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Date: July 3, 2014

To: U.S. Bank National Association

Re: East Daviess County Water Association, Inc. (the "**Borrower**")
[\$1,719,705.00 Term Loan] (the "**Credit Facility**")

We drafted the following loan documents and/or addenda to U.S. Bank's standard form loan documents relating to the Credit Facility ("**Supplemental Documents**"):

First Addendum to Term Loan Agreement
First Amendment to Term Note

We reviewed such of the following documents, or applicable provisions of such documents, for the Credit Facility prepared by U.S. Bank's automated loan documentation system ("**Standard Documents**") as we deemed necessary to assure that the Supplemental Documents are internally consistent with such Standard Documents:

Term Loan Agreement dated August 6, 2010
Term Note dated August 6, 2010

While this letter does not rise to the level of assurance provided by, and does not constitute, an opinion of counsel, we have determined based upon such review that the Supplemental Documents are (a) internally consistent with the Standard Documents; and (b) consistent in all material respects with the applicable requirements of (i) the portions of the credit approval for the Credit Facility furnished to us by U.S. Bank with an approval date of June 16, 2014, (ii) U.S. Bank's loan pricing, repayment and prepayment language furnished to us in its Commercial Law Updates (to the extent such Supplemental Documents amend or affect pricing, repayment or prepayment), and (iii) Appendix B to the U.S. Bancorp Guidelines for Outside Counsel as furnished to us in its Commercial Law Updates.

We have also reviewed such existing Credit Facility loan documents as we have deemed necessary to enable us to draft the Supplemental Documents and have determined that the Supplemental Documents are consistent with such existing loan documents, appropriately reference the documents being amended and use defined terminology accurately.

U.S. Bank, N.A.

July 3, 2014

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Unless the U.S. Bank loan officer has informed us that the Credit Facility is not secured by collateral consisting of improved real property or property to be improved (“**Real Property Collateral**”), we have received confirmation from the U.S. Bank loan officer that (i) the Supplemental Documents are not dated prior to the date of the Special Flood Hazard Determination Form(s) for the Real Property Collateral and (ii) if any of such Real Property Collateral is in a federally designated Special Flood Hazard Area, the Supplemental Documents are not dated prior to any of the following dates (a) the date that U.S. Bank has given all required Notice(s) to Applicant of Special Flood Hazard Area (“**Notice**”); (b) the date the Borrower (who or which might not be the owner of the Real Property Collateral) signs a copy of the Notice; and (c) the date the owner of the Real Property Collateral has purchased adequate flood insurance.

Very truly yours,

A handwritten signature in black ink, appearing to read 'T. Tommy Littlepage', with a stylized flourish at the end.

T. Tommy Littlepage

FIRST AMENDMENT TO TERM NOTE

This First Amendment to Term Note ("Amendment") dated as of the date specified below, is by and between the borrower ("Borrower") and the bank ("Bank") identified below.

RECITALS

A. The Borrower has executed a Term Note (the "Note"), payable to the Bank dated August 6, 2010, and as amended and replaced from time to time, and the Borrower (and if applicable, certain third parties) have executed the collateral documents which may or may not be identified in the Note and certain other related documents (collectively, the "Loan Documents"), setting forth the terms and conditions upon which the Borrower may obtain loans from the Bank from time to time in the stated amount of \$1,719,705.00, as may be amended from time to time.

B. The Borrower has requested that the Bank permit certain modifications to the Note as described below.

C. The Bank has agreed to such modifications, but only upon the terms and conditions outlined in this Amendment.

AGREEMENT

In consideration of the mutual covenants contained herein, and for other good and valuable consideration, the Borrower and the Bank agree as follows:

1. **Change in Interest Rate.** Effective upon the date of this Amendment, interest payable under the Note is amended as follows:

Interest on the unpaid principal and interest shall accrue at an annual fixed rate equal to 3.61% per annum.

2. **Effectiveness of Prior Documents.** Except as specifically amended hereby, the Note and the other Loan Documents shall remain in full force and effect in accordance with their respective terms. All warranties and representations contained in the Note and the other Loan Documents are hereby reconfirmed as of the date hereof. All collateral previously provided to secure the Note continues as security, and all guaranties guaranteeing the Note remain in full force and effect. This is an amendment, not a novation.

3. **Preconditions to Effectiveness.** This Amendment shall only become effective upon execution by the Borrower and the Bank, and approval by any other third party required by the Bank.

4. **No Waiver of Defaults; Warranties.** This Amendment shall not be construed as or be deemed to be a waiver by the Bank of existing defaults by the Borrower, whether known or undiscovered. All agreements, representations and warranties made herein shall survive the execution of this Amendment.

5. **Counterparts.** This Amendment may be signed in any number of counterparts, each of which shall be considered an original, but when taken together shall constitute one document.

6. **Authorization.** The Borrower represents and warrants that the execution, delivery, and performance of this Amendment and the documents referenced herein are within the authority of the Borrower and have been duly authorized by all necessary action.

7. **Transferable Record.** The note, as amended, is a "transferable record" as defined in applicable law relating to electronic transactions. Therefore, the holder of the note, as amended, may on behalf of the Borrower, create a microfilm or optical disk or other electronic image of the note, as amended, that is an authoritative copy as defined in such law. The holder of the note, as amended, may store the authoritative copy of such note, as amended, in its electronic form and then destroy the paper original as part

of the holder's normal business practices. The holder, on its own behalf, may control and transfer such authoritative copy as permitted by such law.

8. **Attachments.** All documents attached hereto, including any appendices, schedules, riders, and exhibits to this Amendment, are hereby expressly incorporated herein by reference.

Dated as of July 17, 2014.

EAST DAVIESS COUNTY WATER ASSOCIATION, INC.

By: 
William Haynes, Authorized Director

Agreed to:

US BANK, N.A.
A national banking association

By: 
Tom Ed Booth, Vice President

FIRST ADDENDUM TO TERM LOAN AGREEMENT

This First Addendum is made part of the Term Loan Agreement (the "Agreement") dated August 6, 2010 and made and entered into by and between the undersigned borrower (the "Borrower") and the undersigned bank (the "Bank") as of the date identified below. The warranties, covenants and other terms described below are hereby added to the Agreement or amended and made a part hereof.

1. **Financial Covenants.** Financial terms used herein which are not specifically defined herein shall have the meanings ascribed to them under generally accepted accounting principles. For any Borrower who does not have a separate fiscal year end for tax reporting purposes, the fiscal year will be deemed to be the calendar year. The Financial terms are modified as follows:

(a) **"Maintenance Capital Expenditures"** shall mean 25% of Borrower's depreciation expense for the period specified in the Agreement.

Dated as of July 17, 2014.

East Daviess County Water Association, Inc.

By: 
William Haynes, Authorized Director

Agreed to:

US BANK, N.A.
A national banking association

By: 
Tom Ed Booth, Vice President