,600.00);
 - v. 1994 Additions (\$8,610.92);
 - vi. 1995 Additions (\$4,583.12);
 - vii. Taylor & Stark (\$6,475.00);
 - viii. 1996 Additions (\$1,900.00);
 - ix. McDowell Lane (\$5,544.00);
 - x. Campbell Lane (\$6,468.00);
 - xi. Cedarwood Subdivision (\$3,696.00);
 - xii. Garrett Lane (\$4,620.00);
 - xiii. US 421 (\$8,312.50);
 - xiv. Fisher Farms (\$4,620.00);
 - xv. Adams Farms (\$2,722.00);
 - xvi. High County Road (\$1,848.00);
 - xvii. Shepherdsville Lane (\$4,620.00);
 - xviii. Pryor Fork/Lykin (\$4,950.00);
 - xix. Barnes Farm Development (\$3,750.00);
 - xx. Fairway Woods Subdivision (\$8,053.97);
 - xxi. Barebone Project (\$158,449.45);
 - xxii. Garrison Construction (\$29,206.98);
 - xxiii. Water Pipe (\$1,148.91);
 - xxiv. Transmission Line (\$9,643.50);
 - xxv. Transmission Line (\$80,925.19);
 - xxvi. Burton Ridge Project (\$168,647.40);

- z. Services
 - i. Services-Trans (\$73,783.43);
 - ii. Services (\$4,074.40);
 - iii. New Services (\$3,000.00);
 - iv. New Services (\$3,600.00);
 - v. New Services (\$4,200.00);
 - vi. New Services (\$6,800.00);
 - vii. New Services (\$4,000.00);
 - viii. Phase III-B (\$11,338.38);
 - ix. New Services (\$9,400.00);
 - x. 1995 Additions (\$9,011.57);
 - xi. 1996 Additions (\$10,200.00);
 - xii. 1997 Additions-66 New Services (\$23,760.00);
 - xiii. 1998 Additions (\$16,560.00);
 - xiv. 1999 Additions (\$10,440.00);
 - xv. 2000 Additions (\$9,000.00);
 - xvi. 2001 Additions (\$7,200.00);
 - xvii. 2002 Additions (\$9,360.00);
 - xviii. 2003 Additions (\$7,889.50);
 - xix. 2004 Additions (\$11,880.00);
 - xx. 2005 Additions (\$7,560.00);
- aa. Meters
 - i. Meters-Trans (\$44,853.75);
 - ii. 15 New Meter Set (\$1,500.00);
 - iii. 18 New Meter Set (\$1,800.00);
 - iv. 21 New Meter Set (\$2,100.00);
 - v. Meters Purchased (\$1,656.00);
 - vi. 34 New Meter Set (\$3,400.00);
 - vii. 20 New Meter Set (\$2,000.00);
 - viii. Phase III-B (\$7,949.78);
 - ix. 47 New Meter Set (\$4,700.00);
 - x. 1995 Additions (\$4,510.00);
 - xi. 1996 Additions (\$5,100.00);
 - xii. 1997 Additions (\$10,890.00);
 - xiii. 1998 Additions (\$7,590.00);
 - xiv. 1999 Additions (\$6,608.36);
 - xv. 2000 Additions (\$4,125.00);
 - xvi. 2001 Additions (\$3,300.00);
 - xvii. 2002 Additions (\$4,290.00);
 - xviii. 2003 Additions (\$3,629.50);
 - xix. 2004 Additions (\$5,445.00);
 - xx. 2005 Additions (\$3,465.00);
- bb. Hydrants
 - Hydrants-Trans (\$17,988.46); 1992 Additions (\$105.00);

Phase III-B (\$6,317.05);

1995 Additions (\$1,031.50);

cc. Office Furniture and Equipment

- i. Office Furniture & Equipment (\$4,242.98);
- ii. Computer (\$12,000.00);
- iii. Water System SOE (\$5,000.00);
- iv. Computer Equipment (\$4,685.00);
- v. Software (\$3,870.00);
- vi. Chairs (\$570.99);
- vii. Three File Cabinets (\$386.10);
- viii. Air Conditioner (\$250.00);
- ix. Fax (\$379.00);
- x. Phone System (\$159.00);
- xi. Refrigerator (\$159.00);
- xii. Letter Opener (\$204.33);
- xiii. Cash Drawer (\$150.00);
- xiv. Copier–Xerox (\$7,345.00);
- xv. Gateway Computer (\$2,749.00);
- xvi. Misc. Office Equipment (\$802.88);
- xvii. Telephone System (\$2,750.00);
- xviii. Conference Table (\$1,990.00);
- xix. Safe (\$1,258.98);
- xx. Two Gateway Computers (\$3,478.00);
- xxi. Nobilis Server (\$2,749.99);
- xxii. Front Computer Workstation (\$1,729.00);
- dd. Tools, Shop & Garage Equipment
 - i. Tools, Shop & Garage (\$838.62);
 - ii. Air Compressor (\$750.00);
 - iii. Boring Machine (\$1,900.00);
 - iv. Riding Mower (\$500.00);
 - v. Backhoe (\$38,024.19);
 - vi. Nissan Pickup (\$1,000.00);
 - vii. Air Compressor (\$506.21);
 - viii. Chevy Pickup (\$1,800.00);
 - ix. Air Compressor (\$7,830.00);
 - x. Generator (\$569.99);
 - xi. Unloader/Trencher (\$18,893.00);
 - xii. Locator Tool (\$635.26);
 - xiii. Unloader (\$2,200.00);
 - xiv. 1995 Dodge Utility Truck (\$8,500.00);
 - xv. Boring Mole (\$4,217.00);
 - xvi. 2002 Ford Truck (\$11,944.50);
 - xvii. 2002 Ford Truck-Utility Bed (\$10,422.50);
 - xviii. 13/4" Mole (\$1,717.00);
 - xix. Electric Blower (\$626.45);

- xx. Two Chlorine Containment Kits (\$3,296.97);
- xxi. Three Hazmat Breathing Units (\$4,677.00);
- xxii. Cub Cadet Mower (\$2,160.00);
- xxiii. 2005 Ford F-350 Truck (\$29,000.00);
- xxiv. Trailer (\$5,300.00);

ee. Real Estate

- i. Lot and improvements at 610 Highway 421 North, Bedford, Trimble County, Kentucky (\$50,000.00.);
- ii. Land and Improvements at Morgan Lane, Bedford, Trimble County, Kentucky (\$1.00; \$380,000.00-improvements);

3. That TCWD's field of operation encompasses water treatment and distribution for Trimble County, Kentucky;

4. TCWD obtained a construction loan in the amount of Three Hundred Fifty Thousand Dollars (\$350,000.00), from Farmers Bank of Milton, on July 27, 2005. TCWD applied the proceeds of the construction loan to the construction of a new administrative building at 34 E. Morgan Drive, Bedford, Trimble County, Kentucky 40006. A true and correct copy of the maps, plans and estimates for construction of the facility are collectively attached hereto as EXHIBIT "A", and incorporated herein by reference. Said facility cost a total of \$380,000.00 to construct. A true and correct copy of the itemization of costs of construction is attached hereto as EXHIBIT "B", and incorporated herein by reference. Copies of all contracts for the construction of the new facility are collectively attached hereto as EXHIBIT "C", and incorporated herein by reference.

The Note issued in connection with the construction loan indebtedness provides that TCWD is to pay Farmers Bank of Milton, the principal sum of Three Hundred Fifty Thousand Dollars (\$350,000.00), with interest at the rate of 4.5%, with said amounts to be paid on or before July 27, 2006. A true and correct copy of the Note for the construction loan is attached hereto as EXHIBIT "D", and incorporated herein by reference.

5. The Note, which TCWD seeks to issue will be made payable to Farmers Bank of Milton, 39 Ferry Street, Milton, Trimble County, Kentucky, 40045, in the principal sum of Three Hundred Eighty Thousand Dollars (\$380,000.00). Said Note is being issued for the purpose of discharging the aforementioned construction loan which TCWD currently owes to Farmers Bank of Milton. The Note will be payable over ten (10) years, at the rate of 4.5% per annum, with an approximate payment of Three Thousand Five Hundred Dollars (\$3,500.00). A lump sum payment in the approximate amount of \$80,000.00 will be applied to the principal indebtedness during the life of the Note. Said \$80,000.00 represents Phase II proceeds due TCWD from Kentucky Infrastructure Authority Tobacco Funding. (See EXHIBIT "E");

6. The indebtedness as evidenced by the aforementioned Note in numerical paragraph

5, will be secured by a first mortgage lien on real property owned by TCWD, which is located in

Bedford, Trimble County, Kentucky, and is more particularly described as follows:

Beginning at a point in the north edge of an eighty-foot (80') U.S. Highway No. 42 right-of-way, said point being 30' at right angles to the edge of the concrete pavement; thence N. 55 deg. 30 min. E. 138.6 to a point in north edge of said right-of-way; thence N. 58 deg. 30 min. E. 189.0' to a point in said right-of-way, said point being 30' and at right angles from the concrete pavement; thence S. 88 deg. 45' W. 302.0' to a point; thence S. 70 deg. 30' E. 176.0' to the beginning.

Being the same property conveyed to Trimble County Water District No. 1, from Trimble County Board of Education of Trimble County, Kentucky; Trimble County; and, Lincoln Income Life Insurance Company, by deed dated September 1, 1955, of record in Deed Book 40, Page 95, in the Office of the Trimble County Court Clerk.

7. Pursuant to 807 KAR 5:001(6), TCWD has attached hereto as EXHIBIT "F" and incorporated herein by reference its Financial Exhibit, which sets forth TCWD's authorized bonds with outstanding principal noted, all outstanding notes issued, a detailed income statement and balance sheet.

In addition, Jeffrey C. Woods, Certified Public Accountant, has reviewed the financial records of TCWD and opined that TCWD will be able to meet the debt service on the proposed loan without requesting a water rate increase. A true and correct copy of the letter submitted by Jeffrey C. Woods, is attached hereto as EXHIBIT "G" and incorporated herein by reference.

RESPECTFULLY SUBMITTED,

CRAWFORD & BAXTER, P.S.C. ATTORNEYS AT LAW 523 Highland Avenue P.O. Box 353 Carrollton, Kentucky 41008 Phone: (502) 732-6688 Facsimile: (502) 732-6920 E-mail Address: CBJ523@aol.com

Attorneys for Applicant Trimble County Water District No. 1

NUL By:

Ruth H. Baxter

VERIFICATION

Comes now, Lisa Graham, Chairperson for Trimble County Water District No. 1, and states that she has read the foregoing Application for Authorization to Issue Note, and she has knowledge of the matters set forth in the foregoing Application, that the statements set forth in the foregoing Application are true and correct to the best of her knowledge and belief, and that she is duly authorized to sign this Application on behalf of Trimble County Water District No. 1.

Lisa Graham, Chairperson Trimble County Water District No. 1

ATTEST:

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Rita Tharp, Secretary Trimble County Water District No. 1

STATE OF KENTUCKY)

COUNTY OF TRIMBLE)

Subscribed and sworn to before me by Lisa Graham, Chairperson, Trimble County Water District No. 1, and attested by \underline{k} $\underline{T} \underline{A} = \underline{T} \underline{A} \underline{K} \underline{P}$, Secretary, Trimble County Water District No. 1, on this the $\underline{\lambda} \underline{\lambda}^{M}$ day of $\underline{D} \underline{R} \underline{M} \underline{M}$, 2006.

My commission expires: <u>Deptember 23, 2008</u>

MUMA S. PENDIU NOTARY PUBLIC, KY., STATE AT LARGE Ernie Fletcher Governor Commonwealth of Kentucky

LaJuana S. Wilcher Secretary

ENVIRONMENTAL AND PUBLIC PROTECTION CABINET

Office of Housing, Buildings and Construction

101 Sea Hero Road, Suite 100 Frankfort, Kentucky 40601 Telephone: (502) 573 - 0373

August 29, 2005

Trimble County Water District No.1 PO Box 63 Bedford, KY 40006

> Re: Case No. 112980-000-0 Trimble County Water District #1 610 Hwy. 421 North Bedford, KY/Trimble County

Dear Dara:

The Division of Building Code Enforcement has reviewed the drawings for the above referenced project under the provisions of the 2002 Kentucky Building Code. This letter is authorization to proceed with construction subject to any conditions that may be noted on the attached page.

This authorization does not release the owner from complying with local planning/zoning requirements or the requirement to obtain a local building permit. Before installation of the plumbing can begin, approval of the system shall be issued by the Division of Plumbing. Please note the electrical plans were not reviewed for compliance with the National Electrical Code. All electrical wiring and equipment will be subject to the approval of the certified electrical inspector required by Section 2701.3 of the 2002 Kentucky Building Code and a copy of that inspectors' certificate of compliance will be required at the completion of the project.

A final inspection shall be made and a "Certificate of Occupancy" issued by this office before this facility may be occupied in whole or part. The issuance of a final or partial "Certificate of Occupancy" by this office does not relieve the owner from complying with any local planning/zoning requirements prior to occupancy. If suppression or fire alarm systems are required, plans shall be submitted for approval prior to installation. Also, other inspection or test certificates, such as flame spread ratings of interior finishes, plumbing certificate, fire alarm and suppression systems tests shall be available at the time of final inspection.

EXHIBIT "A"



Equal Opportunity Employer M/F/D

Dara/Trimble Co. Water District No. 1 Page 2 August 29, 2005

> Re: Case No. 112980-000-0 Trimble County Water District #1 610 Hwy. 421 North Bedford, KY/Trimble County

The specialized systems that may be included with the original plan submission such as alarm sprinkler, range hood, boiler and underground tanks have not been reviewed. A complete review of these specialized systems is completed when the shop drawings are submitted unless prior arrangements have been made with the Department.

Any changes made during construction must be agreed to, in writing, by this office. This authorization to construct will become null and void if construction does not begin within six (6) months of the date of this letter.

Sincerely,

Korniloch Kevin Carlin

Plan Reviewer Division of Building Codes Enforcement 502-573-0373 ext. 212

KC/lr E-Mail: Kevin.Carlin@ky.gov

Copy: Bill Amato, Field Inspector Jim Bozeman, Field Supervisor Joseph F. Sisler/Sisler-Maggard Engineering PLLC

NOTE: Compliance with Kentucky Accessibility Standards may not reflect total compliance with Federal Accessibility Laws.

NOTE: Licensed HVAC Contractor Required: The installation of all Heating, Ventilating and Air-Conditioning Systems (HVAC), whether in existing or new building construction shall be performed by a Licensed Kentucky Master HVAC Contractor.



The above description covers a portion of land owned by the Trimble County Court, being a part of land deeded to the Court for the purpose of a school building site. The deed recorded in Deed Book 34, page

TO HAVE AND TO HOLD the above described real estate, together with all and singular the appurtenances thereunto belonging unto the party of the fourth part, its successors and assigns forever in fee simple with Covenant of General Warranty.

The party of the second part, Trimble County Board of Education, has approved the conveyance of this property pursuant to a resolution duly passed at a regular meeting on July 9, 1955 authorizing its Chairman and Secretary to execute this deed in behalf ofsaid Board, the Kentucky State Hoard of Education having approved the sale of this property by written approval addressed to Trimble County Board of Education dated August 31, 1955.

The Fiscal Court of Trimble County, Kentucky, having received a resolution from the Trimble County Board of Education requesting that it convey the above described tract of land to the party of the fourth part, the resolution was introduced at a duly constituted and authorized meeting of said Fiscal Court held on the 10th day of September, 1955 agreeing to said conveyance and authorizing the County Judge of Trimble County, Kentucky to execute a deed in behalf of Trimble County to party of the fourth part conveying the aforesaid described property.

The party of the third part, The Lincoln Income Life Insurance Company, a Kentucky corporation, being the holder of the bonds issued by the Fiscal Court of Trimble County, Kentucky, which are secured by a statutory lien on the school property at Bedford, Kentucky, the aforesaid described property being a part thereof, joins herein for the purpose of releasing the aforesaid tract from any lien that it might have as the result of the bonds issued dated Jan. 10, 1964, the lien to remain in full force and effect against the remaining property.

Wilness the signatures of the parties the date first above written.

(Stamped in the sum of .55¢)

TRIMBLE COUNTY By: L. C. Yager, Judge

TRIMBLE COUNTY BOARD OF EDUCATION

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Attest: <u>C. A. Hollowell</u> Secretary Attest: <u>J. W. Martin</u> (SEAL) Secretary Treas. By: J. W. Peak, Jr., Chairman LINCOLN INCOME LIFE INSUMANCE CO. BY: John T. Acree, Jr., President

STATE OF KENTUCKY

COUNTY OF TRIMBLE

I, Wallace Wright, Clerk Trimble County, Kentucky, hereby certify that the foregoing deed uns this day produced before we by J.W. Peak, Jr., chairman, and C. A. Hollowell, Secretary, of the Trimble County Board of Education, and by each of them signed, acknowledged and delivered to be their act and deed as chairman and secretary respectively, and the act and deed of the Trimble County Board of Education.

Witness my hand this 10th day of September, 1955.

Wallace Wright, Clerk Trimble County Court.

By: Edna Wright D. C.

State of Kentucky County of Trimble.

I, Wallace Wright, Clerk of Trimble County, Kentucky hereby certify that the foregoing deed was this day produced before me by L. C. Yager, County Judge of Trimble County, and by him signed, acknowledged and delivered to be his act and deed and his act and deed as County Judge of Trimble County, Kentucky for and on behalf of Trimble County.

Witness my hand this 10 day of September, 1955.

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STATE OF KENTICKY

COUNTY OF JEFFERSON

I, Mary M. Turner, a Notary Public in and for the state and county aforesaid, do hereby certify that the foregoing deed was this day produced before me by John T. Acree, Jr., President of Lincoln become life Insurance Company, and J. W. Martin, Treasurer, and by each of them signed, acknowledged and delivered to be their act and deed as President and Secretary, respectively, and the act and deed of the Gincoln Income Life Insurance Company, a Kentucky corporation.

Witness my hand this 13 day of September, 1955. My commission expires October 14, 1955. (SEAL) Mary M. Turner, Notary Public

State of Kentucky, Sct: County of Trimble.

1, Wullace Wright, Clerk of the County Court for the County and State aforesaid, do certify that the foregoing deed was on the 31st day of May, 1956 lodged in this office for record, and that I have recorded the same together with the foregoing and this certificate in this my said office.

Given under my hand this 4th day of June, 1956.

Wallace Wright, Clerk Trimble County Court.

By: Alyen Waint D. C.

Carroll C. Fix, et al, by Commissioner

TO SOU DEED

Trimble County Water District No. 1

THIS DEED made this 31st day of May, 1956 between Carroll C. Fix and Josephine G. Fix, his uite, Corrine F. Logan and S. D. Logan, her husband, Unknown Grandchildren of Carroll C. Fix and descephine G. Fix who surviveboth Josephine G. Fix and Corrine F. Logan, addresses unknown, all by UMAR. Coffin, Commissioner of the Trimble County Court, parties of the first part, and Trimble County (Bater District No. 1, party of the second part.

WITNESSETH:

Whereas, on the 10th day of January, 1956 said Trimble County Water District No. 1 instituted its suit against Carroll C. Fix, et al, in the Trimble County Court, and

Whereas, said proceedings were had and orders made, and among others it was sought to condemn

for a well site the following described property, to-wit:

Beginning in the center of Barebone Creek, corner to property owned by Josephine G. Fix and others; thence with the center line of Barebone Creek to a point N 32 deg. 30' W 165' to a point in the centerline of Barebone Creek, directly beneath the center of the steel road bridge; thence with the centerline of the county road N 61 deg. 00' E $364_{*}3'$ to a point in the centerline of the county road; thence with the centerline of said county road S 20 deg 00' E 167.5' to a point in the centerline of said county road; thence S 61 deg. 00' W 330.7' to the beginning.

The above described tract of land is a portion of a tract now owned by Josephine G. Fix and others and recorded in Deed Book 36, page 335, of the Trimble County Court Clerk's Office.

and such proceedings were had in such cause that a judgment was rendered on Feb. 27, 1956 in substatute awarding to the defendant the sum of \$125.00 approving the right of the District to condemn, confirming the Commissioner's report and directing the District upon the payment to the Master Commissioner of the Trimble Circuit Court the amount of the award, and payment of the costs of the action directing the District to take possession of the land and to use and control it perpetually 1/

Wallace Wright, Clerk Trimble County Court. D. C. By :

Trimble County Board of Education

TO SER DEED

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Trimble County Water District No. 1

THIS DEED OF CONVEYANCE made and entered into this 1st day of September, 1955, by and between the Trimble County Board of Education of Trimble County, Kentucky, party of the first part, Trimble County, party of the second part, Lincoln Income Life Insurance Company, party of the third part, and the Trimble County Water District No. 1, party of the fourth part.

WITHESSETH: That for and in consideration of the sum of one dollar and other good and valuable considerations, the receipt of which is hereby acknowledged, which includes the mutual bene-(its to be derived from the establishment of a water system by the party of the fourth part for the citizens of Trimble County and the Board of Education of Trimble County which needs said water supply in the operation of its school buildings and school system located in the City of Bedford, Kentucky, the parties of the first and second parts do hereby sell, alien and convey unto the party of the fourth part, the Trimble County Water District No. 1, in fee simple, its successors and assigns forover, the following described real estate situated in the City of Bedford, Trimble County, Kentucky and more particularly described as follows: 1 1

Beginning at a point in the north edge of an eighty foot (801) U.S. Highway No. 42 right-of-way, said point being 301 at right angles to the edge of the concrete pavement; thence N. 55 deg. 30 min. E. 138.6 to a point in north edge of said right-of-way; thence N. 58 deg. 30' min E. 189.0' to a point in said right-of-way; said point being 30' and at right angles from the concrete pavement; thence S. 88 deg. 45'. W. 302.0' to a point; thence S. 70 deg. 30' E. 176.0' to the beginning.

DEED BOOK - 40 B. 95

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ACT. CRETSKCC 804







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Trimble County Water District No. 1

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Itemization of Costs & Expenditures for Operations and Maintenance Facility

TOTAL	Liter's, Inc.	Rueff Signs, inc.	Liter's, Inc.	Lowe's	Kinser & Kinser, Inc.	Best Choice, Inc.	Ohio Valley Asphalt	Integral Structures	Heartland Technologies	KV Flooring, Inc.	Hick's Painting Company	James Welding Service	Best Choice, Inc.	Kinser & Kinser, Inc.	Kinser & Kinser, Inc.	Integral Structures	Integral Structures	American Buildings	Heartland Technology	Integral Structures	PAYEE					
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\$379,189.26	\$509.76	\$1,164.92	\$823.02	\$3,552.45	\$4,049.86	\$860.00	\$28,590.00	\$34,471.30	\$4,473.62	\$6,274.00	\$2,800.00	\$16,300.00	\$4,586.00	\$4,000.00	\$4,133.00	\$9,487.00	\$6,905.00	\$16,697.80	\$3,150.00	\$2,168.75	\$39,359.86	\$67,639.00	\$43,143.29	\$4,473.63	\$69,577.00	AMOUNT
	Gravel for Pavement	Signage	Gravel for Pavement	Cabinets & Countertops	Plumbing	Electrical	Parking Lot Pavement	Construction	Data Communication Systems	Flooring	Painting	Painting	Painting	Painting	Painting	Painting	Staircase Construction	Electrical	Plumbing	Furnace	Building Construction	Building Construction	Building Construction	Data Communication System	Construction	MEMO

EXHIBIT "B"

ADVERTISEMENT TO BID TRIMBLE COUNTY WATER DISTRICT NO. 1 PRE-ENGINEERED STEEL BLDG CONTRACT: 1-05 TRIMBLE COUNTY WATER DISTRICT NO. 1

The Trimble County Water District No. 1 will receive sealed Bids for the Trimble County Water District No. 1 Pre-Engineered Steel Building, until <u>10:00 a.m., local time, May 11, 2005</u> at 610 Highway 421 North, Bedford, KY 40006 at which time the Bids will be publicly opened and read aloud.

The Work includes all regarding, site preparation, clearing, grade excavation, drainage construction, steel construction, concrete and masonry for a Pre-Engineered Steel Building, as shown on project plans.

Bids are to be addressed to the Trimble County Water District No.1, P.O. Box 63, Bedford, KY 40006 and shall be marked "Sealed Bid-Trimble County Water District No.1 Pre-Engineered Steel Bldg-Contract 1-05."

Bidding Documents may be obtained from the Issuing Office, which is Trimble County Water District No.1, 610 Highway, 421 North, Bedford, Kentucky 40006. A nonrefundable deposit of \$100.00 will be required (shipping and handling fees not included). Overnight mailing of Bidding Documents will not be provided.

Bidding Documents may be examined at the office of Trimble County Water District No.1, 610 Highway 421 North, Bedford, KY during the office hours of 8:30 a.m. to 4:30 p.m. Monday through Friday.

Bidders who submit a bid must be Plan Holder of record at the issuing office. Bids from bidders who are not on the Plan Holders List will be returned as not being responsive.

Plan holders are requested to designate whether they are a prime contractor, subcontractor or supplier.

Contractors will be required to comply with all laws, including those relating to the employment of labor. Bidder shall require all subcontractors (if any) to conform to said laws, and any rules or regulations now and thereafter issued pursuant to said laws by Bidder, their subcontractors, and/or anyone working through or on behalf of Bidder or Bidder's subcontractors.

A wage rate determination is not required.

The OWNER reserves the right to reject any or all Bids, to waive any technicality, and to accept any Bid which it deems advantageous. All Bids shall remain subject to acceptance for 45 days after the time set for receiving Bids.

Contract award shall be made based on the lowest most qualified Bidder.

Prospective Bidders are required to complete and submit a pre-qualification questionnaire with supporting documents to OWNER (see instructions to Bidders). Pre-qualification forms will be provided with Bidding Document sets. Complete forms are to be submitted with Bid.

All Bidders must comply with all Federal, State, and City Equal Employment Opportunity laws and regulations, which prohibit discrimination in employment regarding race, creed, color, sex or national origin.

The Trimble County Water District No.1 project manager is Thomas McBride and can be contacted at Trimble County Water District No.1, 610 Highway 421 North, Bedford, Kentucky 40006, Telephone (502) 255-7554 regarding the project.

Published by the authority of the Trimble County Water District No.1,

Gary L. Wentworth, Chairman Trimble County Water District No.1

EXHIBIT "C"

Trimble County Water District #1 June 14th, 2005

Name	Address	Organization	Phone #	
Darra Smarth	Po Box 63	TCWD	255-7554	
WrayNe LONg	6605 Amigo Ct Lou. Ky			500-5027
NAVE Skaphard	127 MONTGOMBERY	KINSEREKINSP		
JOE SIMPSON	127 MONTGOMERY P.O. BOX 285 Chage Ange Ky 40031 TCWD	Rinsed & Kinser	649-0418 EEL	: F
Tom meBride	TEWD	TEWO		
Tom ENGRY	1372 Allen Lov, 40248	Internel	2-15-7828	
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TO: Integral Structures, Inc. 13720 Aiken Road Louisville, Kentucky 40245

PROJECT Description: The project includes but is not limited to, the construction of:

Contract No. 1-05 - Pre-Engineered Steel Building

The OWNER has considered the BID submitted by you for the above described WORK in response to its Advertisement for Bids received <u>May 11, 2005</u>, and Instructions for Bidders.

You are required by the Instructions for Bidders to execute the Agreement and furnish the required CONTRACTOR'S Performance BOND, and certificates of insurance within <u>ten</u> (10) calendar days from the date of this Notice to you.

If you fail to execute said Agreement and to furnish said BONDS within ten (10) days from the date of this Notice, said OWNER will be entitled to consider all your rights arising out of the OWNER'S acceptance of your BID as abandoned. The OWNER will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of the NOTICE OF AWARD to the OWNER.

Dated this 3nd day of June, 2005.

Trimble County Water District No. 1

Owner Julentatore By: Gary Wentworth

Title:

Chairman

Tintex

Page 1 of 1

NOTICE TO PROCEED

TO: <u>Integral Structures</u>, Inc. (Contractor) DATE: June , 2005

ADDRESS: 13720 Aiken Road Louisville, Kentucky 40245

OWNER'S PROJECT NO:	Contract No. 1-05
PROJECT: Pre-Eng	ineered Steel Building
OWNER'S CONTRACT NO:	1–05

You are hereby notified to commence WORK in accordance with the Agreement dated $\underline{June_{2^{ac'}}}, 2005$ on or before $\underline{June_{2^{ac'}}}, 2005$, and you are to complete the WORK within <u>120</u> consecutive calendar days thereafter. The date of completion of all WORK is therefore September 29, 2005.

Title: <u>Chairman</u>

ACCEPTANCE OF NOTICE

Receipt of the above NOTICE TO PROCEED is hereby acknowledged by

Integral Structures, Inc.

This the g^A day of <u>June</u>, 2005. By: <u>A</u>

Title: Thomas Eckert, President

AGREEMENT

THIS AGREEMENT, made this the <u>June</u> day of <u>June</u>, 2005 By and between Trimble County Water District No. 1, hereinafter called "OWNER", and <u>Integral Structures</u>, <u>Inc</u>. doing business (as <u>any individually a partness hig</u>, or a corporation) hereinafter called "CONTRACTOR."

WITNESSETH: That for and in consideration of the payments and agreements hereinafter mentioned:

- The CONTRACTOR will commence and complete the construction of: Contract No. 1-05 Pre-Engineered Steel Building.
- 2. The CONTRACTOR will furnish all the material, supplies, tools, equipment, labor, and other services necessary for the construction and completion of the Project Work described herein.
- 3. The CONTRACTOR will commence the Work required by the CONTRACT DOCUMENTS within 10 calendar days after the date of the NOTICE TO PROCEED and will complete the same within <u>120</u> calendar days unless the period for completion is extended otherwise by the CONTRACT DOCUMENTS. If the Work is not completed within the <u>120</u> calendar days specified, Liquidated Damages will be deducted from the compensation otherwise due him at the rate <u>\$100.00</u> per calendar day that the Work remains uncompleted.
- 4. The CONTRACTOR agrees to perform all the Work described in the CONTRACT DOCUMENTS and to comply with the terms therein for the sum of \$246,340.00*as shown in the Bid Schedule.
- 5. The term "CONTRACT DOCUMENTS" means and includes the following:
 - A. Advertisement for Bids
 - B. Instructions to Bidders
 - C. Bid Form with Certifications
 - D. Agreement
 - E. Special Conditions
 - F. General Conditions

- G. RUS Supplemental Conditions
- H. Performance Bond with Power of Attorney
- I. Notice of Award
- J. Notice to Proceed
- K. Change Order
- L. Certificate of Substantial Completion
- M. All Conditions and Technical SPECIFICATIONS prepared or issued by Trimble County Water District No.1 dated <u>May 18th</u>, 2005 or as amended.
- N. DRAWINGS prepared by Trimble County Water District No.1 consisting of _______ sheets for a Pre-Engineered Steel Building and dated <u>May 18^{+k}</u>, 2005 for Trimble County Water District No.1 Contract No. 1-05 Pre-Engineered Steel Building.
- The OWNER will pay the CONTRACTOR in the manner and at such times as set forth in the General Conditions such amounts as required by the CONTRACT DOCUMENTS.
- 7. This Agreement shall be binding upon all parties hereto and their respective heirs, executors, administrators, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have executed or caused to be executed by their duly authorized officials, this Agreement in $\underline{two}(2)$ copies each of which shall be deemed an original on the date first above written.

(SEAL)

OWNER: Trimble County Water District No. 1 BY: Day I Wentwood

ATTEST: Jama la Shritzh

NAME: <u>Darra J. Smith</u> (PLEASE TYPE) TITLE: <u>Manager</u> NAME: <u>Gary Wentworth</u> (PLEASE TYPE) TITLE: <u>Chairperson</u>

ADDRESS: <u>P.O. Box 63</u> Bedford, Kentucky 40006

PHON	NE:502-255-7554
FAX:	502-255-7559

CONTRACTOR: Integral Structures, Inc. ВҮ:_____

(SEAL)

ATTES Τ: in ser

NAME: Jim Granaca 485 ADDRESS: 13720 Aiken Road (PLEASE TYPE) ADDRESS: 13720 Aiken Road Louisville, Kentucky 40245 Development Mgr TITLE: Business

NAME:	Thomas Eckert
	(PLEASE TYPE)
TITLE:	President.

PHONE:	502-245-7828	
FAX:	502-245-7880	

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AMERICAN BUILDINGS COMPANY

PURCHASE ORDER	FOR BU	UILDING	PRODUCTS	BUILDING	PART	- 1		Page	1
JOB: 12		DA	TE RUN: C	6/15/2005		TIME	RUN:	09:30:	11

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	ABC USE ONLY!
This is an official purchase order document to American	Job :
Buildings Company for order processing. Please sign	Rec'd:
the authorization page of this document. Retain a copy	Proc :
of all pages of this order document for your records.	Wt :
Note, this purchase order is not binding until acceptance	Delv :
is confirmed in writing by American Buildings Company.	C.A. :
This Purchase Order is subject to the Terms and	Terms:
Conditions of Sale included in this Order.	D.M. :

Date of Order: 6/10/05 Builder P.O. No.: 05-31 File No.:

This Order Is Placed For: [X] PRODUCTION
[] PLANS FOR CUSTOMER APPROVAL
[] FAST TRACK
Order prepared by jim giapagekag

Order prepared by: jim gianacakes

Requested Delivery Date: 5/10/2005

PURCHASER INFORMATION

	ABC Builder Number	:	293-	Customer	Number:	2505			
	Company Name	:	Trimble Cour	nty Water	Dis				
	Address (Street)	:	610 Hwy 421	L					
		:							
	City	:	Bedford		State:	ΚY	Zip:	40006	
	Phone	:	(502)245 - 782	28					
·	Primary Contact	:	<u>Jim Gianaca</u>	akes				. <u></u>	

END CUSTOMER INFORMATION

Owner Name	: Trimble County Water District
Occupant	: Trimble Co. Water District
Address	: 610 Highway 421 North
	: Bedford
City	: Bedford State: KY Zip: 40006
Building Use, Main	: Community Sub: Government
Site Location	: State: KY County: Trimble

SHIPPING INFORMATION

[]	MAGNATRAN TRANSPORTATION CO CARRIER BY CUSTOMER CUSTOMER PICK UP	•
Ship To		
Address	: 704 Highway 42 W	
	:	
City Shipping Contac	: Bedford t : Jim Gianacakes	State: KY Zip: 40006
Phone	: Day (502)245-7828	Night (502)245-7828

DIRECT SHIP/BACKORDER SHIPPING INFORMATION

Ship to Address	: Integral Structures : 12720 Aiken Rd		
City Shipping Contact	: Louisville : Jim Gianacakes	State: KY	Zip: 40245
Phone	: (502)245-7828		

PURCHASE	ORDER	FOR	BUILDING	PRODUCTS	BUILDING	PART	- 1		Page	2
JOB: 12			DA	ATE RUN:	06/15/2005		TIME	RUN:	09:30	:11

FINANCIAL INFORMATION

LEGAL DESCRIPTION OF JOBSITE: See Ship To Address

GENERAL CONTRACTOR: PURCH NAME: Integral Structures, Inc Cust#: 05-31 MAILING ADDRESS: 13720 Aiken Rd

CITY: Louisville STATE: KY ZIP: 40245 PHONE: (502)245-7828 FAX: (502)245-7828

PURCHASE ORDER	FOR	BUILDING	PRODUCTS	BUILDING	PART	- 1		Page	3
JOB: 12		DA	TE RUN:	06/15/2005		TIME	RUN:	09:30:	11

TERMS AND CONDITIONS OF SALE

- All provisions of any presently effective Builder Agreement by and between the Purchaser and AMERICAN BUILDINGS COMPANY (AMERICAN") are, by this reference, incorporated in this Purchase Order as fully as if they were stated herein, and said provisions will become and be a part of the contract of purchase and sale when this order is accepted by AMERICAN.
- 2. "The Common Industry Practices" as published in the Low Rise Building Systems Manual, Current edition, published by the Metal Building Manufacturers Association, as amended and modified from time to time, are hereby incorporated into the terms of this agreement by reference and the Purchaser shall comply in all respects with such "Common Industry Practices" unless the terms thereof conflict with the express terms of this Purchase Order, in which event the terms expressly set forth herein shall prevail. Further, conditions of the "Policy Manual" as published by American Buildings Company, current edition, as amended and modified from time to time, are hereby incorporated into the terms of this agreement by reference and the Purchaser shall comply in all respects with such conditions unless the terms thereof conflict with the express terms of this Purchase Order, in which event the terms expressly set forth herein shall prevail. This contract constitutes the entire agreement of the parties and no terms or conditions provided in Purchaser's purchase orders or otherwise shall be valid or binding unless specifically approved in writing by AMERICAN.
- 3. Unless otherwise specified, taxes are not included in the sales price unless specifically shown therein. All prices are subject to increase, without notification, by the amount of any federal, state or local taxes, and any use or excise tax assessed as a result of this transaction.
- AMERICAN will not pay for any claims or accept any back-charges 4. from the Purchaser related to correction of errors and repairs unless the following procedure is followed: (1) Purchaser, prior to any correction or repair, must provide AMERICAN with a written or verbal report (for which AMERICAN issued an authorization number) describing the problem. (2) Purchaser must provide AMERICAN with sufficient information to allow AMERICAN to evaluate the problem, and if appropriate, determine the estimated amount of man-hours needed, the materials required, and the direct cost to correct the problem. (3) If AMERICAN determines that correction is necessary, AMERICAN will authorize the corrective process by issuing the Purchaser an authorization number and sending an Authorization Form. After receiving the authorization number, the Purchaser can begin to make the corrections. AMERICAN WILL NOT BE LIABLE FOR ANY CLAIMS OR BACK-CHARGES PERFORMED WITHOUT AMERICAN'S

PURCHASE ORDER FOR BUILDING PRODUCTS BUILDING PART - 1 Page 4							
	PURCHASE ORD	ER FOR BUII	LDING PRODUCTS	5 BUILDING PA	RT - 1	Page 4	
JOB: 12 DATE RUN: 06/15/2005 TIME RUN: 09:30:11	JOB: 12		DATE RUN:	06/15/2005	TIME	RUN: 09:30:11	

AUTHORIZATION.

- 5. Terms of Payment are to be as stipulated by AMERICAN. Prices in effect at time of shipment will apply. Purchaser acknowledges that steel prices are volatile and subject to increases without notice or on very short notice. All prices in any estimate, quotation or this purchase order may be increased by American until date of shipment by the amount of any additional cost or expense incurred by American Buildings Company in procuring materials for the products purchased pursuant to this Purchase Such Price increases shall be implemented by change order Order. issued by American, which shall be binding on Purchaser. Past due accounts will be subject to an interest charge of one and one-half percent (11%) against the outstanding balance monthly. To the extent that a state law regarding the interest rate is applicable, the maximum rate will be determined by those statutes. In addition, the Purchaser agrees to pay AMERICAN'S costs of collection and reasonable attorneys' fees in the event collection is pursued.
- 6. AMERICAN warrants its products sold pursuant to this Agreement only to the Purchaser against defects in material and defects in fabrication of the building components for a period of one (1) year from date of delivery to Purchaser, unless at the time of installation the defect should have been apparent from a visual inspection. Damage, defects or failures due to faulty or improper erection by Purchaser or others is not covered by this Warranty. This Warranty is further conditioned and limited by the following: (i) The building must be erected promptly after shipment to (ii) Damages from outside sources, misuse and abuse, Purchaser. lack of proper maintenance (including removal of excessive loads such as snow and ice), unauthorized modification or alteration to the building components as designed and specified, addition of unspecified collateral loads, damages caused by negligence of others, or natural storms or disasters imposing loads beyond specified design llllloads, and normal wear and tear are excluded from this Warranty. The liability of AMERICAN pursuant to this Warranty is limited to furnishing necessary replacement materials F.O.B. plant, but does not include dismantling and installing such materials. This Warranty does not cover products, inventory, accessories, parts, or attachments or other property which are not manufactured or sold by AMERICAN, except to the extent of an replacements which are obtained pursuant to any warranty provided to AMERICAN by an original manufacturer. This Warranty applies to the AMERICAN materials at the time of delivery, and does not extend or create any warranty of future performance of the materials. This Warranty is non-assignable and non-transferable.
- 7. THE EXPRESS WARRANTY SET FORTH ABOVE IS SUBJECT TO THE CONDITIONS AND LIMITATIONS SPECIFIED, AND THIS AGREEMENT EXCLUDES ALL OTHER

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WARRANTIES, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, BUT NOT LIMITED TO, WARRANTY OF MERCHANTABILITY OR WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE.

- 8. Purchaser may purchase certain optional warranties for the benefit of the Owner as may then be available and applicable to the AMERICAN building system or products purchased hereunder in accordance with the terms and provisions of the AMERICAN Warranty Policy as regularly published and available for inspection on AMERICAN'S internet web site, which may be modified from time to time, and is in effect at the time of this agreement, the provisions of which are incorporated hereunder by reference (the "Warranty Policy"). Purchaser assumes and will fully perform all obligations of the Builder as set forth in the Warranty Policy with respect to the performance of warranty services and obligations.
- 9. AMERICAN SHALL NOT IN ANY EVENT BE LIABLE TO PURCHASER, OR ANY OTHER PARTY, FOR INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES OF ANY TYPE, including, but not limited to, loss of profits, loss of rents, loss or expense arising from any building or plant closing, increased operating expense, increased insurance or maintenance expense, business interruption, damage or loss to inventory or any other property, or any other type of consequential, incidental, or special loss or damage whatsoever, whether claims for such damages or losses shall be based upon contract, warranty, tort, negligence, strict liability, or for any other cause of action. This limitation of liability of AMERICAN shall include, but is not limited to, consequential, incidental and special damages or loss of profits arising from or caused directly or indirectly by fire, strike, act of God, war, insurrection, acts of government, damage or delay of materials, floods, storms, inability to obtain materials, or other acts or circumstances beyond the control of AMERICAN, as well as any breach of warranty or breach of any obligation of AMERICAN hereunder, or any other act or omission of AMERICAN.
- 10. Purchaser covenants and agrees that upon delivery of the AMERICAN products sold pursuant to this agreement, Purchaser shall procure, maintain and keep in force, property, ccccasualty, liability, and builders risk, and other property insurance to protect the products and building system from all insurable casualty losses, and to the full extent that such insurance is available, waives any and all rights of subrogation, including without limitation, legal, equitable and contractual claims, against AMERICAN for losses covered by such insurance, whether based upon any cause of action, including, but not limited to, tort, contract, warranty or strict liability.
- 11. Purchaser acknowledges its responsibility to determine the

PURCHASE ORDER	FOR BUILDING	PRODUCTS	BUILDING	PART	- 1		Page 6	
JOB: 12	D	<u>ATE RUN: 06/1</u>	5/2005		TIME	RUN:	09:30:11	

intended use of the building in which the products purchased from AMERICAN will be incorporated, and to determine and specify all loads for the buildings, including, but not limited to, live load, wind load, snow load, collateral, mechanical or auxiliary loads, seismic data, importance and exposure factors, and all requirements for compliance with applicable building codes, statutory and regulatory requirements pertaining to such building. Purchaser warrants and agrees that, notwithstanding any information provided by any representatives of AMERICAN in the course of obtaining quotations, preparing purchase order information or otherwise, all loads, exposure factors, codes and other specifications set forth in this purchase oorder have been specified correctly, determined in consultation with an appropriate design professional or local governmental administrator, and otherwise fully satisfy local governmental and regulatory requirements for the building, as well as fulfill any special use requirements or specifications of Purchaser's customer. Furthermore, Purchaser acknowledges that AMERICAN is not the engineer or architect of record for the project.

- 12. Purchaser acknowledges that the metal building system must be erected in accordance with AMERICAN'S erection drawings, erection details, erection manuals and any applicable erection specifications, and that AMERICAN does not undertake any responsibility for erection or supervision of erection, or inspection of erection of the metal building system. Field connections, structural connections, bracing to structural systems or components provided by others, or structural systems or ccomponents provided by others are not the responsibility of AMERICAN and require design by the Owner's or Purchaser's design AMERICAN and require design by the owner b of ratemater b debign professional. Purchaser agrees to indemnify, defend and hold AMERICAN harmless from all claims for damages, losses or expenses, including attorney's fees and the costs of any litigation, including without limitation claims for personal injuries or property damage resulting from (i) noncompliance with erection plans and specifications; (ii) negligent or faulty erection of the Products by Purchaser or its subcontractors, successors or assigns; (iii) inadequate structural systems, connections, or bracing provided by others; or (iv) any breach of any of Purchaser's obligation under this Agreement.
- 13. AMERICAN shall not be responsible for the loss or damage to materials after delivery to job site. AMERICAN shall not be liable for any shortage of material unless noted on delivery receipt or reported pursuant to a timely report of material shortage.
- 14. If, at Purchaser's request, AMERICAN delays the shipment of materials after commencement of fabrication, then AMERICAN shall invoice Purchaser for the full amount of the contract price of

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	PURCHACE	OBDEB	FOR	BUILDING	DRODUCTO	5 BUILDING	חיים גם	- 1		Dago	7
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materials, which invoice shall be paid by Purchaser in accordance with the terms of payment provided herein. Purchaser will reimburse AMERICAN for the cost of storing such materials and will assume liability for any damage to the materials caused by deterioration including, but not limited to, the cost of repainting. AMERICAN reserves the right to substitute material equal to or superior to that ordered hereby.

- 15. Purchaser may cancel this agreement by giving written notice to AMERICAN. In the event of such cancellation, Purchaser agrees to pay AMERICAN for the actual costs and damages incurred by AMERICAN, as provided for by the Uniform Commercial Code, which include, but are not limited to lost profits and incidental damages in preparing to perform the terms of this contract and AMERICAN'S expenses of order processing, engineering, detailing, purchase of material and fabrication.
- 16. This agreement shall bind and benefit only AMERICAN and the Purchaser, shall not benefit any other persons, firms, corporations or entities ("Third Parties"), and shall not be deemed to create any rights in favor of any Owner or Third Parties, whether or not referred to in this agreement or any notes or attachments hereto. If any provision of this aagreement is found to be invalid or unenforceable under existing law, such provision shall be severable and the remaining provisions of this aagreement shall remain in full force and effect. This agreement shall be governed by the law of Alabama which shall determine the construction, interpretation aand effect of this agreement.

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PURCHASE	ORDER	FOR	BUTTDING	DRODITOTIC	S BUILDING	DNDM	. 1		Dago 0	
roncimpi		T. OIV	DOTIDUTING	LUCDOCIC	DOTIDING	PARI	- I		Page 8	
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*DESIGN DATA

Building Code: 2002 Kentucky Building Code * Classification of Building I. Buildings and other structures except those listed in categories II, III, and IV * Exposure (Terrain) Category C. Open terrain with scattered obstructions * Uniform Roof Live Load Not To Be Less Than 20 psf * Uniform Roof Snow Load Not To Be Less Than Value As Computed In Compliance With Selected Code psf * Roof Exposure Condition Partially Exposed: All roofs except as indicated below * Thermal Condition All structures except those listed below * Ground Snow Load 20.0 psf * Basic Wind Speed (3-second gust) 90.0 mph * Open Condition Enclosed * 0.2 Sec Short Period Spectral Response Acceleration S(s) 20.4 %g * 1.0 Sec Spectral Response Acceleration S(1) 10.1 %g * Site Classification D. Stiff soil profile * Uniform Collateral Load - Roof Members 5.00 psf * Collateral Load Category Roof members not supporting ceiling but supporting sprinklers, lighting, or other material * Uniform Collateral Load - Frames Only 0.00 psf

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PURCHASE OR	NDER FOR	BUILDING	PRODUCTS	BUILDING	PART	- 1		Page 9
								rage 2
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*GENERAL BUILDING DESCRIPTION

*Building Type	:	Gabled
*Width	:	41'4" 0/16
*Length	:	84'0" 0/16
*Ridge Location	:	20'8" 0/16
*Nominal Front Eav	e:	21'6" 0/16
*Nominal Rear Eave	:	21'6" 0/16
*Front Slope	:	1" 0/16
*Rear Slope	:	1" 0/16
*Front Clear Hght	:	18'11" 0/16
*Rear Clear Hght	:	18'11" 0/16

*Bay Spacings

 NO	<u>FT</u>	INCH	(?/16)	
1	21	0	0	
1	21	0	0	
1	21	0	0	Í
1	21	0	0	ĺ

*<u>Girt Types</u>

	ewall: Bypas	
Rear Sidev	wall : Bypas	SS
Left Endwa		SS
Right Endv	wall : Bypas	SS

*ENDWALL

Left Endwall

Type: 4			
Col. Spacing:		[] Std	[X] Non Std
<u> No </u>		In	(?/16)
1 20		8	0
1 20		8	0
Free Standin	g:	N	
Cold Form	:	N	
Expandable	:	Y	
Cold Form	:	Ν	0

Right Endwall

on Std
16)
0
0

PURCHASE ORDER	FOR BUILDING PRODUCTS BUILDING PART	- 1	Page 10
JOB: 12	DATE RUN: 06/15/2005	TIME RUN:	09:30:11

*RIGID FRAMES

FRAME LN: STYLE: SHAPE:	Rigid Fr	ame	2,3,4 Rigić <u>Taper</u>	l Frame	REW Rigid Frame Tapered			
	Qty-Span	Width	l <u>Qty-</u>	Span Width	Qty-S	pan Width		
	1 0 0 0 0 0 0 0 0 0 0 0	41.33 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00 0.00	1 0 0 0 0 0 0 0 0 0 0	$\begin{array}{c c} 41.33 \\ 0.00 \\$	1 0 0 0 0 0 0 0 0 0 0	$\begin{array}{c c} 41.33 \\ 0.00 \\$		

Framing Primer Color: Red

*ROOF COVERING

Finish Grade	: : : :	NONE MTL20 NONE	Structura Stitch Standing		:	#14		SDRF SDRF	

*RAKE FLASHING

Left End	.: Universal Rake Right End	: Universal Rake
Trim Color	: REBU Trim Color	: REBU

*WALL COVERING

 PANEL												BASE				
 WALL	ST	ТО	END	TYPE	FIN	COLOR	WTY	F	'AS'I	ENER	CORN	TYPE	COLOR			
ALL	0		0	HFP16	P70E	WMWH	MTL20	#12 X	: 1	SDYC	WMWH	BA	DKBZ			

PURCHASE ORD	ER FOR BUILDING	PRODUCTS	BUILDING	PART -	1		Page 11
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*INSULATION

Insulation By Others

Insulation Type	:	BL
Insulation Thickness	:	4
Thermal Blocks	:	Ν
Bearing Plates	:	Ν

*SECONDARY MATERIAL

Primer Color: Red

* OPEN WALL AREAS

	Sta	rt		En	.d.			Ope	en Ar	ea		F/S			
Wall	Poi	nt	То	Poi	nt	Hgt	Gab	F	leigh	t	For	#/SF	Column	Base	
	-Ft-	In-		-Ft-	In			Ft-	In-	-16					
REW	0	0		41	4	Р	Ν	11	4	0	МО	80	Y	BT	
FSW	53	4		84	0	Р	N	11	4	0	МО	80	Y	BT	
RSW	0	0		30	8	Р	N	11	4	0	ΜO	80	Y	BT	

*ACCESSORIES

*WALL ACCESSORIES

Frame	Framed Openings												
		S		Locat	ion	Widt	h	Heig	ht	Sill	Ht	Tr	im
Wall	Туре	L	Qty	Ft	In	Ft	In	Ft	In	Ft	In	Frm	Liner
		-											
FSW	4	Y	1	8	0	8	0	4	0	14	4	Y	N
FSW	4	Y	1	26	8	8	0	4	0	14	4	Y	N
FSW	4	Y	1	56	0	4	0	4	0	14	4	Y	N
FSW	4	Y	1	65	4	4	0	4	0	14	4	Y	N
FSW	4	Y	1	76	0	4	0	4	0	14	4	Y	N
REW	4	Y	1	2	8	4	0	4	0	14	4	Y	N
REW	4	Y	1	14	8	4	0	4	0	14	4	Y	\mathbf{N}
REW	4	Y	1	25	4	4	0	4	0	14	4	Y	N
LEW	4	Y	1	8	0	8	0	4	0	14	4	Y	N
LEW	4	Y	1	25	4	8	0	4	0	14	4	Y	N
REW	4	Y	1	34	8	4	0	4	0	14	4	Y	N
RSW	4	Y	1	4	0	4	0	4	0	14	4	Y	N
RSW	4	Y	1	12	0	4	0	4	0	14	4	Y	N
RSW	4	Y	1	22	8	4	0	4	0	14	4	Y	N
RSW	0	Y	1	32	0	4	0	7	2	0	0	Y	N
RSW	0	Y	1	46	8	12	0	16	0	0	0	Y	N
RSW	0	Y	1	68	0	12	0	16	0	0	0	Y	N
LEW	0	Y	1	29	4	4	0	7	2	0	0	Y	Ν

DURCHASE OPDER	FOR BUILDING PRODUCTS BUILDING	PART - 1	Page 12
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*ACCESSORIES (Continued)

*ROOF ACCESSORIES

Eave Opt	ions				
Locat	Туре	Ice/Snow	Qty	Trim Clr	Dsps Clr
FSW	STGU	NIS	84	REBU	REBU
RSW	STGU	NIS	84	REBU	REBU

*BRACING RESTRICTIONS

	SER SPECIFI START FL	ED BRACIN END FL	G RESTRICTIONS RESTRICTION	AS	FOLLOWS:
FSW RSW FSW RSW RSW	1 2 3 5 2 3	2 1 5 3 3 2	NXP NXP NXP NYP NPB NPB		
BRACING	LOCATIONS	AS DESIGN	ED		

WALL	BAY	TYPE BRACING
FSW	2	PF-INST
RSW	2	PF-INST

PURCHASE ORDER	FOR	BUILDING	PRODUCTS	BUILDING	PART -	- 1	Page 13
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Special Notes

Send all paperwork to Integral Structures office not customer address.Right EW RSW. Adjust column setback on REW to accommondate 12" block.

All jamb, head, sill flash to be Regal Blue.

PURCHASE ORDER FO	BUILDING PRODUCTS BUILDING PART	- 1	Page 14
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* DRAWING & DOCUMENTATION ORDER

2. 3. 5. 7. 9.	Letter of Certification (w/seal) Advanced Anchor Bolt Drawings Advanced Anchor Bolt Drawings (w/seal) Design Calculations (w/seal) Plans For Permit (w/seal) Plans For Customer Approval (Cat. I) Plans For Customer Approval (Cat. I w/seal) Plans For Customer Approval (Cat. II) Plans For Customer Approval (Cat. II)	:	N O Sets 1 Sets 1 Sets 1 Sets 0 Sets 0 Sets 0 Sets 0 Sets 0 Sets	
8.	Plans For Customer Approval (Cat. II)	:	0 Sets	
		-		
		:		
10.	Final Erection Drawings	:	3 Sets	
	Final Erection Drawings (w/seal)	:	0 Sets	
12.	Erection Manual Guide	:	0 Sets	
13.	Full Sized Drawings	:	0 Sets	
<u>14.</u>	Overnight Delivery of Documentation	:	N	

PURCHASE ORDER FOR BUILDING PRODU JOB: 12 DATE RU		BUILDING PA	ART		Page 15 RUN: 09:30:11
COST SUMMARY					
Book FAB Sales Adjustments Authorization	\$ \$ Gr	43492.84 - -2951.00 Teg DeWit	++	Pounds	# 31505.4
Supplemental Sales Buy-Outs Drawings/Documentation Warranties	\$	641.46 0.00 141.46 500.00	+ + + +	Pounds Pounds	
Net Sales FOB Plant	\$	41183.29		Pounds	# 31505.4
Freight 2 Loads 350 Miles Total Freight Charge	\$ \$	11.96 /SF 1960.00 1960.00			9.15 /SF
State Tax (0.00) Local Tax (0.00) Local Tax (0.00)	い· い· い·	0.00 0.00 0.00		P15V4.0 C01W C02W C03W C05W C06W C07W C08W C09M SQFB SQFW SQFR FZMP XOMD X0LQ X0BQ	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$
Total Price (USA)	\$	43143.29		M04L EEEEE	338.58 <u>E 18.0</u>

Due to volatile steel prices that are subject to frequent increases without notice or on very short notice, your price may escalate should you encounter unforeseen project delays. We suggest you consider inclusion of an escalation or escape clause in agreements with your customers.

Our quoted price is guaranteed for Purchase Orders received within 30 calendar days and delivery occurring up to 12 weeks from the quote date. Should your project require a fixed 'guaranteed' price extending beyond these time frames please contact your Regional Sales Manager.

If you require PFA's, a progress billing equal to 10% of FOB plant price will be issued and due upon submittal of PFA's by ABC.

The Purchaser hereby submits this purchase order to American Buildings Company. The purchaser has reviewed the contents and accepts responsibility for its accuracy and agrees to the terms and conditions of sale as noted. It is understood that this order is not binding until acceptance is confirmed in writing by American Buildings Company.

~	PURCHASER'S AUTHORIZED SIGNATURE: Darra & Smith
	TITLE: District Manager DATE: 6/15/05

MASTER NOTE

\$350,000.00

July <u>27</u>, 2005 Bedford, Kentucky

On or before July <u>22</u>, 2006, the Undersigned promises to pay to FARMERS BANK OF MILTON, Milton, Kentucky, (hereinafter called the "Bank"), or its order, at its banking office, the sum of up to THREE HUNDRED FIFTY THOUSAND DOLLARS (350,000.00), in lawful money of the United States, or the aggregate unpaid principal amount of any loans or advances made to the Undersigned, not in excess of THREE HUNDRED FIFTY THOUSAND DOLLARS (350,000.00).

This note shall bear interest from date until paid at the rate of Four and One Half Percent (4.5%)per annum. All interest on this note shall be computes on the basis if actual days elapsed over an assumed year of 365 days.

Any unpaid interest accrued in the outstanding principal balance hereof shall be paid at maturity. Any balance of principal and interest which remains unpaid after maturity shall bear interest at the same rate of this note and shall be due and payable on demand.

This is an open end line of credit note and upon request of the Chairperson and the Treasurer in Writing, the Bank, at its sole discretion, may make advances of principle to TRIMBLE COUNTY WATER DISTRICT, the aggregate of which advances shall not at anytime, and from time principle amount of the Note. This Note may be paid in whole or in part at any time, and from time to time without premium or penalty.

This note shall be and become immediately due and payable at the option if the holder upon maturity, without demand or notice, or upon the occurrence of any event of default hereunder, without demand or notice.

Trimble County Water District acknowledges and agrees that all advances of principle under the terms of this agreement shall be utilized for the construction of its new facilities in Trimble County, Kentucky. This Note is a construction of its new facilities in Trimble County, Kentucky. This note is a construction loan which shall be paid in full on or before the due date, and then permanent financing, the undersigned shall provide as collateral a real estate mortgage granting the Bank a first mortgage lien on the real estate which the Trimble County Water District owns where the construction has taken place in Trimble County, Kentucky.

Any property held by the Bank as collateral may at anytime be released by the Bank or substituted with other collateral acceptable to the Bank, without prejudice to the rights if the Bank against any party to this note.

EXHIBIT "D"

#-520-103-9

At the holder's option, this Note may become immediately due and payable for the entire unpaid principal plus accrued interest without notice upon the occurrence if any of the following events.

- Any default in the payment of this Note on the terms and conditions thereof, the terms or conditions of any security agreement, other notes other obligations, other instruments, other agreements heretofore, concurrently or hereafter given to or held by the holder hereof;
- (2) If the holder hereof deems itself insecure; or
- (3) If there is such a change in the condition if affairs, financial or otherwise if any maker, co-maker, endorser, surety, or guarantor that in the holder's opinion increases the tisk if this loan.

In the event if default, the undersigned shall pay all of the Bank's expenses incurred in collection this dept, including but not limited to, its attorneys fees and courts costs.

TRIMBLE COUNTY WATER DISTRICT NO.1

any the enteror Chairperson BY:

Attest:

Pursuant to corporate resolution Dated June <u>29</u>, 2005

Sccretary



KENTUCKY INFRASTRUCTURE AUTHORITY

Ernie Fletcher

Governor

Capital Center Complex 1024 Capital Center Drive, Suite 340 Frankfort, Kentucky 40601 (502) 573-0260 (502) 573-0157 kia.ky.gov Jody E. Hughes Executive Director

May 18, 2005

Ms. Darra Smith, Water Manager Trimble County Water District P.O. Box 63 Bedford, KY 40006

RE: Trimble County Water District - Water System Improvement Project Grant Award in the amount of \$80,000

Dear Ms. Smith:

Congratulations on the grant you received from Governor Ernie Fletcher and the General Assembly of the Commonwealth of Kentucky awarded during the 2005 Legislative Session. You are strongly encouraged to view these funds as "seed" money and to match these dollars with other funding sources in order to realize the maximum benefit from your grant award. The Kentucky Infrastructure Authority (KIA) is pleased to have been designated as the agency for administration of these infrastructure project grants. In an effort to ensure that your community receives the level of support it deserves, language was included in the 2005 Budget of the Commonwealth to provide 0.5% of each grant as an administrative fee to KIA.

To make this a successful grant process, KIA wants to update you on some important timing issues with respect to funding and administration.

First, your grant funds will be available some time after August 1, 2005. We are working with the State Budget Director's Office to determine the precise date of availability. When the grant funds become available, you must have a fully executed grant assistance agreement and your project must meet all grant requirements and be reviewed by the Capital Projects and Bond Oversight Committee before funds can be released. Primary requirements are discussed in the next paragraph. Detailed requirements will be provided to your Project Administrator. Special consideration will be given to projects needing attention prior to August 1, 2005.

Second, if your project is ready to go, do not stop progress if you have interim funding available. Your grant funds will still be available even if you have started your project. However, the expenditure of all project funds must comply with appropriate procurement process and the project must conform to the budget and grant requirements, be approved by the Area Water Management Council and endorsed by the Kentucky e-Clearinghouse. We will work with your designated project administrator to make sure all \leq conditions necessary for reimbursement are satisfied.



KentuckyUnbridledSpirit.com

An Equal Opportunity Employer M/F/D

EXHIBIT "E"

Third, we need your help. KIA needs to know:

- A. Your designee for Project Administrator to work with KIA and be responsible for completion of all of the grant documentation and requirements. Your Project Administrator will be responsible for coordinating proper procurement of all necessary contracts and for completing all requirements of the grant. Please be assured that you will be copied on all essential correspondence and consulted on all decisions regarding your grant. Exhibit 1.
- **B.** Your project's WX or SX number. Having this project identifying number will assure that you have coordinated with your Area Water Management Council and your project meets the budget requirements. If your grant award is not yet linked to a project profile with a WX or SX number, it is critical that you contact your Area Water Management Council very soon to get a project designated. If you plan on using your grant funds for more than one project, each project will need a WX or SX number. Exhibit 2.

Please fill out the attached Exhibits and return to KIA by Wednesday, June 1, 2005. As soon as we receive your designation for Project Administrator, we will be in direct contact with that person regarding the specific requirements and the steps involved in accessing your grant funds. There will a workshop held in the near future to discuss all required grant documentation, so it is important that we receive your response as soon as possible.

Again, we are pleased to be a part of this important effort to improve infrastructure for citizens throughout the Commonwealth. We pledge our full cooperation and look forward to working with you and your Project Administrator in the coming months.

Sincerely,

Joby & Hughon

Jody E. Hughes Executive Director

Enclosures

c: David Jenkins, Chair, Area Water Management Planning Council Eric Brackins, Water Service Coordinator Trimble County Water District No. 1 Authorized Bonds (Bond Certificates Attached)

- Waterworks Revenue Bond of 1992 Bond: \$ 425,000 Interest Rate: 5.625% Date of Maturity: January 2030 Secured by water revenues Amount of interest paid in 2005: \$ 21,409.30 Principal balance outstanding at December 31, 2005: \$ 374,910.00
- Waterworks Revenue Bond of 1997 Bond: \$ 60,000 Interest Rate: 5.00% Date of Maturity: January 2037 Secured by water revenues Amount of interest paid in 2005: \$ 2,815.00 Principal balance outstanding at December 31, 2005: \$ 55,600.00
- Waterworks Revenue Bond of 2000 Bond: \$ 550,000 Interest Rate: 5.00% Date of Maturity: July 2040 Secured by water revenues Amount of interest paid in 2005: \$ 26,835.00 Principal balance outstanding at December 31, 2005: \$ 533,900
- Kentucky Infrastructure Authority Bond Date of Issue: August 2004 Amount: \$ 175,000.00 Interest Rate: 2.25% to 5.19% Date of Maturity: June 2013 Secured by water revenues Amount of interest paid in 2005: \$ 7,997.04 Principal balance outstanding at December 31, 2005: \$ 152,500.00





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registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the existing waterworks system of the District (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the

PRINCIPALEAMOUNT ALC: NOT

NON

collectively reterred to as the "Prior First Lien Bonds"). Accordingly, this Bond, the Bonds of 1992 and any bonds ranking on a parity herewith, is payable from and secured by a pledge of the gross revenues to be derived from the operation of the System, after providing for the requirements of the Prior First Lien Bonds. dated July 8, 1988 (the "Bonds of 1988"), authorized by a Resolution adopted by the Commission of the District on July 13. the Commission of the District on March 2, 1992 (the "1992 Bond Resolution"); but subject to the vested rights and priorities in favor of the owners ot the outstanding (i) Trimble County Water District No. 1 Waterworks Revenue Refunding Bonds of 1986, Madison Bank & Trust Company (the "Bank Loan"), (hereinafter the Bonds of 1988, the KIA Loan and the Bank Loan shall be No. 1 Waterworks Revenue Bonds of 1992, dated May 13, 1993 (the "Bonds of 1992"), authorized by a Resolution adopted by 1988 (the "1988 Bond Resolution"); (ii) a Kentucky Infrastructure Authority Loan (the "KIA Loan"); and (iii) a loan from The This Bond is issued on a parity as to security and source of payment with the outstanding Trimble County Water District

ARGENTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOFI

precedent to and the the submitted of this Bond, do exist have the peneed and have been performed in due time, form and manner a submitted by Jaw, and that the face amound of this Bond, fogether with all other boligations of the District, does not exceed any It is heige vertified, recifed and declared that all acts, conditions and things required to exist, happen and be performed

IN WITNESS WHEREOF said Trinble County Water District Monthly Board of Commissioners, has caused this Bond executed by the Charman, the corporate seal to be hereunito attixed, and attested by its Secretary, on the date of this Bond,

NEW STREET

By

Chairman

Secretary

annan

Attest:

3-PONTE CO., INC., LOUISVILLE, KY.



REGISTERED **U**III) COMMONWEALTH OF KENTUCKY UNITED STATES OF AMERICA COUNTY OF TRIMBLE



TRIMBLE COUNTY WATER DISTRICT NO. WATERWORKS REVENUE BOND, SERIES 2000 INTEREST RATE: 5.00%

أستقر

REGISTERED



KNOW ALL MEN BY THESE PRESENTS: That the Trimble County Water District No. 1 (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Trimble County, Kentucky, for value received, hereby promises to pay to UNITED STATES OF AMERICA, acting by and through the U.S. DEPARTMENT OF AGRICULTURE, 771 Corporate Drive, Suita 200, Lexington, Kentucky 40503-5477, the Registered Owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

FIVE HUNDRED FIFTY THOUSAND DOLLARS (\$550,000)

on the first day of July, in years and installments as follows

Payment Due

July 1.

Principal Payment \$5,100

Payment Due

1 viuL

Principal Payment

²ayment Due <u>July 1.</u> 2029

9,600 10,600 10,100

\$18,100

20,000 19,100

6,500 6,200 5,900 5,600 5,400

2016 2017 2018 2019 2020 2021 2022

11,100 11,700 12,300 12,900

2033 2034 2035

2032 2031 2030

6,800 7,200 7,500 7,900 8,300 8,700 9,200

2023 2025 2026

13,500 14,200 14,900 15,700 15,700 17,300

2040

2039 2038 2037 2036

28,400

29,600

25,500 22,000 23,200 24,300 21,000 Principal Payment States of America, at the address of the Registered Owner shown on the registration book of the District. and interest being payable, without deduction for exchange or collection charges, in lawful money of the United

and the rights, obligations and duites of the District, for the purpose of financing the cost (not otherwise hereinafter referred to as the "System"). the District (said existing waterworks system, together with said extensions, additions and improvements, being provided) of the construction of extensions, additions and improvements to the existing waterworks system of extent of the security thereby created, the rights and limitations of rights of the Registered Owner of this Bond Resolution"), to which Current Bond Resolution reference is hereby made for a description of the nature and 'Act"), and pursuant to a duly adopted Bond Resolution of the District authorizing same (the "Current Bond Commonwealth of Kentucky, includin: Chapters 58 and 74 of the Kentucky Revised Statutes (collectively the This Bond is issued by the District under and in full compliance with the Constitution and Statutes of the

experformed/presedent to apply the states and an additional and a second and have been performed and have been performed It is hereby certified, regited and declared that all acts (gonditions and things required to exist, happen and

if due time; pligations of the District does not exceed any limit prescribed by the Constitution or Statutes of ig/m and manopy/as/redutived by/jaw, and that tige/jace anio/int of this Bond, together with all other the

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Trimble County Water District No. 1

Outstanding Notes

Farmer's Bank of Milton Date of Issue: July 1999 Amount: \$ 177,507.54 Interest Rate: 6.505% Date of Maturity: January 2007 Secured by water revenues Amount of interest paid in 2005: \$ 2,731.00 Principal balance outstanding at December 31, 2005: \$ 28,585.42 4:28 PM

10/23/06 Accrual Basis

Trimble County Water District # 1 Profit & Loss October 2005 through September 2006

	Oct '05 - Sep 06
Ordinary Income/Expense	
Income 432 · Proceeds from Capital Contrib.	
432.1 · Tap-On Fees	9,180.00
Total 432 · Proceeds from Capital Contrib.	9,180.00
461 · Water Revenue 461.1 · Residential Customers 461.2 · Commercial Customers 461.3 · Industrial Customers 461.4 · Public Authorities 461.5 · Mult. Family Dwellings 461.6 · Bulk Load. Station (Truck Fill) 461 · Water Revenue - Other	334,656.54 22,101.80 15,582.52 10,006.48 14,206.41 2,588.75 138,290.58
Total 461 · Water Revenue	537,433.08
466 · Sales for Resale (West Carroll) 470 · Late Charges 471 · Misc. Service Revenues 471.1 · Returned Check Fee	22,343.16 13,571.35 390.00
471.2 · Reconnect & Disconnect Fee	12,546.00
Total 471 · Misc. Service Revenues	12,936.00
472 · Hydrant Rentals 474 · Other Water Revenue	912.00
474.1 · Sewer Reading Fee 474.2 · Misc. Income	1,200.00 11,075.39
Total 474 · Other Water Revenue	12,275.39
Total Incom	608,650.98
E	
Income	981.07 17,369.12 18,350.19 210,338.90 9,000.00
	5,544.19
004.2 · Retirement Benefits	10,193.22
Total 604 · Employee Benefits	15,737.41
618 · Chemicals 620 · Materials & Supplies - Oper. 6018 · Repairs Pumping Equipment 6020 · Meter Supplies & Repairs 6021 · Meter Testing Expenses 6022 · Water Testing Expenses 6023 · Operation Misc. Expense 6024 · Operation Equipment	1,599.76 5,527.80 10,324.05 329.97 902.00 2,288.82 -32,637.95
Total 620 · Materials & Supplies - Oper.	-13,265.31
620.8 · Materials & Supplies - Admin. 6025 · Office Equipment 6026 · Office Supplies 6027 · Office Postage 6030 · Office Expense 6130 · Computer Service Exp. 6150 · Administrative Misc.	3,540.23 3,437.78 5,676.22 565.09 1,150.00 875.00
Total 620.8 · Materials & Supplies - Admin.	15,244.32

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10/23/06 Accrual Basis •

Trimble County Water District # 1 Profit & Loss October 2005 through September 2006

	Oct '05 - Sep 06
6220 · Uniforms	2,224.12
631 · Contract. Serv Engineering	4,962.50
632 · Contract. Serv Accounting	5,725.00
633 · Contract. Serv Legal	3,600.00
635 · Contract. Serv Legal	
636 · Contract. Serv Water resulty	5,135.20
636.2 · Contract. Serv Outside Serv.	19,441.29
Total 636 · Contract. Serv Other	19,441.29
642 · Rental of Equipment	3,351.64
650 · Transportation Expenses	8,929.62
657 · Insurance - General Liability	11,321.48
658 · Insurance - Workers' Comp.	4,762.17
659 · Insurance - Other	992.59
660 · Advertising Expenses	646.77
675 · Miscellaneous Expenses	040.77
675.1 · Dues	760 75
675.2 · Education Exp.	763.75
675.3 · Lock Box Rental	6,790.82
	65.00
675.4 · Bank Service Charges	20.00
Total 675 · Miscellaneous Expenses	7,639.57
6900 · Payroll Expenses	-170.53
6999 · Uncategorized Expense	0.00
7000 · Utilities	
6040 · Telephone	2,728.14
6041 · Internet	522.41
6042 · Cellphone	2,706.97
6051 · Gas Heat	1,058.35
6055 · Sewer & Garbage	296.52
615 · Electricity	56,482.84
Total 7000 · Utilities	63,795.23
Total Expense	399,361.92
Net Ordinary Income	209,289.06
Other Income/Expense Other Income	
8000 · Interest Income	1,778.92
Total Other Income	1,778.92
Other Expense	
8600 · Interest Exp.	95,506.28
8601 · Int. Exp. on Meter Dep.	1,072.48
8610 · Kia Service Fee	312.42
8620 · Depreciation Expense	128,258.74
8625 · Amortization Expense	1,947.00
Total Other Expense	227,096.92
Net Other Income	-225,318.00
Net Income	-16,028.94

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10/23/06 Accrual Basis

Trimble County Water District # 1 Balance Sheet As of September 30, 2006

	Sep 30, 06
ASSETS	
Current Assets Checking/Savings	
100 · Petty Cash (134) 101 · P.O.M. Account (424)	250.00
101 · P.O.M. Account (131)	32,041.10
102 · Meter Deposit	19,847.25
105 · Depreciation	56,103.87
112 · RD Bond & Interest Sinking Fund	49,802.99
113 · RD Reserve 114 · Escrow	72,650.57
	3.79
120 · 42 East Const. Checking Acct.	790.74
135.1 · CD # 0017694 135.2 · CD # 0021522	2,671.05
	2,138.39
Total Checking/Savings Accounts Receivable	236,299.75
141 · Customer Accounts Receivable 142 · Accts Rec Ret. Check	64,153.58
143 · Allow, for Uncollectible Accts.	251.12
	-698.70
Total Accounts Receivable Other Current Assets	63,706.00
151 · Materials & Supplies	
162 · Prepaid Insurance	31,425.01
Total Other Current Assets	6,478.07
	37,903.08
Total Current Assets	337,908.83
Fixed Assets	
Capital Assets, NET*	
1500 · Land & Land Righter	23,957.35
1510 · Official and a second s	74,404.08
$\begin{array}{c} 1520 \cdot 4; \\ 1751 \cdot W \\ 1752 \cdot St \\ 1753 \cdot Ele \\ 1754 \cdot Wa \\ 1755 \cdot Stn \\ 1755 \cdot Stn \\ \end{array}$	483,005.07
1751 · W	100,295.48
1752 · St.	53,407.75
1753 · Ele	314,234.65
1754 · Wa	79,537.90
1755 · Stri	77,390.07
1756 · Dist	696,746.53
1757 · Trar	1,775,860.41
1758 · Hydi	25,442.01
1761 · Serv	247,737.58
1762 · Mete	133,057.39
1770 · Office Furniture & Equip.	74,128.08
1775 · Tools, Shop & Garage Equip.	154,508.69
1780 · Accumulated Depreciation	-1,940,063,70
1790 · Construction in Progress	99,638.00
Total Capital Assets, NET*	2,473,287.34
Total Fixed Assets	2,473,287.34
Other Assets	
181.1 · Refinanced Cost of KIA Loan	14,852.70
181.2 · Accumulated Amortization	-5,065.12
Total Other Assets	9,787.58
TOTAL ASSETS	2,820,983.75
LIABILITIES & EQUITY Liabilities	
Current Liabilities	
Accounts Payable	
231 · Accounts Payable	AD 207 74
	49,207.71
Total Accounts Payable	

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10/23/06 Accrual Basis

Trimble County Water District # 1 Balance Sheet As of September 30, 2006

	Sep 30, 06
Other Current Liabilities	
Current Liabilities*	
2031 · Accrued KY Sales Tax	725.79
2032 · Accrued School Tax	1.955.48
2042 · Accrued Interest	3,639.93
2050 · Accrued Compensated Absences	4,169.98
235 · Customer Deposits	16,844.55
2721 · Tap Fee Deposit Payable (235?)	885.00
Total Current Liabilities*	28,220.73
Payroll Liabilities*	
2075 · Accrued Wages	4,193.75
2100 · Payroll Liabilities - Other	3,174.60
2110 · AFLAC Withholding	161.82
2180 · State Income Tax W/H	1.204.27
Total Payroll Liabilities*	8,734.44
Total Other Current Liabilities	36,955.17
Total Current Liabilities	86,162.88
Long Term Liabilities	
221.1 · KIA Loan	139,999.99
221.2 · RD Bonds 1992	374.910.00
221.3 · RD Bonds 1997	55,600.00
221.4 · RD Bonds 2000	528.000.00
224.1 · Farmers Bank Of Milton	7,037.50
224.2 · FBM - 42 East Bldg. Loan	340,588.65
224.3 · FBM - 42 East Bidg. Loan #2	39,411.35
Total Long Term Liabilities	1,485,547.49
Total Liabilities	1,571,710.37
Equity	45.00
3000 · Opening Bal Equity	-45.00
3400 · Contribution in Aid Const.	228.983.72
3401 · Tap Fees Customer Old Line 3402 · Contribution in Aid New Project	47,383.95 535,398.89
3500 · Retained Earnings	462,158.34
Net income	-24.606.52
Total Equity	1,249,273.38
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TOTAL LIABILITIES & EQUITY	2,820,983.75

Certified Public Accountants

513 HIGHLAND AVENUE P.O. BOX 354 CARROLLTON, KENTUCKY 41008 (502) 732-6655 FAX (502) 732-6161

August 11, 2006

Kentucky Public Service Commission P.O. Box 615 211 Sower Boulevard Frankfort, Kentucky 40602-0615

RE: Trimble County Water District #1

To Whom It May Concern:

Financial statements were audited for the year ended December 31, 2005. Additionally, financial statements for the six months ended June 30, 2006 as prepared by District personnel were made available to us. The District is anticipating securing permanent financing for a new administrative building in the amount of \$380,000. Interest will be charged at 4.5% and the life of the loan will be 10 years. The estimated monthly payment will be \$3,500.

Based on our audit and the figures presented by District personnel, the District will be able to meet this debt service without requesting a water rate increase.

Sincerely,

Jeffery C. Woods Certified Public Accountant

_ EXHIBIT	"G"