

Any amount advanced or expended by the Government for the collection hereof or to preserve or protect any security hereto, or otherwise under the terms of any security or other instrument executed in connection with the loan evidenced hereby, at the option of the Government shall become a part of and bear interest at the same rate as the principal of the debt evidenced hereby and be immediately due and payable by Borrower to the Government without demand. Borrower agrees to use the loan evidenced hereby solely for purposes authorized by the Government.

Borrower hereby certifies that it is unable to obtain sufficient credit elsewhere to finance its actual needs at reasonable rates and terms, taking into consideration prevailing private and cooperative rates and terms in or near its community for loans for similar purposes and periods of time.

If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a responsible cooperative or private credit source at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, at the Government's request, apply for and accept such loan in sufficient amount to repay the Government.

Default hereunder shall constitute default under any other instrument evidencing a debt or other obligation of Borrower to the Government or securing such a debt or other obligation and default under any such other instrument shall constitute default hereunder. Upon any such default, the Government at its option may declare all or any part of any such indebtedness immediately due and payable.

This note is given as evidence of a loan to Borrower made or insured by the Government pursuant to the Consolidated Farm and Rural Development Act if the box opposite "Association" is checked under the heading "KIND OF LOAN," or pursuant to Title V of the Housing Act of 1949 if the box opposite "HOUSING-ORGANIZATION" is checked. This note shall be subject to the present regulations of the Government and to its future regulations not inconsistent with the express provisions hereof.

Presentment, protest, and notice are hereby waived.

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.
 (Name of Borrower)

Jerome Hamilton
 JEROME HAMILTON (Signature of Executive Official)

(CORPORATE SEAL)

PRESIDENT
 (Title of Executive Official)

9210 KY HWY 144
 (Post Office Box No. or Street Address)

ATTEST:

Cletus Greer
 CLETUS GREER (Signature of Attesting Official)

PHILPOT, KY 42366
 (City, State, and Zip Code)

SECRETARY
 (Title of Attesting Official)

RECORD OF ADVANCES

AMOUNT	DATE	AMOUNT	DATE
(1) \$ 350,697.36	8/07/2006	(6) \$ 20,456.00	06/04/2007
(2) \$ 62,345.47	8/17/2006	(7) \$	
(3) \$ 12,503.96	11/02/2006	(8) \$	
(3) \$ 26,707.50	01/26/2007	(9) \$	
(5) \$ 6,982.50	02/27/2007	(10) \$	
	TOTAL		

PAY TO THE ORDER OF _____

UNITED STATES OF AMERICA

 (Name of Agency)

BY _____