

EXHIBIT 8

SUMMARY OF ORDINANCE NO. 91-11

CITY OF LEBANON, KENTUCKY

An ordinance of the City of Lebanon, Kentucky entitled:

ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$1,400,000 PRINCIPAL AMOUNT OF CITY OF LEBANON, KENTUCKY WATERWORKS REVENUE BONDS, SERIES 1992, FOR THE PURPOSE OF FINANCING PART OF THE COST OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF SAID CITY; APPROVING THE PREPARATION OF PRELIMINARY AND FINAL OFFICIAL STATEMENTS IN RESPECT THEREOF; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF SAID BONDS; WHICH ORDINANCE CONSTITUTES A SERIES ORDINANCE UNDER THE 1992 GENERAL WATERWORKS BOND ORDINANCE.

This is an ordinance authorizing the issuance of \$1,400,000 of the City of Lebanon, Kentucky Water Revenue Bonds, Series 1992 (the "Series 1992 Bonds"). The proceeds of the Series 1992 Bonds will be used to pay part of the cost of certain extensions, additions and improvements to the existing waterworks system serving the City of Lebanon. Provisions are made for the form and sale of the Series 1992 Bonds, for the establishment of a Series 1992 Cost of Issuance Account, a Series 1992 Construction Account and for deposits into the Debt Service Reserve, the Depreciation Reserve. Certain covenants of the City are made regarding the purchase of the Series 1992 Bonds by the Farmers Home Administration. Upon issuance, the Series 1992 Bonds will not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, but are payable solely from the revenues of the Lebanon Waterworks Company. Reference is hereby made to the full text of the ordinance for a complete statement of its provisions and terms.

The City Clerk of the City of Lebanon, Kentucky hereby certifies that the above summary is true and correct and written in a way calculated to inform the public of its content.

Joyce A. Ford, CITY CLERK

The undersigned, an attorney licensed to practice law in the Commonwealth of Kentucky, hereby certifies that he prepared the summary of the ordinance referred to above and that the summary represents an accurate depiction of the contents of an ordinance adopted by the City of Lebanon, Kentucky on AUGUST 28, 1991.

ORDINANCE NO. 91-11

ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$1,400,000 PRINCIPAL AMOUNT OF CITY OF LEBANON, KENTUCKY WATERWORKS REVENUE BONDS, SERIES 1992, FOR THE PURPOSE OF FINANCING PART OF THE COST OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF SAID CITY; AND PROVIDING FOR AN ADVERTIZED, PUBLIC, COMPETITIVE SALE OF SAID BONDS; WHICH ORDINANCE CONSTITUTES A SERIES ORDINANCE UNDER THE 1991 GENERAL WATERWORKS BOND ORDINANCE.

WHEREAS, one hundred percent (100%) of the stock in the Lebanon Waterworks Company, Inc. (the "Company") is owned by the City of Lebanon, Kentucky (the "City"); and

WHEREAS, the City has heretofore adopted its 1991 General Waterworks Bond Ordinance, dated August 28, 1991, providing for the establishment of rules, regulations and conditions for the issuance from time to time of the City of Lebanon Waterworks Revenue Bonds (the "Bonds") and providing for the collection and distribution of the revenues of the waterworks system of the Company (the "System"); and

WHEREAS, said 1991 General Waterworks Bond Ordinance authorizes the issuance of such Waterworks Revenue Bonds in one or more Series pursuant to one or more Series Ordinances and authorizes the issuance and sale of such Series; and

WHEREAS, the City has heretofore adopted its Series 1991 Bond Ordinance authorizing the issuance of \$3,950,000 principal amount of Waterworks Revenue Bonds, Series 1991,

which bonds are currently outstanding and mature on April 1, 1992 through 2016; and

WHEREAS, the City has determined that it is necessary and desirable that the City issue a Series of Waterworks Revenue Bonds, to be designated "Waterworks Revenue Bonds, Series 1992," to provide moneys to carry out the purposes as hereinafter particularly set forth.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF LEBANON, KENTUCKY, AS FOLLOWS:

ARTICLE I

SHORT TITLE, DEFINITIONS, PERIOD OF USEFULNESS AND
RECOGNITION OF SERIES 1991 BONDS

101. Short Title. This resolution may hereafter be cited by the City and is hereinafter sometimes referred to as the "Series 1992 Bond Ordinance."

102. Defined Words and Terms.

(1) All words and terms which are defined in the 1991 General Waterworks Bond Ordinance, which 1991 General Waterworks Bond Ordinance is incorporated herein by reference shall have the same and identical meanings respectively in this Series 1992 Bond Ordinance as such terms are given in Article I of the 1991 General Waterworks Bond Ordinance.

(2) "Construction Project" refers specifically to the construction of the currently proposed extensions, additions and improvements to the System, which Construction Project is being financed by the Series 1992 Bonds and by other funds.

(3) "Depository Bank" means the bank, which shall be a member of the FDIC, at which the principal of and interest on the Series 1991 Bonds are payable and which has served and shall continue to serve as the depository of all of the Funds created in the Series 1991 Bond Ordinance and this Series 1992 Bond Ordinance, which bank is Citizens National Bank, Lebanon, Kentucky, or its successor.

(4) "Depreciation Reserve Requirement" means an amount equal to five percent (5%) of the principal amount of the Series 1992 Bonds and the FmHA Grant Proceeds or \$85,000.

(5) "FDIC" refers to the Federal Deposit Insurance Corporation, or its successors.

(6) "FmHA" means the Farmers Home Administration of the Department of Agriculture of the United States of America.

(7) "FmHA Grant" refers to the FmHA grant described in Section 501 of this Ordinance.

(8) "Government" means the United States of America, or any agency thereof, including the FmHA.

(9) "Grant Proceeds" refers to the proceeds of the FmHA Grant.

(10) "Purchaser" means the agency, person, firm or firms, or their successors, to whom the Series 1992 Bonds herein authorized are awarded at the public sale of the Series 1992 Bonds, and such definition shall refer to the FMHA if it is the Purchaser of the Series 1992 Bonds at said public sale.

(11) "Series 1992 Bonds" shall mean the City of Lebanon Waterworks Revenue Bonds, Series 1992 which are authorized by Article II of this Series 1992 Bond Ordinance.

(12) "Series 1992 Construction Account" refers to the City of Lebanon Waterworks Construction and Acquisition Account, created in Section 301(B) of this Series 1992 Bond Ordinance.

(13) "Series 1992 Notes" refers to the City of Lebanon Waterworks Revenue Bond Anticipation Notes, Series 1992, authorized by the Series 1992 Note Ordinance.

(14) "Series 1992 Note Ordinance" refers to the ordinance adopted by the City Council on September 9, 1991 authorizing the issuance of the City's Waterworks Revenue Bond Anticipation Notes, Series 1992.

103. Declaration of Period of Usefulness. The City Council hereby declares that the period of usefulness of the System is more than forty (40) years from the date of completion of the Construction Project.

104. Recognition of 1991 Bonds. The City hereby expressly recognizes and acknowledges that the City has previously pledged, for the benefit and protection of the owners of the Series 1991 Bonds, the gross revenues of the System, all as set forth in the Series 1991 Bonds, the Series 1991 Bond Ordinance and the 1991 General Waterworks Bond Ordinance.

105. Series 1992 Bonds Shall be Payable Out of Gross Revenues. The Series 1992 Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions set forth in the 1991 General Waterworks Bond Ordinance, shall be payable on a parity with the Series 1991 Bonds out of the gross revenues of the System, after providing only for the principal and interest requirements of the Series 1991 Bonds, and shall be a valid claim of the owners thereof against the Funds and Accounts created for the benefit of such owners.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 1992 BONDS

201. Authorization of Bonds; Principal Amount; Designation and Series. In order to provide sufficient funds necessary for paying part of the cost of making certain improvements to the System as set forth specifically in the plans and specifications prepared by the Engineers (the "Construction Project"), in accordance with and subject to the terms, conditions and limitations established in the Act, the 1991 General Waterworks Bond Ordinance, and this Series 1992 Bond Ordinance, a series of Waterworks Revenue Bonds is hereby authorized to be issued in the aggregate principal amount of \$1,400,000. As stated aforesaid, the City Council is of the opinion and hereby determines that the issuance of said Series 1992 Bonds in the principal amount of \$1,400,000 is necessary to provide sufficient funds to be used and expended for the System. As provided by Article II, Section 204 of the 1991 General Waterworks Bond Ordinance, in addition to the designation "Waterworks Revenue Bonds," such Series of Bonds hereby authorized shall bear the additional designation "Series 1992," and each Bond as so designated shall be a "Waterworks Revenue Bond, Series 1992." The Series 1992 Bonds shall consist of \$1,400,000 principal amount of Serial Bonds as described in Section 204 hereof and shall be issued in fully registered form.

202. Purpose for Issue of Series 1992 Bonds. The purpose for which the Series 1992 Bonds are being issued is to provide permanent financing for a portion of the cost of certain improvements to the System as set forth specifically in the plans and specifications prepared by the Engineers, to pay at maturity or upon earlier redemption a portion of \$1,700,000 of bond anticipation notes (the "Series 1992 Notes") to be issued as interim financing for the Project, to provide funds, if necessary, for deposit in the Debt Service Reserve and to provide funds for deposit in the Series 1992 Cost of Issuance Account and all to the extent and in the amounts or subject to the determinations provided in Article III of this Series 1992 Bond Ordinance.

203. Issue Date. The Series 1992 Bonds shall be dated a date to be determined by the Mayor but no later than December 1, 1992.

204. Maturities. The Series 1992 Bonds shall mature on April 1 of the years, and in the principal amounts as set forth in Exhibit A attached hereto and incorporated herein by

reference, and shall bear interest from the date thereof, payable semiannually on each April 1 and October 1, commencing October 1, 1992.

205. Denominations, Numbers and Letters. The Series 1992 Bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof, not exceeding, however, the aggregate principal amount of Series 1992 Bonds maturing in the year of maturity of the Bond for which the denomination is to be specified. The Series 1992 Bonds shall be lettered and numbered separately consecutively from R-1 upwards.

206. Place of Payment and Designation of Paying Agent and Registrar. The principal and Redemption Price on the Series 1992 Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent and Registrar, Citizens National Bank, Lebanon, Kentucky. The Mayor and City Clerk of the City are hereby authorized to enter into an agreement between the City and said Paying Agent and Registrar hereby appointed. Interest on Series 1992 Bonds will be paid by check or draft mailed to the registered owner at such address as shall be shown by the registration records of the Registrar in accordance with the provisions of Article III of the 1991 General Waterworks Bond Ordinance.

207. Redemption of Series 1992 Bonds; Redemption Terms and Prices. Except when all of the Series 1992 Bonds are held by the Government, the Series 1992 Bonds maturing prior to April 1, 2002 shall not be subject to redemption prior to maturity. Series 1992 Bonds maturing on and after April 1, 2002, shall be subject to redemption by the City on any interest payment date on or after April 1, 2001, at par plus accrued interest to the date of redemption.

So long as all of the Series 1992 Bonds are owned by the Government, all of the Series 1992 Bonds shall be subject to redemption at any time in whole or in part, and if in part, in inverse order of maturity, less than all of a single maturity to be selected in such manner as the Bond Registrar may determine at redemption prices (expressed as percentages of the principal amount of the Series 1992 Bonds to be redeemed) plus accrued interest to the redemption date, without any penalty, upon notice and pursuant to other conditions as prescribed by the 1991 General Bond Ordinance or supplemental resolutions not inconsistent therewith.

ARTICLE III

DISPOSITION OF PROCEEDS OF SERIES 1992 BONDS

301. Note Redemption Fund. In and by the Series 1992 Note Ordinance there was created, and there is hereby continued, a special fund or account of the City to be maintained at Citizens National Bank, Lebanon, Kentucky, or its successor (the "Note Depository Bank"), separate and apart from all other funds and accounts of the City in said bank, entitled "City of Lebanon Water Revenue Bond Anticipation Note Redemption Fund" (the "Note Redemption Fund"), into which Note Redemption Fund there shall first be deposited from the sale proceeds of the Series 1992 Bonds an amount equal to (a) the principal to be due on the Series 1992 Notes to their date of maturity or date of prior call for redemption, and (b) interest to be due on the Series 1992 Notes on said date, to the extent, if any, the amount currently on deposit in the Note Redemption Fund may be insufficient to pay such interest.

302. Series 1992 Cost of Issuance Account. Pursuant to Article V, Section 502 of the 1991 General Waterworks Bond Ordinance, there has been established with Citizens National Bank, Lebanon, Kentucky (the "Depository Bank"), the Bond Proceeds Fund. There is hereby created, at the Depository Bank a Series 1992 Cost of Issuance Account (the "Series 1992 Cost of Issuance Account"). On the date of delivery of the Series 1992 Bonds there shall be deposited in the Series 1992 Cost of Issuance Account an amount sufficient for the payment of all costs of issuance related to the Series 1992 Bonds. After making provision for the payment of all costs of issuance payable from the Series 1992 Cost of Issuance Account, any balance in said account shall be deposited in the Series 1992 Construction Account.

303. Debt Service Fund. There shall be deposited in the Interest Account of the Debt Service Fund, identified in Article V, Section 502 of the 1991 General Waterworks Bond Ordinance, all sums received representing accrued interest. Such funds held from time to time in the Debt Service Fund shall be treated, invested, transferred and applied in accordance with the provisions of Article V, Section 505 of the 1991 General Waterworks Bond Ordinance.

304. Debt Service Reserve. On the date of delivery of the Series 1992 Bonds, there shall be deposited in the Debt Service Reserve, from proceeds of the Series 1992 Bonds, an amount equal to the Aggregate Debt Service Reserve

Requirement. Such funds held from time to time in the Debt Service Reserve shall be treated, invested, transferred and applied in accordance with the provisions of the 1991 General Waterworks Bond Ordinance.

305. The Series 1992 Construction Account. (A) There is hereby created at the Depository Bank a Series 1992 Construction and Acquisition Account. Moneys, if any, in the Bond Proceeds Fund after payment of the Costs of Issuance for the Series 1992 Bonds and deposit to the Note Redemption Fund for payment of the Series 1992 Notes at maturity or earlier redemption shall be deposited in this Series 1992 Construction and Acquisition Account for use in accordance with the provisions of the 1991 General Waterworks Bond Ordinance subject to the provisions set forth below relative to the FmHA. There shall also be deposited in said Series 1992 Construction Account the Grant Proceeds, as and when received. All moneys in excess of the amount insured by the FDIC in the Construction Account shall be secured by the Depository Bank in accordance with U.S. Treasury Department Circular No. 176. The officials of the City or the Company entrusted with the receipt and disbursement of funds of the System and the custody of valuable property shall be covered by a fidelity bond in the amount of not less than \$85,000 (the "Fidelity Bond"), or such larger amount as the FmHA may require, which Fidelity Bond shall be effective and secured by a surety company approved by the FmHA so long as it is owner of any of the Bonds; the FmHA and the City shall be named co-obligees in such Fidelity Bond; and the amount thereof shall not be reduced without the written consent of the FmHA; provided that whenever sums in the various accounts referred to herein (other than the Construction Account) shall exceed \$85,000, the Fidelity Bond shall be increased accordingly as requested by and with the approval of the FmHA.

In like manner, the officials of the City entrusted with the receipt and disbursement of moneys in the Construction Account shall be covered by a separate fidelity bond (the "Construction Account Fidelity Bond") with the FmHA and the City named as co-obligees in the maximum amount anticipated to be on deposit in the Construction Account at any one time as determined by the Mayor, with the approval of the FmHA. The City will segregate and earmark its various funds, consistent with this Series 1992 Ordinance, in such manner as to enable the City to obtain the lowest possible surety premium rate on such Fidelity Bond.

Prior to the expenditure by the City of any moneys from the Construction Account, the City will obtain written approval from the FmHA as to such expenditures, if the FmHA is the owner of any Outstanding Bonds.

During construction, the City shall disburse Construction Account funds in a manner consistent with FmHA Instruction 1942.17(p)(5) of Appendix "A" to FmHA Instruction 1942-A. Form FmHA 424-18, "Partial Payment Estimate" or similar form approved by FmHA, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to FmHA for review and acceptance. Form SF-271, "Outlay Report and Request for Reimbursement for Construction Programs," shall be prepared and submitted to FmHA to account for funds expended in the last 30 day period.

After the Bonds are delivered, the City shall prepare and submit Form SF-272, "Report of Federal Cash Transactions", to report the status of federal cash received during each prior monthly period. Form FmHA 440-11, "Estimate of Funds Needed for 30-Day Period Commencing _____", will be prepared by the City and submitted to FmHA in order that a periodic Advance of Federal Cash may be requested. Forms FmHA 440-11 and SF-272 will be submitted to FmHA simultaneously.

Periodic audits of the City's Construction Account records shall be made by FmHA as determined by it to be necessary.

B. It is acknowledged that all covenants herein with reference to the necessity for approval of the FmHA, the necessity of observing FmHA procedure and the necessity of using FmHA forms (the "FmHA Forms"), shall apply only if the FmHA is the Purchaser of the Series 1992 Bonds and only so long as the FmHA holds the Series 1992 Bonds thereafter. In the event that the FmHA shall not be the Purchaser of the Series 1992 Bonds, or, after purchasing same, shall sell or transfer the Series 1992 Bonds to an owner who shall not be the Government, all covenants herein with reference to the necessity for approval of the FmHA, the necessity of observing FmHA procedure, and the necessity of using FmHA Forms, shall not be applicable.

306. Depreciation Reserve. In addition to the amount required by the Series 1991 Bond Ordinance to be deposited to the Depreciation Fund, there shall be deposited monthly in such Fund the amount of \$695.00 until such time as the Depreciation Fund equals the Depreciation Reserve Requirement for the Series 1992 Bonds.

307. Arbitrage Limitations on Investment of Proceeds. The City certifies, on the basis of known facts and reasonable expectations on the date of enactment of this Series 1992 Ordinance, that it is not expected that the proceeds of

the Series 1992 Bonds will be used in a manner which would cause the Series 1992 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The City covenants to the Purchaser and/or owners of the Series 1992 Bonds that (1) the City will make no use of the proceeds of said Series 1992 Bonds which, if such use had been reasonable expected on the date of issue of such Series 1992 Bonds, would have caused such Series 1992 Bonds to be "arbitrage bonds" and (2) the City will comply with all of the requirements of the Code to whatever extent is necessary to assure that the Series 1992 Bonds shall not be treated as or constitute "arbitrage bonds" and that the interest on the Series 1992 Bonds shall be excludable from gross income for Federal income tax purposes.

Prior to or at the time of delivery of the Series 1992 Bonds, an Authorized Officer of the City (who are jointly and severally charged with the responsibility for the issuance of the Series 1992 Bonds) are authorized to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated construction, expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by Section 148 of the Code in order to assure that interest on the Series 1992 Bonds shall be excludable from gross income for Federal income tax purposes and that the Series 1992 Bonds will not be treated as "arbitrage bonds".

ARTICLE IV

ADDITIONAL COVENANTS OF THE CITY

401. Covenants Applicable If FmHA Purchases Bonds.

So long as any or the Series 1992 Bonds are owned by the Government, the City additionally covenants as follows:

(1) That if requested by the FmHA, the City shall make the payments required hereby in monthly installments to the FmHA or to the insured owner of the Series 1992 Bonds.

(2) No later than 60 days after the close of each fiscal year, copies of annual audit reports certified by a Certified Public Accountant licensed in Kentucky, shall be promptly mailed to the FmHA without request, and to any Bondowner that may have made a written request for same.

(3) Monthly operating reports shall be furnished to the FmHA and to any Bondowner requesting same, during the first two years of operation after completion of the Construction

Project, and whenever and so long as the City is delinquent in any of the covenants set out in the 1991 General Waterworks Bond Ordinance, the Series 1991 Bond Ordinance or this Series 1992 Bond Ordinance. Thereafter, quarterly operating reports shall be furnished at all other times to the FmHA and to any Bondowner requesting the same.

(4) Not later than sixty days after the end of each Fiscal Year, beginning immediately after the issuance of the Series 1992 Bonds, the City agrees to cause to be prepared a detailed statement of income and expenditures for the Fiscal Year, a current financial statement and a proposed annual budget of current expenses (the "Proposed Budget") of the System for the then ensuing Fiscal Year, itemized on the basis of monthly requirements. A copy of said Proposed Budget shall be mailed to the FmHA without request if the Government is the owner of any of the Series 1992 Bonds.

(5) The City shall comply with such FmHA regulations, requirements and requests as shall be made by the FmHA, including the furnishing of operating and other financial statements, in such form and substance and for such periods as may be requested by the FmHA, the carrying of insurance of such types and in such amounts as the FmHA may specify, with insurance carriers acceptable to the FmHA and compliance with all of the terms and conditions of the Loan Resolution (FmHA Form 1942-47) adopted and executed by the City, which is hereby authorized, approved, ratified and confirmed.

(6) Notwithstanding any other provisions of this Series 1992 Ordinance, the City agrees that so long as the Government owns any Outstanding Bonds against and/or payable from the revenues of the System, the City will not issue any future bonds, notes or other obligations against, secured by or payable from the revenues of the System without the written consent of the FmHA.

(7) Notwithstanding any other provisions hereof, so long as any of the Series 1992 Bonds are held by the Government, the City shall not dispose of its title to the System or to any part thereof, without first obtaining the written consent of the FmHA.

(8) That no resolutions, or other proceedings modifying or amending any of the terms of this Series 1992 Bond Ordinance may be effected without the prior consent of the FmHA.

(9) That if it appears to the Government that the City is able to refund such Series 1992 Bonds in whole or in part, by obtaining a loan for such purposes from responsible

commercial or private credit sources, or to sell bonds of the City in the open market, at reasonable rates and terms, the City will, upon request of the Government, obtain such loan and/or issue such bonds in sufficient amount to repay the Government and will take all such action as may be required in connection therewith.

(10) So long as the Government is the owner of any of the Series 1992 Bonds, the City shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of the Series 1992 Bonds without immediately prepaying all of the then outstanding Series 1992 Bonds.

402. Covenant of City to Take All Necessary Action To Assure Compliance with Internal Revenue Code. In order to assure the Purchaser and any subsequent owner of the Series 1992 Bonds that such Series 1992 Bonds shall continue to be legal and that interest thereon will continue to be excludable from gross income for Federal income tax purposes and exempt from all Kentucky income taxation, the City covenants to and with the owners of the Series 1992 Bonds to take the following action:

(a) The City will (1) take all actions necessary to comply with the provisions of the Code necessary to assure that interest on the Series 1992 Bonds will be excludable from gross income for Federal income tax purposes, (2) will take no actions which will violate any of the provisions of the Code, and (3) not use the proceeds of the Series 1992 Bonds for any purpose which will cause interest on the Series 1992 Bonds to become includable in gross income for Federal income tax purposes.

(b) The City hereby certifies that it does not reasonably anticipate that the total principal amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code which the City, or any subordinate entity of the City, will issue during the calendar year during which the Series 1992 Bonds are issued, will exceed \$10,000,000; and therefore the City hereby designates the Series 1992 Bonds and all interim financing obligations, including but not limited to the Note, issued pursuant to Section 302 hereof as "qualified tax-exempt obligations".

(c) The City further certifies that the Series 1992 Bonds are not "private activity bonds" within the meaning of the Code.

(d) The City covenants and agrees that it will not issue, or cause any subordinate entity of the City to issue on the City's behalf, bonds or other obligations considered under the Code to be "tax-exempt obligations" (other than private activity bonds) in the aggregate principal amount in excess of \$5,000,000 during the calendar year in which the Series 1992 Bonds will be issued.

(e) The City covenants and agrees to comply with the rebate requirements on certain excess earnings imposed by Section 148 of the Code, and in the event it is determined by the City, upon the advice of Bond Counsel, that the Construction Account, or any other fund established hereunder, is subject to said rebate requirements and does in fact generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Series 1992 Bonds, plus any income attributable to such excess, the City covenants and agrees to rebate to the United States of America any such excess generated from such investments and remit such excess to the United States of America on or before five years from the date of issuance of the Series 1992 Bonds, and once every five years thereafter until the final retirement of the Series 1992 Bonds; the last installment, to the extent required, to be made no later than sixty days following the date on which funds sufficient for the complete retirement of the Series 1992 Bonds are deposited with the Paying Agent or any escrow agent. The City further covenants to file any and all reports, if any, as may be required to be filed with the Government with regard to the liability or non-liability of the City as to any such rebate requirements and to maintain records in regard thereto for the period of time required by applicable Treasury regulations.

ARTICLE V

APPROVAL OF FmHA GRANT AND OTHER DOCUMENTS

501. Approval and Acceptance of FmHA Grant Agreement. As set out in Section 105 hereof, the FmHA has agreed to make a grant to the City in the amount of \$300,000 (the "FmHA Grant") to supplement the proceeds of the Series 1992 Bonds in order to provide together with the proceeds of the Series 1991 Bonds the total cost of the Construction Project, and the FmHA has requested the City to approve, accept and execute FmHA Form 1942-31 (the "FmHA Grant Agreement"), setting out the terms and conditions upon which said FmHA Grant will be made. Said FmHA Grant Agreement is hereby approved,

and the Mayor and the City Clerk are authorized to execute said FmHA Grant Agreement on behalf of the City. The Mayor and City Clerk are also authorized on behalf of the City to accept any and all other FmHA Grants offered to the City in connection with the Construction Project and to execute any and all FmHA Grant Agreements and any other documents as may be requested by the FmHA in connection with FmHA Grants which have been and/or which may hereafter be approved for such Construction Project.

502. Authorization, Ratification and Confirmation of Approval and Execution of Various Documents. The City hereby authorizes, approves, ratifies and confirms the previous action of the officers of the City in approving and executing various documents related to the financing of the Project, including the following:

- (a) Legal Services Agreement with Bond Counsel.
- (b) Legal Services Agreement with Local Counsel.
- (c) Letter of Intent to Meet Conditions of FmHA Letter of Conditions (FmHA Form 442-46).
- (d) Loan Resolution (FmHA Form 442-47).
- (e) Agreement for Engineering Services with the Engineers.

ARTICLE VI
ISSUANCE AND SALE OF THE SERIES 1992 BONDS

601. Award of Series 1992 Bonds to Lowest and Best Bidder. The Series 1992 Bonds are to be offered publicly for sale as provided by law to the lowest and best bidder, hereinafter known as "Purchaser", pursuant to a bid submitted by the Purchaser upon the date of sale of the Series 1992 Bonds and awarded by other resolutions or orders of this City Council.

602. General Authorization. The Mayor, City Treasurer, City Clerk and other officials of the City, are hereby authorized to do and perform any act or sign any and all documents required by this Series 1992 Bond Ordinance or the 1991 General Waterworks Bond Ordinance, and perform any other acts or sign and execute any other documents necessary or convenient in connection with the authorization, sale, delivery and issuance of the Series 1992 Bonds. Said Series 1992 Bonds shall be executed, authenticated and sealed pursuant to the 1991 General Waterworks Bond Ordinance and other resolutions or orders not inconsistent therewith.

603. Delivery of Series 1992 Bonds. The Mayor, City Treasurer, City Clerk and other officials of the City, are hereby severally authorized, after execution of the Series 1992 Bonds to deliver said Series 1992 Bonds to or upon the order of the Purchaser thereof, to receive the proceeds of sale of the Series 1992 Bonds and give a written receipt thereof on behalf of the City, to apply said proceeds and any other moneys in accordance with the terms of the 1991 General Waterworks Bond Ordinance, and the Series 1992 Bond Ordinance, and in such manner as is required to cause the conditions to the issuance of the Series 1992 Bonds as stipulated in the 1991 General Waterworks Bond Ordinance to be complied with and to do and perform, or cause to be done and performed, for and on behalf of the City, all acts and things that constitute conditions to the authentication and delivery of the Series 1992 Bonds, or that are otherwise required to be done and performed by or on behalf of the City prior to, or simultaneously with, the delivery of the Series 1992 Bonds.

ARTICLE VII

CONCLUDING PROVISIONS

701. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, which shall continue in full force and effect.

702. All Provisions in Conflict Repealed. All motions, resolutions and orders, or parts thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict hereby repealed. It is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds of the City payable or secured in any manner by all or any part of the income and revenues of said System or any part thereof, and which have not been heretofore sold, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered. The City covenants to correct by appropriate proceedings any required procedure previously taken invalidly.

703. Effective Date. This Ordinance shall take effect upon its enactment and publication by title and summary, as provided by law.

APPROVED:

Katherine M. Blandford
Mayor

(SEAL)

ATTEST

Joyce A. Ford
City Clerk

CERTIFICATION

I, the undersigned, the duly appointed and qualified City Clerk of the City of Lebanon, Kentucky, do hereby certify that the foregoing Ordinance is a true, accurate and complete copy of a certain Ordinance duly adopted by the City Council of said City at a duly and properly convened or recessed meeting of said City Council held on August 28, 1992, on the same occasion signed in open session by the Mayor attested under seal by me as City Clerk, and declared to be in full force and effect.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said City this 28th day of August, 1992.

Joyce A. Ford
City Clerk, City of Lebanon,
Kentucky

EXHIBIT A

Schedule of Principal Installments

<u>Payment Due</u> <u>April 1</u>	<u>Principal</u> <u>Installments</u>	<u>Payment Due</u> <u>April 1</u>	<u>Principal</u> <u>Installments</u>
1993	\$ 10,000	2013	\$ 30,000
1994	10,000	2014	30,000
1995	15,000	2015	35,000
1996	15,000	2016	35,000
1997	15,000	2017	35,000
1998	15,000	2018	40,000
1999	15,000	2019	40,000
2000	15,000	2020	45,000
2001	15,000	2021	45,000
2002	20,000	2022	50,000
2003	20,000	2023	50,000
2004	20,000	2024	50,000
2005	20,000	2025	55,000
2006	20,000	2026	60,000
2007	25,000	2027	60,000
2008	25,000	2028	65,000
2009	25,000	2029	65,000
2010	25,000	2030	70,000
2011	30,000	2031	75,000
2012	30,000	2032	80,000

EXHIBIT 9

ORDINANCE NO. 96-15

ORDINANCE AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$1,864,000 PRINCIPAL AMOUNT OF CITY OF LEBANON, KENTUCKY WATERWORKS REVENUE BONDS, SERIES 1997, FOR THE PURPOSE OF FINANCING PART OF THE COST OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF SAID CITY; AND PROVIDING FOR AN ADVERTIZED, PUBLIC, COMPETITIVE SALE OF SAID BONDS; WHICH ORDINANCE CONSTITUTES A SERIES ORDINANCE UNDER THE 1991 GENERAL WATERWORKS BOND ORDINANCE.

WHEREAS, one hundred percent (100%) of the stock in the Lebanon Waterworks Company, Inc. (the "Company") is owned by the City of Lebanon, Kentucky (the "City"); and

WHEREAS, the City has heretofore adopted its 1991 General Waterworks Bond Ordinance, dated August 28, 1991, providing for the establishment of rules, regulations and conditions for the issuance from time to time of the City of Lebanon Waterworks Revenue Bonds (the "Bonds") and providing for the collection and distribution of the revenues of the waterworks system operated by the Company (the "System"); and

WHEREAS, said 1991 General Waterworks Bond Ordinance authorizes the issuance of such Waterworks Revenue Bonds in one or more Series pursuant to one or more Series ordinances and authorizes the issuance and sale of such Series; and

WHEREAS, the City has heretofore adopted its Series 1991 Bond Ordinance authorizing the issuance of \$3,950,000 principal amount of Waterworks Revenue Bonds, Series 1991, of which bonds \$3,620,000 are currently outstanding and mature on each April 1 through 2016; and

WHEREAS, the City has heretofore adopted its Series 1992 Bond Ordinance authorizing the issuance of \$1,400,000 principal amount of Waterworks Revenue Bonds, Series 1992, of which bonds \$1,350,000 are currently outstanding and mature on each April 1 through 2032; and

WHEREAS, the City has determined that it is necessary and desirable that the City issue a Series of Waterworks Revenue Bonds, to be designated "Waterworks Revenue Bonds, Series 1997," to provide moneys to carry out the purposes as hereinafter particularly set forth.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF LEBANON,
KENTUCKY, AS FOLLOWS:

ARTICLE I

SHORT TITLE, DEFINITIONS, PERIOD OF USEFULNESS AND
RECOGNITION OF SERIES 1991 BONDS

101. Short Title. This ordinance may hereafter be cited by the City and is hereinafter sometimes referred to as the "Series 1997 Bond Ordinance."

102. Defined Words and Terms.

(1) All words and terms which are defined in the 1991 General Waterworks Bond Ordinance, which 1991 General Waterworks Bond Ordinance is incorporated herein by reference shall have the same and identical meanings respectively in this Series 1997 Bond Ordinance as such terms are given in Article I of the 1991 General Waterworks Bond Ordinance.

(2) "Construction Project" refers specifically to the construction of the currently proposed extensions, additions and improvements to the System, which Construction Project is being financed by the Series 1996 Notes to be issued in anticipation of the Series 1997 Bonds, the RUS Grant and by other funds provided by the Company.

(3) "Depository Bank" means the bank, which shall be a member of the FDIC, at which the principal of and interest on the Series 1991 Bonds are payable and which has served and shall continue to serve as the depository of all of the Funds created in the Series 1991 Bond Ordinance, the Series 1992 Bond Ordinance and this Series 1997 Bond Ordinance, which bank is Citizens National Bank, Lebanon, Kentucky, or its successor.

(4) "Depreciation Reserve Requirement" means an amount equal to \$111,000.

(5) "FDIC" refers to the Federal Deposit Insurance Corporation, or its successors.

(6) "Government" means the United States of America, or any agency thereof, including the RUS.

(7) "Grant Proceeds" refers to the proceeds of the RUS Grant.

(8) "Purchaser" means the agency, person, firm or firms, or their successors, to whom the Series 1997 Bonds herein authorized are awarded at the public sale of the Series 1997 Bonds, and such definition shall refer to the RUS if it is the Purchaser of the Series 1997 Bonds at said public sale.

(9) "RUS" means the Rural Utilities Service of the Department of Agriculture of the United States of America.

(10) "RUS Grant" refers to the RUS grant described in Section 501 of this Ordinance.

(11) "Series 1997 Bonds" shall mean the City of Lebanon Waterworks Revenue Bonds, Series 1997 which are authorized by Article II of this Series 1997 Bond Ordinance.

(12) "Series 1996 Construction Account" refers to the City of Lebanon Waterworks Construction and Acquisition Account, created in Section 301(B) of this Series 1997 Bond Ordinance.

(13) "Series 1996 Notes" refers to the City of Lebanon Waterworks Revenue Bond Anticipation Notes, Series 1996, authorized by the Series 1996 Note Ordinance.

(14) "Series 1996 Note Ordinance" refers to the ordinance adopted by the City Council on November 11, 1996 authorizing the issuance of the City's Waterworks Revenue Bond Anticipation Notes, Series 1996.

103. Declaration of Period of Usefulness. The City Council hereby declares that the period of usefulness of the System is more than forty (40) years from the date of completion of the Construction Project.

104. Recognition of 1991 Bonds and Series 1992 Bonds. The City hereby expressly recognizes and acknowledges that the City has previously pledged, for the benefit and protection of the owners of the Series 1991 Bonds and Series 1992 Bonds, the gross revenues of the System, all as set forth in the Series 1991 Bonds, the Series 1991 Bond Ordinance, the Series 1992 Bonds and the Series 1992 Bond Ordinance and the 1991 General Waterworks Bond Ordinance.

105. Series 1997 Bonds Shall be Payable Out of Gross Revenues. The Series 1997 Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions set forth in the 1991 General Waterworks Bond Ordinance, shall be payable on a parity with the Series 1991 Bonds and Series 1992 Bonds out of the gross revenues of the System, after providing only for the principal and interest requirements of the Series 1991 Bonds and Series 1992 Bonds, and shall be a valid claim of the owners thereof against the Funds and Accounts created for the benefit of such owners.

ARTICLE II

AUTHORIZATION AND TERMS OF SERIES 1997 BONDS

201. Authorization of Bonds: Principal Amount; Designation and Series. In order to provide sufficient funds necessary for paying part of the cost of making certain improvements to the System as set forth specifically in the plans and specifications prepared

by the Engineers (the "Construction Project"), in accordance with and subject to the terms, conditions and limitations established in the Act, the 1991 General Waterworks Bond Ordinance, and this Series 1997 Bond Ordinance, a series of Waterworks Revenue Bonds is hereby authorized to be issued in the aggregate principal amount of \$1,864,000. As stated aforesaid, the City Council is of the opinion and hereby determines that the issuance of said Series 1997 Bonds in the principal amount of \$1,864,000 is necessary to provide sufficient funds to be used and expended for the System. As provided by Article II, Section 204 of the 1991 General Waterworks Bond Ordinance, in addition to the designation "Waterworks Revenue Bonds," such Series of Bonds hereby authorized shall bear the additional designation "Series 1997," and each Bond as so designated shall be a "Waterworks Revenue Bond, Series 1997." The Series 1997 Bonds shall consist of \$1,864,000 principal amount of Serial Bonds as described in Section 204 hereof and shall be issued in fully registered form.

202. Purpose for Issue of Series 1997 Bonds. The purpose for which the Series 1997 Bonds are being issued is to provide permanent financing for a portion of the cost of certain improvements to the System as set forth specifically in the plans and specifications prepared by the Engineers, to pay at maturity or upon earlier redemption a portion of \$1,864,000 of bond anticipation notes (the "Series 1996 Notes") to be issued as interim financing for the Project, to provide funds, if necessary, for deposit in the Debt Service Reserve and to provide funds for deposit in the Series 1996 Cost of Issuance Account and all to the extent and in the amounts or subject to the determinations provided in Article III of this Series 1997 Bond Ordinance.

203. Issue Date. The Series 1997 Bonds shall be dated a date to be determined by the Mayor but no later than December 1, 1997.

204. Maturities. The Series 1997 Bonds shall mature on April 1 of the years, and in the principal amounts as set forth in Exhibit A attached hereto and incorporated herein by reference, and shall bear interest from the date thereof, payable semiannually on each April 1 and October 1, commencing April 1, 1998.

205. Denominations, Numbers and Letters. The Series 1997 Bonds shall be issued in the denomination of One Thousand Dollars (\$1,000) or any integral multiple thereof not exceeding, however, the aggregate principal amount of Series 1997 Bonds maturing in the year of maturity of the Series 1997 Bond for which the denomination is to be specified. The Series 1997 Bonds shall be lettered and numbered separately consecutively from R-1 upwards.

206. Place of Payment and Designation of Paying Agent and Registrar. The principal and Redemption Price on the Series 1997 Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent and Registrar, Citizens National Bank, Lebanon, Kentucky. The Mayor and City Clerk of the City are hereby authorized to enter into an agreement between the City and said Paying Agent and Registrar hereby appointed. Interest on Series 1997 Bonds will be paid by check or draft mailed to the registered owner at such address as shall be shown by the registration records of the Registrar in accordance with the provisions of Article III of the 1991 General Waterworks Bond Ordinance.

207. Redemption of Series 1997 Bonds: Redemption Terms and Prices.

Except when all of the Series 1997 Bonds are held by the Government, the Series 1997 Bonds maturing prior to April 1, 2008 shall not be subject to redemption prior to maturity. Except when all of the Series 1997 Bonds are held by the Government, Series 1997 Bonds maturing on and after April 1, 2008, shall be subject to redemption by the City on any interest-payment date on or after April 1, 2007, at par plus accrued interest to the date of redemption.

So long as all of the Series 1997 Bonds are owned by the Government, all of the Series 1997 Bonds shall be subject to redemption at any time in whole or in part, and if in part, in inverse order of maturity, less than all of a single maturity to be selected in such manner as the Bond Registrar may determine at redemption prices (expressed as percentages of the principal amount of the Series 1997 Bonds to be redeemed) plus accrued interest to the redemption date, without any penalty, upon notice and pursuant to other conditions as prescribed by the 1991 General Bond Ordinance or supplemental resolutions not inconsistent therewith.

ARTICLE III

DISPOSITION OF PROCEEDS OF SERIES 1997 BONDS

301. Note Redemption Fund. In and by the Series 1996 Note Ordinance there was created, and there is hereby continued, a special fund or account of the City to be maintained at Citizens National Bank, Lebanon, Kentucky, or its successor (the "Note Depository Bank"), separate and apart from all other funds and accounts of the city in said bank, entitled "City of Lebanon Water Revenue Bond Anticipation Note Redemption Fund" (the "Note Redemption Fund"), into which Note Redemption Fund there shall first be deposited from the sale proceeds of the Series 1997 Bonds an amount equal to (a) the principal to be due on the Series 1996 Notes to their date of maturity or date of prior call for redemption, and (b) interest to be due on the Series 1996 Notes on said date, to the extent, if any, the amount currently on deposit in the Note Redemption Fund may be insufficient to pay such interest.

302. Series 1997 Cost of Issuance Account. Pursuant to Article V, Section 502 of the 1991 General Waterworks Bond Ordinance, there has been established with Citizens National Bank, Lebanon, Kentucky (the "Depository Bank"), the Bond Proceeds Fund. There is hereby created, at the Depository Bank a Series 1997 Cost of Issuance Account (the "Series 1997 Cost of Issuance Account"). On the date of delivery of the Series 1997 Bonds there shall be deposited in the Series 1997 Cost of Issuance Account an amount sufficient for the payment of all costs of issuance related to the Series 1997 Bonds. After making provision for the payment of all costs of issuance payable from the Series 1997 Cost of Issuance Account, any balance in said account shall be deposited in the Series 1996 Construction Account.

303. Debt Service Fund. There shall be deposited in the Interest Account of the Debt Service Fund, identified in Article V, Section 502 of the 1991 General Waterworks Bond Ordinance, all sums received representing accrued interest. Such funds held from time to time in the Debt Service Fund shall be treated, invested, transferred and applied in

accordance with the provisions of Article V, Section 505 of the 1991 General Waterworks Bond Ordinance.

304. Debt Service Reserve. On the date of delivery of the Series 1997 Bonds, there shall be deposited in the Debt Service Reserve, from proceeds of the Series 1997 Bonds or other available funds of the Company or the City, an amount which when added to the amount then in the Debt Service Reserve will be equal to the Aggregate Debt Service Reserve Requirement. Such funds held from time to time in the Debt Service Reserve shall be treated, invested, transferred and applied in accordance with the provisions of the 1991 General Waterworks Bond Ordinance.

305. The Series 1996 Construction Account. (A) There is hereby created at the Depository Bank a Series 1996 Construction and Acquisition Account. Moneys, if any, in the Bond Proceeds Fund after payment of the Costs of Issuance for the Series 1997 Bonds and deposit to the Note Redemption Fund for payment of the Series 1996 Notes at maturity or earlier redemption shall be deposited in this Series 1996 Construction and Acquisition Account for use in accordance with the provisions of the 1991 General Waterworks Bond Ordinance subject to the provisions set forth below relative to the RUS. There shall also be deposited in said Series 1996 Construction Account the Grant Proceeds, as and when received. All moneys in excess of the amount insured by the FDIC in the Construction Account shall be secured by the Depository Bank in accordance with U.S. Treasury Department Circular No. 176.

The officials of the City or the Company entrusted with the receipt and disbursement of funds of the System and the custody of valuable property shall be covered by a fidelity bond in the amount of not less than \$193,000 (the "Fidelity Bond"), or such larger amount as the RUS may require, which Fidelity Bond shall be effective and secured by a surety company approved by the RUS so long as it is owner of any of the Bonds; the RUS and the City shall be named co-obligees in such Fidelity Bond; and the amount thereof shall not be reduced without the written consent of the RUS; provided that whenever sums in the various accounts referred to herein (other than the Construction Account) shall exceed \$193,000, the Fidelity Bond shall be increased accordingly as requested by and with the approval of the RUS.

In like manner, the officials of the City entrusted with the receipt and disbursement of moneys in the Construction Account shall be covered by a separate fidelity bond (the "Construction Account Fidelity Bond") with the RUS and the City named as co-obligees in the maximum amount anticipated to be on deposit in the Construction Account at any one time as determined by the Mayor, with the approval of the RUS. The City will segregate and earmark its various funds, consistent with this Series 1997 Ordinance, in such manner as to enable the City to obtain the lowest possible surety premium rate on such Fidelity Bond.

Prior to the expenditure by the City of any moneys from the Construction Account, the City will obtain written approval from the RUS as to such expenditures, if the RUS is the owner of any Outstanding Bonds.

During construction, the City shall disburse Construction Account funds in a manner consistent with RUS Instruction 1942.17(p)(5) of Appendix "A" to FmHA Instruction 1942-A. Form FmHA 424-18, "Partial Payment Estimate" or similar form approved by RUS, shall be used for the purpose of documenting periodic construction estimates, and shall be submitted to RUS for review and acceptance. Form SF-271, "Outlay Report and Request for Reimbursement for Construction Programs," shall be prepared and submitted to RUS to account for funds expended in the last 30 day period.

After the Bonds are delivered, the City shall prepare and submit Form SF-272, "Report of Federal Cash Transactions", to report the status of federal cash received during each prior monthly period. Form FmHA 440-11, "Estimate of Funds Needed for 30-Day Period Commencing _____", will be prepared by the City and submitted to RUS in order that a periodic Advance of Federal Cash may be requested. Forms FmHA 440-11 and SF-272 will be submitted to RUS simultaneously.

Periodic audits of the City's Construction Account records shall be made by RUS as determined by it to be necessary.

B. It is acknowledged that all covenants herein with reference to the necessity for approval of the RUS, the necessity of observing RUS procedure and the necessity of using FmHA forms (the "FmHA Forms"), shall apply only if the RUS is the Purchaser of the Series 1997 Bonds and only so long as the RUS holds the Series 1997 Bonds thereafter. In the event that the RUS shall not be the Purchaser of the Series 1997 Bonds, or, after purchasing same, shall sell or transfer the Series 1997 Bonds to an owner who shall not be the Government, all covenants herein with reference to the necessity for approval of the RUS, the necessity of observing RUS procedure, and the necessity of using FmHA Forms, shall not be applicable.

306. Depreciation Reserve. In addition to the amount required by the Series 1991 Bond Ordinance and Series 1992 Bond Ordinance to be deposited to the Depreciation Fund, there shall be deposited monthly in such Fund the amount of \$925.00 until such time as the Depreciation Fund equals the Depreciation Reserve Requirement for the Series 1997 Bonds. If the amount on deposit in the Depreciation Fund falls below the Depreciation Reserve Requirement, the City shall immediately commence such monthly deposits until the amount on deposit in the Depreciation Fund shall again equal the Depreciation Reserve Requirement.

307. Arbitrage Limitations on Investment of Proceeds. The City certifies, on the basis of known facts and reasonable expectations on the date of enactment of this Series 1997 Ordinance, that it is not expected that the proceeds of the Series 1997 Bonds will be used in a manner which would cause the Series 1997 Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The City covenants to the Purchaser and/or owners of the Series 1997 Bonds that (1) the City will make no use of the proceeds of said Series 1997 Bonds which, if such use had been reasonable expected on the date of issue of such Series 1997 Bonds, would have caused such Series 1997 Bonds to be "arbitrage bonds" and (2) the City will comply with all of the requirements of the Code to whatever extent is necessary to assure that the Series 1997 Bonds shall not be treated as or constitute "arbitrage bonds" and

that the interest on the Series 1997 Bonds shall be excludable from gross income for Federal income tax purposes.

Prior to or at the time of delivery of the Series 1997 Bonds, an Authorized officer of the City (who are jointly and severally charged with the responsibility for the issuance of the Series 1997 Bonds) are authorized to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated construction, expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by Section 148 of the Code in order to assure that interest on the Series 1997 Bonds shall be excludable from gross income for Federal income tax purposes and that the Series 1997 Bonds will not be treated as "arbitrage bonds".

ARTICLE IV

ADDITIONAL COVENANTS OF THE CITY

401. Covenants Applicable If RUS Purchases Bonds. So long as any or the Series 1997 Bonds are owned by the Government, the City additionally covenants as follows:

(1) That if requested by the RUS, the City shall make the payments required hereby in monthly installments to the RUS or to the insured owner of the Series 1997 Bonds.

(2) No later than 60 days after the close of each fiscal year, copies of annual audit reports certified by a Certified Public Accountant licensed in Kentucky, shall be promptly mailed to the RUS without request, and to any Bondowner that may have made a written request for same.

(3) Monthly operating reports shall be furnished to the RUS and to any Bondowner requesting same, during the first two years of operation after completion of the Construction Project, and whenever and so long as the City is delinquent in any of the covenants set out in the 1991 General Waterworks Bond Ordinance, the Series 1991 Bond Ordinance, the Series 1992 Bond Ordinance or this Series 1997 Bond Ordinance. Thereafter, quarterly operating reports shall be furnished at all other times to the RUS and to any Bondowner requesting the same.

(4) Not later than sixty days after the end of each Fiscal Year, beginning immediately after the issuance of the Series 1997 Bonds, the City agrees to cause to be prepared a detailed statement of income and expenditures for the Fiscal Year, a current financial statement and a proposed annual budget of current expenses (the "Proposed Budget") of the System for the then ensuing Fiscal Year, itemized on the basis of monthly requirements. A copy of said Proposed Budget shall be mailed to the RUS without request if the Government is the owner of any of the Series 1997 Bonds.

(5) The City shall comply with such RUS regulations, requirements and requests as shall be made by the RUS, including the furnishing of operating and other

financial statements, in such form and substance and for such periods as may be requested by the RUS, the carrying of insurance of such types and in such amounts as the RUS may specify, with insurance carriers acceptable to the RUS and compliance with all of the terms and conditions of the Loan Resolution (FmHA Form 1942-47) adopted and executed by the City, which is hereby authorized, approved, ratified and confirmed.

(6) Notwithstanding any other provisions of this Series 1997 Ordinance, the City agrees that so long as the Government owns any Outstanding Bonds against and/or payable from the revenues of the System, the City will not issue any future bonds, notes or other obligations against, secured by or payable from the revenues of the System without the written consent of the RUS.

(7) Notwithstanding any other provisions hereof, so long as any of the Series 1997 Bonds are held by the Government, the City shall not dispose of its title to the System or to any part thereof, without first obtaining the written consent of the RUS.

(8) That no resolutions, or other proceedings modifying or amending any of the terms of this Series 1997 Bond Ordinance may be effected without the prior consent of the RUS.

(9) That if it appears to the Government that the City is able to refund such Series 1997 Bonds in whole or in part, by obtaining a loan for such purposes from responsible commercial or private credit sources, or to sell bonds of the City in the open market, at reasonable rates and terms, the City will, upon request of the Government, obtain such loan and/or issue such bonds in sufficient amount to repay the Government and will take all such action as may be required in connection therewith.

(10) So long as the Government is the owner of any of the Series 1997 Bonds, the City shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of the Series 1997 Bonds without immediately prepaying all of the then outstanding Series 1997 Bonds.

(11) The City shall comply with Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), in order to assure that no handicapped individual, solely by reason of their handicap, is excluded from participation in the use of the System, is denied the benefits of the System, or is subjected to discrimination.

402. Covenant of City to Take All Necessary Action To Assure Compliance with Internal Revenue Code. in order to assure the Purchaser and any subsequent owner-of the Series 1997 Bonds that such Series 1997 Bonds shall continue to be legal and that interest thereon will continue to be excludable from gross income for Federal income tax purposes and exempt from all Kentucky income taxation, the City covenants to and with the owners of the Series 1997 Bonds to take the following action:

(a) The City will (1) take all actions necessary to comply with the provisions of the Code necessary to assure that interest on the Series 1997 Bonds will be excludable from gross income for Federal income tax purposes, (2) will take no actions which

will violate any of the provisions of the Code, and (3) not use the proceeds of the Series 1997 Bonds for any purpose which will cause interest on the Series 1997 Bonds to become includable in gross income for Federal income tax purposes.

(b) The City hereby certifies that it does not reasonably anticipate that the total principal amount of "qualified tax-exempt obligations within the meaning of Section 265(b)(3) of the Code which the City, or any subordinate entity of the City, will issue during the calendar year during which the Series 1997 Bonds are issued, will exceed \$10,000,000; and therefore the City hereby designates the Series 1997 Bonds and all interim financing obligations, including but not limited to the Note, issued pursuant to Section 302 hereof as qualified tax-exempt obligations.

(c) The City further certifies that the Series 1997 Bonds are not "private activity bonds" within the meaning of the Code.

(d) The City covenants and agrees that it will not issue, or cause any subordinate entity of the City to issue on the City's behalf, bonds or other obligations considered under the Code to be "tax-exempt obligations" (other than private activity bonds) in the aggregate principal amount in excess of \$5,000,000 during the calendar year in which the Series 1997 Bonds will be issued.

(e) The City covenants and agrees to comply with the rebate requirements on certain excess earnings imposed by Section 148 of the Code, and in the event it is determined by the City, upon the advice of Bond Counsel, that the Construction Account, or any other fund established hereunder, is subject to said rebate requirements and does in fact generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Series 1997 Bonds, plus any income attributable to such excess, the City covenants and agrees to rebate to the United States of America any such excess generated from such investments and remit such excess to the United States of America on or before five years from the date of issuance of the Series 1997 Bonds, and once every five years thereafter until the final retirement of the Series 1997 Bonds; the last installment, to the extent required, to be made no later than sixty days following the date on which funds sufficient for the complete retirement of the Series 1997 Bonds are deposited with the Paying Agent or any escrow agent. The City further covenants to file any and all reports, if any, as may be required to be filed with the Government with regard to the liability or non-liability of the City as to any such rebate requirements and to maintain records in regard thereto for the period of time required by applicable Treasury regulations.

ARTICLE V

APPROVAL OF RUS GRANT AND OTHER DOCUMENTS

501. Approval and Acceptance of RUS Grant Agreement. As set out in Section 105 hereof, RUS has agreed to make a grant to the City in the amount of \$800,000 (the "RUS Grant") to supplement the proceeds of the Series 1997 Bonds in order to provide together with the proceeds of the Series 1991 Bonds the total cost of the Construction Project, and the RUS has requested the City to approve, accept and execute FmHA Form 1942-31 (the "RUS

Grant Agreement"), setting out the terms and conditions upon which said RUS Grant will be made. Said RUS Grant Agreement is hereby approved, and the Mayor and the City Clerk are authorized to execute said RUS Grant Agreement on behalf of the City. The Mayor and City Clerk are also authorized on behalf of the City to accept any and all other RUS Grants offered to the City in connection with the Construction Project and to execute any and all RUS Grant Agreements and any other documents as may be requested by the RUS in connection with RUS Grants which have been and/or which may hereafter be approved for such Construction Project.

502. Authorization, Ratification and Confirmation of Approval and Execution of Various Documents. The City hereby authorizes, approves, ratifies and confirms the previous action of the officers of the City in approving and executing various documents related to the financing of the Project, including the following:

- (a) Legal Services Agreement with Bond Counsel.
- (b) Legal Services Agreement with Local Counsel.
- (c) Letter of Intent to Meet Conditions of RUS Letter of Conditions (FmHA Form 442-46).
- (d) Agreement for Engineering Services with the Engineers.
- (e) Form FmHA 1942-47, "Association Loan Resolution (Public Body)".
- (f) Form FmHA 400-1, "Equal Opportunity Agreement."
- (g) Form FmHA 400-4, "Assurance Agreement."
- (h) Form AD-1047, "Certificate Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transaction."
- (i) Form FmHA 1910-11, "Applicant Certification Federal Collection Policies for Consumer or Commercial Debts."
- (j) FmHA Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."

ARTICLE VI

ISSUANCE AND SALE OF THE SERIES 1997 BONDS

601. Award of Series 1997 Bonds to Lowest and Best Bidder. The Series 1997 Bonds are to be offered publicly for sale as provided by law to the lowest and best bidder, hereinafter known as "Purchaser", pursuant to a bid submitted by the Purchaser upon the date of sale of the Series 1997 Bonds and awarded by other resolutions or orders of this City Council.

602. General Authorization. The Mayor, City Treasurer, City Clerk and other officials of the City, are hereby authorized to do and perform any act or sign any and all documents required by this Series 1997 Bond Ordinance or the 1991 General Waterworks Bond Ordinance, and perform any other acts or sign and execute any other documents necessary or convenient in connection with the authorization, sale, delivery and issuance of the Series 1997 Bonds. Said Series 1997 Bonds shall be executed, authenticated and sealed pursuant to the 1991 General Waterworks Bond Ordinance and other resolutions or orders not inconsistent therewith.

603. Delivery of Series 1997 Bonds. The Mayor, City Treasurer, City Clerk and other officials of the City, are hereby severally authorized, after execution of the Series 1997 Bonds to deliver said Series 1997 Bonds to or upon the order of the Purchaser thereof, to receive the proceeds of sale of the Series 1997 Bonds and give a written receipt thereof on behalf of the City, to apply said proceeds and any other moneys in accordance with the terms of the 1991 General Waterworks Bond Ordinance, and the Series 1997 Bond Ordinance, and in such manner as is required to cause the conditions to the issuance of the Series 1997 Bonds as stipulated in the 1991 General Waterworks Bond Ordinance to be complied with and to do and perform, or cause to be done and performed, for and on behalf of the City, all acts and things that constitute conditions to the authentication and delivery of the Series 1997 Bonds, or that are otherwise required to be done and performed by or on behalf of the City prior to, or simultaneously with, the delivery of the Series 1997 Bonds.

ARTICLE VII

CONCLUDING PROVISIONS

701. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this ordinance, which shall continue in full force and effect.

702. All Provisions in Conflict Repealed. All motions, resolutions and orders, or parts thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict hereby repealed. It is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds of the City payable or secured in any manner by all or any part of the income and revenues of said System or any part thereof, and which have not been heretofore sold, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered. The City covenants to correct by appropriate proceedings any required procedure previously taken invalidly.

703. Effective Date. This Ordinance shall take effect upon its enactment and publication by title and summary, as provided by law.

APPROVED:

Katherine M. Blandford
Mayor

(SEAL)

ATTEST

Joyce A. Ford
City Clerk

EXHIBIT A

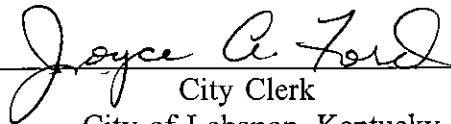
Schedule of Principal Installments

<u>Payment Due</u> <u>April 1</u>	<u>Principal</u> <u>Installments</u>	<u>Payment Due</u> <u>April 1</u>	<u>Principal</u> <u>Installments</u>
1998	\$ -0-	2018	\$44.500
1999	19.500	2019	47.000
2000	20.000	2020	49.000
2001	21.500	2021	51.000
2002	22.000	2022	53.500
2003	23.000	2023	56.000
2004	24.000	2024	58.000
2005	25.500	2025	61.000
2006	26.500	2026	63.500
2007	27.500	2027	66.500
2008	29.000	2028	69.500
2009	30.000	2029	72.500
2010	31.500	2030	76.000
2011	33.000	2031	79.500
2012	34.500	2032	83.000
2013	36.000	2033	86.500
2014	37.500	2034	90.500
2015	39.500	2035	94.500
2016	41.000	2036	97.500
2017	43.000		

CERTIFICATE

The undersigned certifies that she is the duly appointed and acting City Clerk of the City of Lebanon, Kentucky, that attached hereto is a complete and correct copy of the Series 1997 Bond Ordinance adopted by the City Council of the City of Lebanon, Kentucky, on November 11, 1996, which ordinance has not been rescinded, altered or amended and is in full force and effect as of the date hereof.

WITNESS my hand this 7th day of January, 1998.



City Clerk
City of Lebanon, Kentucky

EXHIBIT 10

BOND ORDINANCE

CITY OF LEBANON, KENTUCKY

AUTHORIZING

CITY OF LEBANON WATERWORKS REVENUE BONDS, SERIES 2002

IN THE AMOUNT OF

\$2,787,000

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ORDINANCE NO. _____

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF LEBANON AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$2,787,000 PRINCIPAL AMOUNT OF CITY OF LEBANON WATERWORKS REVENUE BONDS, SERIES 2002, FOR THE PURPOSE OF FINANCING, IN PART, THE COST OF THE CONSTRUCTION OF EXTENSIONS, ADDITIONS AND IMPROVEMENTS TO THE EXISTING WATERWORKS SYSTEM OF SAID CITY; SETTING FORTH TERMS AND CONDITIONS UPON WHICH SAID BONDS MAY BE ISSUED AND OUTSTANDING; PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF SAID WATERWORKS SYSTEM; AND PROVIDING FOR AN ADVERTISED, PUBLIC, COMPETITIVE SALE OF SAID BONDS, WHICH ORDINANCE CONSTITUTES A SERIES ORDINANCE UNDER THE GENERAL WATERWORKS BOND ORDINANCE.

WHEREAS, one hundred percent (100%) of the stock in the Lebanon Water Works Company, Inc. (the "Company") is owned by the City of Lebanon, Kentucky (the "City"); and

WHEREAS, the City has heretofore enacted its General Waterworks Bond Ordinance, dated August 28, 1991, providing for the establishment of rules, regulations and conditions for the issuance from time to time of the City of Lebanon Waterworks Revenue Bonds (the "Bonds") and providing for the collection and distribution of the revenues of the waterworks system operated by the Company (the "System"); and

WHEREAS, said General Waterworks Bond Ordinance authorizes the issuance of such Waterworks Revenue Bonds in one or more Series pursuant to one or more Series ordinances and authorizes the issuance and sale of such Series; and

WHEREAS, the City presently has outstanding certain Prior Bonds (as hereinafter defined), which Prior Bonds are payable from and secured by a pledge of the revenues derived from the operation of the System, and

WHEREAS, all of the Prior Bonds presently outstanding are current as to payment of both principal and interest, and for the security of which a certain Sinking Fund and certain reserves are being maintained in the manner and by the means prescribed in the Prior Bond Ordinance (as hereinafter defined) of the City, authorizing the Prior Bonds, and

WHEREAS, it is the desire and intent of the City at this time to authorize and provide for the issuance of revenue bonds in the principal amount of \$2,787,000 (the "Current Bonds"), for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions and improvements to the System of the City, in accordance with plans and specifications prepared

by PDR Engineers, Inc. and to prescribe the covenants of the City, the rights of Bondowners and the details of the issuance and sale of the proposed Current Bonds, and

WHEREAS, the City desires and intends that the Current Bonds be issued as second lien bonds, pursuant to the authority set forth in Section 726 of the General Waterworks Bond Ordinance, subject to the vested rights and priorities in favor of the owners of the outstanding Prior Bonds, and

WHEREAS, the proceeds of the Current Bonds will be supplemented by a contribution from the Company \$400,000, to provide the total cost of such construction,

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF LEBANON, KENTUCKY, AS FOLLOWS:

**ARTICLE 1. DEFINITIONS; PURPOSE; AUTHORIZATION
OF BONDS; SECURITY.**

Section 101. Definitions. As used in this Ordinance, unless the context requires otherwise:

"Act" refers to Chapters 58 and 82 of the Kentucky Revised Statutes.

"Beginning Month" refers to the month following the month in which the Current Bonds authorized herein are issued, sold and delivered to the Purchaser thereof.

"Bond Counsel" refers to an attorney or firm of attorneys recognized nationally as experts in the field of municipal bond law and shall be deemed to refer to Rubin & Hays, Louisville, Kentucky, or their successors.

"Bondowner" or "Owner" refer to the registered Owners of the Bonds at the time issued and outstanding hereunder.

"Bonds" refers collectively to the outstanding Current Bonds, Prior Bonds and Parity Bonds.

"Bonds of 1991" or "Series 1991 Bonds" refer to the outstanding City of Lebanon Waterworks Revenue Bonds, Series 1991, dated September 1, 1991, in the original authorized principal amount of \$3,950,000.

"Bonds of 1992" or "Series 1992 Bonds" refer to the outstanding City of Lebanon Waterworks Revenue Bonds, Series 1992, dated December 1, 1992, in the original authorized principal amount of \$1,400,000.

"Bonds of 1997A" or "Series 1997A Bonds" refer to the outstanding City of Lebanon Waterworks Refunding Revenue Bonds, Series 1997A, dated November 1, 1997, in the original authorized principal amount of \$3,190,000.

"Bonds of 1997B" or "Series 1997B Bonds" refer to the outstanding City of Lebanon Waterworks Revenue Bonds, Series 1997B, dated December 30, 1997, in the original authorized principal amount of \$1,864,000.

"Bond Ordinance of 1991" or "1991 Bond Ordinance" refer to the Ordinance authorizing the Bonds of 1991, duly enacted by the City Council of the City.

"Bond Ordinance of 1992" or "1992 Bond Ordinance" refer to the Ordinance authorizing the Bonds of 1992, duly enacted by the City Council of the City.

"Bond Ordinance of 1997A" or "1997A Bond Ordinance" refer to the Ordinance authorizing the Bonds of 1997A, duly enacted by the City Council of the City.

"*Bond Ordinance of 1997B*" or "*1997B Bond Ordinance*" refer to the Ordinance authorizing the Bonds of 1997B, duly enacted by the City Council of the City.

"*City*" refers to the City of Lebanon, Kentucky.

"*City Clerk*" refers to the appointed City Clerk of the City.

"*Code*" refers to the Internal Revenue Code of 1986, as amended, and the Treasury Regulations relating thereto.

"*Company*" refers to the Lebanon Water Works Company, Inc., a Kentucky non-profit corporation, duly established and created by the City for the purpose of operating the System.

"*Construction Account*" refers to the City of Lebanon Waterworks Construction Account, created in Section 301(B) of this Current Bond Ordinance.

"*Contractors*" refers to the general contractors who have been employed by the City to construct the Project.

"*Current Bond Ordinance*" or "*Ordinance*" refer to this Ordinance authorizing the Current Bonds.

"*Current Bonds*" refers to the \$2,787,000 of City of Lebanon Waterworks Revenue Bonds, Series 2002 authorized by this Ordinance, to be dated as of the date of issuance thereof.

"*Depository Bank*" refers to the bank, which shall be a member of the FDIC, which bank is Citizens National Bank, Lebanon, Kentucky, or its successor.

"*Depreciation Fund*" refers to the Waterworks Depreciation Fund, described in Section 401 of this Ordinance.

"*Depreciation Reserve Fund of 2002*" refers to the Waterworks Depreciation Reserve Fund of 2002, created in Section 401 of this Ordinance.

"*Engineers*" refers to the Engineers or any one of them, who prepared the plans and specifications for the construction of the Project and who will supervise the construction thereof and/or will furnish full time resident inspection of the construction of the Project, and shall be deemed to refer to PDR Engineers, Inc., or a member of said firm, or their successors.

"*Event of Default*" refers to one or more of the Events of Default set forth in Section 701 of this Ordinance.

"*FDIC*" refers to the Federal Deposit Insurance Corporation, or its successors.

"First Lien Sinking Fund" refers to the Waterworks Debt Service Fund, described in Section 401 of this Ordinance.

"Fiscal Year" refers to the annual accounting period of the City, beginning on July 1 and ending on June 30 of each year.

"Funds" refers to the Revenue Fund, the First Lien Sinking Fund, the Second Lien Sinking Fund, the Depreciation Fund, the Depreciation Reserve Fund of 2002, the Construction Account and the Operation and Maintenance Fund.

"General Waterworks Bond Ordinance" refers to the Ordinance enacted by the City on August 28, 1991, providing for the establishment of rules, regulations and conditions for the issuance, from time to time, of Waterworks Revenue Bonds by the City and providing for the collection and distribution of revenues of the System.

"Governing Body" refers to the City Council of the City, or such other body as shall be the governing body of said City under the laws of Kentucky at any given time.

"Government" refers to the United States of America, or any agency thereof, including the RD.

"Independent Consulting Engineer" refers to a consulting engineer or a firm of consulting engineers of recognized excellent reputation in the field of waterworks system engineering, and such definition includes the Engineers named above.

"Interim Lender" refers to Kentucky Rural Water Finance Corporation, Bowling Green, Kentucky, its successors or assigns; or any other financial institution or governmental agency approved by the City.

"Local Counsel" refers to Spagens, Smith & Higdon, Lebanon, Kentucky, or any other attorney or firm of attorneys designated by the City.

"Mayor" refers to the Mayor of the City.

"Multiple Advances" refers to the advance of loan funds from the RD as described in Section 302 of this Ordinance.

"Note" refers to a single note or any number of notes, in such form as may be prescribed by the Interim Lender, including any revenue bond anticipation notes issued pursuant to Chapter 58 of the Kentucky Revised Statutes, including any renewal or extensions of the Note, issued by the City evidencing the interim financing for the Project as prescribed in Section 302 of this Ordinance.

"Operation and Maintenance Fund" refers to the Waterworks Operation and Maintenance Fund described in Section 401 of this Ordinance.

"Outstanding Bonds" refers to the outstanding Bonds, and does not refer to, nor include, any Bonds for the payment of the principal and interest of which sufficient funds will have been deposited and earmarked for payment of Bonds; provided all Outstanding Bonds of any series held by the RD shall be deemed to constitute Outstanding Bonds until paid regardless of the deposit of funds to pay for same.

"Parity Bonds" refers to bonds which may be issued in the future which, pursuant to this Ordinance, rank on a basis of parity with the outstanding Current Bonds, as to priority, security and source of payment, and does not refer to bonds which might be issued so as to rank inferior to the security and source of payment of the outstanding Current Bonds.

"Prior Bonds" refers collectively to the Series 1991 Bonds, the Series 1992 Bonds, the Series 1997A Bonds, and the Series 1997B Bonds.

"Prior Bond Ordinance" refers collectively to the 1991 Bond Ordinance, the 1992 Bond Ordinance, the 1997A Bond Ordinance, and the 1997B Bond Ordinance.

"Project" refers specifically to the construction of the currently proposed extensions, additions and improvements to the System of the City, which Project is being financed by the Current Bonds and by other funds.

"Purchaser" refers to the agency, person, firm or firms, or their successors, to whom the Current Bonds herein authorized are awarded at the public sale of the Current Bonds.

"RD" refers to the Rural Development of the Department of Agriculture of the United States of America.

"Required Signatures" refers to the signatures necessary to be obtained with reference to the approval of the expenditures to be made from the Construction Account, which required signatures shall consist of the signatures of (1) an official of the Company, (2) the Engineers and (3) the Purchaser; provided, however, any expenditures for issuance and administrative costs and the costs of any equipment which is not permanently affixed to the real estate shall not require the signature or the approval of the Engineers.

"Revenue Fund" refers to the Waterworks Revenue Fund, described in Section 401 of this Ordinance.

"Second Lien Sinking Fund" refers to the City of Lebanon Waterworks Sinking Fund of 2002, created in Section 401 of this Ordinance.

"System" refers to the existing waterworks system of the City, together with all extensions, additions and improvements to said System.

"Treasurer" refers to the appointed Treasurer of the City.

"U.S. Obligations" refers to bonds or notes which are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

All words and terms which are defined in the General Waterworks Bond Ordinance, which General Waterworks Bond Ordinance is incorporated herein by reference shall have the same and identical meanings respectively in this Bond Ordinance as such terms are given in Article I of the General Waterworks Bond Ordinance.

Section 102. Purpose. The Current Bonds shall be issued for the purpose of financing the cost (not otherwise provided) of the Project, as set out in the plans and specifications prepared by the Engineers. The City Council hereby declares the System of the City, including the extensions, additions and improvements to be constructed, to constitute a revenue producing public project, and said System shall continue to be owned, controlled, operated and maintained by the City as a revenue producing public project pursuant to the Act, so long as any Bonds remain outstanding.

Section 103. Construction Award Approved; Work Authorized. The City Council hereby authorizes, approves, ratifies and confirms its previous action in advertising for and taking steps toward awarding the contracts for the construction of the Project to the lowest and best bidders, and further approves the action of the City officials in entering into formal contracts with said bidders, subject to the necessary approvals being obtained. Authority is hereby given for undertaking the construction of the Project according to the plans and specifications heretofore prepared by the Engineers for the City, after all necessary approvals have been obtained.

Section 104. Declaration of Period of Usefulness. The City Council hereby declares that the period of usefulness of the System is more than forty (40) years from the date of completion of the Project.

Section 105. Authorization of Bonds. The City has heretofore determined that the total cost of the Project, including preliminary expenses, land and rights-of-way, engineering expense, capitalized interest during construction, legal and administrative costs, publication costs, initial deposits required and all incidental expenses, will not exceed \$3,187,000. Therefore, it is hereby determined to be necessary in order for the City to finance the cost (not otherwise provided) of the Project that the City issue a total of \$2,787,000 of Current Bonds, based on the following calculation:

Total cost of Project		\$3,187,000
Less:		
Company contribution	400,000	
Total Non-Bond Funds:		<u>(400,000)</u>
Balance to be financed by Current Bonds		\$2,787,000

Accordingly, for the purpose of financing the cost (not otherwise provided) of the Project, under the provisions of the Act, there is hereby authorized to be issued and sold \$2,787,000 principal amount of City of Lebanon Waterworks Revenue Bonds, Series 2002.

The Current Bonds shall be dated as of the date of delivery to the Purchaser thereof; shall bear interest from such date at such interest rate as may be fixed by supplemental resolution as a result of the advertised sale and competitive bidding for such Current Bonds, as hereinafter provided; and shall be issued and delivered as prescribed in Section 202 hereof.

Interest on the Current Bonds shall be payable semiannually on April 1 and October 1 of each year, provided that the first interest payment period will cover interest only from the date of delivery of the Current Bonds to the ensuing April 1 or October 1, as the case may be. Principal of the Current Bonds shall be payable on April 1 of each of the respective years until maturity, as set out in Section 201 hereof.

Section 106. Recognition of Prior Bonds. The City hereby expressly recognizes and acknowledges that the City has previously pledged, for the benefit and protection of the owners of the Prior Bonds, the gross revenues of the System, all as set forth in the Prior Bonds and in the Prior Bond Ordinance.

Section 107. Current Bonds Shall be Payable on Second Lien Basis Out of Gross Revenues. The Current Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions set forth hereinafter, shall be secured by and payable on a second lien basis out of the gross revenues of the System, subject to the priority of the Prior Bonds.

Section 108. Lien on Contracts. In addition to the revenue pledge securing the Bonds, a lien is hereby created and granted in favor of the Bondowners on all contracts and on all other rights of the City pertaining to the System, enforceable by assignment to any receiver or other operator proceeding by authority of any court.

ARTICLE 2. THE BONDS; BOND FORM; PREPAYMENT.

Section 201. Principal Payments. Principal payments due on the Current Bonds shall be as set forth in the schedule of maturities set out in **Exhibit A** attached to this Ordinance and incorporated herein by reference.

Section 202. Issuance of Current Bonds; Bond Form. The Purchaser of the Current Bonds at the public sale thereof shall take delivery of the Current Bonds in the form of one or more fully registered bonds, as set forth in **Exhibit B** attached hereto and incorporated herein by reference, amounting in the aggregate to the principal amount of the Current Bonds authorized herein, maturing as to principal as set out in Section 201 above. The Current Bonds shall be numbered R-1 and consecutively upward thereafter. Such Current Bonds shall, upon appropriate execution on behalf of the City as prescribed herein, constitute the entire bond issue herein authorized, shall be negotiable (subject to registration requirements as to transferability), and payable as to principal and interest to the registered Owner.

Section 203. Place of Payment and Manner of Execution. Both principal of and interest on the Current Bonds shall be payable at the place and in the manner set out in the form of such Current Bond. The Current Bonds shall be executed on behalf of the City by the manual or facsimile signature of the Mayor, with the Corporate Seal of the City affixed thereto and attested by the manual or facsimile signature of the City Clerk.

If either of the officers whose signatures appear on the Current Bonds ceases to be such officer before delivery of said Current Bonds, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery.

Section 204. Provisions as to Prepayment. Except when all of the Current Bonds are held by the Government, principal maturities falling due prior to April 1, 2011, shall not be subject to prepayment. Principal maturities falling due on and after April 1, 2010, shall be subject to prepayment by the City on any interest payment date falling on and after April 1, 2010, at par plus accrued interest, without any prepayment penalty.

So long as all of the Current Bonds are owned by the Government, all or any of the Current Bonds, or payments in a multiple of \$100, may be prepaid at any time in inverse chronological order of the principal maturities due, at par plus accrued interest without any prepayment penalty. Notice of such prepayment shall be given by certified mail to the Bondowner or his assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the Bondowner.

**ARTICLE 3. CONSTRUCTION ACCOUNT; INTERIM FINANCING;
APPLICATION OF PROCEEDS; ARBITRAGE LIMITATIONS.**

Section 301. Construction Account; Application of Proceeds of Bonds; Other Transfers and Deposits. The officials of the City or the Company shall be the custodian of all funds belonging to and associated with the System. All moneys in excess of the amount insured by the FDIC in the Construction Account shall be secured by the Depository Bank in accordance with U. S. Treasury Department Circular No. 176. The officials of the City or the Company entrusted with the receipt and disbursement of revenues of the System and the custody of valuable property shall be covered by a fidelity bond in the amount of not less than \$341,000 (the "Fidelity Bond"), or such larger amount as the RD may require, which Fidelity Bond shall be effective and secured by a surety company approved by the RD so long as it is owner of any of the Current Bonds. The RD, the City and/or the Company shall be named co-obligees in such Fidelity Bond and the amount thereof shall not be reduced without the written consent of the RD. Whenever sums in the Funds shall exceed \$341,000, the Fidelity Bond shall be increased accordingly as requested by and with the approval of the RD.

A. Covenants Applicable if RD Purchases Current Bonds. It is acknowledged that all covenants herein with reference to the necessity for approval of the RD, the necessity of observing RD regulations and procedures and the necessity of using RD forms (the "RD Forms"), shall apply only if the RD is the Purchaser of the Current Bonds and only so long as the RD holds the Current Bonds thereafter. In the event that the RD shall not be the Purchaser of the Current Bonds, or, after purchasing same, shall sell or transfer the Current Bonds to an Owner who shall not be the Government, all covenants herein with reference to the necessity for approval of the RD, the necessity of observing RD regulations and procedures, and the necessity of using RD Forms, shall not be applicable.

B. Application of Proceeds of Current Bonds. The proceeds of the Current Bonds shall be applied as follows:

(1) Payment of Interim Financing, Costs of Project and Costs of Issuance. Simultaneously with the delivery of the Current Bonds, there shall immediately be paid to the Interim Lender (or the RD if Multiple Advances are made) an amount sufficient to pay principal of and interest on any temporary loans borrowed by the City in anticipation of the sale and delivery of the Current Bonds. Also, at the time of delivery of the Current Bonds, there shall be paid all amounts then due and payable in connection with the costs of the Project and in connection with the issuance of the Current Bonds.

(2) Construction Account. If and to the extent that the proceeds of the Current Bonds shall be in excess of the amount necessary to pay the interest, principal and costs referred to in subparagraph B(1) of this Section, such excess amount shall immediately be deposited in the "City of Lebanon Waterworks Construction Account" hereby created, which shall be established at the Depository Bank. Simultaneously with or prior to the delivery of the Current Bonds, there shall also be deposited in the Construction Account the

Company contribution in the minimum amount of \$400,000 (less any amounts theretofore used for authorized purposes), to supplement the proceeds of the Current Bonds in order to assure completion of the Project.

(3) Withdrawal of Funds From Construction Account. Prior to the expenditure by the City of any moneys from the Construction Account, the City must obtain written approval from the RD as to such expenditures, if the RD is the Owner of any Outstanding Bonds. The proceeds of said Construction Account shall be withdrawn only on checks signed by the Mayor, the Treasurer (or by such official of the Company as may be authorized), provided such official shall be covered by the Fidelity Bond required by Section 301 of this Ordinance, in payment for services and/or materials supplied in connection with the Project, as evidenced by (1) a Requisition Certificate and (2) invoices and/or partial payment estimates bearing the written approval of the Engineers and the Mayor (or by such official of the Company as may be authorized), and which invoices and/or partial payment estimates must have been reviewed and approved for payment by the designated RD official.

Written approval or certification of the Engineers shall not be required for matters not under the jurisdiction of the Engineers, such as legal fees, land acquisition and related items.

During construction, the City shall disburse Construction Account funds in a manner consistent with RD Instruction 1780.

The City and the Company shall prepare and submit any and all RD Forms required by the RD. Periodic audits of the Construction Account records shall be made by RD as determined by it to be necessary.

(4) Transfer of Capitalized Interest to Second Lien Sinking Fund. There shall be transferred from the Construction Account from time to time, as needed, an amount sufficient to provide for capitalized interest (initially estimated at \$75,000) during the construction of the Project, as approved by the Engineers and by the RD. If and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project, such amount so transferred from the Construction Account shall be deposited in the Second Lien Sinking Fund.

(5) Investment of Funds in Construction Account. Pending disbursement of amounts on deposit in the Construction Account, all such funds, or such portion of said amounts on deposit in said Construction Account shall be invested for the benefit of such Construction Account in Certificates of Deposit, savings accounts or U.S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for costs of the Project (as determined by the Engineers and the RD), provided that to the extent that any amounts on deposit in said

Depository Bank shall cause the total deposits in said Depository Bank to exceed the amount insured by the FDIC, the same shall be continuously secured by a valid pledge of U.S. Obligations, having an equivalent market value, in conformity with Section 66.480 of the Kentucky Revised Statutes. Investments in Certificates of Deposit may be made only if a separate RD Form 402-4 Agreement is executed, if the RD has purchased any of the Bonds, and investments in Certificates of Deposit or savings accounts may be made only in such Certificates or accounts of an FDIC bank. Any such investments will be a part of the Construction Account, and income from such investments will be credited to the Construction Account. All such investments shall be subject to the limitations set out in Section 303 hereof.

(6) Statements of Contractors, Engineers and Attorneys as to Payment. Prior to the delivery of the Current Bonds, if the RD is the Purchaser of the Current Bonds, the City will be required to provide the RD with statements from the Contractors, Engineers and attorneys for the City that they have been paid to date in accordance with their contract or other agreements and, in the case of any Contractor, that he has paid his suppliers and subcontractors. Any exceptions must be authorized under RD Instruction 1780.

(7) Disposition of Balance in Construction Account After Completion of Project. When the Project has been completed and all construction costs have been paid in full, as certified by the Engineers for the City and/or by the RD, any balance then remaining in the Construction Account may, with the consent of the RD, be applied to the cost of constructing additional extensions, additions and improvements to the System (the "Additional Construction"). If such Additional Construction is to be undertaken by the Contractors previously engaged in the Project, such Additional Construction may be authorized by a change order.

If there is a balance remaining in the Construction Account after such Additional Construction, such balance shall be transferred to the Second Lien Sinking Fund, whereupon said Construction Account shall be closed. Such remaining balance in the Construction Account so transferred to the Second Lien Sinking Fund shall be used by the City immediately to prepay principal installments due on the Current Bonds in the inverse order of maturities without prepayment penalty, provided further that any balance insufficient to prepay at least \$100 of the principal payment falling due in any year on the Current Bonds will be transferred to the Depreciation Fund.

Section 302. Interim Financing Authorization.

A. Interim Financing. The City shall use interim financing for the Project during construction of that portion of the cost of the Project financed by the Current Bonds, if available at reasonable rates and terms.

The borrowing of up to the aggregate sum of \$2,787,000 from the Interim Lender is hereby authorized; and the Mayor is hereby authorized to execute the Note in the name and on behalf of the City. Each advance under the Note shall evidence a loan by the Interim Lender to the City for services rendered and/or materials supplied in connection with the Project, as evidenced by a Requisition Certificate.

Interim financing shall be disbursed as follows:

(1) At the direction of the City, the Interim Lender shall disburse the proceeds of the Note by cashier's checks directly to the parties entitled thereto as set forth in the Requisition Certificate; or

(2) At the direction of the City, the Interim Lender shall deposit the proceeds of the Note in the Construction Account, in which event amounts of the City on deposit therein shall, until expended to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U.S. Obligations.

The aggregate of the principal amount of all Notes shall not exceed \$2,787,000. Each Note which is renewed or superseded shall be simultaneously cancelled by the Interim Lender and transmitted to the Treasurer. The rate of interest applicable to each Note shall not exceed a reasonable rate, which rate is subject to the approval of the RD.

The total authorized interim financing of \$2,787,000 shall be the maximum indebtedness which the City may owe at any one time to the Interim Lender for the purpose of providing temporary construction financing for the Project; provided, however, that the City may reduce the amount owed by the City to the Interim Lender from time to time as and when funds are available to the City, whether derived from the proceeds of the sale of the Current Bonds or otherwise, and may reborrow from the Interim Lender additional amounts in anticipation of the further receipt by the City of additional proceeds from the Current Bonds.

The City hereby covenants and agrees with the Interim Lender that upon the issuance and delivery of the Current Bonds, the City will apply the proceeds thereof, to whatever extent may be necessary, in payment of the principal amount of the Note, together with accrued interest thereon to the date of such payment; and the proceeds of the Current Bonds are hereby pledged therefor, and such pledge shall constitute a first and prior charge against said proceeds.

It is understood that the foregoing constitutes an alternative method of obtaining interim financing, and does not preclude the authorization and sale, by public advertisement or otherwise,

of bond anticipation notes to the most favorable bidder on the open market, by concurrent or subsequent proceedings of the City.

B. Multiple Advances by RD. In the event the Current Bonds are purchased by the RD, and in the event the City is unable to obtain a commitment for interim financing for the Project from any Interim Lender at reasonable rates and terms, the Mayor is authorized to request Multiple Advances of loan funds from the RD.

If the RD agrees to make Multiple Advances to the City pending the delivery of the Current Bonds, the Mayor is hereby authorized to execute in the name and on behalf of the City any number of Notes. Each such Note, evidencing an advance of funds by the RD to the City, shall be in the form prescribed by the RD.

Each request for an advance from the RD shall be accompanied by a Requisition Certificate. The City will also furnish to the RD, prior to the receipt of each Multiple Advance, whatever additional documentation shall be requested by the RD, including an updated supplemental title opinion of Local Counsel and an updated supplemental preliminary legal opinion of Bond Counsel.

The proceeds of any Multiple Advances shall be either (i) disbursed directly to the parties entitled thereto for services and/or materials supplied in connection with the Project or (ii) deposited into the Construction Account and disbursed in accordance with the provisions of Section 301 hereof, in which event amounts on deposit in such Construction Account shall, until expended, to the extent that same shall exceed the amount insured by the FDIC, be fully secured by a pledge of U.S. Obligations.

The proceeds of the Current Bonds are hereby pledged to the repayment of such Multiple Advances, and such pledge shall constitute a first and prior pledge against such proceeds. The City further pledges the revenues of the System to the repayment of said Multiple Advances, subject to the vested rights and priorities of the pledges securing the Outstanding Bonds.

Section 303. Arbitrage Limitations on Investment of Proceeds. The City covenants and certifies, in compliance with the Code, on the basis of known facts and reasonable expectations on the date of enactment of this Ordinance, that it is not expected that the proceeds of the Current Bonds will be used in a manner which would cause the Current Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code. The City covenants to the Owners of the Current Bonds that (1) the City will make no use of the proceeds of said Current Bonds which, if such use had been reasonably expected on the date of issue of such Current Bonds, would have caused such Current Bonds to be "arbitrage bonds" and (2) the City will comply with all of the requirements of the Code to whatever extent is necessary to assure that the Current Bonds shall not be treated as or constitute "arbitrage bonds" and that the interest on the Current Bonds shall be excludable from gross income for Federal income tax purposes.

Prior to or at the time of delivery of the Current Bonds, the Mayor and/or the Treasurer (who are jointly and severally charged with the responsibility for the issuance of the Current Bonds) are

authorized to execute such certifications as shall be required by Bond Counsel, setting out all known and contemplated facts concerning the anticipated construction, expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by Section 148 of the Code in order to assure that interest on the Current Bonds shall be excludable from gross income for Federal income tax purposes and that the Current Bonds will not be treated as "arbitrage bonds".

ARTICLE 4. FLOW OF FUNDS.

Section 401. Funds. There was heretofore created in the General Waterworks Bond Ordinance the following funds and accounts:

- (a) General Revenue Fund
- (b) Debt Service Fund
- (c) Depreciation Fund
- (d) Operation and Maintenance Fund
- (e) Surplus Fund

There is hereby created and established in this Ordinance the Waterworks Sinking Fund of 2002 and the Depreciation Reserve Fund of 2002.

All of the Funds shall be maintained with the Depository Bank so long as any Bonds remain outstanding.

Section 402. Flow of Funds. All proceedings preliminary to and in connection with the issuance of the Outstanding Bonds, including provisions made for (i) the receipt, custody and application of the proceeds of the Outstanding Bonds; (ii) the operation of the System on a revenue-producing basis; (iii) the segregation, allocation and custody of the revenues derived from the operation of the System; (iv) the enforcement and payment of the Outstanding Bonds and (v) the depreciation of the System; and all other covenants for the benefit of Bondowners set out in the Prior Bond Ordinance, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Outstanding Bonds, the same as if such provisions and proceedings were set out in full herein; provided, further, that after the issuance of the Current Bonds, the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

A. Revenue Fund. The City covenants and agrees that it will continue to deposit in the Revenue Fund, promptly as received from time to time, all revenues of the System, as same may be extended and improved from time to time. The moneys in the Revenue Fund shall continue to be used, disbursed and applied by the City only for the purpose and in the manner and order of priorities specified in the General Waterworks Bond Ordinance, as hereinafter modified by this Ordinance, all as permitted by the Act, and in accordance with previous contractual commitments.

B. Transfers from Revenue Fund. There shall be transferred from the Revenue Fund such sums as are required by the General Waterworks Bond Ordinance.

The First Lien Sinking Fund shall be used solely and only and is hereby pledged for the purpose of paying the principal of and interest on the Prior Bonds.

C. Second Lien Sinking Fund. At or after the time that the Current Bonds have been delivered, there shall be transferred from the Construction Account into the Second Lien Sinking Fund an amount sufficient (currently estimated at \$75,000) to provide for capitalized interest during

the construction of the Project, if and to the extent not theretofore expended in paying interest on interim financing and if and to the extent then needed to pay interest during the remaining period of construction of the Project.

After the monthly transfers required by the General Waterworks Bond Ordinance have been paid from the Revenue Fund, there shall next be transferred monthly from said Revenue Fund and deposited into the Second Lien Sinking Fund on or before the 20th day of each month, for payment of interest on and principal of the Current Bonds, a sum equal to the total of the following:

- (1) An amount equal to one-sixth (1/6) of the next succeeding six-month interest payment to become due on the Current Bonds then outstanding, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Current Bonds maturing on the next succeeding April 1.

The Second Lien Sinking Fund is hereby pledged for the payment of the interest and the principal of the Current Bonds, but subject to the vested rights and priorities of the outstanding Prior Bonds.

D. Depreciation Reserve Fund of 2002. There shall next be transferred from the Revenue Fund the sum of at least \$1,290 each month which shall be deposited into the Depreciation Reserve Fund of 2002 until the Current Bonds are paid in full.

Moneys in the Depreciation Reserve Fund of 2002 may be withdrawn and used by the City, upon appropriate certification of the City Council, for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, renewals and replacements not included in the annual budget of current expenses and/or of paying the costs of constructing future extensions, additions and improvements to the System which will either enhance its revenue-producing capacity or will provide a higher degree of service, and when necessary, for the purpose of making payments of principal and interest on the Bonds if the amount on deposit in the Sinking Fund is not sufficient to make such payments.

E. Operation and Maintenance Fund. There shall next be transferred monthly from the Revenue Fund and deposited into said Operation and Maintenance Fund, sums sufficient to meet the current expenses of operating and maintaining the System.

F. Monthly Principal and Interest Payments if Requested by the RD. So long as any of the Bonds are held or insured by the RD, the City shall, if requested by the RD, make the payments required by this Section 402, in monthly installments to the RD or to the insured Owners of the Bonds.

G. Investment and Miscellaneous Provisions. All monies in the Funds shall be deposited in the Depository Bank, or such portion thereof as is designated by the City Council. All monies in the Funds shall be invested for the benefit of such respective Funds in Certificates of Time

Deposit or savings accounts of the Depository Bank or in U.S. Obligations which may be converted readily into cash, having a maturity date prior to the date when the sums invested will be needed for the purposes for which such funds may be expended, provided that to the extent that any amount of the City on deposit in the Depository Bank shall cause the total deposits of the City in said Depository Bank to exceed the amount insured by the FDIC, such excess amount shall be continuously secured by a valid pledge of U.S. Obligations, having an equivalent market value, in conformity with Section 66.480 of the Kentucky Revised Statutes.

If the RD has purchased any of the Outstanding Bonds, investments in Certificates of Deposit may be made only if a separate RD Form 402-4 Agreement is executed. Any such investments will be a part of the respective Funds from which the proceeds invested are derived, and income from such investments will be credited to such respective Funds. All investments of funds derived from proceeds of the Outstanding Bonds shall be subject to the applicable limitations set out in Section 303 hereof.

All payments into the Funds shall be made on or before the twentieth (20th) day of each month, except that when the twentieth (20th) day of any month shall be a Saturday, Sunday or a legal holiday, then such payment shall be made on the next succeeding business day.

All monies held in any of the Funds shall be kept apart from all other City funds and shall be deposited in the Depository Bank, and all such deposits which cause the aggregate of all deposits of the City therein to be in excess of the amount secured by FDIC, shall (unless invested as herein authorized) be secured by a surety bond or bonds or by a pledge of U.S. Obligations, having a market value equivalent to such deposit.

The Treasurer shall keep appropriate records as to payment of principal and interest installments and as to payment of principal of and interest on any Bonds.

Section 403. Current Bonds are Subordinate to the Prior Bonds. It is hereby certified and declared that the Current Bonds shall be subordinate to the lien and pledge of the Prior Bonds on the gross revenues of the System.

ARTICLE 5. COVENANTS OF CITY.

Section 501. Rates and Charges. The City shall charge such rates and charges for all services and facilities rendered by the System, which rates and charges shall be reasonable, taking into account and consideration the cost and value of the System, the cost of maintaining, repairing and operating same and the amounts necessary for the payment of principal of and interest on Outstanding Bonds against the System. The City shall charge such rates and charges as shall be adequate to meet the requirements of Articles 4 and 5 hereof.

The City covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the City Clerk a certification of an Independent Consulting Engineer that the annual net revenues (defined as gross revenues less operating expenses) of the then existing System for the fiscal year preceding the year in which such reduction is proposed, as such annual net revenues are adjusted, after taking into account the projected reduction in annual net revenues anticipated to result from any such proposed rate decrease, are equal to not less than 120% of the average annual debt service requirements for principal and interest on all of the then Outstanding Bonds payable from the revenues of the System, calculated in the manner specified in Section 603 hereof.

Section 502. Books and Accounts; Audit. The City shall maintain proper records and accounts relating to the operation of the System and the City's financial affairs; and the Bondowners, or their authorized representatives, shall have the right at all reasonable times to inspect the facilities of the System and all records, accounts and data relating thereto. An annual audit shall be made of the books and accounts pertinent to the System by a Certified Public Accountant licensed in Kentucky. No later than ninety (90) days after the close of each Fiscal Year, copies of such audit reports certified by such Certified Public Accountant shall be promptly mailed to the RD without request, so long as the Government is the Owner of any of the Bonds, and to any Bondowner that may have made a written request for same.

Monthly operating reports shall be furnished to the RD and to any Bondowner requesting same, during the first two years of operation after completion of the Project, and whenever and so long as the City is delinquent in any of the covenants set out in the Prior Bond Ordinance or this Current Bond Ordinance. Thereafter, quarterly operating reports shall be furnished at all other times to the RD and to any Bondowner requesting the same.

Section 503. System to Continue to be Operated on Fiscal Year Basis; Annual Budget. While any of the Bonds are outstanding and unpaid, and to the extent permitted by law, the System shall continue to be operated and maintained on a Fiscal Year basis.

Not later than sixty (60) days before the end of each Fiscal Year, the City agrees to cause to be prepared a proposed annual budget of operating expenses (the "Proposed Budget") of the System for the then ensuing Fiscal Year, itemized on the basis of monthly requirements. A copy of said Proposed Budget shall be mailed to any Bondowner who may request in writing a copy of such

Proposed Budget and to the RD without request, if the Government is the Owner of any of the Bonds.

For the purpose of the Proposed Budget, operating expenses shall include all reasonable and necessary expenses of operating, repairing, maintaining and insuring the System, but shall exclude depreciation and debt service payments. The City covenants that the operating expenses incurred in any year will not exceed the reasonable and necessary amounts therefor, and that the City will not expend any amount or incur any obligation for operation or maintenance and repair in excess of the amounts provided for operating expenses in the annual budget, except upon resolution by the City that such expenses are necessary to operate and maintain the System.

Not later than sixty (60) days before the end of each Fiscal Year, the City shall prepare an estimate of gross revenues to be derived from the operation of the System for said Fiscal Year, and, to the extent that said gross revenues are insufficient (a) to pay debt service requirements on all Outstanding Bonds during the ensuing Fiscal Year, (b) to accumulate and maintain all required reserves enumerated herein and (c) to pay operating expenses, the City shall revise the rates and charges sufficiently to provide the funds so required.

If the Owners of at least 50% of the principal amount of the Outstanding Bonds, or the Government so long as it is the Owner of any of said Outstanding Bonds, so request, the City Council shall hold an open hearing not later than thirty (30) days before the beginning of the ensuing Fiscal Year, at which time any Bondowner may appear by agent or attorney and may file written objections to such proposed budget. Notice of the time and place of such hearing shall be mailed at least fifteen (15) days prior to the hearing to each registered Bondowner and to the Government.

The City covenants that annually before the first day of the Fiscal Year, the annual budget for the upcoming Fiscal Year will be adopted substantially in accordance with the Proposed Budget, and that no expenditures for operation and maintenance expenses of the System in excess of the budgeted amount shall be made during such Fiscal Year unless directed by said City by a specific resolution duly adopted.

Section 504. General Covenants. The City, through its City Council, hereby covenants and agrees with the Owners of the Bonds that:

- (1) It will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth of Kentucky;
- (2) It will make and collect reasonable and sufficient rates and charges for services and facilities rendered by the System;
- (3) It will segregate the revenues and income from the System and make application thereof consistent with and as provided by this Ordinance;

- (4) Unless the written consent of the Owners of a majority of the principal amount of the Outstanding Bonds has been obtained, the City agrees not to sell, lease, mortgage or in any manner dispose of any integral part of the System, including any and all appurtenances thereto and extensions, additions and improvements that may be made thereto, until all of the Outstanding Bonds shall have been paid or provided for in full, as provided herein; subject to the provisions of Section 607 hereof;
- (5) It will maintain in good condition and continuously operate the System and appurtenances thereto and will charge such rates and charges for the services rendered thereby so that the gross income and revenues will be sufficient at all times (i) to pay the interest on and principal of the Outstanding Bonds as same become due, (ii) to pay the cost of operating and maintaining the System, and (iii) to provide for an adequate depreciation account; and
- (6) It will carry and maintain insurance on properties of the System subject to loss or damage in amounts and against hazards substantially in accordance with the practices of other districts, cities or corporations which own and maintain waterworks systems under similar conditions; and so long as the Government is the Owner of any of the Outstanding Bonds, the Government will be listed as co-beneficiary on any such policy; and the City shall further comply with the insurance requirements of Section 506 hereof (involving insurance on motors, tanks and structures).

Section 505. Other Covenants Applicable So Long as RD Owns Any Bonds. So long as the RD shall own any of the Bonds, the City shall comply with such RD regulations, requirements and requests as shall be made by the RD, including the furnishing of operating and other financial statements, in such form and substance and for such periods as may be requested by the RD, the carrying of insurance of such types and in such amounts as the RD may specify, with insurance carriers acceptable to the RD and compliance with all of the terms and conditions of the Loan Resolution (RD Form 1942-47) adopted and executed by the City, which is hereby authorized, approved, ratified and confirmed.

Section 506. Insurance on Motors, Tanks and Structures. The City shall (a) immediately after the enactment of this Ordinance and (b) at the time of final acceptance of the Project, insure all electric motors, pumping stations and major structures of the System in an amount recommended by the Engineers and approved by the RD, so long as the RD is the Owner of any of the Bonds, for the hazards usually covered in such area, and shall similarly insure same in an amount recommended by the Engineers, without the necessity of approval by the RD if and whenever the City has Outstanding Bonds against the System and none of such Outstanding Bonds are owned by the RD.

ARTICLE 6. INFERIOR BONDS AND PARITY BONDS.

Section 601. Inferior Bonds. Except as hereinafter provided in this Article, the City shall not, so long as any Bonds are outstanding, issue any additional bonds payable from the revenues of the System unless the security and/or pledge of the revenues to secure such additional bonds are made inferior and subordinate in all respects to the security of the Bonds.

The City expressly reserves the right at any time to issue its bonds or other obligations payable from the revenues of the System and not ranking on a parity basis with the Current Bonds, without any proof of previous earnings or net revenues, provided that the consent of the RD must be obtained prior to the issuance of any inferior bonds so long as the RD owns any of the Bonds, and provided further that, after the initial completion of the Project, such inferior bonds may be issued only for the purpose of providing for future extensions, additions and improvements to the System, and only in express recognition of the priorities, liens and rights created and existing for the security, source of payment and protection of the Outstanding Bonds; provided further, that nothing in this Section is intended to restrict or shall be construed as a restriction upon, the ordinary refunding of all or a portion of the Outstanding Bonds.

Section 602. Parity Bonds to Complete the Project. The City hereby certifies, covenants and agrees that in the event that the cost of completion of the construction of the Project shall exceed the moneys available to the City from any and all sources, the City shall have the right, if necessary, to provide for such excess, and only such excess, through the issuance of Parity Bonds, provided the City has obtained a certification from the Engineers to the effect that it is necessary to issue the desired amount of Parity Bonds in order to enable the City to pay the cost (not otherwise provided) of the completion of the Project, and provided the City has complied with the provisions of Section 603 below or has obtained:

- (a) the consent of the RD if the Government is the Owner of the Prior Bonds at that time or the consent of any other Owners of the Prior Bonds, and
- (b) the consent of (1) the RD if the Government is the purchaser of the Current Bonds or (2) the Owners of at least 75% of the principal amount of the Current Bonds outstanding, if the Current Bonds have been issued, sold and delivered and are held by Owners other than the Government.

Section 603. Parity Bonds to Finance Future Improvements. The City has reserved the right and privilege, and does hereby reserve the right and privilege, of issuing additional Parity Bonds, but only under the conditions specified in this Current Bond Ordinance, which conditions are as follows:

The City further reserves the right to add new waterworks facilities and/or to finance future extensions, additions and improvements to the System by the issuance of one or more additional series of Parity Bonds to be secured by a parity lien on and ratably payable on a parity with the Current Bonds, from the revenues of the System, provided:

- (a) The facilities to be constructed from the proceeds of the additional Parity Bonds are made a part of the System and their revenues are pledged as additional security for the additional Parity Bonds and for the Outstanding Bonds.
- (b) The City is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds.
- (c) The annual net revenues (defined as gross revenues less operating expenses), of the then existing System for the Fiscal Year preceding the year in which such Parity Bonds are to be issued, adjusted as hereinafter provided, shall be certified by an independent Certified Public Accountant to be equal at least one hundred twenty percent (120%) of the average annual debt service requirements for principal and interest on all Outstanding Bonds payable from the revenues of the System, plus the anticipated debt service requirements of any Parity Bonds then proposed to be issued. The calculation of average annual debt service requirements of principal and interest on the additional Parity Bonds to be issued shall, regardless of whether such additional Parity Bonds are to be serial or term bonds, be determined on the basis of the principal of and interest on such Parity Bonds being payable in approximately equal annual installments.
- (d) The annual net revenues referred to above may be adjusted for the purpose of the foregoing computations to reflect:
 - (1) any revisions in the System's schedule of rates or charges being imposed on or before the time of the issuance of any such additional Parity Bonds, and
 - (2) any increase in the annual net revenues to be realized from the proposed extensions, additions and improvements being financed (in whole or in part) by such additional Parity Bonds;

provided all such adjustments shall be based upon and included in a certification of an Independent Consulting Engineer.

- (e) Compliance with Section 603(a) through (d) shall not be necessary for the issuance of Parity Bonds if the City has obtained (1) the written consent of the RD for the issuance of such Parity Bonds, if the Government is the Owner of any Outstanding Bonds at the time of issuance of such Parity Bonds and (2) the written consent of the Owners of all of the then Outstanding Bonds, and no other prerequisite need be complied with by the City in order to issue Parity Bonds.

Section 604. Covenants to be Complied with at Time of Issuance of Parity Bonds. The City hereby covenants and agrees that in the event any Parity Bonds are issued, the City shall:

- (a) Adjust the monthly amount to be deposited into the Sinking Fund on the same basis as that prescribed in the provisions establishing such Sinking Fund, to reflect the annual debt service requirements of the Parity Bonds;
- (b) Adjust the minimum annual amount to be deposited monthly into the Depreciation Fund on the same basis as that prescribed in the provisions establishing such Depreciation Fund, taking into account the future debt service requirements of all Bonds which will then be outstanding against the System; and
- (c) Make such Parity Bonds payable as to principal on April 1 of each year in which principal falls due and payable as to interest on April 1 and October 1 of each year until the final maturity of such Parity Bonds.

Section 605. Prepayment Provisions Applicable to Parity Bonds. If, in connection with any subsequently issued series of Parity Bonds, it is provided that excess revenues in the Revenue Fund shall be used to prepay Outstanding Bonds in advance of scheduled maturity, or if the City at its option undertakes to prepay Outstanding Bonds in advance of scheduled maturity, it is agreed and understood, for so long as the Government owns any of the Outstanding Bonds, that no such prepayment will be effected without the approval of the RD.

Section 606. Consent of the RD Regarding Future Bonds. Notwithstanding any other provisions of this Ordinance, the City agrees that so long as the Government owns any Outstanding Bonds against and/or payable from the revenues of the System, the City will not issue any future bonds, notes or other obligations against, secured by or payable from the revenues of the System without the written consent of the RD.

Section 607. Priority of Lien; Permissible Disposition of Surplus or Obsolete Facilities. The City covenants and agrees that so long as any of the Bonds are outstanding, the City will not sell or otherwise dispose of any of the facilities of the System, or any part thereof, and, except as provided above, the City will not create or permit to be created any charge or lien on the revenues thereof ranking equal or prior to the charge or lien of the Outstanding Bonds. Notwithstanding the foregoing, the City may at any time permanently abandon the use of, or sell at fair market value, any part of the facilities of the System, provided that:

- (a) The City is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds, and the required reserves for such Outstanding Bonds will have been accumulated;
- (b) The City will, in the event of any such sale, apply the proceeds to either (1) redemption of Outstanding Bonds in accordance with the provisions governing prepayment of bonds in advance of maturity or (2) replacement of the facility so disposed of by another facility, the revenues of which shall be incorporated into the System, as hereinbefore provided;

- (c) The City certifies, in good faith, prior to any abandonment of use, that the facilities to be abandoned are no longer economically feasible of producing net revenues; and
- (d) The City certifies, in good faith, that the estimated net revenues of the remaining facilities of the System for the then next succeeding Fiscal Year, plus the estimated net revenues of the facilities, if any, to be added to the System, comply with the earnings requirements hereinbefore provided in the provisions and conditions governing the issuance of Parity Bonds.

Notwithstanding any other provisions hereof, so long as any Bonds are held by the Government, the City shall not dispose of its title to the System or to any part thereof, without first obtaining the written consent of the RD.

ARTICLE 7. DEFAULT AND CONSEQUENCES.

Section 701. Events of Default. The following items shall constitute an Event of Default on the part of the City:

- (a) The failure to pay principal of the Bonds as and when same shall become due and payable, either at maturity or by proceedings for redemption.
- (b) The failure to pay any installment of interest on the Bonds when the same shall become due and payable or, if any or all of the Outstanding Bonds are owned by the RD, within 30 days thereafter.
- (c) The default by the City in the due or punctual performance of any of the covenants, conditions, agreements and provisions contained in the Bonds, the Prior Bond Ordinance or in this Ordinance.
- (d) The failure to promptly repair, replace or reconstruct facilities of the System that have been damaged and/or destroyed.
- (e) The entering of any order or decree with the consent or the acquiescence of the City, appointing a receiver of all or any part of the System or any revenues thereof; or if such order or decree shall be entered without the acquiescence or consent of the City, its failure to have the order vacated, discharged or stayed on appeal within 60 days after entry.

Section 702. Consequences of Event of Default. Any Owner of the Current Bonds may enforce and compel the performance of all duties and obligations of the City set forth herein. Upon the occurrence of an Event of Default, then upon the filing of a suit by any Owner of the Current Bonds, any court having jurisdiction of the action may appoint a receiver to administer said System on behalf of the City with power to charge and collect rates sufficient to provide for the payment of operating and maintenance expenses and for the payment of principal of and interest on the Outstanding Bonds and to provide and apply the income and revenues in conformity with this Ordinance and with the laws of the Commonwealth of Kentucky.

The City hereby agrees to transfer to any bona fide receiver or other subsequent operator of the System, pursuant to any valid court order in a proceeding brought to enforce collection or payment of the City's obligations, all contracts, and other rights of the City pertaining to the System, conditionally, for such time only as such receiver or operator shall operate by authority of the court. Upon the occurrence of an Event of Default, the Owner of any of the Outstanding Bonds may require the governing body of the City by appropriate order to raise the rates a reasonable amount consistent with the requirements of this Ordinance.

ARTICLE 8. CONTRACTUAL PROVISIONS; MISCELLANEOUS PROVISIONS.

Section 801. Ordinance Contractual with Bondowners. The provisions of this Ordinance constitute a contract between the City and its City Council and the Owners of the Current Bonds as may be outstanding from time to time; and after the issuance of any of said Current Bonds, no change, alteration or variation of any kind of the provisions of this Ordinance shall be made in any manner which will affect an Owner's rights except as herein provided or except with the written consent of all Bondowners until such time as all of the Current Bonds and the interest thereon have been paid in full or fully provided for; provided that the City Council may adopt any resolution for any purpose not inconsistent with the terms of this Ordinance and which shall not impair the security of the Owners of the Current Bonds and/or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any resolution or other proceedings pertaining hereto.

It is further agreed that the Owners of 75% in principal amount of the Current Bonds at any time outstanding shall have the right to consent to and approve the adoption of resolutions or other proceedings, modifying or amending any of the terms or provisions contained in this Ordinance, subject to the conditions that (a) this Ordinance shall not be so modified in any manner that may adversely affect the rights of the Owners of any of the Prior Bonds, nor in any manner that may adversely affect the rights of any certain Owners of the Outstanding Bonds without similarly affecting the rights of all Owners of such Outstanding Bonds, or to reduce the percentage of the number of Owners whose consent is required to effect a further modification and (b) no such change may be effected without the consent of the RD so long as the RD owns any of the Outstanding Bonds.

Section 802. All Current Bonds are Equal. The Current Bonds authorized herein shall not be entitled to priority one over the other in the application of the income and revenues of the System, or with respect to the security for their payment, regardless of the time or times of their issuance, it being the intention that there shall be no priority among any of the Current Bonds regardless of the fact that they may be actually issued and delivered at different times.

Section 803. City Obligated to Refund Current Bonds Owned by Government Whenever Feasible; Defeasement Prohibited. So long as the Government is the Owner of any of the Current Bonds, if it appears to the Government that the City is able to refund such Current Bonds in whole or in part, by obtaining a loan for such purposes from responsible commercial or private credit sources, or to sell bonds of the City in the open market, at reasonable rates and terms, the City will, upon request of the Government, obtain such loan and/or issue such bonds in sufficient amount to repay the Government and will take all such action as may be required in connection therewith.

In addition, so long as the Government is the Owner of any of the Current Bonds, the City shall not issue any bonds or other obligations for the purpose of defeasing or otherwise terminating the lien of the Current Bonds without immediately prepaying all of the then outstanding Current Bonds.

Section 804. Use of City Streets. The use of all City streets, highways, alleys and public ways for the construction and maintenance of the Project is hereby authorized, without the necessity of further permits, licenses or other certifications from the City.

Section 805. Authorization, Ratification and Confirmation of Approval and Execution of Various Documents. The City Council hereby authorizes, approves, ratifies and confirms the previous action of the officers of the City in approving and executing various documents related to the financing of the Project, including the following:

- (a) Legal Services Agreement with Bond Counsel.
- (b) Legal Services Agreement with Local Counsel.
- (c) Letter of Intent to Meet Conditions of RD Letter of Conditions (RD Form 1942-46).
- (d) Loan Resolution (RD Form 1942-47).
- (e) Agreement for Engineering Services with the Engineers.

Section 806. Authorization of Condemnation to Acquire Easements and/or Sites. In the event that (a) any necessary deeds of easement to allow construction of the Project over the property of any property owner or (b) any necessary deed to the necessary site of any waterworks facility of the Project shall not be obtained through negotiation within 10 days after the date of enactment of this Ordinance and in the event that (1) such waterworks lines cannot be located within the right-of-way of the State and/or County road involved, and/or (2) such waterworks facilities cannot be located on a site already owned by the City, Local Counsel is hereby authorized and directed to file condemnation actions to obtain such necessary rights-of-way and/or sites forthwith, without further authorization or direction from the City or the City Council. Local Counsel is further directed to follow the same condemnation procedure in the event that it becomes necessary, through change orders, line extensions and/or errors in the location of property lines and/or property owners, to obtain additional easements, rights-of-way and/or sites for completion of the Project and whenever the necessary deed is not obtained by negotiation at least 10 days prior to the date on which construction is contemplated in the respective easement, right-of-way and/or site.

The City further approves the payment from the funds available therefor allocated to the costs of the Project to pay any judgment award, or compromise, determined by Local Counsel with the acquiescence of the City Council, toward the costs of such easements, rights-of-way and/or sites; provided, in each instance, that the payment of such funds to satisfy any judgment, award or compromise must first be approved by the RD; and the City Council further determines that if and to whatever extent the funds available from the proceeds of the financing contemplated by this Ordinance, shall be inadequate to pay any judgment, award or compromise amount for such easements, rights-of-way and/or sites, or if the City is unable to obtain the approval of the RD for any such payment, the City Council shall take all reasonably necessary actions, within the powers

and authority of the City Council, to make such additional amount available from all other available City resources.

ARTICLE 9. SALE OF CURRENT BONDS.

Section 901. Sale of Current Bonds. The Current Bonds shall be offered publicly for sale upon the basis of sealed, competitive bids at such time as the City Council shall designate.

A suggested form of "Notice of Bond Sale", a suggested form of "Official Notice of Sale of Bonds" and a suggested form of "Bid Form", having been prepared in advance by Bond Counsel, and all of such documents having been found to be in satisfactory form, a copy of each is hereby ordered to be filed in the records of the City Clerk with the Minutes of the meeting at which this Ordinance is enacted. The Notice of Bond Sale shall be signed by the City Clerk and may be used for the purpose of publishing notice of the sale of the Current Bonds. Copies of such documents shall be furnished to any interested parties who may request same.

In the event that there is no bid or that all bids are rejected, the City may readvertise the sale pursuant to this Ordinance.

Section 902. Adjustment in Maturities, Prepayment Provisions and Other Dates if Delivery is Delayed. In the event that delivery of the Current Bonds authorized herein is delayed for any reason and the City, with the consent of the Purchaser of the Current Bonds, determines it is in the City's best interest to change the maturities, the applicable prepayment date or any other dates, the City may adjust the same by an Order of the City Council approving the adjustments.

ARTICLE 10. CONCLUDING PROVISIONS.

Section 1001. Covenant of City to Take All Necessary Action To Assure Compliance with the Code. In order to assure the Owners of the Current Bonds that such Current Bonds shall continue to be legal and that interest thereon will continue to be excludable from gross income for Federal income tax purposes and exempt from all Kentucky income taxation, the City covenants to and with the Owners of the Current Bonds to take the following action:

- (a) The City will (1) take all actions necessary to comply with the provisions of the Code necessary to assure that interest on the Current Bonds will be excludable from gross income for Federal income tax purposes, (2) will take no actions which will violate any of the provisions of the Code, and (3) not use the proceeds of the Current Bonds for any purpose which will cause interest on the Current Bonds or on interim financing obligations, including, but not limited to the Note, issued pursuant to Section 302 hereof to become includable in gross income for Federal income tax purposes.
- (b) The City hereby certifies that it does not reasonably anticipate that the total principal amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code which the City, or any subordinate entity of the City, will issue during the calendar year during which the Current Bonds are issued, will exceed \$10,000,000; and therefore the City hereby designates the Current Bonds and all interim financing obligations, including, but not limited to the Note, issued pursuant to Section 302 hereof as "qualified tax-exempt obligations".
- (c) The City further certifies that the Current Bonds and any and all interim financing obligations of the City are not "private activity bonds" within the meaning of the Code.
- (d) The City covenants and agrees that it will not issue, or cause any subordinate entity of the City to issue on the City's behalf, bonds or other obligations considered under the Code to be "tax-exempt obligations" (other than private activity bonds) in the aggregate principal amount in excess of \$5,000,000 during the calendar year in which the Bonds will be issued.
- (e) The City covenants and agrees to comply with the rebate requirements on certain excess earnings imposed by Section 148 of the Code, and in the event it is determined by the City, upon the advice of Bond Counsel, that the Construction Account, or any other fund established hereunder, is subject to said rebate requirements and does in fact generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Current Bonds, plus any income attributable to such excess, the City covenants and agrees to rebate to the United States of America any such excess generated from such investments and remit such excess to the United States of

America on or before five years from the date of issuance of the Current Bonds, and once every five years thereafter until the final retirement of the Current Bonds; the last installment, to the extent required, to be made no later than sixty days following the date on which funds sufficient for the complete retirement of the Current Bonds are deposited with any escrow agent. The City further covenants to file any and all reports, if any, as may be required to be filed with the Government with regard to the liability or non-liability of the City as to any such rebate requirements and to maintain records in regard thereto for the period of time required by applicable Treasury regulations.

Section 1002. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance, which shall continue in full force and effect.

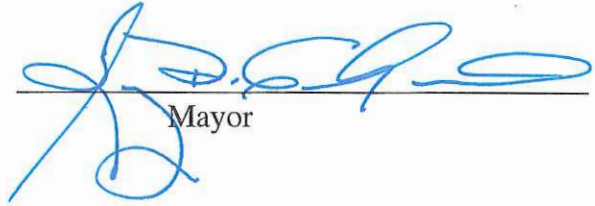
Section 1003. All Provisions in Conflict Repealed. All motions, resolutions and orders, or parts thereof, in conflict with the provisions of this Ordinance, are to the extent of such conflict hereby repealed. It is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds of the City payable or secured in any manner by all or any part of the income and revenues of said System or any part thereof, and which have not been heretofore sold, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered. The City covenants to correct by appropriate proceedings any required procedure previously taken invalidly.

Section 1004. Effective Date. This Ordinance shall take effect upon its enactment and publication by title and summary, as provided by law.

Introduced and given first reading on December 27, 2001.

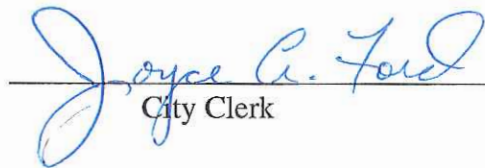
Given second reading and enacted on January 7, 2002.

CITY OF LEBANON, KENTUCKY



Mayor

Attest:



City Clerk

CERTIFICATION

I, Joyce A. Ford, hereby certify that I am the duly qualified and acting City Clerk of the City of Lebanon, Kentucky, and that the foregoing Ordinance is a true copy of an Ordinance duly enacted by the City Council of said City, signed by the Mayor of said City and attested under Seal by me as City Clerk, at a properly convened meeting of said City Council held on January 7, 2002, as shown by the official records of said City in my custody and under my control.

I further certify that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825, that a quorum was present at said meeting, that said Ordinance has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as City Clerk and the official Seal of the City this January 7, 2002.



City Clerk

(Seal of City)

EXHIBIT A

Schedule of Principal Payments

<u>Payment Due</u> <u>April 1,</u>	<u>Principal</u> <u>Payment</u>	<u>Payment Due</u> <u>April 1,</u>	<u>Principal</u> <u>Payment</u>
2005	\$29,000	2024	\$67,000
2006	30,500	2025	70,000
2007	31,500	2026	73,000
2008	33,000	2027	76,500
2009	34,500	2028	79,500
2010	36,000	2029	83,500
2011	38,000	2030	87,000
2012	39,500	2031	91,000
2013	41,000	2032	95,000
2014	43,000	2033	99,500
2015	45,000	2034	104,000
2016	47,000	2035	108,500
2017	49,000	2036	113,500
2018	51,500	2037	118,500
2019	53,500	2038	124,000
2020	56,000	2039	129,500
2021	58,500	2040	135,500
2022	61,500	2041	141,500
2023	64,000	2042	148,000

EXHIBIT B
(BOND FORM)

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
CITY OF LEBANON WATERWORKS REVENUE BONDS, SERIES 2002

No. R- _____ Interest Rate: _____% \$ _____

KNOW ALL PERSONS BY THESE PRESENTS:

That the City of Lebanon (the "City"), acting by and through its City Council (the "City Council"), a fourth class city in Marion County, Kentucky for value received, hereby promises to pay to

the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

_____ DOLLARS (\$ _____),

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

<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>
-------------	------------------	-------------	------------------	-------------	------------------

[Here the printer of the Current Bond will print the maturities of the Current Bonds purchased by the registered Owner]

and in like manner, solely from said fund, to pay interest on the balance of said principal sum from time to time remaining unpaid, at the Interest Rate specified above, semiannually on the first days of April and October in each year, beginning with the first April or October after the date of this Bond, until said sum is paid, except as the provisions hereinafter set forth with respect to prepayment may be and become applicable hereto, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the address of the registered owner shown on the registration book of the City.

This Bond is issued by the City under and in full compliance with the Constitution and Statutes of the Commonwealth of Kentucky, including Chapters 58 and 82 of the Kentucky Revised Statutes (collectively the "Act"), and pursuant to a duly enacted Bond Ordinance of the City authorizing same (the "Current Bond Ordinance"), to which Current Bond Ordinance reference is hereby made for a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of

the City, 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 City (said existing waterworks system, together with said extensions, additions and improvements, being hereinafter referred to as the "System").

This Bond is issued subject to the vested rights and priorities in favor of the owners of the outstanding: (i) City of Lebanon Waterworks Revenue Bonds, Series 1991, dated September 1, 1991 (the "Bonds of 1991"), authorized by an Ordinance enacted by the City Council of the City (the "1991 Bond Ordinance"); (ii) City of Lebanon Waterworks Revenue Bonds, Series 1992, dated December 1, 1992 (the "Bonds of 1992"), authorized by an Ordinance enacted by the City Council of the City (the "1992 Bond Ordinance"); (iii) City of Lebanon Waterworks Refunding Revenue Bonds, Series 1997A, dated November 1, 1997 (the "Bonds of 1997A"), authorized by an Ordinance enacted by the City Council of the City (the "1997A Bond Ordinance"); and (iv) City of Lebanon Waterworks Revenue Bonds, Series 1997B, dated December 30, 1997 (the "Bonds of 1997B"), authorized by an Ordinance enacted by the City Council of the City (the "1997B Bond Ordinance") [hereinafter the Bonds of 1991, Bonds of 1992, Bonds of 1997A and Bonds of 1997B shall be collectively referred to as the "Prior Bonds", and the 1991 Bond Ordinance, the 1992 Bond Ordinance, the 1997A Bond Ordinance and the 1997B Bond Ordinance shall be collectively referred to as the "Prior Bond Ordinance"]. Accordingly, this Bond, together with any bonds ranking on a parity herewith, is payable from and secured on a second lien basis by a pledge of the gross revenues to be derived from the operation of the System, after providing for the requirements of the Prior Bonds and the requirements of the Prior Bond Ordinance.

This Bond has been issued in full compliance with the Current Bond Ordinance; and this Bond, and any bonds ranking on a parity therewith that may be issued and outstanding under the conditions and restrictions of the Current Bond Ordinance, are and will continue to be payable from revenues which shall be set aside in a fund for that purpose and identified as the "Waterworks Debt Service Fund of 2002", created in the Current Bond Ordinance.

This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations and is payable solely out of the revenues of the System. As provided in the Current Bond Ordinance, the City covenants that so long as any of the Prior Bonds and/or this Bond, are outstanding, the System will be continuously owned and operated by the City as a revenue producing public undertaking within the meaning of the aforesaid Act for the security and source of payment of the Prior Bonds and of this Bond, and that the City will fix, and if necessary adjust, from time to time, such rates for the services and facilities of the System and will collect and account for the revenues therefrom sufficient to pay promptly the principal of and interest on the Prior Bonds, this Bond and all other bonds ranking on a parity therewith as may be outstanding from time to time, to pay the cost of operation and maintenance of the System and to provide for the depreciation thereof.

The City has reserved the right to issue additional bonds ranking on a parity as to security and source of payment with this Bond, if necessary in order to complete the aforesaid extensions, additions and improvements to the System and to finance future extensions, additions and

improvements to the System, provided the City has met the requirements of the Current Bond Ordinance.

This Bond shall be registered as to principal and interest in the name of the owner hereof, after which it shall be transferable only upon presentation to the City Clerk of the City as the Bond Registrar, with a written transfer duly acknowledged by the registered owner or its duly authorized attorney, which transfer shall be noted upon this Bond and upon the registration book of the City kept for that purpose.

The City, at its option, shall have the right to prepay, on any interest payment date on and after April 1, 2011, in inverse chronological order of the installments due on this Bond, the entire principal amount of this Bond then remaining unpaid, or such lesser portion thereof, in a multiple of One Hundred Dollars (\$100), as the City may determine, at a price in an amount equivalent to the principal amount to be prepaid plus accrued interest to the date of prepayment, without any prepayment premium. Notice of such prepayment shall be given by certified mail to the registered owner of this Bond or its assignee, at least 30 days prior to the date fixed for prepayment. Notice of such prepayment may be waived with the written consent of the registered owner of this Bond.

So long as the registered owner of this Bond is the United States of America, or any agency thereof, the entire principal amount of this Bond, or installments in multiples of \$100, may be prepaid at any time in inverse chronological order of the installments due.

Upon default in the payment of any principal or interest payment on this Bond, or upon failure by the City to comply with any other provision of this Bond or with any provision of the Current Bond Ordinance, the registered owner may, at its option, institute all rights and remedies provided by law or by said Current Bond Ordinance.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form and manner as required by law, and that the face amount of this Bond, together with all other obligations of the City, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF said City of Lebanon, by its City Council, has caused this Bond to be executed by its Mayor, its corporate seal to be hereunto affixed, and attested by its City Clerk; on the date of this Bond, which is

CITY OF LEBANON, KENTUCKY

By _____
Mayor

Attest:

City Clerk

(Seal of City)

PROVISION FOR REGISTRATION

This Bond shall be registered on the registration book of the City kept for that purpose by the City Clerk, as Bond Registrar, upon presentation hereof to said City Clerk, who shall make notation of such registration in the registration blank, and this Bond may thereafter be transferred only upon written transfer acknowledged by the registered owner or its attorney, such transfer to be made on said book and endorsed hereon.

Date of Registration	Name of Registered Owner	Signature of Bond Registrar

ASSIGNMENT

For value received, this Bond is hereby assigned, without recourse and subject to all of its terms and conditions, unto _____, this ____ day of _____, _____.

By: _____

EXHIBIT C

REQUISITION CERTIFICATE

Re: City of Lebanon Waterworks Revenue Bonds, Series 2002, in the amount of \$2,787,000

The undersigned hereby certify as follows:

- 1. That they are the signatories required for construction and/or administrative draws pursuant to the Bond Ordinance enacted by the Issuer, City of Lebanon, Kentucky (the "City").
- 2. That the named firms and/or persons set forth on Exhibit A attached hereto are now entitled to the aggregate sum of \$ _____, itemized as set forth in said Exhibit A and as per approved invoices attached hereto.
- 3. That upon said amount being lent to said City and/or obtained by said City from the proceeds of the Current Bonds and/or other sources, the undersigned approve such expenditure and the payment of said amounts to said firms and/or persons, either directly or from amounts on deposit in the "City of Lebanon Waterworks Construction Account", at the Citizens National Bank, Lebanon, Kentucky.
- 4. That we hereby certify that we have carefully inspected the work and, as a result of our inspection and to the best of our knowledge and belief, the amounts shown in this Requisition Certificate are correct and the work has been performed in accordance with the agreements between the City and the parties requesting payment.

IN TESTIMONY WHEREOF, witness the signature of the undersigned, this ____ day of _____, 20____.

LEBANON WATER WORKS, INC.

PDR ENGINEERS, INC.

By _____

By _____

Registered Professional Engineer
State of Kentucky No. _____

Approved on _____

Approved on _____

RURAL DEVELOPMENT

Amount expended heretofore \$ _____

By _____
Authorized RD Official

Amount approved herein _____

Total _____

Approved on _____

EXHIBIT A TO REQUISITION CERTIFICATE

Name of Entity/Person

Amount

EXHIBIT 11

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND B

PROJECT NUMBER	B08-09	<u>\$582,883</u> \$502,
BORROWER:	City of Lebanon, Kentucky	
BORROWER'S ADDRESS	118 S Proctor Knott Avenue Lebanon, Kentucky 40033	
DATE OF ASSISTANCE AGREEMENT:	December 1, 2009	

ASSISTANCE AGREEMENT

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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "Assistance Agreement") by and between the KENTUCKY INFRASTRUCTURE AUTHORITY, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of the Kentucky (the "Authority") and the Governmental Agency identified on the cover of this Assistance Agreement (the "Governmental Agency"):

WITNESSETH

WHEREAS, the General Assembly of the Commonwealth of Kentucky, being the duly and legally constituted legislature of Kentucky at its 1988 Regular Session, enacted House Bill 217 amending Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority has established its Program as hereinafter defined, for the purpose of providing financial assistance to Governmental Agencies, as defined in the Act, in connection with the acquisition and construction of Projects, as defined in the Act, in order to preserve, protect, upgrade, conserve, develop, utilize and manage the resources of the Commonwealth of Kentucky (the "Commonwealth") for the protection and preservation of the health, safety, convenience, and welfare of the Commonwealth and its citizens, and in that respect to assist and cooperate with Governmental Agencies in achieving such purposes; and

WHEREAS, the Authority has issued, and will issue from time to time, its revenue bonds pursuant to a General Trust Indenture dated as of September 1, 1989 (the "Indenture") between the Authority and National City Bank of Kentucky (F/K/A First Kentucky Trust Company) (the "Trustee") in order to provide funding for its Program; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable to acquire, construct, and finance the Project, as hereinafter defined, and the Authority has determined that the Project is a Project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Authority; and

WHEREAS, the Governmental Agency desires to enter into this Assistance Agreement with the Authority for the purpose of securing from the Authority the repayable Loan hereinafter identified; and

WHEREAS, the Authority is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained to levy, collect, and enforce and remit adequate Service Charges, as hereinafter defined, for the services provided by the Governmental Agency's System, as hereinafter defined, and to apply the necessary portion of said Service Charges to the repayment of the Loan and the interest thereon, as hereinafter specifically provided; and

WHEREAS, the Authority and the Governmental Agency have determined to enter into this Assistance Agreement pursuant to the terms of the Act and the Indenture and to set forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction, and financing of the Project and the repayment of the Loan and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

ARTICLE I
DEFINITIONS

All of the terms utilized in this Assistance Agreement will have the same definitions and meaning as ascribed to them in the Act and the Indenture, which Act and Indenture are hereby incorporated in this Assistance Agreement by reference, the same as if set forth hereby verbatim; provided, however, that those definitions utilized in the Act and the Indenture having general application are hereby modified in certain instances to apply specifically to the Governmental Agency and its Project.

"Act" shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

"Administrative Fee" means the charge of the Authority for the servicing of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Project Specifics.

"Assistance Agreement" shall mean this agreement made and entered into by and between a Governmental Agency and the Authority, as authorized by the Act, providing for a Loan to the Governmental Agency by the Authority, and for the repayment thereof to the Authority by the Governmental Agency.

"Authority" shall mean the Kentucky Infrastructure Authority created by the Act, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected by future amendments to the Act.

"Bond" or "Bonds" or "Revenue Bonds" shall mean any Kentucky Infrastructure Authority Bond or Bonds, or the issue of such Bonds, as the case may be, authenticated and delivered under the Indenture.

"Business Day" shall mean any day other than a Saturday, Sunday or other legal holiday on which the general offices of the Commonwealth are closed.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and shall include the Regulations of the United States Department of the Treasury promulgated thereunder.

"Commonwealth" shall mean the Commonwealth of Kentucky.

"Construction" shall mean construction as defined in the Act.

"Debt Obligations" shall mean those outstanding obligations of the Governmental Agency identified in the Project Specifics outstanding as of the date of this Assistance Agreement or issued in the future in accordance with the terms hereof, payable from the revenues of the Project.

"Engineers" means the firm of consulting engineers employed by the Governmental Agency in connection with the Project identified in the Project Specifics.

"Governmental Agency" shall mean any agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate a Project, including specifically but not by way of limitation, incorporated cities, counties, sanitation districts, water districts, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another pursuant to any regional or area compact, or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such described powers; and for the purposes of this Assistance Agreement shall mean the Governmental Agency identified in the Project Specifics.

"Indenture" shall mean the General Trust Indenture dated as of September 1, 1989 between the Authority and the Trustee.

"Loan" shall mean the loan effected under this Assistance Agreement from the Authority to the Governmental Agency in the principal amount set forth in the Project Specifics, for the purpose of defraying the costs incidental to the Construction of the Project.

"Loan Rate" means the rate of interest identified in the Schedule of Payments.

"Person" shall mean any individual, firm, partnership, association, corporation or Governmental Agency.

"Program" shall mean the program authorized by KRS 224A.112 and the Indenture as the "infrastructure revolving fund" for financing Projects through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

"Project" shall mean, when used generally, an infrastructure project as defined in the Act, and when used in specific reference to the Governmental Agency, the Project described in the Project Specifics.

"Project Specifics" means those specific details of the Project identified in Exhibit A hereto, all of which are incorporated by reference in this Assistance Agreement.

"Requisition for Funds" means the form attached hereto as Exhibit B to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Authority as construction of the Project progresses.

"Schedule of Payments" means the principal and interest requirements of the Loan as set forth in Exhibit F hereto, to be established and agreed to upon or prior to the completion of the Project.

"Schedule of Service Charges" shall mean those revenues identified in Exhibit C from which the Loan is to be repaid, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority prior to the disbursement of any portion of the Loan hereunder.

"Service Charges" shall mean any monthly, quarterly, semi-annual, or annual charges, surcharges or improvement benefit assessments to be imposed by a Governmental Agency, or by

the Authority, in respect of the Project which Service Charges arise by reason of the existence of, and requirement of, any Assistance Agreement and for the purposes of this Assistance Agreement said Service Charge shall be no less than those set forth in the Schedule of Service Charges.

"System" shall mean the utility system of which the Project shall become a part.

[End of Article I]

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Authority. The Authority represents and warrants for the benefit of the Governmental Agency as follows:

(A) The Authority is a body corporate and politic constituting a governmental agency and instrumentality of the Commonwealth, has all necessary power and Authority to enter into, and perform its obligations under, this Assistance Agreement, and has duly authorized the execution and delivery of this Assistance Agreement.

(B) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(C) To the knowledge of the Authority, there is no litigation or proceeding pending or threatened against the Authority or any other person affecting the right of the Authority to execute or deliver this Assistance Agreement or to comply with its obligations under this Assistance Agreement. Neither the execution and delivery of this Assistance Agreement by the Authority, nor compliance by the Authority with its obligations under this Assistance Agreement, require the approval of any regulatory body, or any other entity, which approval has not been obtained.

(D) The authorization, execution and delivery of this Assistance Agreement and all actions of the Authority with respect thereto, are in compliance with the Act and any regulations issued thereunder.

Section 2.2. Representations and Warranties of the Governmental Agency. The Governmental Agency hereby represents and warrants for the benefit of the Authority as follows:

(A) The Governmental Agency is a duly organized and validly existing Governmental Agency, as described in the Act, with full power to own its properties, conduct its affairs, enter into this Assistance Agreement and consummate the transactions contemplated hereby.

(B) The negotiation, execution and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of the governing body of the Governmental Agency.

(C) This Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(D) There is no controversy or litigation of any nature pending or threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the

authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of this Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

(F) Attached hereto as Exhibit D is a true, accurate and complete copy of the resolution or ordinance of the governing body of the Governmental Agency approving and authorizing the execution and delivery of this Assistance Agreement. Such resolution or ordinance was duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such resolution or ordinance is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

(G) All actions taken by the Governmental Agency in connection with this Assistance Agreement and the Loan described herein and the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, KRS 61.805 to 61.850.

(H) The Governmental Agency has all licenses, permits and other governmental approvals (including but not limited to all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate and maintain the Project, to charge and collect the Service Charges and to enter into this Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project, and has full right, power and authority to perform the acts and things as provided for in this Assistance Agreement.

(I) Legal counsel to the Governmental Agency has duly executed and delivered the opinion of legal counsel substantially in the form set forth in Exhibit E hereto.

[End of Article II]

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1. Determination of Eligibility. Pursuant to the terms of the Act and the Indenture, the Authority has determined that the Governmental Agency's Project is a Project under the Act and the Governmental Agency is entitled to financial assistance from the Authority in connection with financing the Construction of the Project.

Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds. The principal amount of the Loan shall be the Loan Amount as identified in the Project Specifics, subject to such adjustments as may be set forth in the Schedule of Payments. Principal payments shall be made semiannually in the amounts and on the dates to be established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the Repayment Term set forth in the Project Specifics, commencing with the Amortization Commencement Date set forth in the Project Specifics.

The Loan shall bear interest, payable on the Interest Payment Dates set forth in the Project Specifics, at the Loan Rate identified in the Project Specifics, and after the Amortization Commencement Date, in the amounts (based on such Loan Rate) and on the dates set forth in the Schedule of Payments; provided that, should an Event of Default occur, such payments of interest shall be made on the first day of each month during the continuation of such Event of Default.

The Authority shall advance the proceeds of the Loan as Construction of the Project progresses upon the submission by the Governmental Agency of a Requisition for Funds in substantially the same form as Exhibit B hereto. Each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement; subject to the requirements set forth in Article IV hereof.

Payments of principal and interest on the Loan shall be made at the principal office of the Authority or the Trustee, as designated by the Authority.

Section 3.3. Governmental Agency's Right to Repay Loan. The Governmental Agency shall have the right to prepay and retire the entire amount of the Loan at any time without penalty upon written notice to the Authority no less than five (5) Business Days in advance of said prepayment.

Notwithstanding the foregoing, upon the determination by the Authority that it intends to issue revenue bonds secured by a pledge of the payments on the Loan, the Authority shall advise the Governmental Agency (i) of its intention to proceed with the authorization of such bonds (ii) of the limitation on prepayments after such bonds are issued and (iii) that the Governmental Agency has thirty (30) days from its receipt of said notice to exercise its option to prepay the Loan. Upon the expiration of said thirty day period the Governmental Agency's right to prepay the Loan shall be limited to the terms described in such notice.

Section 3.4. Subordination of Loan. The Authority hereby agrees that the security interest and source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable

from the revenues of the Project outstanding at the time this Assistance Agreement is executed as identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.5(D) hereof.

[End of Article III]

ARTICLE IV
CONDITIONS PRECEDENT TO DISBURSEMENT;
REQUISITION FOR FUNDS

Section 4.1. Covenants of Governmental Agency and Conditions of Loan. By the execution of this Assistance Agreement, the Governmental Agency agrees that prior to any requests for the disbursement of all or a portion of the Loan made hereunder, the Governmental Agency shall supply the Authority, if requested, appropriate documentation, satisfactory to the Authority, in its sole discretion, indicating the following:

(A) That the Authority and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority, and their respective duly authorized agents, shall have the right at all reasonable times, subject to prior notice to the Governmental Agency, to enter upon the Project and to examine and inspect same.

(B) All real estate and interest in real estate and all personal property constituting the Project and the Project sites heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency and constitute a part of the System.

(C) In the event the Governmental Agency is required to provide financing for the Project from sources other than the Authority (as described in the Project Specifics) the Authority shall have the right to receive such reasonable proofs as it may require of the ability of the Governmental Agency to finance the costs of Construction of the Project over and above the Loan, prior to the disbursement by the Authority of any portion of the Loan.

(D) The Governmental Agency shall do all things necessary to acquire all proposed and necessary sites, easements and rights of way necessary or required in respect of the Project and demonstrate its ability to construct the Project in accordance with the plans, design and specifications prepared for the Governmental Agency by the Engineers.

(E) Actual construction and installation incident to the Project shall be performed by either the lump-sum (fixed price) or unit price contract method, and adequate legal methods of obtaining public, competitive bidding will be employed prior to the awarding of the construction contract for the Project in accordance with Kentucky law.

(F) Unless construction of the Project has already been initiated as of the date of this Assistance Agreement, pursuant to due compliance with state law and applicable regulations, the Project will not be advertised or placed on the market for construction bidding by the Governmental Agency until the final plans, designs and specifications therefor have been approved by such state and federal agencies and authorities as may be legally required, and until written notification of such approvals has been received by the Governmental Agency and furnished to the Authority.

(G) Duly authorized representatives of the Authority and such other agencies of the Commonwealth as may be charged with responsibility will have reasonable access to the construction work whenever it is in preparation or progress, and the Governmental Agency will assure that the contractor or contractors will provide facilities for such access and inspection.

(H) The construction contract or contracts shall require the contractor to comply with all provisions of federal and state law legally applicable to such work, and any amendments or modifications thereto, together with all other applicable provisions of law, to cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and to be responsible for the submission of any statements required of subcontractors thereunder.

(I) A work progress schedule utilizing a method of standard acceptance in the engineering community shall be prepared prior to the institution of construction in connection with each construction contract, or, if construction has already been initiated as of the date of this Assistance Agreement, at the earliest practicable date, to indicate the proposed schedule as to completion of the Project, and same shall be maintained monthly thereafter to indicate the actual construction progress of the Project.

(J) Prior to the award of the construction contract and prior to the commencement of construction, the Governmental Agency will arrange and conduct a conference as to the Project said conference to include representatives of the Authority, the Governmental Agency, and any other participating federal or state agency, the Engineers, and all construction contractors. A written brief of said conference summarizing the construction schedule, fund requirements schedule, payment authorizations, responsible parties for approval of all facets of the construction work and payment therefor, and other pertinent matters shall be prepared and distributed to each agency involved, and all construction contractors and Engineers. Provided, however, that in the event construction shall have been initiated as of the date of this Assistance Agreement, this provision may be waived.

(K) All construction contracts will be so prepared that federal participation costs, if any, and state participation costs may be readily segregated from local participation costs, if any, and from each other, and in such manner that all materials and equipment furnished to the Governmental Agency may be readily itemized.

(L) Any change or changes in a construction contract will be promptly submitted to the Authority and any state or federal agencies.

(M) The Construction, including the letting of contracts in connection therewith, will conform in all respects to applicable requirements of federal, state and local laws, ordinances, rules and regulations.

(N) The Governmental Agency will proceed expeditiously with and complete the Project in accordance with the approved surveys, plans specifications and designs or amendments thereto, prepared by the Engineers to the Governmental Agency and approved by state and federal agencies, but only to the extent such approvals may be required.

(O) If requested, the Governmental Agency will erect at the Project sites, signs satisfactory to the Authority noting the participation of the Authority in the financing of the Project.

(P) Except as otherwise provided in this Assistance Agreement, the Governmental Agency shall have the sole and exclusive charge of all details of the Construction.

(Q) The Governmental Agency shall keep complete and accurate records of the costs of acquiring the Project sites and the costs of Construction. The Governmental Agency shall permit the Authority, acting by and through its duly authorized representatives, and the duly authorized representatives of state and/or federal agencies to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as such public bodies may reasonably require in connection with the administration of any federal or state grants.

(R) The Governmental Agency shall require that any bid for any portion of the Construction of the Project be accompanied by a bid bond, certified check or other negotiable instrument payable to the Governmental Agency, as assurance that the bidder will, upon acceptance of such bid, execute the necessary contractual documents within the required time.

(S) The Governmental Agency shall require that each construction contractor or contractors furnish a performance and payment bond in an amount at least equal to one hundred percent (100%) of the contract price or the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

(T) The Governmental Agency shall require that each of its contractors and all subcontractors maintain during the life of the construction contract, worker's compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the contractor, shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor, and all subcontractors, as their interests may appear.

(U) The Governmental Agency shall provide and maintain competent and adequate resident engineering services covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that Construction conforms to the approved plans, specifications and designs prepared by the Engineers. Such resident engineer shall certify to the Authority, any involved state or federal agencies, and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or, approved amendments thereto.

(V) The Governmental Agency shall demonstrate to the satisfaction of the Authority the legal capability of the Governmental Agency to enact, adopt, levy, charge, collect, enforce and remit to the Authority the Service Charges of the Governmental Agency described in the Schedule of Service Charges attached to and made a part of this Assistance Agreement as Exhibit C and submit proof satisfactory to the Authority that the Service Charges are in full force and effect as of the submission of the initial Requisition for Funds.

Section 4.2. Disbursements of Loan; Requisition for Funds. The Governmental Agency may submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) a Requisition for Funds during the first ten days of each month (or such other designated period as is acceptable to the Authority), in substantially the same form as that attached to this Assistance

Agreement as Exhibit B and made a part hereof, accompanied by, to the extent requested by the Authority, the following documentation:

(A) A full and complete accounting of the costs of the Project to be obligated by contract or otherwise during the month in question, or already obligated and not included in any previous accounting;

(B) A full and complete accounting of any costs of the Project paid by the Governmental Agency from its own funds with the approval of the Authority and not included in any previous accounting for which it seeks reimbursement;

(C) A full and complete accounting of any costs of the Project paid or requisitioned under any other financing, loan, bond, grant or similar agreement or paid from its own funds for which it does not seek reimbursement and which have not been identified in any previous requisition form.

(D) The contractor's estimate of work performed during the preceding month pursuant to construction contracts for the Project and payment thereunder due, together with the Engineer's and Governmental Agency's approval thereof for payment by the Authority directly to the contractor.

Upon the Authority's receipt of the Requisition for Funds, and such additional documentation as it may require, the Authority may direct the Trustee to remit the amount requested to the Governmental Agency as a draw upon the Loan.

[End of Article IV]

ARTICLE V

CERTAIN COVENANTS OF THE GOVERNMENTAL AGENCY; PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY

Section 5.1. Imposition of Service Charges. The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which the Loan is to be made by the Authority to the Governmental Agency as specified herein and in the Act and the Indenture. The Governmental Agency hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose the Service Charges set forth in Exhibit C annexed hereto. If so required, such Service Charges shall be in addition to all other rates, rentals and service charges of a similar nature of the Governmental Agency now or hereafter authorized by law, and now or hereafter being levied and collected by the Governmental Agency and shall be levied and collected solely for the purpose of repaying to the Authority all sums received from the Authority as representing the Loan in respect of the Project.

Section 5.2. Governmental Agency's Obligation to Repay Loan. The obligation of the Governmental Agency to repay to the Authority the amount of the Loan from the Service Charges shall not be revocable, and in the event that services supplied by the Project shall cease, or be suspended for any reason, the Governmental Agency shall continue to be obligated to repay the Loan from the Services Charges. In the event the Governmental Agency defaults in the payment of any Service Charges to the Authority, the amount of such default shall bear interest at the per annum rate equal to the Default Rate set forth in the Project Specifics, from the date of the default until the date of the payment thereof.

Section 5.3. Covenant to Adjust Service Charges. In the event, for any reason, the Schedule of Service Charges shall prove to be insufficient to provide to the Authority the minimum sums set forth in the Schedule of Payments, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and state, immediately adjust and increase such Schedule of Service Charges, so as to provide funds sufficient to pay to the Authority the minimum sums set forth in the Schedule of Payments.

Section 5.4. Adequacy of Service Charges. The Service Charges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the Schedule set forth in Exhibit C hereto so qualifies), as shall be at least adequate to make the payments at the times and in the amounts set forth in the Schedule of Payments, subject to necessary governmental and regulatory approvals.

The Service Charges imposed by the Governmental Agency shall be paid not less frequently than the Service Charge Payment period set forth in the Project Specifics, and shall be remitted to the Authority by the Governmental Agency with a report showing collections and any delinquencies. A report of all collections and delinquencies shall be made at least semi-annually on or before each Payment Date identified in the Schedule of Payments.

Section 5.5. Covenant to Establish Maintenance and Replacement Reserve. The Governmental Agency shall establish a special account identified as a "Maintenance and Replacement Reserve". On or before each payment date identified in the Schedule of Payments,

the Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to ten percent (10%) of the amount of such Loan payment until the amount on deposit in such fund is equal to five percent (5%) of the original principal amount of the Loan (the "Required Balance"). Amounts in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the Project or for the costs of replacing worn or obsolete portions of the Project. If amounts are withdrawn from such fund, the Governmental Agency shall again make the periodic deposits hereinabove required until the Required Balance is reinstated.

Section 5.6. Covenant to Charge Sufficient Rates; Reports; Inspection. The Governmental Agency hereby irrevocably covenants and agrees with the Authority:

(A) That, as aforesaid, it will at all times impose, prescribe, charge and collect the Service Charges set forth in Exhibit C hereto as shall result in net revenues to the Governmental Agency at least adequate to provide for the payments to the Authority required by this Assistance Agreement.

(B) That it will furnish to the Authority not less than annually reports of the operations and income and revenues of the Project, and will permit authorized agents of the Authority to inspect all records, accounts and data of the Project at all reasonable times.

(C) That it will collect, account for and promptly remit to the Authority those specific revenues, funds, income and proceeds derived from Service Charges incident to this Assistance Agreement.

(D) That it will notify the Authority in writing of its intention to issue bonds or notes payable from the revenues of the Project not less than thirty (30) days prior to the sale of said obligations.

Section 5.7. Segregation of Funds. The Governmental Agency shall at all times account for the income and revenues of the System and distinguish same from all other revenues, moneys and funds of the Governmental Agency, if any.

Section 5.8. Mandatory Sewer Connection. In the event that the Project consists of sanitary sewer facilities, the Governmental Agency hereby irrevocably covenants and agrees with the Authority that it will, to the maximum extent permitted by Kentucky law, and by means of ordinance, or other appropriate legislative order or action, mandatorily require the connection to and use of, the sanitary sewers constituting the Project by all persons owning, renting or occupying premises generating pollutants where such sanitary sewers are reasonably available to such premises, and to exhaust, at the expense of the Governmental Agency, all remedies for the collection of Service Charges, including, either directly or indirectly, pursuant to authority granted by Sections 96.930 to 96.943, inclusive, of the Kentucky Revised Statutes, and the Act, causing termination of water services to any premises where the bill for sewer services is delinquent and foreclosure and decretal sale in respect of improvement benefit assessments which are delinquent.

Section 5.9. Termination of Water Services to Delinquent Users. In the event the Project consists of water facilities the Governmental Agency covenants and agrees that it shall, pursuant to applicable provisions of law, to the maximum extent authorized by law, enforce and collect

the Service Charges imposed, and will promptly cause water service to be discontinued to any premises where any billing for such facilities and services shall not be paid in a timely manner.

[End of Article V]

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

Section 6.1. Further Assurance. At any time and all times the Governmental Agency shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues herein pledged or assigned, or intended so to be, or which the Governmental Agency may hereafter become bound to pledge or assign.

Section 6.2. Completion of Project. The Governmental Agency hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs and specifications prepared by the Engineers for the Governmental Agency.

Section 6.3. Establishment of Completion Date. The completion date for the Project shall be evidenced to the Authority by a certificate signed by the Engineer and an authorized representative of the Governmental Agency stating that, except for amounts retained by the Authority for costs of the Project not then due and payable, (i) the Construction has been completed and all labor, services, materials, supplies, machinery and equipment used in such Construction have been paid for, (ii) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed and all costs and expenses incurred in connection therewith have been paid, (iii) the Project and all other facilities in connection therewith have been acquired, constructed, equipped and installed to his satisfaction.

Section 6.4. Commitment to Operate. The Governmental Agency hereby covenants and agrees to commence operation of the Project immediately on completion of construction and not to discontinue operations or dispose of such Project without the approval of the Authority.

Section 6.5. Continue to Operate. The Governmental Agency hereby covenants and agrees to continuously operate and maintain the Project in accordance with applicable provisions of federal and state law and to maintain adequate records relating to said operation; said records to be made available to the Authority upon its request at all reasonable times.

Section 6.6. Tax Covenant. In the event the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Governmental Agency shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority in order to accomplish the foregoing. The Governmental Agency shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of the System or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Authority. The Governmental Agency will not acquire or pledge any obligations which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 6.7. Accounts and Reports. The Governmental Agency shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries

shall be made of all its transactions relating to the System, which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Financial Statements. Within ninety (90) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principals on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity.

Section 6.9. General Compliance With All Duties. The Governmental Agency shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of the this Assistance Agreement and any other Debt Obligations.

Section 6.10. Project Not to Be Disposed Of. The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities constituting the Project or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 6.11. General. The Governmental Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Governmental Agency under the provisions of the Act and this Assistance Agreement in accordance with the terms of such provisions including the Additional Covenants and Agreements, if any, set forth in Exhibit G hereto.

[End of Article VI]

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 7.1. Maintain Project. The Governmental Agency agrees that during the entire term of this Assistance Agreement, it will keep the Project, including all appurtenances thereto, and the equipment and machinery therein, in good and sound repair and good operating condition at its own cost so that the completed Project will continue to provide the services for which it is designed.

Section 7.2. Additions and Improvements. The Governmental Agency shall have the privilege of making additions, modifications and improvements to the sites of the Project, and to the Project itself from time to time provided that said additions, modifications and improvements do not impair the operation or objectives of the Project. The Cost of such additions, modifications and improvements shall be paid by the Governmental Agency, and the same shall be the property of the Governmental Agency and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Governmental Agency from entering into one or more supplementary Assistance Agreements providing for an additional Loan or Loans in respect of additional Projects undertaken by the Governmental Agency.

Section 7.3. Compliance with State and Federal Standards. The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards, if any, established by any state or federal agency. The Governmental Agency agrees that qualified operating personnel properly certified by the Commonwealth will be retained to operate the Project during the entire term of this Assistance Agreement.

Section 7.4. Access to Records. The Governmental Agency agrees that it will permit the Authority and any state or federal agency and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project, and commencement of operations thereof.

Section 7.5. Covenant to Insure - Casualty. The Governmental Agency agrees to insure the Project facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

Section 7.6. Authority as Named Insured. Any insurance policy issued pursuant to Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency, and to the Authority, as their interests may appear.

Section 7.7. Covenant to Insure - Liability. The Governmental Agency agrees that it will carry public liability insurance with reference to the Project with one or more reputable insurance companies duly qualified to do business in the Commonwealth, insuring against such risks (including but not limited to personal injury, death and property damage) and in such amounts as are set forth in the Project Specifics, and naming the Authority as an additional insured.

Section 7.8. Covenant Regarding Worker's Compensation. Throughout the entire term of this Assistance Agreement, the Governmental Agency shall maintain worker's compensation coverage, or cause the same to be maintained.

Section 7.9. Application of Casualty Insurance Proceeds. If, prior to the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm or other casualty, there shall be no abatement or reduction in the amount payable by the Governmental Agency pursuant to the terms of this Assistance Agreement, and the Governmental Agency will (1) promptly repair, rebuild or restore the Project damaged or destroyed; and (2) apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Governmental Agency necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Governmental Agency, and shall be promptly applied as herein provided.

Section 7.10. Eminent Domain. In the event that title to, or the temporary use of, the Project, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sole discretion:

(A) The restoration of the improvements located on the Project sites to substantially the same condition as prior to the exercise of said power of eminent domain; or

(B) The acquisition of additional property, if necessary, and the acquisition of additional facilities by construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities so taken by eminent domain, without the payment of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 7.10, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by an authorized officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of such certificate by an authorized officer of the Authority. In no event will the Governmental Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

[End of Article VII]

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The following will be "Events of Default" under this Assistance Agreement and the term "Event of Default" or "Default" will mean, whenever it is used in this Assistance Agreement, any one or more of the following events:

(A) Failure by the Governmental Agency to pay any payments at the times specified herein.

(B) Failure by the Governmental Agency to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Governmental Agency by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until such failure is corrected.

(C) The dissolution or liquidation of the Governmental Agency, or the voluntary initiation by the Governmental Agency of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Governmental Agency of any such proceeding which will remain undismissed for sixty (60) days, or the entry by the Governmental Agency into an agreement of composition with creditors or the failure generally by the Governmental Agency to pay its debts as they become due.

(D) A default by the Governmental Agency under the provisions of any agreements relating to its Debt Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 has occurred and is continuing, the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare all payments due hereunder, as set forth in the Schedule of Payments to be immediately due and payable.

(B) Exercise all the rights and remedies of the Authority set forth in the Act.

(C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Assistance Agreement.

Section 8.3. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Authority under this Assistance Agreement, the Authority shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer;

provided, however, that the Authority may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 8.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.5. Consent to Powers of Authority Under Act. The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Governmental Agency hereby covenants and agrees that if the Authority should in the future have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Assistance Agreement.

Section 8.6. Waivers. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.7. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto will default under any of the provisions hereof and the nondefaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party.

[End of Article VIII]

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Approval not to be Unreasonably Withheld. Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth (30th) day following the submission of any matter requiring approval to the Authority, unless disapproved in writing prior to such thirtieth (30th) day. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of the Authority granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 9.2. Approval. This Agreement is made subject to, and conditioned upon, the approval of this Assistance Agreement by the Secretary of the Finance and Administration Cabinet.

Section 9.3. Effective Date. This Assistance Agreement shall become effective as of the date first set forth hereinabove and shall continue to full force and effect until the date the obligations of the Governmental Agency pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 9.4. Binding Effect. This Assistance Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, nor assignable by either parties without the written consent of the other party.

Section 9.5. Severability. In the event that any provision of this Assistance Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 9.6. Execution in Counterparts. This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 9.7. Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

Section 9.8. Venue. The parties hereto agree that in the event of a default by the Governmental Agency pursuant to the provisions of Article 8 of this Agreement, the Authority shall, to the extent permitted under the laws of the Commonwealth, have the right to file any necessary actions with respect thereto in Franklin Circuit Court.

Section 9.9. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Assistance Agreement.

[End of Article IX]

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the day and year above written.

ATTEST:

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

Title: _____

By: _____
Title: _____

ATTEST:

**GOVERNMENTAL AGENCY:
CITY OF LEBANON, KENTUCKY**

By: Gwen Wheatley
Title: City Clerk

By: [Signature]
Title: Mayor

APPROVED:

EXAMINED:

SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

APPROVED AS TO FORM AND LEGALITY

APPROVED
FINANCE AND ADMINISTRATION CABINET

EXHIBIT B

REQUEST FOR PAYMENT WITH RESPECT TO
ASSISTANCE AGREEMENT DATED DECEMBER 1, 2009

Request No. _____

Dated _____

ORIGINAL SENT TO: Kentucky Infrastructure Authority
 1024 Capital Center Drive
 Suite 340
 Frankfort, Kentucky 40601

COPY SENT TO: Ms. Nancy Sanders
 Director, Community Programs
 Governor's Office for Local Development
 1024 Capitol Center Drive
 Frankfort, Kentucky 40601

FROM: City of Lebanon, Kentucky ("Governmental Agency")

Gentlemen:

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of facilities described in the Assistance Agreement as the "Project."

Pursuant to the Assistance Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Authority's funding share of these expenses is in the amount so denoted in this request totaling \$_____.

Documentation supporting the expenses incurred and identified per this request are attached.

ELIGIBLE PROJECT EXPENSES INCURRED

<u>Contractor</u>	Expenses this Request	Expenses to	<u>Date</u>
-------------------	-----------------------	-------------	-------------

Total

ALLOCATION OF FUNDING FOR EXPENSES

<u>Portion of Funding Source Totals</u>	<u>Portion of Expenses Expenses this Request</u>	<u>Total to Date</u>
---	--	----------------------

The Governmental Agency certifies it has also paid Project expenses or has submitted requisitions to the applicable funding sources for Project expenses, which have not been identified in any previous Request or Payment, as follows:

<u>Funding Source</u>	<u>Amount of Payment or Requisition</u>	<u>Date of Payment or Requisition</u>
-----------------------	---	---

Respectfully submitted,

Governmental Agency

By: _____

Title: _____

Certificate of Consulting Engineers as to
Payment Request

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request in connection with the "Eligible Project" and that all expenses represented in this request were duly incurred for the Construction of the "Project," that the Authority's funding share of these expenses is accurately represented and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

Firm Name



CITY OF LEBANON

GARY D. CRENSHAW
MAYOR

P.O. BOX 840
LEBANON, KY 40033
TEL. (270) 692-6272
FAX (270) 692-4638

RESOLUTION 2010-01

RESOLUTION OF THE CITY OF LEBANON, KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE CITY OF LEBANON, KENTUCKY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the City Council, ("governing authority") of the City of Lebanon, Kentucky, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Governmental Agency's Water System (the "Project"); and

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

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

NOW, THEREFORE, BE IT RESOLVED by the City of Lebanon, Kentucky, as follows:

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

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

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

ADOPTED on JANUARY 11, 2010.

Gary Crenshaw, Mayor


Attest:

Gina M. Wheatley
Title: City Clerk

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting City Clerk of the City of Lebanon, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said City at a meeting duly held on JANUARY 11, 2010; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 11TH day of JANUARY, 2010.



City Clerk

46324.1

Re: Assistance Agreement between the Kentucky Infrastructure Authority ("KIA") and City of Lebanon, Kentucky (the "Governmental Agency")

GENERAL CLOSING CERTIFICATE OF GOVERNMENTAL AGENCY

In connection with the above-captioned Assistance Agreement (the "Assistance Agreement"), the Governmental Agency, through its undersigned duly authorized officer hereby certifies, represents, warrants and covenants as follows:

1. No event of default exists, or with the passage of time will exist, under the Assistance Agreement and the representations and warranties set forth in the Assistance Agreement are true and correct as of the date hereof.

2. The Governmental Agency has examined and is familiar with proceedings of the governing body of the Governmental Agency approving the Assistance Agreement and authorizing its negotiation, execution and delivery and such proceedings were duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such proceedings are in full force and effect and have not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

3. The Governmental Agency is a duly organized and validly existing political subdivision of the Commonwealth of Kentucky with full power to own its properties, conduct its affairs, enter into the Assistance Agreement and consummate the transactions contemplated thereby.

4. The negotiation, execution and delivery of the Assistance Agreement by the Governmental Agency and the consummation of the transactions contemplated thereby by the Governmental Agency have been duly authorized by all requisite action of the governing body of the Governmental Agency.

5. The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

6. There is no controversy or litigation of any nature pending, or to the knowledge of the Governmental Agency after diligent inquiry, threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under the Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of the Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of the Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of the

Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with the Assistance Agreement.

7. The authorization and delivery of the Assistance Agreement and the consummation of the transactions contemplated thereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

8. All actions taken by the Governmental Agency in connection with the Assistance Agreement and the loan described therein and the Project, as defined in the Assistance Agreement, have been in full compliance with the provisions of the Kentucky Open Meetings Law, KRS 61.805 to 61.850.

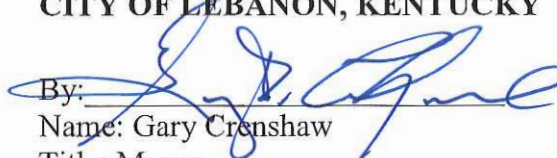
9. The Governmental Agency has all licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project and to enter into the Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Governmental Agency Project, and has full right, power and authority to perform the acts and things as provided for in the Assistance Agreement.

10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Governmental Agency indicated after their respective names and the signatures subscribed above their names are their genuine signatures.


WITNESS our signatures, this 11TH day of JANUARY, 2010.

GOVERNMENTAL AGENCY:

CITY OF LEBANON, KENTUCKY

By: 
Name: Gary Crenshaw
Title: Mayor

ATTEST:

By: 
Name: GINA N. WHEATLEY
Title: City Clerk

FUND B
EXHIBIT F
B 08-09

TO ASSISTANCE AGREEMENT BETWEEN
CITY OF LEBANON
("GOVERNMENTAL AGENCY") AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY

TOTAL LOAN TO BE REPAYED BY
CITY OF LEBANON (B08-09)
KENTUCKY INFRASTRUCTURE AUTHORITY
PRINCIPAL AND INTEREST PAYABLE
ON EACH JUNE AND DECEMBER

\$ 582,883

IT IS UNDERSTOOD AND AGREED BY THE PARTIES TO THIS ASSISTANCE AGREEMENT THAT THIS EXHIBIT F IS AN INTEGRAL PART OF THE ASSISTANCE AGREEMENT BETWEEN THE GOVERNMENTAL AGENCY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

IN WITNESS WHEREOF, THE PARTIES HAVE CAUSED THIS EXHIBIT F TO ASSISTANCE AGREEMENT TO BE EXECUTED BY THEIR RESPECTIVE DULY AUTHORIZED OFFICERS AS OF THE DATE OF SAID ASSISTANCE AGREEMENT.

KENTUCKY INFRASTRUCTURE AUTHORITY

BY Sandy Williams

TITLE Secretary

CITY OF LEBANON

BY [Signature]

TITLE Mayor

ATTEST:

Gina N. Wheatley

TITLE City Clerk

DATE 1/12/11

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

None

46323.1

EXHIBIT 12

ASSISTANCE AGREEMENT

BETWEEN THE KENTUCKY INFRASTRUCTURE AUTHORITY

AND

CITY OF LEBANON, KENTUCKY

TRANSCRIPT OF PROCEEDINGS

PECK, SHAFFER & WILLIAMS, A DIVISION OF
DINSMORE & SHOHL LLP
COVINGTON, KENTUCKY

INDEX TO TRANSCRIPT OF PROCEEDINGS

In re: Assistance Agreement between Kentucky Infrastructure Authority (the "Authority") and City of Lebanon, Kentucky (the "Governmental Agency"), dated as of October 1, 2015

1. Opinion of Counsel to the Governmental Agency.
2. General Closing Certificate of the Governmental Agency.
3. Assistance Agreement.
4. Resolution of the Governmental Agency authorizing the Assistance Agreement.
5. Extract of Minutes of the Meeting of the City Council adopting Resolution authorizing Assistance Agreement.
6. Extract of Minutes of the Authority authorizing the Assistance Agreement.
7. Commitment Letter, including Credit Analysis.

DISTRIBUTION LIST

Hon. Gary Crenshaw, Mayor
City of Lebanon, Kentucky
PO Box 840
Lebanon, Kentucky 40033

Ms. Brandi Norton
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601

Mr. Buddy Griffin
Water Infrastructure Branch
Energy and Environment Cabinet
200 Fair Oaks, 4th Floor
Frankfort, Kentucky 40601

Mr. Charles Lush, Jr.
U.S. Bank National Association
Corporate Trust Services
Locator CN-KY-0850
One Financial Square
Louisville, Kentucky 40202

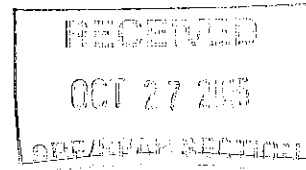
Dirk M. Bedarff, Esq.
Peck, Shaffer & Williams,
a division of Dinsmore & Shohl LLP
50 E Rivercenter Blvd.
Suite 1150
Covington, Kentucky 41011



KANDICE ENGLE-GRAY

Attorney at Law

October 12, 2015



Kentucky Infrastructure Authority
1024 Capital Center Drive
Suite 340
Frankfort, Kentucky 40601

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and City of Lebanon, Kentucky, dated as of October 1, 2015

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the City of Lebanon, Kentucky, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally, I am familiar with the drinking water supply project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement.

Based upon my review I am of the opinion that:

- 1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.
- 2) The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.
- 3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

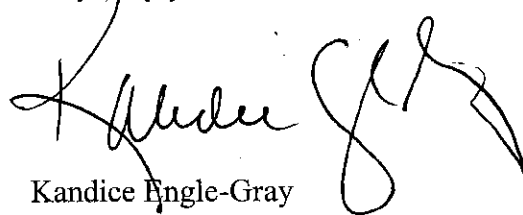
6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) To the best of my knowledge, the Governmental Agency has fully complied with all federal and state labor and procurement laws in connection with the construction of the Project.

9) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

A handwritten signature in black ink, appearing to read "Kandice Engle-Gray", written in a cursive style.

Kandice Engle-Gray

Re: Assistance Agreement between the Kentucky Infrastructure Authority ("KIA") and City of Lebanon, Kentucky (the "Governmental Agency"), dated as of October 1, 2015

GENERAL CLOSING CERTIFICATE OF GOVERNMENTAL AGENCY

In connection with the above-captioned Assistance Agreement (the "Assistance Agreement"), the Governmental Agency, through its undersigned duly authorized officer hereby certifies, represents, warrants and covenants as follows:

1. No event of default exists, or with the passage of time will exist, under the Assistance Agreement and the representations and warranties set forth in the Assistance Agreement are true and correct as of the date hereof.

2. The Governmental Agency has examined and is familiar with proceedings of the governing body of the Governmental Agency approving the Assistance Agreement and authorizing its negotiation, execution and delivery and such proceedings were duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such proceedings are in full force and effect and have not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

3. The Governmental Agency is a duly organized and validly existing political subdivision of the Commonwealth of Kentucky with full power to own its properties, conduct its affairs, enter into the Assistance Agreement and consummate the transactions contemplated thereby.

4. The negotiation, execution and delivery of the Assistance Agreement by the Governmental Agency and the consummation of the transactions contemplated thereby by the Governmental Agency have been duly authorized by all requisite action of the governing body of the Governmental Agency.

5. The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

6. There is no controversy or litigation of any nature pending, or to the knowledge of the Governmental Agency after diligent inquiry, threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under the Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of the Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of the Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of the

Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with the Assistance Agreement.

7. The authorization and delivery of the Assistance Agreement and the consummation of the transactions contemplated thereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

8. All actions taken by the Governmental Agency in connection with the Assistance Agreement and the loan described therein and the Project, as defined in the Assistance Agreement, have been in full compliance with the provisions of the Kentucky Open Meetings Law, KRS 61.805 to 61.850.

9. The Governmental Agency has all licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project and to enter into the Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Governmental Agency Project, and has full right, power and authority to perform the acts and things as provided for in the Assistance Agreement.

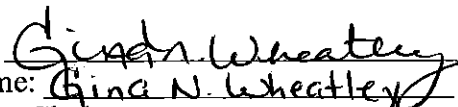
10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Governmental Agency indicated after their respective names and the signatures subscribed above their names are their genuine signatures.

WITNESS our signatures, this 12th day of October, 2015.

**GOVERNMENTAL AGENCY:
CITY OF LEBANON, KENTUCKY**

By: 
Name: Gary Crenshaw
Title: Mayor

Attest:

By: 
Name: Gina N. Wheatley
Title: Clerk

9940511v1

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND F

PROJECT NUMBER: F15-057
BORROWER: City of Lebanon, Kentucky
BORROWER'S ADDRESS: PO Box 840
Lebanon, Kentucky 40033
DATE OF ASSISTANCE AGREEMENT: October 1, 2015
CFDA NO.: 66.458

ASSISTANCE AGREEMENT

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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "Assistance Agreement") by and between the KENTUCKY INFRASTRUCTURE AUTHORITY, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky (the "Authority") and the Governmental Agency identified on the cover of this Assistance Agreement (the "Governmental Agency"):

WITNESSETH

WHEREAS, the General Assembly of the Commonwealth of Kentucky, being the duly and legally constituted legislature of Kentucky at its 1988 Regular Session, enacted House Bill 217 amending Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority has established its Program as hereinafter defined, for the purpose of providing financial assistance to Governmental Agencies, as defined in the Act, in connection with the acquisition and construction of Projects, as defined in the Act, in order to preserve, protect, upgrade, conserve, develop, utilize and manage the resources of the Commonwealth of Kentucky (the "Commonwealth") for the protection and preservation of the health, safety, convenience, and welfare of the Commonwealth and its citizens, and in that respect to assist and cooperate with Governmental Agencies in achieving such purposes; and

WHEREAS, the Program is funded in part, pursuant to the Capitalization Grant Operating Agreement between the Authority and the U.S. Environmental Protection Agency dated as of November 1, 1998, as amended, supplemented or restated from time to time (the "Federal Agreement") under which the Authority is responsible for providing certain "match funding" described in the Federal Agreement; and

WHEREAS, the Authority has issued, and will issue from time to time, its revenue bonds pursuant to a General Trust Indenture dated as of February 1, 2000 (the "Indenture") between the Authority and U.S. Bank, National Association, as lawful successor in interest to National City Bank of Kentucky (the "Trustee"), in order to provide the "match funding" for the Program; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable to finance the acquisition and construction of the Project, as hereinafter defined, and the Authority has determined that the Project is a Project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Authority; and

WHEREAS, the Governmental Agency desires to enter into this Assistance Agreement with the Authority for the purpose of securing from the Authority the repayable Loan hereinafter identified; and

WHEREAS, the Authority is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained to repay the Loan and the interest thereon from the sources herein provided, all as hereinafter more specifically provided; and

WHEREAS, the Authority and the Governmental Agency have determined to enter into this Assistance Agreement pursuant to the terms of the Act and the Indenture and to set forth their respective duties, rights, covenants, and obligations with respect to the acquisition, construction and financing of the Project and the repayment of the Loan and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE LOAN HEREBY EFFECTED AND OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY EACH PARTY, THE PARTIES HERETO MUTUALLY COVENANT AND AGREE, EACH WITH THE OTHER AS FOLLOWS:

ARTICLE I

DEFINITIONS

All of the terms utilized in this Assistance Agreement will have the same definitions and meaning as ascribed to them in the Act and the Indenture, which Act and Indenture are hereby incorporated in this Assistance Agreement by reference, the same as if set forth hereby verbatim; provided, however, that those definitions utilized in the Act and the Indenture having general application are hereby modified in certain instances to apply specifically to the Governmental Agency and its Project.

"*Act*" shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

"*Administrative Fee*" means the charge of the Authority for the servicing of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Project Specifics.

"*Architects*" means the firm of consulting architects employed by the Governmental Agency in connection with the Project identified in the Project Specifics.

"*Assistance Agreement*" shall mean this agreement made and entered into by and between a Governmental Agency and the Authority, as authorized by the Act, providing for a Loan to the Governmental Agency by the Authority, and for the repayment thereof to the Authority by the Governmental Agency.

"*Authority*" shall mean the Kentucky Infrastructure Authority created by the Act, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected by future amendments to the Act.

"*Bond*" or "*Bonds*" or "*Revenue Bonds*" shall mean any Kentucky Infrastructure Authority Bond or Bonds, or the issue of such Bonds, as the case may be, authenticated and delivered under the Indenture.

"*Business Day*" shall mean any day other than a Saturday, Sunday or other legal holiday on which the general offices of the Commonwealth are closed.

"*Cabinet*" means the Energy and Environment Cabinet of the Commonwealth.

"*Code*" shall mean the Internal Revenue Code of 1986, as amended, and shall include the Regulations of the United States Department of the Treasury promulgated thereunder.

"*Commonwealth*" shall mean the Commonwealth of Kentucky.

"*Construction*" shall mean construction as defined in the Act.

"*Debt Obligations*" shall mean those outstanding obligations of the Governmental Agency identified in the Project Specifics outstanding as of the date of this Assistance Agreement or issued in the future in accordance with the terms hereof, payable from the income and revenues of the System.

"*Drinking Water Supply Project*" shall mean the planning, design and construction of drinking water treatment and distribution systems, including expenditures to address Federal Act health goals, or to address situations where compliance standards have been exceeded or to prevent future violations of rules, and may further include drinking water treatment plants, including basins for rapid mix, flocculation, coagulation, filtration, pre-treatment disinfection, and disinfection prior to entry to the distribution system; distribution systems; storage tanks; intake lines and short-term water storage; clearwells; drilled wells and wellhead areas; and any other structure or facility considered necessary by the Cabinet to the efficient and sanitary operation of a public water system and complies with the requirements of the Federal Act.

"*Engineers*" means the firm of consulting engineers employed by the Governmental Agency in connection with the Project identified in the Project Specifics.

"*Federal Act*" shall mean the Federal Safe Drinking Water Act, as amended, 42 U.S.C. Section 1401, et seq.

"*Governmental Agency*" shall mean any incorporated city or municipal corporation, or other agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate infrastructure projects, including specifically but not by way of limitation, incorporated cities, counties, including any counties containing a metropolitan sewer district, sanitation districts, water districts, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another pursuant to any regional or area compact, or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such described powers; and for the purposes of this Assistance Agreement shall mean the Governmental Agency identified in the Project Specifics.

"*Indenture*" shall mean the General Trust Indenture dated as of February 1, 2000 between the Authority and the Trustee.

"*Interagency Agreement*" means the Memorandum of Understanding dated as of July 1, 1999 between the Authority and the Cabinet, as the same may be amended or supplemented from time to time.

"*Loan*" shall mean the loan effected under this Assistance Agreement from the Authority to the Governmental Agency in the principal amount set forth in the Project Specifics, for the purpose of defraying the costs incidental to the Construction of the Project.

"*Loan Rate*" means the rate of interest identified in the Schedule of Payments.

"*Person*" shall mean any individual, firm, partnership, association, corporation or Governmental Agency.

"*Program*" shall mean the program authorized by KRS 224A.1115 and the Indenture as the "federally assisted drinking water revolving fund" for financing Projects through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

"*Project*" shall mean, when used generally, a Drinking Water Supply Project, and when used in specific reference to the Governmental Agency, the Project described in the Project Specifics.

"*Project Specifics*" means those specific details of the Project identified in Exhibit A hereto, all of which are incorporated by reference in this Assistance Agreement.

"*Requisition for Funds*" means the form attached hereto as Exhibit B to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Authority as the Construction of the Project progresses.

"*Resolution*" means the resolution of the Governmental Agency attached hereto as Exhibit D authorizing the execution of this Assistance Agreement.

"*Schedule of Payments*" means the principal and interest requirements of the Loan as set forth in Exhibit F hereto, to be established and agreed to upon or prior to the completion of the Project.

"*Schedule of Service Charges*" shall mean those general charges to be imposed by the Governmental Agency for services provided by the System, as set forth in Exhibit C hereto, and such other revenues identified in Exhibit C hereto from which the Loan is to be repaid, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority prior to the disbursement of any portion of the Loan hereunder.

"*Service Charges*" shall mean any monthly, quarterly, semi-annual, or annual charges, surcharges or improvement benefit assessments to be imposed by a Governmental Agency, or by the Authority, in respect of the System, which Service Charges arise by reason of the existence of, and requirement of, any Assistance Agreement and for the purposes of this Assistance Agreement said Service Charges shall be no less than those set forth in the Schedule of Service Charges.

"*System*" shall mean the water system owned and operated by the Governmental Agency of which the Project shall become a part and from the earnings of which (represented by the Service Charges) the Governmental Agency shall repay the Authority the Loan hereunder.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Authority. The Authority represents and warrants for the benefit of the Governmental Agency as follows:

(A) The Authority is a body corporate and politic constituting a governmental agency and instrumentality of the Commonwealth, has all necessary power and Authority to enter into, and perform its obligations under, this Assistance Agreement, and has duly authorized the execution and delivery of this Assistance Agreement.

(B) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(C) To the knowledge of the Authority, there is no litigation or proceeding pending or threatened against the Authority or any other person affecting the right of the Authority to execute or deliver this Assistance Agreement or to comply with its obligations under this Assistance Agreement. Neither the execution and delivery of this Assistance Agreement by the Authority, nor compliance by the Authority with its obligations under this Assistance Agreement, require the approval of any regulatory body, or any other entity, which approval has not been obtained.

(D) The authorization, execution and delivery of this Assistance Agreement and all actions of the Authority with respect thereto, are in compliance with the Act and the Federal Act and any regulations issued thereunder.

Section 2.2. Representations and Warranties of the Governmental Agency. The Governmental Agency hereby represents and warrants for the benefit of the Authority as follows:

(A) The Governmental Agency is a duly organized and validly existing Governmental Agency, as described in the Act, with full power to own its properties, conduct its affairs, enter into this Assistance Agreement and consummate the transactions contemplated hereby.

(B) The negotiation, execution and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of the governing body of the Governmental Agency.

(C) This Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(D) To the knowledge of the Governmental Agency, there is no controversy or litigation of any nature pending or threatened, in any court or before any board, tribunal or

administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to proceed with the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of this Assistance Agreement or the Construction of the Project, or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

(F) Attached hereto as Exhibit D is a true, accurate and complete copy of the resolution or ordinance of the governing body of the Governmental Agency approving and authorizing the execution and delivery of this Assistance Agreement. Such resolution or ordinance was duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such resolution or ordinance is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

(G) All actions taken by the Governmental Agency in connection with this Assistance Agreement and the Loan described herein and the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, KRS 61.805 to 61.850.

(H) The Governmental Agency has all licenses, permits and other governmental approvals (including but not limited to all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate and maintain the Project, to charge and collect the Service Charges and to enter into this Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project, and has full right, power and authority to perform the acts and things as provided for in this Assistance Agreement.

(I) Legal counsel to the Governmental Agency has duly executed and delivered the opinion of legal counsel substantially in the form set forth in Exhibit E hereto.

(J) The Governmental Agency is in full compliance with all federal and state labor and procurement laws in connection with the planning, design, acquisition and construction of the Project.

(K) Project is consistent with the water supply plan developed pursuant to 401 KAR 4:220 for the county in which the Governmental Agency is located.

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1. Determination of Eligibility. Pursuant to the terms of the Act and the Indenture, the Authority has determined that the Governmental Agency's Project is a Drinking Water Supply Project under the Act and the Governmental Agency is entitled to financial assistance from the Authority in connection with financing the Construction of the Project.

Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds. The principal amount of the Loan shall be the Loan Amount as identified in the Project Specifics, subject to such adjustments as may be set forth in the Schedule of Payments. Principal payments shall be made semiannually in the amounts and on the dates to be established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the Repayment Term set forth in the Project Specifics, commencing with the Amortization Commencement Date set forth in the Project Specifics.

The Loan shall bear interest, payable semiannually, at the Loan Rate identified in the Project Specifics, and after the Amortization Commencement Date, in the amounts (based on such Loan Rate) and on the dates set forth in the Schedule of Payments; provided that, should an Event of Default occur, such payments of interest shall be made on the first day of each month during the continuation of such Event of Default.

The Authority shall advance the proceeds of the Loan as Construction of the Project progresses upon the submission by the Governmental Agency of a Requisition for Funds in substantially the same form as Exhibit B hereto. Each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement; and shall be subject to the further requirements set forth in Article IV hereof.

Payments of principal and interest on the Loan shall be made at the principal office of the Authority or the Trustee, as designated by the Authority.

Section 3.3. Governmental Agency's Right to Prepay Loan. The Governmental Agency shall have the right to prepay and retire the entire amount of the Loan at any time without penalty upon written notice to the Authority no less than five (5) Business Days in advance of said prepayment.

Notwithstanding the foregoing, upon the determination by the Authority that it intends to issue revenue bonds secured by a pledge of the payments on the Loan, the Authority shall advise the Governmental Agency (i) of its intention to proceed with the authorization of such bonds (ii) of the limitation on prepayments after such bonds are issued and (iii) that the Governmental Agency has thirty (30) days from its receipt of said notice to exercise its option to prepay the Loan. Upon the expiration of said thirty day period the Governmental Agency's right to prepay the Loan shall be limited to the terms described in such notice.

Section 3.4. Subordination of Loan. The Authority hereby agrees that the security interest and source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable from the revenues of the System outstanding at the time this Assistance Agreement is executed

as identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.5(D) hereof.

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT; REQUISITION FOR FUNDS

Section 4.1. Covenants of Governmental Agency and Conditions of Loan. By the execution of this Assistance Agreement, the Governmental Agency agrees that prior to any requests for the disbursement of all or a portion of the Loan made hereunder, the Governmental Agency shall supply the Authority and the Cabinet appropriate documentation, satisfactory to the Authority indicating the following:

(A) That the Authority and the Cabinet and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority or the Cabinet, and their respective duly authorized agents, shall have the right at all reasonable times, subject to prior notice to the Governmental Agency, to examine and inspect the Project.

(B) All real estate and interest in real estate and all personal property constituting the Project and the sites of the Project heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency and constitute a part of the System.

(C) In the event the Governmental Agency is required to provide financing for the Project from sources other than the Authority (as described in the Project Specifics) the Authority shall have the right to receive such reasonable proofs as it may require of the ability of the Governmental Agency to finance the costs of the Construction of the Project over and above the Loan, prior to the disbursement by the Authority of any portion of the Loan.

(D) The Governmental Agency shall do all things necessary to acquire all proposed and necessary sites, easements and rights of way necessary or required in respect of the Project and demonstrate its ability to construct the Project in accordance with the plans, design and specifications prepared for the Governmental Agency by the Engineers.

(E) Actual construction and installation incident to the Project shall be performed by the lump-sum (fixed price) contract method, and adequate legal methods of obtaining public, competitive bidding will be employed prior to the awarding of the construction contract for the Project in accordance with Kentucky law.

(F) Unless construction of the Project has already been initiated as of the date of this Assistance Agreement, pursuant to due compliance with state law and applicable regulations, the Project will not be advertised or placed on the market for construction bidding by the Governmental Agency until the final plans, designs and specifications therefor have been approved by such state and federal agencies and authorities as may be legally required, and until written notification of such approvals has been received by the Governmental Agency and furnished to the Cabinet.

(G) Duly authorized representatives of the Cabinet and such other agencies of the Commonwealth and the United States Government as may be charged with responsibility will have reasonable access to the construction work whenever it is in preparation or progress, and the Governmental Agency will assure that the contractor or contractors will provide facilities for such access and inspection.

(H) The construction contract or contracts shall require the contractor to comply with all provisions of federal and state law legally applicable to such work, and any amendments or modifications thereto, together with all other applicable provisions of law, to cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and to be responsible for the submission of any statements required of subcontractors thereunder.

(I) A work progress schedule utilizing a method of standard acceptance in the engineering community shall be prepared prior to the institution of construction in connection with each construction contract, or, if construction has already been initiated as of the date of this Assistance Agreement, at the earliest practicable date, to indicate the proposed schedule as to completion of the Project, and same shall be maintained monthly thereafter to indicate the actual construction progress of the Project.

(J) Prior to the award of the construction contract and prior to the commencement of construction, the Governmental Agency will arrange and conduct a conference as to the Project said conference to include representatives of the Authority, the Governmental Agency, the Cabinet and any other participating federal or state agency, the Engineers, and all construction contractors, such conference to be held in accordance with guidelines established by the Authority and the Cabinet. A written brief of said conference summarizing the construction schedule, fund requirements schedule, payment authorizations, responsible parties for approval of all facets of the construction work and payment therefor, and other pertinent matters shall be prepared and distributed to each agency involved, and all construction contractors and Engineers. Provided, however, that in the event construction shall have been initiated as of the date of this Assistance Agreement, this provision may be waived.

(K) All construction contracts will be so prepared that federal participation costs, if any, and state participation costs may be readily segregated from local participation costs, if any, and from each other, and in such manner that all materials and equipment furnished to the Governmental Agency may be readily itemized.

(L) Any change or changes in a construction contract will be promptly submitted to the Cabinet and any state or federal agencies.

(M) The Construction, including the letting of contracts in connection therewith, will conform in all respects to applicable requirements of federal, state and local laws, ordinances, rules and regulations.

(N) The Governmental Agency will proceed expeditiously with and complete the Project in accordance with the approved surveys, plans specifications and designs or amendments thereto, prepared by the Engineers for the Governmental Agency and approved by state and federal agencies.

(O) If requested, the Governmental Agency will erect at the Project sites, signs satisfactory to the Authority and the United States Environmental Protection Agency noting the participation of the Authority and the U.S. Government, respectively, in the financing of the Project.

(P) Except as otherwise provided in this Assistance Agreement, the Governmental Agency shall have the sole and exclusive charge of all details of the Construction.

(Q) The Governmental Agency shall keep complete and accurate records of the costs of acquiring the Project sites and the costs of Construction. The Governmental Agency shall permit the Authority and the Cabinet, acting by and through their duly authorized representatives, and the duly authorized representatives of state and/or federal agencies to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority and the Cabinet such documents and information as such public bodies may reasonably require in connection with the administration of any federal or state assistance.

(R) The Governmental Agency shall require that each construction contractor or contractors furnish a performance and a payment bond in an amount at least equal to one hundred percent (100%) of the contract price or the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

(S) The Governmental Agency shall require that each of its contractors and all subcontractors maintain during the life of the construction contract, worker's compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the contractor shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor, and all subcontractors, as their interests may appear.

(T) The Governmental Agency shall provide and maintain competent and adequate resident engineering services covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that Construction conforms to the approved plans, specifications and designs prepared by the Engineers. Such resident engineer shall certify to the Cabinet, any involved state or federal agencies, and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or, approved amendments thereto.

(U) The Governmental Agency shall demonstrate to the satisfaction of the Authority the legal capability of the Governmental Agency to enact, adopt, levy, charge, collect, enforce and remit to the Authority and the Cabinet the Service Charges of the Governmental Agency described in the Schedule of Service Charges attached to and made a part of this Assistance Agreement as Exhibit C and submit proof satisfactory to the Authority that the Service Charges are in full force and effect.

(V) The Governmental Agency shall require all laborers and mechanics employed by contractors and subcontractors on the Project shall be paid wages at rates not less than prevailing on projects of a character similar in the locality as determined by the Secretary of Labor in accordance with subchapter IV of Chapter 31 of title 40, United States Code.

(W) The Governmental Agency shall comply with all federal requirements applicable to the Loan (including those imposed by P.L. 113-76, Consolidated Appropriations Act, 2014 (the "2014 Appropriations Act") and related Program policy guidelines) which the Governmental Agency understands includes, among other requirements, that all of the iron and steel products used in the Project are to be produced in the United States ("American Iron and Steel

Requirement") unless (i) the Governmental Agency has requested and obtained a waiver from the United States Environmental Protection Agency pertaining to the Project or (ii) the Authority has otherwise advised the Participant in writing that the American Iron and Steel Requirement is not applicable to the Project.

(X) The Governmental Agency shall comply with all record keeping and reporting requirements under the Federal Act, including any reports required by a Federal agency or the Authority such as performance indicators of program deliverables, information on costs and project progress. The Governmental Agency understands that (i) each contract and subcontract related to the Project is subject to audit by appropriate federal and state entities and (ii) failure to comply with the Federal Act and this Agreement may be a default hereunder that results in a repayment of the Loan in advance of the maturity of the Bonds and/or other remedial actions.

Section 4.2. Additional Conditions to Disbursement Required Under the Federal Agreement. The Governmental Agency, in order to comply with the terms and conditions of the Federal Agreement, further covenants and further agrees to additional conditions to disbursement, as follows:

(A) Notwithstanding any other agreements contained herein regarding the maintenance of books and records, that it shall maintain Project accounts in accordance with generally accepted governmental accounting standards, as required by the Federal Agreement. The Governmental Agency shall retain such records for no less than three (3) years following the final payment by the Governmental Agency under this Assistance Agreement or if any portion of the Project is disposed of, until at least three (3) years after such disposition; provided that if any litigation, claim, appeal or audit is commenced prior to the end of such period such records shall be maintained until the completion of such action or until three (3) years after such commencement, whichever is later.

(B) That it has not and will not apply any other federal funding to the Project in a manner that would cause it to receive "double benefits" as described in Section 603 of the Water Quality Act of 1987.

(C) That all property required for the completion of the Project shall be obtained, by easement, purchase or other means acceptable to the Authority, prior to commencement of construction and that the relocation of any Person resulting therefrom be in accordance with 49 CFR24 for Uniform Relocation Assistance and Real Property Acquisition Act of 1970.

(D) That all Project contractors shall be required to retain Project records for the periods established for the retention of the Governmental Agency's records in Section 4.2(A).

(E) That no more than fifty percent (50%) of the proceeds of the Loan shall be disbursed until approval by the Cabinet of the final plan for operation for the Project.

(F) That no more than ninety percent (90%) of the proceeds of the Loan shall be disbursed until approval by the Cabinet of the draft operations and maintenance manual.

(G) That final disbursement will not be allowed until approval by the Cabinet of a final operations and maintenance manual.

(H) That, as required by 40 CFR 35.2218, all engineering services regarding construction and regarding the first year of operation of the Project shall be provided for, including the following:

(1) The operation of the Project and the revision of the operations and maintenance manual as necessary to accommodate actual operating experience;

(2) The training of operating personnel, including preparation of curricula and training material for operating personnel; and

(3) Advice as to whether the Project is meeting the Project performance standards (including three quarterly reports and one project performance report).

(I) That it shall advise the Cabinet and the Authority in writing of the date for initiation of operation of the Project.

(J) That one year after operation is initiated, it shall certify to the Cabinet and the Authority that the Project is capable of meeting the Project performance standards.

(K) That it shall provide that qualified inspectors are present at the construction site. A summary of such inspector's qualifications and experience shall be submitted to the Cabinet and the Authority.

(L) That it shall notify the Authority and the Cabinet of the completion date of the Project.

(M) That it agrees to the terms and conditions of its application for assistance and the Authority's commitment to provide assistance, the terms of which are incorporated herein by reference.

(N) That all measures required to minimize water pollution to affected waters shall be employed in the Project including compliance with Section 404 of PL 92-500, as amended, it being understood that approval of the Project does not constitute sanction or approval of any changes or deviations from established water quality standards, criteria implementation dates, or dates established by enforcement proceedings.

Section 4.3. Disbursements of Loan; Requisition for Funds. The Governmental Agency shall submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) and the Cabinet a Requisition for Funds prior to the fifth day of each month (or such other designated period as is acceptable to the Authority), in substantially the same form as that attached to this Assistance Agreement as Exhibit B and made a part hereof, accompanied by, to the extent requested by the Authority, the following documentation:

(A) A full and complete accounting of the costs of the planning and design of the Project to be obligated by contract or otherwise during the month in question, or already obligated and not included in any previous accounting;

(B) A full and complete accounting of any costs of the planning and design of the Project paid by the Governmental Agency from its own funds with the approval of the Authority and not included in any previous accounting for which it seeks reimbursement;

(C) A full and complete accounting of any costs of the planning and design of the Project paid or requisitioned under any other financing, loan, bond, grant or similar agreement or paid from its own funds for which it does not seek reimbursement and which have not been identified in any previous requisition form.

(D) The Contractor's estimate of work performed during the preceding month pursuant to construction contracts for the Project and payment thereunder due, together with the Engineer's and Governmental Agency's approval thereof for disbursement by the Authority.

Upon the Authority's receipt of the Requisition for Funds, and such additional documentation as it may require, and subject to certification by the Cabinet, the Authority may direct the Trustee to remit the amount requested to the Governmental Agency as a draw upon the Loan.

ARTICLE V

CERTAIN COVENANTS OF THE GOVERNMENTAL AGENCY; PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY

Section 5.1. Imposition of Service Charges. The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which the Loan is to be made by the Authority to the Governmental Agency as specified herein and in the Act and the Indenture. The Governmental Agency hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose Service Charges upon all persons, firms and entities to whom or which services are provided by the System, such Service Charges to be no less than as set forth in Exhibit C annexed hereto. If so required, such Service Charges shall be in addition to all other rates, rentals and service charges of a similar nature of the Governmental Agency now or hereafter authorized by law, and now or hereafter being levied and collected by the Governmental Agency and shall be levied and collected solely for the purpose of repaying to the Authority all sums received from the Authority as representing the Loan in respect of the Project.

Section 5.2. Governmental Agency's Obligation to Repay Loan. The obligation of the Governmental Agency to repay to the Authority the amount of the Loan from the Service Charges shall not be revocable, and in the event that services supplied by the Project shall cease, or be suspended for any reason, the Governmental Agency shall continue to be obligated to repay the Loan from the Services Charges. In the event the Governmental Agency defaults in the payment of any Service Charges to the Authority, the amount of such default shall bear interest at the per annum rate equal to the Default Rate set forth in the Project Specifics, from the date of the default until the date of the payment thereof.

Section 5.3. Covenant to Adjust Service Charges. In the event, for any reason, the Schedule of Service Charges shall prove to be insufficient to provide to the Authority the minimum sums set forth in the Schedule of Payments, to make the required deposits to the Maintenance and Replacement Reserve and to provide for the operation of the System, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and state, immediately adjust and increase such Schedule of Service Charges, or immediately commence proceedings for a rate adjustment and increase with all applicable regulatory authorities, so as to provide funds sufficient to pay to the Authority the minimum sums set forth in the Schedule of Payments, to provide for the operation of the System as required under this Assistance Agreement and to make the required deposits to the Maintenance and Replacement Reserve.

Section 5.4. Adequacy of Service Charges. The Service Charges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the Schedule set forth in Exhibit C hereto so qualifies), as shall be at least adequate to make the payments at the times and in the amounts set forth in the Schedule of Payments, to make the required deposits to the Maintenance and Replacement Reserve and to provide for the operation of the System, subject to necessary governmental and regulatory approvals.

The Service Charges imposed by the Governmental Agency shall be paid by the users of the System and accordingly the Project not less frequently than the Service Charge Payment period set forth in the Project Specifics, and shall be remitted to the Authority by the

Governmental Agency with a report showing collections and any delinquencies. A report of all collections and delinquencies shall be made at least semi-annually on or before each Payment Date identified in the Schedule of Payments.

Section 5.5. Covenant to Establish Maintenance and Replacement Reserve. The Governmental Agency shall establish a special account identified as a "Maintenance and Replacement Reserve". The Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to the amount set forth in the Project Specifics at the times set forth in the Project Specifics. Amounts in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the Project or for the unbudgeted costs of replacing worn or obsolete portions of the Project.

Section 5.6. Covenant to Charge Sufficient Rates; Reports; Inspections. The Governmental Agency hereby irrevocably covenants and agrees with the Authority:

(A) That, as aforesaid, it will at all times impose, prescribe, charge and collect the Service Charges set forth in Exhibit C as shall result in net revenues to the Governmental Agency at least adequate to provide for the payments to the Authority required by this Assistance Agreement, to provide for the operation of the System and to make the required deposits to the Maintenance and Replacement Reserve.

(B) That it will furnish to the Authority and the Cabinet not less than annually reports of the operations and income and revenues of the System, and will permit authorized agents of the Authority to inspect all records, accounts and data of the System at all reasonable times.

(C) That it will collect, account for and promptly remit to the Authority those specific revenues, funds, income and proceeds derived from Service Charges incident to this Assistance Agreement.

(D) That it will notify the Authority in writing of its intention to issue bonds or notes payable from the revenues of the System not less than thirty (30) days prior to the sale of said obligations. It further covenants that it will not issue any notes, bonds or other obligations payable from the revenues of the System, if the pledge of the revenues of the System to the repayment of such obligations is to rank on a parity with, or superior to, the pledge of the revenues of the System for the repayment of the Loan granted under this Assistance Agreement, unless the Governmental Agency has secured the consent of the Authority not less than fifteen (15) days prior to the issuance of such obligations.

Section 5.7. Segregation of Funds. The Governmental Agency shall at all times account for the income and revenues of the System and distinguish same from all other revenues, moneys and funds of the Governmental Agency, if any.

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

Section 6.1. Further Assurance. At any time and all times the Governmental Agency shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues herein pledged or assigned, or intended so to be, or which the Governmental Agency may hereafter become bound to pledge or assign.

Section 6.2. Completion of Project. The Governmental Agency hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs and specifications prepared by the Engineers for the Governmental Agency.

Section 6.3. Establishment of Completion Date. The completion date for the Project shall be evidenced to the Authority by a certificate signed by the Engineer and an authorized representative of the Governmental Agency stating that, except for amounts retained by the Authority for costs of the Project not then due and payable, (i) the Construction has been completed and all labor, services, materials, supplies, machinery and equipment used in such Construction have been paid for, (ii) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed and all costs and expenses incurred in connection therewith have been paid, (iii) the Project and all other facilities in connection therewith have been acquired, constructed, equipped and installed to his satisfaction.

Section 6.4. Commitment to Operate. The Governmental Agency hereby covenants and agrees to commence operation of the Project immediately on completion of construction and not to discontinue operations or dispose of such Project without the approval of the Authority.

Section 6.5. Continue to Operate. The Governmental Agency hereby covenants and agrees to continuously operate and maintain the Project in accordance with applicable provisions of federal and state law and to maintain adequate records relating to said operation; said records to be made available to the Authority upon its request at all reasonable times.

Section 6.6. Tax Covenant. In the event the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Governmental Agency shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority in order to accomplish the foregoing. The Governmental Agency shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of the System or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Authority. The Governmental Agency will not acquire or pledge any obligations which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 6.7. Accounts and Reports. The Governmental Agency shall at all times keep, or cause to be kept, proper books of record and account in accordance with the "Uniform System of Accounts" established by the Commonwealth, in which complete and accurate entries shall be

made of all its transactions relating to the System and which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Financial Statements. Within one hundred eighty (180) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principles on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity. All recipients and subrecipients expending \$500,000 or more in a year in Federal awards must have a single or program-specific audit conducted for that year in accordance with OMB Circular A-133.

Section 6.9. General Compliance With All Duties. The Governmental Agency shall faithfully and punctually perform all duties with reference to the Project and the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of this Assistance Agreement and any other Debt Obligations.

Section 6.10. General. The Governmental Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Governmental Agency under the provisions of the Act, the Federal Act and this Assistance Agreement in accordance with the terms of such provisions including the Additional Covenants and Agreements, if any, set forth in Exhibit G hereto.

Section 6.11. Further Covenants under the Federal Agreement. The Governmental Agency shall comply with all further requirements or conditions which may arise from time to time in order to assure compliance with the Federal Act, and with the agreements of the Authority set forth in the Federal Agreement, including but not limited to the following:

(A) The Governmental Agency shall provide all information requested of it by the Authority or the Cabinet so that (i) the Grants Information Control System, referred to in the Federal Agreement, can be maintained, (ii) the accounting and auditing procedures required by the Federal Act can be maintained and (iii) the Authority can furnish the information required of its under the Federal Agreement.

(B) Qualified operating personnel, properly certified by the Cabinet, shall be retained by the Governmental Agency to operate the Project during the entire term of this Assistance Agreement. An approved plan of operating and an operations and maintenance manual for the Project shall be provided by the Governmental Agency to the Cabinet and the Authority. The Project shall be operated and maintained in an efficient and effective manner.

(C) All residents in the service area of the Project must be offered the same opportunity to become users of the Project regardless of race, creed, color, or level of income.

(D) The Governmental Agency shall comply with provisions contained in the following federal regulations, orders, acts and circulars and the following statutes and regulations of the Commonwealth.

(1) Federal Cross-Cutters

Environmental Authorities

- (a) Archeological and Historic Preservation Act of 1974, Pub. L. 86-523, as amended
- (b) Clean Air Act, Pub. L. 84-159, as amended
- (c) 40 CFR 35.3580 (and Appendix A to Subpart L) – NEPA – Like State Environmental Review Process
- (d) Environmental Justice, Executive Order 12898
- (e) Floodplain Management, Executive Order 11988 as amended by Executive Order 12148
- (f) Protection of Wetlands, Executive Order 11990
- (g) Farmland Protection Policy Act, Pub. L. 97-98
- (h) Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- (i) National Historic Preservation Act of 1966, PL 89-665, as amended
- (j) Safe Drinking Water Act, Pub. L. 93-523, as amended
- (k) Wild and Scenic Rivers Act, Pub. L. 90-542, as amended

Economic and Miscellaneous Authorities

- (a) Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended, Executive Order 12372
- (b) Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans.
- (c) Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended
- (d) Debarment and Suspension, Executive Order 12549

Social Policy Authorities

- (a) Age Discrimination Act of 1975, Pub. L. 94-135
- (b) Title VI of the Civil Rights Act of 1964, Pub. L. 88-352
- (c) Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 92-500 (the Clean Water Act)
- (d) Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (including Executive Orders 11914 and 11250)
- (e) Equal Employment Opportunity, Executive Order 11246
- (f) Women's and Minority Business Enterprise, Executive Orders 11625, 12138, and 12432
- (g) Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590

(2) State:

- (a) KRS 151
- (b) KRS 224
- (c) KRS 224A.1115 Federally Assisted Drinking Water Revolving Fund
- (d) KRS Chapter 337, Labor Laws
- (e) 401 KAR Chapter 8

Section 6.12. Continuing Disclosure Obligation. The Governmental Agency covenants and agrees that notwithstanding any other provision of this Assistance Agreement to the contrary, upon written notice from the Authority that the Schedule of Payments provides ten percent (10%) or more of the debt service requirements on an issue of the Authority's Bonds and that compliance by the Governmental Agency with the requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "SEC Rule") is required in connection with the Authority's Bonds, the Governmental Agency shall provide to the Authority such information as may be required by the Rule, within the time periods set out in such notice by the Authority, to enable the Authority to establish to the satisfaction of prospective purchasers of the Authority's Bonds that the requirements of the SEC Rule will be satisfied in connection with the issuance of the Authority's Bonds. The Governmental Agency further understands and agrees that the Authority shall act as the Governmental Agency's disclosure agent for purposes of compliance with the SEC Rule and that upon a failure by the Governmental Agency to provide the information required to be provided under the SEC Rule within the time frame specified in such notice, the Authority and/or the beneficial owners and holders of the Authority's Bonds shall be specifically granted the right of enforcing the provisions of this Section 6.12 by an action in mandamus, for specific performance, or similar remedy to compel performance.

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 7.1. Maintain System. The Governmental Agency agrees that during the entire term of this Assistance Agreement, it will keep the Project, including all appurtenances thereto, and the equipment and machinery therein, in good and sound repair and good operating condition at its own cost so that the completed Project will continue to provide the services for which the System is designed.

Section 7.2. Additions and Improvements. The Governmental Agency shall have the privilege of making additions, modifications and improvements to the sites of the Project, and to the Project itself from time to time provided that said additions, modifications and improvements do not impair the operation or objectives of the Project. The Cost of such additions, modifications and improvements shall be paid by the Governmental Agency, and the same shall be the property of the Governmental Agency and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Governmental Agency from entering into one or more supplementary Assistance Agreements providing for an additional Loan or Loans in respect of additional Projects undertaken by the Governmental Agency.

Section 7.3. System Not to Be Disposed Of. The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not, without the prior written consent of the Authority, which consent shall not be unreasonably withheld, sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities of the System or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 7.4. Compliance with State and Federal Standards. The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards, if any, established by any state or federal agency. The Governmental Agency agrees that qualified operating personnel properly certified by the Commonwealth will be retained to operate the Project during the entire term of this Assistance Agreement.

Section 7.5. Access to Records. The Governmental Agency agrees that it will permit the Authority and any state or federal agency and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project, and commencement of operations thereof.

Section 7.6. Covenant to Insure - Casualty. The Governmental Agency agrees to insure the Project facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

Section 7.7. Authority as Named Insured. Any insurance policy issued pursuant to Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency, and to the Authority, as their interests may appear.

Section 7.8. Covenant to Insure - Liability. The Governmental Agency agrees that it will carry public liability insurance with reference to the Project with one or more reputable insurance companies duly qualified to do business in the Commonwealth, insuring against such risks (including but not limited to personal injury, death and property damage) and in such amounts as are set forth in the Project Specifics, and naming the Authority as an additional insured.

Section 7.9. Covenant Regarding Worker's Compensation. Throughout the entire term of this Assistance Agreement, the Governmental Agency shall maintain worker's compensation coverage, or cause the same to be maintained.

Section 7.10. Application of Casualty Insurance Proceeds. If, prior to the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm or other casualty, there shall be no abatement or reduction in the amount payable by the Governmental Agency pursuant to the terms of this Assistance Agreement and the Governmental Agency will (1) promptly repair, rebuild or restore the Project damaged or destroyed; and (2) apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Governmental Agency necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Governmental Agency, and shall be promptly applied as herein provided.

Section 7.11. Eminent Domain. In the event that title to, or the temporary use of, the Project, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sole discretion:

(A) The restoration of the improvements located on the Project sites to substantially the same condition as prior to the exercise of said power of eminent domain; or

(B) The acquisition of additional property, if necessary, and the acquisition of additional facilities by construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities so taken by eminent domain, without the payment of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 7.11, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by an

authorized officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of such certificate by an authorized officer of the Authority. In no event will the Governmental Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

Section 7.12. Flood Insurance. All structures located in flood prone areas shall be covered by flood insurance carried by the Governmental Agency for an amount equal to the total Project cost excluding the cost of land and any uninsurable improvements, or for the maximum limit available under the National Flood Insurance Act of 1968, as amended, whichever is less, for the entire useful life of the Project.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The following will be "Events of Default" under this Assistance Agreement and the term "Event of Default" or "Default" will mean, whenever it is used in this Assistance Agreement, any one or more of the following events:

(A) Failure by the Governmental Agency to pay any payments specified herein at the times specified herein.

(B) Failure by the Governmental Agency to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Governmental Agency by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until such failure is corrected.

(C) The dissolution or liquidation of the Governmental Agency, or the voluntary initiation by the Governmental Agency of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Governmental Agency of any such proceeding which will remain undismissed for sixty (60) days, or the entry by the Governmental Agency into an agreement of composition with creditors or the failure generally by the Governmental Agency to pay its debts as they become due.

(D) A default by the Governmental Agency under the provisions of any agreements relating to its Debt Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 has occurred and is continuing (other than an event of default arising under Section 6.13 of this Assistance Agreement), the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare all payments due hereunder, as set forth in the Schedule of Payments, to be immediately due and payable.

(B) Exercise all the rights and remedies of the Authority set forth in the Act.

(C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Assistance Agreement.

(D) Submit a formal referral to the appropriate federal agency, as required by the Federal Agreement.

The sole remedies for an Event of Default under this Assistance Agreement arising by virtue of the failure of the Governmental Agency to comply with the provisions of Section 6.10 hereof shall be those remedies specifically set forth in Section 6.10 hereof

Section 8.3. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Authority under this Assistance Agreement, the Authority shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer; provided, however, that the Authority may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 8.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.5. Consent to Powers of Authority Under Act. The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Governmental Agency hereby covenants and agrees that if the Authority should in the future have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Assistance Agreement.

Section 8.6. Waivers. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.7. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto will default under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Approval not to be Unreasonably Withheld. Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth (30th) day following the submission of any matter requiring approval to the Authority, unless disapproved in writing prior to such thirtieth (30th) day. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of the Authority granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 9.2. Approval. This Agreement is made subject to, and conditioned upon, the approval of this Assistance Agreement by the Secretary of the Finance and Administration Cabinet.

Section 9.3. Effective Date. This Assistance Agreement shall become effective as of the date first set forth hereinabove and shall continue in full force and effect until the date the obligations of the Governmental Agency pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 9.4. Binding Effect. This Assistance Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, without the written consent of the other party.

Section 9.5. Severability. In the event that any provision of this Assistance Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 9.6. Assignability. The rights of the Authority under this Assistance Agreement shall be assignable by the Authority without the consent of the Governmental Agency, but none of the rights, duties or obligations of the Governmental Agency under this Assistance Agreement shall be assignable by the Governmental Agency without the prior written consent of the Authority.

Section 9.7. Execution in Counterparts. This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 9.8. Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

Section 9.9. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Assistance Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the day and year above written.

ATTEST:

**KENTUCKY INFRASTRUCTURE
AUTHORITY**

Ad J Stt
SECRETARY
Title: _____

By: Tony Wilder
EXECUTIVE DIRECTOR
Title: _____

ATTEST:

**GOVERNMENTAL AGENCY:
CITY OF LEBANON, KENTUCKY**

Gordon Wheatley
Title: Clerk

By: J. J. [Signature]
Title: Mayor

APPROVED:

EXAMINED:

Jeri Hudson Flanery
SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

Prof Shaffer & Williams
a division of Dunsmuir & Stahl
LEGAL COUNSEL TO THE
KENTUCKY INFRASTRUCTURE
AUTHORITY

APPROVED AS TO FORM AND LEGALITY

Patrick McInerney
APPROVED
FINANCE AND ADMINISTRATION CABINET

EXHIBIT A
CITY OF LEBANON
PROJECT SPECIFICS
F15-057

GOVERNMENTAL AGENCY:

Name: City of Lebanon
PO Box 840
Lebanon, KY 40033

Contact

Person: Gary Crenshaw
Mayor

SYSTEM: Water

PROJECT:

The proposed project will replace approximately 6,000 L.F. of 6 inch water main along Woodlawn Ave. and approximately 1,700 L.F. of 6 inch water main along HWY 49, to improve service and reliability and reduce costly repairs from aging cast iron pipe that is prone to breaks and leaks that reduce service and have high repair costs. This project will provide improved service and reliability for a main serving over 200 existing customers.

PROJECT BUDGET:

	<u>Total</u>
Administrative Expenses	\$ 11,300
Engineering Fees - Design / Const	58,060
Engineering Fees - Inspection	40,640
Engineering Fees - Other	5,000
Construction	550,000
Contingency	55,000
Total	\$ 720,000

FUNDING SOURCES:

	<u>Amount</u>	<u>%</u>
Fund F Loan	\$ 720,000	100%
Total	\$ 720,000	100%

Lebanon Water Works Company, Inc.
(effective 7-1-15)

Auto:

Liability	\$ 1,000,000
PIP	\$ 10,000
Uninsured/underinsured	\$ 1,000,000
Collision	\$ 500 deductible
Comprehensive	\$ 250 deductible

Property:

Bldgs. & personal property	\$11,598,378 blanket/replacement cost/earthquake \$ 1,000 deductible
Contractors Equip.	\$ 128,916 \$ 500 deductible

Employee Dishonesty \$ 50,000

Commercial:

Bodily injury/property damage	\$ 1,000,000 each occurrence
Personal and advertising injury	\$ 1,000,000
Fire, Lightning, Explosion damage	\$ 500,000
Medical expense - any one person	\$ 15,000
aggregate	\$ 1,000,000
General Aggregate Limit	\$ 2,000,000
Products - Completed Operations	
Aggregate Limit	\$ 2,000,000

Payroll:

Water Works (7520) \$387,000	\$1,000,000 each employee
Office/clerical (8810) \$ 92,000	\$1,000,000 Limit

Fidelity Bonds:

President, Vice-Pres, Secy/Treasurer	\$ 341,000 individual or blanket \$ 1,000 deductible
--------------------------------------	---

Commercial Umbrella \$ 4,000,000

KIA DEBT SERVICE:

Construction Loan	\$ 720,000
Less: Principal Forgiveness (0%)	0
Amortized Loan Amount	<u>\$ 720,000</u>
Interest Rate	0.75%
Loan Term (Years)	<u>20</u>
Estimated Annual Debt Service	\$ 38,835
Administrative Fee (0.25%)	<u>1,800</u>
Total Estimated Annual Debt Service	\$ 40,635

AMORTIZATION COMMENCEMENT DATE: June 1 and December 1

Interest payments will commence within six months from first draw of funds (estimated 12/01/15).

Full principal and interest payments will commence within one year of initiation of operation (estimated 12/01/16).

REPLACEMENT RESERVE ACCOUNT:	\$ 1,800	ANNUAL AMOUNT
	\$ 18,000	TOTAL AMOUNT

The annual replacement cost is \$1,800. This amount should be added to the replacement account each December 1 until the balance reaches \$18,000 and maintained for the life of the loan.

ADMINISTRATIVE FEE: 0.25%

DEFAULT RATE: 8.00%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

	<u>Outstanding</u>	<u>Maturity</u>
KIA (B08-009)	\$ 489,647	2028
Citizens National Bank (2010)	218,613	2016
Citizens National Bank (2012)	3,706,784	2029
Citizens National Bank (2013)	323,885	2020
KIA (F14-036 i/a/o \$3,230,000)	0	2036
Total	\$ 4,738,929	

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person) _____
 Death or Personal Injury (per occurrence) _____
 Property Damage on System _____

**EXHIBIT B
REQUEST FOR PAYMENT AND PROJECT STATUS REPORT**

Borrower: _____

WX/SX Number: _____
Draw Number _____

KIA Loan # _____
Date: _____

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of facilities described in the Assistance Agreement as the "Project."

Pursuant to the Assistance Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Authority's funding share of these expenses is in the amount so denoted in this request.

Documentation supporting the expenses incurred and identified per this request are attached.

Funds Requested: _____

Project Budget and Expenses

Line Item	Cost	Expenses This Request	Expenses to Date	Project Budget	Balance
1	Administrative				
2	Legal				
3	Land, Appraisals, Easements				
4	Relocation Expense				
5	Planning				
6	Engineering Fees – Design				
7	Engineering Fees - Construction				
8	Engineering Fees – Inspection				
9	Construction				
10	Equipment				
11	Contingency				
12	Other				
	TOTAL				

If expenses to date exceed project budget a revised budget must be submitted to and approved by the Authority before funds will be released.

Project Funding

Funding Agency	Expenses This Request	Expenses to Date	Project Budget	Balance
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
	TOTAL			

We certify that the expenses in this draw request were incurred pursuant to local procurement polices which conform to KRS 45A.

Borrower Signature: _____

Project Administrator: _____

Draw # _____

STATUS REPORT:

PROJECT IS:	On schedule	_____
	Ahead of schedule	_____
	Behind schedule	_____
	If ahead or behind, please explain	_____

PROJECT EXPENSES THIS DRAW REQUEST
 (Include Invoices for Expenses Listed Below)

Line Item	Draw #	Vender	Amount
------------------	---------------	---------------	---------------

CERTIFICATE OF CONSULTING ENGINEERS AS TO
PAYMENT REQUEST

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request in connection with the "Eligible Project" and that all expenses represented in this request were duly incurred for the Construction of the "Project," that the Authority's funding share of these expenses is accurately represented and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Architect

Firm Name

EXHIBIT C
SCHEDULE OF SERVICE CHARGES

See Attached

City of Lebanon
Lebanon Water Works Company, Inc.
120 S. Proctor Knott Avenue
Lebanon, Kentucky 40033
(270)692-2491
(270)692-6413 (fax)

Rate Schedule for Water Service

Inside City:

Meter Charge: \$ 6.75 per month regardless of water used
O&M Charge: \$ 2.50 per 100 cubic feet of water

Outside City:

Meter Charge: \$ 7.43 per month regardless of water used
O&M Charge: \$ 2.75 per 100 cubic feet of water

The above rates are effective September 17, 2013.

Rate Schedule for Sewer Service

Universal: \$4.1364 per 100 cubic feet of water used
Minimum monthly charge of \$11.06

EXHIBIT D

RESOLUTION

RESOLUTION OF THE CITY OF LEBANON, KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT DATED AS OF OCTOBER 1, 2015 BETWEEN THE CITY OF LEBANON, KENTUCKY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the City Council ("Governing Authority") of the City of Lebanon, Kentucky ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Governmental Agency's Water System (the "Project") and

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

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an assistance agreement dated as of October 1, 2015 (the "Assistance Agreement") with the Authority.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lebanon, Kentucky, as follows:

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

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

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

ADOPTED on _____, 2015.

Mayor

Attest:

Title: Clerk

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Clerk of the City of Lebanon, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the City Council of said City at a meeting duly held on _____, 2015; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this ____ day of _____, 2015.

Clerk

EXHIBIT E

OPINION OF COUNSEL

[Letterhead of Counsel to Governmental Agency]

[Date]

Kentucky Infrastructure Authority
1024 Capital Center Drive
Suite 340
Frankfort, Kentucky 40601

RE: Assistance Agreement by and between Kentucky Infrastructure Authority and City of Lebanon, Kentucky, dated as of October 1, 2015

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the City of Lebanon, Kentucky, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the drinking water supply project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement.

Based upon my review I am of the opinion that:

1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the Project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) To the best of my knowledge, the Governmental Agency has fully complied with all federal and state labor and procurement laws in connection with the construction of the Project.

9) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very truly yours,

EXHIBIT F

TO ASSISTANCE AGREEMENT BETWEEN
CITY OF LEBANON, KENTUCKY
("GOVERNMENTAL AGENCY") AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY

Total Loan to be Repaid by
Governmental Agency to
Kentucky Infrastructure Authority \$ _____

Principal and Interest Payable
on Each June 1 and December 1

It is understood and agreed by the parties to this Assistance Agreement that this Exhibit F is an integral part of the Assistance Agreement between the Governmental Agency and the Kentucky Infrastructure Authority.

IN WITNESS WHEREOF, the parties have caused this Exhibit F to Assistance Agreement to be executed by their respective duly authorized officers as of the date of said Assistance Agreement.

KENTUCKY INFRASTRUCTURE AUTHORITY

By: _____

Title: _____

CITY OF LEBANON, KENTUCKY, Governmental Agency

By: _____

Title: _____

ATTEST:

Title: _____

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

NONE

9940450v1

RESOLUTION

RESOLUTION OF THE CITY OF LEBANON, KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT DATED AS OF OCTOBER 1, 2015 BETWEEN THE CITY OF LEBANON, KENTUCKY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the City Council ("Governing Authority") of the City of Lebanon, Kentucky ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain facilities and improvements to the Governmental Agency's Water System (the "Project") and

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

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an assistance agreement dated as of October 1, 2015 (the "Assistance Agreement") with the Authority.

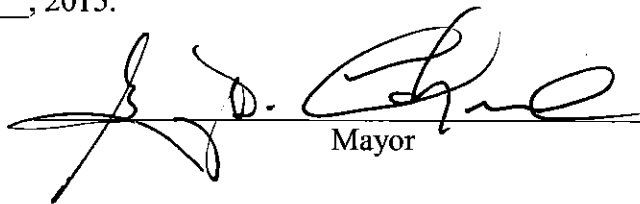
NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Lebanon, Kentucky, as follows:

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

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

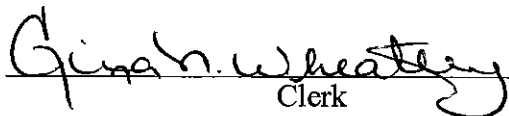
SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on October 12, 2015.



Mayor

Attest:



Clerk

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Clerk of the City of Lebanon, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the City Council of said City at a meeting duly held on October 12, 2015; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 12th day of October, 2015.


Clerk

9940547v1



CITY OF LEBANON

GARY D. CRENSHAW
MAYOR

P.O. BOX 840
LEBANON, KY 40033
TEL. (270) 692-6272
FAX (270) 692-4638

CITY COUNCIL LEBANON KENTUCKY

OCTOBER 12, 2015

EXCERPT

A regular meeting of the Lebanon City Council was held on October 12, 2015 at 7:00 p.m. at City Hall. With Mayor Gary D. Crenshaw presiding, Councilmembers Jerry Abell, Jay Grundy, John Mattingly, Kate Palagi, Jim Richardson, and Darin Spalding were present.

Mayor Crenshaw called the meeting to order at 7:00 p.m.

Councilman Richardson made a motion to approve Resolution 2015-08 approving an assistance agreement dated as of October 1, 2015 between the City of Lebanon and the Kentucky Infrastructure Authority and Councilman Abell seconded. The motion carried unanimously.

I, Gina N. Wheatley, City Clerk of the City of Lebanon, do hereby affirm this to be a true and accurate excerpt of the minutes of the City Council meeting held October 12, 2015.


GINA N. WHEATELY, City Clerk

**KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board**

Meeting Date/Location: May 7, 2015 – 1:00 p.m.
Kentucky Infrastructure Authority
1024 Capital Center Drive, Suite 340, Frankfort

Members present:

Mr. Tony Wilder, Commissioner, Department for Local Government
Mr. Paul Gannoe, Finance and Administration Cabinet
(Proxy for Secretary Lori H. Flanery, FAC)
Ms. Lona Brewer, Energy and Environment Cabinet
(Permanent proxy for Secretary Leonard K. Peters, EEC)
Mr. John Bevington, Economic Development Cabinet
(Proxy for Secretary Larry Hayes (EDC)
Mr. Jeff Derouen, Executive Director, Public Service Commission
Mr. Damon Talley, representing the Kentucky Rural Water Association
Ms. Linda C. Bridwell, representing for-profit private water companies

Members absent:

Mr. Jody Jenkins, Union County Judge Executive, representing the Kentucky Association
of Counties
Mr. C. Ronald Lovan, representing the American Water Works Association
Mr. David W. Cartmell, Mayor, City of Maysville, representing the Kentucky League of Cities
Mr. Marty T. Ivy, representing the Kentucky Municipal Utilities Association

Guests:

Mr. Jory Becker, Division of Water
Mr. Jim Thompson, Kentucky Engineering Group
Mr. Bill Scalf, Frankfort Sewer
Mr. Jeffrey Reed, Glasgow Water Company
Mr. Scott Young, Glasgow Water Company
Mr. Ray Bascom, HMB Engineering
Mr. Bill Robertson, Paducah Water
Mr. Jason Peterson, Paducah Water
Ms. Ruth Webb, First Kentucky Securities
Mr. Roger Recktenwald, KACo
Ms. Angi Johnston, QK4
Ms. Annette DuPont Ewing, KMUA
Mr. John Brady, Office of Financial Management
Ms. Laura Gilkerson, GRW
Ms. Donna McNeil, KRWA
Mr. John Martin, GRW
Mr. Bob Smallwood, GRW
Mr. Kurt Zehnda, GRW
Mr. Bob Peterson, Frankfort Sewer

PROCEEDINGS

Chair Tony Wilder called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. Mr. Wilder asked board members and guests to introduce themselves. Chair Wilder confirmed that a quorum was present and that the press had been notified regarding the meeting.

I. BUSINESS (Board Action Required)

A. 1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of April 2, 2015

Mr. Damon Talley moved to approve the minutes of the April 2, 2015, regular board meeting. Mr. Jeff Derouen seconded, and the motion carried unanimously.

2. APPROVAL OF MINUTES

For: KIA Regular Executive Committee Meeting of April 23, 2015

Chair Tony Wilder asked KIA's Executive Director, John Covington, to report on issuance of KIA Bonds. Mr. Covington stated that it was not exactly as anticipated. No refinancing for Fund C was done, only additional funds. KIA now has \$5,000,000 in new Fund C monies. The Fund C bonds rating was upgraded from an AA to an AA+. KIA's AAA rating was reaffirmed for the SRF leverage bonds.

Ms. Linda Bridwell moved to approve the minutes of the April 23, 2015 executive committee meeting. Mr. Damon Talley seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS

1. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL FOR THE FILING OF AN APPLICATION WITH THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY FOR THE FEDERAL FISCAL YEAR 2015 CAPITALIZATION GRANT FOR THE DRINKING WATER REVOLVING FUND

Mr. Jeff Abshire discussed the annual filing of the Drinking Water Cap Grant, KIA is asking for \$13,770,000, with a state match of \$2,754,000. For administration and technical assistance, \$4,300,000, or 31%, will be set aside for the Division of Water.

Ms. Linda Bridwell moved to approve the filing of an application for the federal fiscal year 2015 Capitalization Grant for the Drinking Water Revolving Fund. Mr. Mr. Damon Talley seconded, and the motion carried unanimously.

2. RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING APPROVAL FOR THE FILING OF AN APPLICATION WITH THE UNITED STATES ENVIRONMENTAL PROTECTION

AGENCY FOR THE FEDERAL FISCAL YEAR 2015 CAPITALIZATION GRANT FOR THE WASTEWATER REVOLVING FUND

Mr. Jeff Abshire presented information on the Waste Water Cap Grant. There will be a \$17,870,000 request submitted with a state match of \$3,576,000, of which 4% will be set aside for administration fees. KIA is expected to collect approximately \$45,000,000 from borrowers on loans in 2016.

Ms. Linda Bridwell clarified with Mr. Abshire that the difference in the set aside percentage for the Drinking Water and Wastewater funds. Mr. Jory Becker and Mr. John Covington and Ms. Donna McNeil explained some of the Division of Water technical assistance programs for Drinking Water.

Mr. Covington presented some historical data to the group. In 2013, there were 45 loans approved for all programs for a total of \$120,000,000. For 2014, 47 loans were approved for \$80,000,000 and for 2015, there will be approximately 67 loans approved for a value of approximately \$185,000,000.

Ms. Linda Bridwell moved to approve the filing of an application for the federal fiscal year 2015 Capitalization Grant for the Wastewater Revolving Fund. Mr. Damon Talley seconded, and the motion carried unanimously.

3. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A15-035) IN THE AMOUNT OF \$8,684,115 TO THE CITY OF CORBIN FOR THE BENEFIT OF CITY UTILITIES COMMISSION, LAUREL COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Ms. Jami Johnson, KIA, presented the Fund A loan A15-035 project to the board. The City of Corbin for the benefit of the Corbin City Utilities Commission requested a Fund A loan in the amount of \$8,684,115 for the Corbin Wastewater Treatment Plant Upgrade project. This project will upgrade the wastewater treatment plant by constructing an additional oxidization ditch, a third clarifier, replace the chlorination/de-chlorination system with a UV disinfection facility and upgrade a pump station to increase flow to the WWTP and alleviate inflow and infiltration during significant wet weather events.

Ms. Linda Bridwell moved to approve Fund A, A15-035 in the amount of \$8,684,115 to the City of Corbin for the benefit of City Utilities Commission with the standard conditions. Mr. Damon Talley seconded, and the motion was unanimously approved.

Chair Wilder advised that the board would consider in sequence four projects to the City of Frankfort, listed in the agenda as Action Item 4, Fund A Loan A15-092, Action Item 5, Fund A Loan A-15-095, Action Item 6, Fund A Loan A-098 and Action Item 7, Fund A15-101.

4. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER

REVOLVING FUND A LOAN (A15-092) IN THE AMOUNT OF \$747,041 TO THE CITY OF FRANKFORT, FRANKLIN COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Ms. Brandi Norton, KIA, presented the Fund A loan, A15-092 project to the Board. The City of Frankfort requested a Fund A loan in the amount of \$747,041 for the Benson Combined Sewer Overflow (CSO) Separation project. This project will install approximately 3,000 linear feet of 8 to 15 inch sanitary sewer lines and approximately 700 linear feet of 12 to 15 inch storm sewer lines. The project will reconnect 43 properties to new sanitary sewers and will eliminate the Benson Avenue gravity pump station. The City is currently acting under the terms of an EPA Administrative order and Kentucky Division of Enforcement Consent Judgment to resolve the CSO issue along Benson Creek.

5. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A15-095) IN THE AMOUNT OF \$1,570,000 TO THE CITY OF FRANKFORT, FRANKLIN COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Ms. Brandi Norton, KIA, presented the Fund A loan, A15-095 project to the Board. The City of Frankfort requested a Fund "A" loan in the amount of \$1,570,000 for the Old Lawrenceburg Road Pump Station Replacement project. The project will replace an existing underground flooded pump station that was installed in 1981 with a submersible duplex pump station. The existing station is 31 feet underground and structurally unsound causing safety concerns. The new pump station will provide access to the pumps at ground level and will be integrated into the City's SCADA system as well as accommodate a wider range of flows. The project will also replace an exposed 18 inch ductile iron force main that is pulling apart. If the force main is not replaced it threatens to pump sewage directly into the Kentucky River.

The City's wastewater system has about 34,484 customers and also treats wastewater for an area of Woodford County, which has 21 customers.

6. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A15-098) IN THE AMOUNT OF \$1,500,000 TO THE CITY OF FRANKFORT, FRANKLIN COUNTY, KENTUCKY

Mr. Jory Decker, DOW, and Ms. Brandi Norton, KIA, presented the Fund A loan, A15-098 project to the Board. The City of Frankfort requested a Fund "A" loan in the amount of \$1,500,000 for the Rolling Acres Inflow and Infiltration (I&I) Phase 1 project. The project will inspect 33,000 linear feet of collection sewer in the Rolling Acres neighborhood that experiences excessive I&I during wet weather events causing sanitary sewer overflows. The project will include 9,000 to 12,000 feet of sliplining, 45 to 50 sewer main point repairs and the replacement of 3,000 to 4,000 linear feet of property service connections including installation of 200 to 250 cleanouts.

7. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER

REVOLVING FUND A LOAN (A15-101) IN THE AMOUNT OF \$1,320,000 TO THE CITY OF FRANKFORT, FRANKLIN COUNTY, KENTUCKY

Mr. Jory Decker, DOW, and Ms. Brandi Norton, KIA, presented the Fund A loan, A15-101 project to the Board. The City of Frankfort requested a Fund "A" loan in the amount of \$1,320,000 for the Wastewater Treatment Plant Emergency Generator and SCADA System project. This project will provide backup generators during periods of power outage. Additionally, the project will install a SCADA system to the Waste Water Treatment Plant that is manually operated. The SCADA system will allow the WWTP to automatically make adjustments to enhance treatment and reduce plant electric costs. The new system will allow monitoring of the system from remote locations.

The City's wastewater system has about 34,484 customers and also treats wastewater for an area of Woodford County, which has 21 customers.

Ms. Linda Bridwell moved to approve Fund A loan (A15-092) in the amount of \$747,041, Fund A loan (A15-095) in the amount of \$1,570,000, Fund A loan (A15-098) in the amount of \$1,500,000 and Fund A loan (A15-101) in the amount of \$1,320,000 to the City of Frankfort, all with the standard conditions. Mr. Damon Talley seconded, and the motion was unanimously approved.

Chair Tony Wilder excused himself from the meeting at this time. Vice Chair Damon Talley graciously assumed direction of the meeting.

8. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND A LOAN (A15-094) IN THE AMOUNT OF \$3,500,000 TO THE CITY OF GLASGOW FOR THE BENEFIT OF GLASGOW WATER COMPANY, BARREN COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Ms. Debbie Landrum, KIA, presented the project to the Board. The City of Glasgow f/b/o Glasgow Water Company requested a \$3,500,000 Fund "A" loan (A15-94) for the Southside Interceptor Project. The project will eliminate historical sanitary sewer overflow and provides additional capacity for future growth. The project consists of upgrading 5,300 feet of existing 24 inch gravity line to 42 inch line from sanitary sewer overflow #8 to existing WWTP and upgrading 9,000 feet of existing 24 inch gravity line to 36 inch from sanitary sewer overflow #13 to sanitary sewer overflow #8. The project would eliminate seven of eight identified sanitary sewer overflows and reduce ongoing maintenance on an aged interceptor.

Glasgow Water Company provides water and sewer for the City of Glasgow and has approximately 16,600 water and 6,000 sewer customers.

When asked if a projected three percent increase in revenue annually is a requirement for the loan, a representative of the City explained that while the increase is not required, annual three percent increases are planned for the next five years. He also verified that the City has the funds in place for the local contribution to the project.

Ms. Linda Bridwell moved to approve the Fund A loan A15-94 in the amount of \$3,500,000 to the City of Glasgow with the standard conditions. Mr. John

Bevington seconded, and the motion was unanimously approved.

9. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND LOAN (A15-019) IN THE AMOUNT OF \$4,156,000 TO THE CITY OF LIBERTY, CASEY COUNTY, KENTUCKY

Mr. Jory Becker, DOW and Ms. Jami Johnson, KIA, presented the project to the board. The City of Liberty requested a Fund A loan, (A15-019) in the amount of \$4,156,000 for the Wastewater Treatment Plant Upgrade and Improvements project. The primary focus of this project is to address wet weather flows by adding a one million gallon wet weather flow equalization basin and a duplex submersible wet weather pump station. The project will also replace and upgrade treatment plant components that have exceeded their useful life. These items include replacement of the raw sewage flow meter, grit removal equipment, adding a third static screen, return sludge pump and controls, sludge pumps and controls, secondary sludge clarifier equipment, and aerobic digester blower equipment. Additionally, a much needed laboratory and office facilities with installation of modern instrumentation and control equipment will be constructed. The City met with the Division of Enforcement in August 2014 and has since been advised that they will receive an Agreed Order by mid-summer 2015 and will incur a fine of approximately \$3,000 for Notices of Violation (NOV). The proposed project will address all issues included in the agreed order.

The wastewater treatment plant has a design capacity of 640,000 gallons per day and services approximately 875 customers.

Mr. Paul Gannoe moved to approve Fund A Loan A15-019 in the amount of \$4,156,000 to the City of Liberty with the standard conditions and the special condition that the water and sewer rate ordinance will be amended to be effective no later than July 1, 2015, to increase rates sufficient enough to generate an additional \$275,000 per year. At least fifty percent of the increase must be effective by July 1 2015, with the remainder being effective by July 1, 2016. Mr. John Bevington seconded, and the motion was approved.

10. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F15-057) IN THE AMOUNT OF \$720,000 TO THE CITY OF LEBANON FOR THE BENEFIT OF LEBANON WATER WORKS, MARION COUNTY, KENTUCKY

Mr. Jory Becker, DOW and Ms. Debbie Landrum, KIA, presented the project to the Board. The City of Lebanon f/b/o Lebanon Water Works Co. (LWWC) requested a \$720,000 Fund "F" loan, (F15-057) for the Woodland Avenue and Loretto Road Water Line Replacement project. The proposed project will replace approximately 6,000 linear feet (LF) of 6 inch water main along Woodlawn Avenue and approximately 1,700 LF of 6 inch water main along HWY 49 to improve service and reliability to 200 customers. This project will also reduce costly repairs from aging cast iron pipe that is prone to breaks and leaks with high repair costs.

LWWC produces 800 million gallons of water annually, directly serves approximately 2,600 customers and indirectly serves an additional 5,800 customers through wholesale service (430,000 million gallons annually) to the Marion County Water District. Upon completion of the Marion Taylor County line project (F14-036) LWWC will purchase 500,000 gallons per day from the City of Campbellsville to mitigate supply constraints during drought periods.

Ms. Linda Bridwell inquired about requirements for the debt coverage ratio. Mr. John Covington explained that the Assistance Agreement requires that the borrower assures sufficient revenue to cover operating expenses.

Ms. Linda Bridwell moved to approve the Fund F Loan, F15-057 in the amount of \$720,000 to the City of Lebanon with the standard conditions. Ms. Lona Brewer seconded, and the motion was unanimously approved

11. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED DRINKING WATER REVOLVING FUND LOAN (F15-064) IN THE AMOUNT OF \$4,493,000 TO THE CITY OF PADUCAH FOR THE BENEFIT OF PADUCAH WATER WORKS, MCCRACKEN COUNTY, KENTUCKY

Mr. Jory Becker, DOW and Ms. Brandi Norton, KIA presented this project to the Board. The City of Paducah for the benefit of Paducah Water Works requested a Fund "F" loan, (F15-064) in the amount of \$4,493,000 for the 24" Transmission Main project. The project will install 9,000 linear feet of 24 inch ductile iron pipe water main lines from the 8th Street Treatment plant along Campbell Street and Kentucky Avenue. The new transmission lines will provide a source of redundancy to the existing 30 inch main that feeds the majority of the Paducah Water distribution system. The line will provide a necessary alternate source of flow should the main line become inaccessible. The Utility will increase transmission capacity by connecting the new lines from the plant to several existing large mains along the Kentucky Avenue corridor to enhance all five pressure zones. The Utility will perform a corridor study and additional hydraulic modeling to determine the most efficient corridor and point of termination for the project. The utility produces approximately 2.7 billion gallons of water annually to support approximately 26,600 customers. Additionally, they sell approximately 173 million gallons of water per year to the West McCracken County Water District which is subject to Public Service Commission jurisdiction.

Mr. Damon Talley asked about the projected periodic rate increases indicated and was told that the established rate ordinance allows for yearly rate increases. Ms. Linda Bridwell inquired about the anticipated cost per foot. A City representative explained that the area in which the project will be done will result in higher costs.

Ms. Linda Bridwell moved to approve the Fund F Loan F15-064 in the amount of \$4,493,000 to the City of Paducah with the standard conditions. Mr. John Bevington seconded, and the motion was unanimously approved

12. A RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL

**EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS
MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH
GOVERNMENTAL AGENCIES**

This is a routine resolution allowing KIA to reimburse expenses that are paid out of the Authority's funds with bond proceeds. The projects listed below are covered under this resolution:

APPLICANT	FUND	AMOUNT
City of Corbin f/b/o Corbin Utility Commission	A15-035	\$8,684,115
City of Frankfort	A15-092	\$ 747,041
City of Frankfort	A15-095	\$1,570,000
City of Frankfort	A15-098	\$1,500,000
City of Frankfort	A15-101	\$1,320,000
City of Glasgow f/b/o Glasgow Water Company	A15-094	\$3,500,000
City of Liberty	A15-019	\$4,156,000
City of Lebanon f/b/o Lebanon Water Works	F15-057	\$ 720,000
City of Paducah f/b/o Paducah Water Works	F15-064	\$4,493,000

Ms. Linda Bridwell moved to approve the resolution. Ms. Lona Brewer seconded, and the motion carried unanimously.

II. EXECUTIVE DIRECTOR'S REPORT

Kentucky Infrastructure Authority Executive Director John Covington

Mr. Covington discussed the General Assembly authorizing KIA to make 30 year loans for Cleanwater State Revolving Fund. A loan with a term of 30 years was approved at this meeting for the City of Liberty.

Mr. Covington brought an issue with the City of Martin to the attention of the Board. At some point in the near future, Board action will be required on their loan. There have been collections problems for an extended period of time. KIA staff continues to work with the City of Martin; they have recently paid \$18,700 toward their loan balance of \$131,082. This Fund A loan matures on June 1, 2015, and it is anticipated that the City will be unable to pay the balance due. There are two avenues KIA staff can pursue, the first; the agency can continue to work with the City of Martin, getting their financial statements, reviewing their credit worthiness and giving them the opportunity to refinance with a short term Fund B or Fund C loan. The other option would be to take legal action. Either of these options will require Board action.

KIA staff hopes to have the Intended Use Plan out by next week. A public meeting on the plan will be scheduled for later in May. When the IUP is published, invitations will be sent to borrowers for the next funding cycle. KIA is finalizing some language for clean water that has been previously discussed with the board. Language is being added for small disadvantaged communities that may be eligible for a 30 year loan. Previously, consideration was based solely on median household income. Population trends and unemployment data will now also be considered.

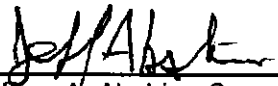
III. STATUS REPORT FOR FUNDS A, A2, B, B1, C, F, F2

IV. ANNOUNCEMENTS/NOTIFICATIONS

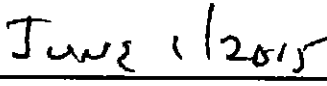
- Next scheduled KIA board meeting:
Tentatively set for Thursday, June 4, 2015
1024 Capital Center Drive, Suite 340
Frankfort, Kentucky

There being no further business Ms. Linda Bridwell moved to adjourn. Mr. Jeff Derouen seconded and the motion carried unanimously. The May 7, 2015, regular meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:



Jeffrey A. Abshire, Secretary
Kentucky Infrastructure Authority



Date

EXHIBIT 13

BW



Handwritten initials/signature

LOAN NUMBER 77049	LOAN NAME LEBANON WATER WORKS CO., INC., CITY OF LEBANON GENERAL OBLIGATION	ACCT. NUMBER	NOTE DATE 01/25/17	INITIALS JPR
NOTE AMOUNT \$186,410.17	INDEX (w/Margin) Not Applicable	RATE 2.900%	MATURITY DATE 02/02/18	LOAN PURPOSE Commercial

Creditor Use Only

PROMISSORY NOTE
(Commercial - Single Advance)
RENEWAL NOTE

DATE AND PARTIES. The date of this Promissory Note (Note) is January 25, 2017. The parties and their addresses are:

LENDER:

CITIZENS NATIONAL BANK
149 W. Main St.
Lebanon, KY 40033
Telephone: (270) 692-2113

BORROWER:

LEBANON WATER WORKS CO., INC., CITY OF LEBANON GENERAL OBLIGATION
a Kentucky Corporation
120 SOUTH PROCTOR KNOTT AVENUE
LEBANON, KY 40033

1. DEFINITIONS. As used in this Note, the terms have the following meanings:

- A. Pronouns.** The pronouns "I," "me," and "my" refer to each Borrower signing this Note, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this Note. "You" and "Your" refer to the Lender, any participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Loan.
- B. Note.** Note refers to this document, and any extensions, renewals, modifications and substitutions of this Note.
- C. Loan.** Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Note.
- D. Loan Documents.** Loan Documents refer to all the documents executed as a part of or in connection with the Loan.
- E. Property.** Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.
- F. Percent.** Rates and rate change limitations are expressed as annualized percentages.
- G. Dollar Amounts.** All dollar amounts will be payable in lawful money of the United States of America.

2. RENEWAL. This Note is a renewal of the following described note:

Note Date	Note Number	Note Amount
January 25, 2013	# 77049	\$394,502.64

I have requested that the note listed in the table above be renewed. The remaining balance of the note listed in the table above is \$186,410.17.

3. PROMISE TO PAY. For value received, I promise to pay you or your order, at your address, or at such other location as you may designate, the principal sum of \$186,410.17 (Principal) plus interest from January 25, 2017 on the unpaid Principal balance until this Note matures or this obligation is accelerated.

4. INTEREST. Interest will accrue on the unpaid Principal balance of this Note at the rate of 2.900 percent (Interest Rate).

- A. Post-Maturity Interest.** After maturity or acceleration, interest will accrue on the unpaid Principal balance of this Note at the Interest Rate in effect from time to time, until paid in full.
- B. Maximum Interest Amount.** Any amount assessed or collected as interest under the terms of this Note will be limited to the maximum lawful amount of interest allowed by applicable law. Amounts collected in excess of the maximum lawful amount will be applied first to the unpaid Principal balance. Any remainder will be refunded to me.
- C. Statutory Authority.** The amount assessed or collected on this Note is authorized by the Kentucky usury laws under Ky. Rev. Stat. Ann. § 380.010.
- D. Accrual.** Interest accrues using an Actual/360 days counting method.

5. REMEDIAL CHARGES. In addition to interest or other finance charges, I agree that I will pay these additional fees based on my method and pattern of payment. Additional remedial charges may be described elsewhere in this Note.

- A. Late Charge.** If a payment is more than 10 days late, I will be charged 5.000 percent of the Amount of Payment or \$5.00, whichever is greater. I will pay this late charge promptly but only once for each late payment.

B. Renewal Fee. A(n) Renewal Fee equal to \$10.00.

C. Minimum Finance Charge - Commercial/Ag. A(n) Minimum Finance Charge - Commercial/Ag equal to \$10.00.

D. Extension Fee. A(n) Extension Fee equal to \$10.00.

6. PAYMENT. I agree to pay this Note on demand, but if no demand is made, I agree to pay this Note in 12 payments. I will make 11 payments of \$4,623.03 beginning on March 2, 2017, and on the 2nd day of each month thereafter. A single "balloon payment" of the entire unpaid balance of Principal and interest will be due February 2, 2018.

Payments will be rounded to the nearest \$.01. With the final payment I also agree to pay any additional fees or charges owing and the amount of any advances you have made to others on my behalf. Payments scheduled to be paid on the 29th, 30th or 31st day of a month that contains no such day will, instead, be made on the last day of such month.

Each payment I make on this Note will be applied first to interest that is due, then to principal that is due, and finally to any charges that I owe other than principal and interest. If you and I agree to a different application of payments, we will describe our agreement on this Note. You may change how payments are applied in your sole discretion without notice to me. The actual amount of my final payment will depend on my payment record.

7. PREPAYMENT. I may prepay this Loan in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until I pay in full.

8. LOAN PURPOSE. The purpose of this Loan is BUSINESS: RENEWAL #77049 TO REFINANCE SERIES 2004 BOND.

9. ADDITIONAL TERMS. LEBANON WATER WORKS COMPANY, INC. AND THE CITY OF LEBANON HEREBY AGREE TO BIWEEKLY PAYMENTS OF \$2,311.52, WHICH SHALL BE DRAFTED FROM LEBANON WATER WORKS COMPANY, INC'S CHECKING ACCOUNT, BEGINNING 2/4/13, FOR THE DURATION OF THIS LOAN

10. SECURITY. The Loan is secured by the following, previously executed, security instruments or agreements: SEE TRANSCRIPT OF PROCEEDINGS DATED MARCH 1, 2003 ATTACHED HERETO .

11. LIMITATIONS ON CROSS-COLLATERALIZATION. The cross-collateralization clause on any existing or future loan, but not including this Loan, is void and ineffective as to this Loan, including any extension or refinancing.

The Loan is not secured by a previously executed security instrument if a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. The Loan is not secured by a previously executed security instrument if you fail to fulfill any necessary requirements or fail to conform to any limitations of the Real Estate Settlement Procedures Act, (Regulation X), that are required for loans secured by the Property or if, as a result, the other debt would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

The Loan is not secured by a previously executed security instrument if you fail to fulfill any necessary requirements or fail to conform to any limitations of the Truth in Lending Act, (Regulation Z), that are required for loans secured by the Property.

12. DEFAULT. I understand that you may demand payment anytime at your discretion. For example, you may demand payment in full if any of the following events (known separately and collectively as an Event of Default) occur:

A. Payments. I fail to make a payment in full when due.

B. Insolvency or Bankruptcy. The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against me or any co-signer, endorser, surety or guarantor of this Note or any other obligations I have with you.

C. Business Termination. I merge, dissolve, reorganize, end my business or existence, or a partner or majority owner dies or is declared legally incompetent.

D. New Organizations. Without your written consent, I organize, merge into, or consolidate with an entity; acquire all or substantially all of the assets of another; materially change the legal structure, management, ownership or financial condition; or effect or enter into a domestication, conversion or interest exchange.

E. Failure to Perform. I fail to perform any condition or to keep any promise or covenant of this Note.

F. Other Documents. A default occurs under the terms of any other Loan Document.

G. Other Agreements. I am in default on any other debt or agreement I have with you.

H. Misrepresentation. I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

I. Judgment. I fail to satisfy or appeal any judgment against me.

J. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

K. Name Change. I change my name or assume an additional name without notifying you before making such a change.

L. Property Transfer. I transfer all or a substantial part of my money or property.

M. Property Value. You determine in good faith that the value of the Property has declined or is impaired.

N. Material Change. Without first notifying you, there is a material change in my business, including ownership, management, and financial conditions.

O. Insecurity. You determine in good faith that a material adverse change has occurred in my financial condition from the conditions set forth in my most recent financial statement before the date of this Note or that the prospect for payment or performance of the Loan is impaired for any reason.

13. DUE ON SALE OR ENCUMBRANCE. You may, at your option, declare the entire balance of this Note to be due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law, as applicable.

14. WAIVERS AND CONSENT. To the extent not prohibited by law, I waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.

A. Additional Waivers By Borrower. In addition, I, and any party to this Note and Loan, to the extent permitted by law, consent to certain actions you may take, and generally waive defenses that may be available based on these actions or based on the status of a party to this Note.

- (1) You may renew or extend payments on this Note, regardless of the number of such renewals or extensions.
- (2) You may release any Borrower, endorser, guarantor, surety, accommodation maker or any other co-signer.
- (3) You may release, substitute or impair any Property securing this Note.
- (4) You, or any institution participating in this Note, may invoke your right of set-off.
- (5) You may enter into any sales, repurchases or participations of this Note to any person in any amounts and I waive notice of such sales, repurchases or participations.
- (6) I agree that any of us signing this Note as a Borrower is authorized to modify the terms of this Note or any instrument securing, guarantying or relating to this Note.

B. No Waiver By Lender. Your course of dealing, or your forbearance from, or delay in, the exercise of any of your rights, remedies, privileges or right to insist upon my strict performance of any provisions contained in this Note, or any other Loan Document, shall not be construed as a waiver by you, unless any such waiver is in writing and is signed by you.

15. REMEDIES. After I default, you may at your option do any one or more of the following.

- A. Acceleration.** You may make all or any part of the amount owing by the terms of this Note immediately due.
- B. Sources.** You may use any and all remedies you have under state or federal law or in any Loan Document.
- C. Insurance Benefits.** You may make a claim for any and all insurance benefits or refunds that may be available on my default.
- D. Payments Made On My Behalf.** Amounts advanced on my behalf will be immediately due and may be added to the balance owing under the terms of this Note, and accrue interest at the highest post-maturity interest rate.
- E. Set-Off.** You may use the right of set-off. This means you may set-off any amount due and payable under the terms of this Note against any right I have to receive money from you.

My right to receive money from you includes any deposit or share account balance I have with you; any money owed to me on an item presented to you or in your possession for collection or exchange; and any repurchase agreement or other non-deposit obligation. "Any amount due and payable under the terms of this Note" means the total amount to which you are entitled to demand payment under the terms of this Note at the time you set-off.

Subject to any other written contract, if my right to receive money from you is also owned by someone who has not agreed to pay this Note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement.

Your right of set-off does not apply to an account or other obligation where my rights arise only in a representative capacity. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set-off against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

F. Waiver. Except as otherwise required by law, by choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

16. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after the occurrence of an Event of Default, to the extent permitted by law, I agree to pay all expenses of collection, enforcement or protection of your rights and remedies under this Note or any other Loan Document. Expenses include, but are not limited to, reasonable attorneys' fees as provided by law, and court costs. This amount does not include attorneys' fees for your salaried employee. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of this Note. All fees and expenses will be secured by the Property I have granted to you, if any. In addition, to the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees incurred by you to protect your rights and interests in connection with any bankruptcy proceedings initiated by or against me.

17. COMMISSIONS. I understand and agree that you (or your affiliate) will earn commissions or fees on any insurance products, and may earn such fees on other services that I buy through you or your affiliate.

18. WARRANTIES AND REPRESENTATIONS. I make to you the following warranties and representations which will continue as long as this Note is in effect:

A. Power. I am duly organized, and validly existing and in good standing in all jurisdictions in which I operate. I have the power and authority to enter into this transaction and to carry on my business or activity as it is now being conducted and, as applicable, am qualified to do so in each jurisdiction in which I operate.

B. Authority. The execution, delivery and performance of this Note and the obligation evidenced by this Note are within my powers, have been duly authorized, have received all necessary governmental approval, will not violate any provision of law, or order of court or governmental agency, and will not violate any agreement to which I am a party or to which I am or any of my Property is subject.

C. Name and Place of Business. Other than previously disclosed in writing to you I have not changed my name or principal place of business within the last 10 years and have not used any other trade or fictitious name. Without your prior written consent, I do not and will not use any other name and will preserve my existing name, trade names and franchises.

19. APPLICABLE LAW. This Note is governed by the laws of Kentucky, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law. In the event of a dispute, the exclusive forum, venue and place of jurisdiction will be in Kentucky, unless otherwise required by law.

20. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. My obligation to pay the Loan is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on the Loan, or any number of us together, to collect the Loan. Extending the Loan or new obligations under the Loan, will not affect my duty under the Loan and I will still be obligated to pay the Loan. This Note shall inure to the benefit of and be enforceable by you and your successors and assigns and shall be binding upon and enforceable against me and my personal representatives, successors, heirs and assigns.

21. AMENDMENT, INTEGRATION AND SEVERABILITY. This Note may not be amended or modified by oral agreement. No amendment or modification of this Note is effective unless made in writing and executed by you and me. This Note and the other Loan Documents are the complete and final expression of the agreement. If any provision of this Note is unenforceable, then the

LEBANON WATER WORKS CO., INC., CITY OF LEBANON GENERAL OBLIGATION

Kentucky Promissory Note

KY4DRABELL10000000001180008N

Wolters Kluwer Financial Services ©1996, 2017 Bankers Systems™

Page 3

unenforceable provision will be severed and the remaining provisions will still be enforceable. No present or future agreement securing any other debt I owe you will secure the payment of this Loan if, with respect to this loan, you fail to fulfill any necessary requirements or fail to conform to any limitations of the Truth in Lending Act (Regulation Z) or the Real Estate Settlement Procedures Act (Regulation X) that are required for loans secured by the Property or if, as a result, this Loan would become subject to Section 870 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

22. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Note.

23. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Borrower will be deemed to be notice to all Borrowers. I will inform you in writing of any change in my name, address or other application information. I will provide you any correct and complete financial statements or other information you request. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property. Time is of the essence.

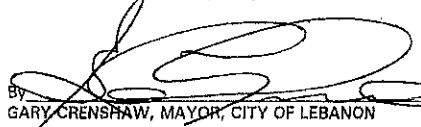
24. CREDIT INFORMATION. I agree to supply you with whatever information you reasonably request. You will make requests for this information without undue frequency, and will give me reasonable time in which to supply the information.


25. ERRORS AND OMISSIONS. I agree, if requested by you, to fully cooperate in the correction, if necessary, in the reasonable discretion of you of any and all loan closing documents so that all documents accurately describe the loan between you and me. I agree to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to reasonably comply with your requests within thirty (30) days.


26. SIGNATURES. By signing, I agree to the terms contained in this Note. I also acknowledge receipt of a copy of this Note.

BORROWER:

LEBANON WATER WORKS CO., INC., CITY OF LEBANON GENERAL OBLIGATION

By  Date 2-8-17
GARY CRENSHAW, MAYOR, CITY OF LEBANON

By  Date 2-3-17
GINA NIKKI WHEATLEY, CITY CLERK, CITY OF LEBANON

By  Date 2-2-17
WILLIAM P. THOMPSON, SECRETARY, LEBANON WATER WORKS COMPANY, INC.

By  Date 2/7/2017
JAMES R. MORAJA, PRESIDENT, LEBANON WATER WORKS COMPANY, INC.

EXHIBIT 14

CNB Loan #77049 1-25-2013 **\$ 394,502.64**

\$2,311.52 Bi-weekly

<u>Date</u>		<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
				394,502.64
2/4/2013	14	317.79	1,993.73	392,508.91
2/18/2013	14	442.66	1,868.86	390,640.05
3/4/2013	14	440.56	1,870.96	388,769.09
3/18/2013	14	438.44	1,873.08	386,896.01
4/1/2013	14	436.33	1,875.19	385,020.82
4/15/2013	14	434.22	1,877.30	383,143.52
4/29/2013	14	432.10	1,879.42	381,264.10
5/13/2013	14	429.98	1,881.54	379,382.56
5/27/2013	14	336.18	1,975.34	377,407.22
6/10/2013	14	516.84	1,794.68	375,612.54
6/24/2013	14	423.61	1,887.91	373,724.64
7/8/2013	14	421.47	1,890.05	371,834.59
7/22/2013	14	419.35	1,892.17	369,942.42
8/5/2013	14	417.21	1,894.31	368,048.11
8/19/2013	14	415.08	1,896.44	366,151.67
9/2/2013	14	324.45	1,987.07	364,164.60
9/16/2013	14	498.70	1,812.82	362,351.78
9/30/2013	14	408.66	1,902.86	360,448.92
10/14/2013	14	406.50	1,905.02	358,543.90
10/28/2013	14	404.36	1,907.16	356,636.73
11/11/2013	14	402.21	1,909.31	354,727.42
11/25/2013	14	400.05	1,911.47	352,815.95
12/9/2013	14	397.90	1,913.62	350,902.33
12/23/2013	14	395.74	1,915.78	348,986.55
1/6/2014	14	393.58	1,917.94	347,068.61
1/20/2014	14	391.41	1,920.11	345,148.50
2/3/2014	14	389.26	1,922.26	343,226.24
2/17/2014	14	387.08	1,924.44	341,301.80
3/3/2014	14	384.91	1,926.61	339,375.20
3/17/2014	14	382.74	1,928.78	337,446.42
3/31/2014	14	380.57	1,930.95	335,515.47
4/14/2014	14	378.38	1,933.14	333,582.33
4/28/2014	14	376.21	1,935.31	331,647.01
5/12/2014	14	374.02	1,937.50	329,709.52
5/26/2014	14	292.16	2,019.36	327,690.16
6/9/2014	14	448.76	1,862.76	325,827.40
6/23/2014	14	367.46	1,944.06	323,883.33

<u>Date</u>		<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
7/7/2014	14	365.26	1,946.26	321,937.07
7/21/2014	14	363.08	1,948.44	319,988.63
8/4/2014	14	360.87	1,950.65	318,037.98
8/18/2014	14	358.68	1,952.84	316,085.14
9/1/2014	14	280.09	2,031.43	314,053.71
9/15/2014	14	430.08	1,881.44	312,172.27
9/29/2014	14	352.06	1,959.46	310,212.81
10/13/2014	14	349.85	1,961.67	308,251.14
10/27/2014	14	347.64	1,963.88	306,287.26
11/10/2014	14	345.42	1,966.10	304,321.16
11/24/2014	14	343.21	1,968.31	302,352.85
12/8/2014	14	340.98	1,970.54	300,382.31
12/22/2014	14	338.77	1,972.75	298,409.56
1/5/2015	14	336.54	1,974.98	296,434.58
1/19/2015	14	334.31	1,977.21	294,457.37
2/2/2015	14	332.08	1,979.44	292,477.93
2/16/2015	14	329.85	1,981.67	290,496.26
3/2/2015	14	327.62	1,983.90	288,512.36
3/16/2015	14	325.38	1,986.14	286,526.22
3/30/2015	14	323.13	1,988.39	284,537.83
4/13/2015	14	320.90	1,990.62	282,547.20
4/27/2015	14	318.65	1,992.87	280,554.33
5/11/2015	14	316.40	1,995.12	278,559.21
5/25/2015	14	246.84	2,064.68	276,494.53
6/8/2015	14	378.64	1,932.88	274,561.65
6/22/2015	14	309.65	2,001.87	272,559.79
7/6/2015	14	307.38	2,004.14	270,555.65
7/20/2015	14	305.13	2,006.39	268,549.26
8/3/2015	14	302.86	2,008.66	266,540.60
8/17/2015	14	300.60	2,010.92	264,529.68
8/31/2015	14	298.33	2,013.19	262,516.49
9/14/2015	14	296.06	2,015.46	260,501.03
9/28/2015	14	293.79	2,017.73	258,483.30
10/12/2015	14	291.51	2,020.01	256,463.29
10/26/2015	14	289.24	2,022.28	254,441.01
11/9/2015	14	286.95	2,024.57	252,416.44
11/23/2015	14	284.67	2,026.85	250,389.59
12/7/2015	14	282.38	2,029.14	248,360.46
12/21/2015	14	280.10	2,031.42	246,329.03
1/4/2016	14	277.80	2,033.72	244,295.32
1/18/2016	14	275.51	2,036.01	242,259.31
2/1/2016	14	273.22	2,038.30	240,221.01
2/15/2016	14	270.91	2,040.61	238,180.40
2/29/2016	14	268.62	2,042.90	236,137.50
3/14/2016	14	266.31	2,045.21	234,092.29

<u>Date</u>		<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
3/28/2016	14	264.00	2,047.52	232,044.77
4/11/2016	14	261.70	2,049.82	229,994.95
4/25/2016	14	259.38	2,052.14	227,942.81
5/9/2016	14	257.07	2,054.45	225,888.36
5/23/2016	14	254.75	2,056.77	223,831.59
6/6/2016	14	252.43	2,059.09	221,772.51
6/20/2016	14	250.11	2,061.41	219,711.08
7/4/2016	14	194.69	2,116.83	217,594.25
7/18/2016	14	297.99	2,013.53	215,580.72
8/1/2016	14	243.12	2,068.40	213,512.32
8/15/2016	14	240.80	2,070.72	211,441.60
8/29/2016	14	238.46	2,073.06	209,368.54
9/12/2016	14	236.12	2,075.40	207,293.14
9/26/2016	14	233.78	2,077.74	205,215.40
10/10/2016	14	231.44	2,080.08	203,135.32
10/24/2016	14	229.09	2,082.43	201,052.89
11/7/2016	14	226.74	2,084.78	198,968.11
11/21/2016	14	224.39	2,087.13	196,880.98
12/5/2016	14	222.04	2,089.48	194,791.50
12/19/2016	14	219.68	2,091.84	192,699.66
1/2/2017	14	232.85	2,078.67	190,620.99
1/16/2017	14	199.62	2,111.90	188,509.09
1/30/2017	14	212.60	2,098.92	186,410.17
2/13/2017	14	210.22	2,101.30	184,308.87
2/27/2017	14	207.86	2,103.66	182,205.21
3/13/2017	14	205.49	2,106.03	180,099.18
3/27/2017	14	203.11	2,108.41	177,990.77
4/10/2017	14	200.74	2,110.78	175,879.99
4/24/2017	14	198.35	2,113.17	173,766.82
5/8/2017	14	195.97	2,115.55	171,651.27
5/22/2017	14	193.59	2,117.93	169,533.34
6/5/2017	14	191.19	2,120.33	167,413.01
6/19/2017	14	188.81	2,122.71	165,290.30
7/3/2017	14	186.41	2,125.11	163,165.19
7/17/2017	14	184.01	2,127.51	161,037.68
7/31/2017	14	181.62	2,129.90	158,907.78
8/14/2017	14	179.21	2,132.31	156,775.47
8/28/2017	14	176.81	2,134.71	154,640.76
9/11/2017	14	174.40	2,137.12	152,503.64
9/25/2017	14	171.99	2,139.53	150,364.11
10/9/2017	14	169.57	2,141.95	148,222.16
10/23/2017	14	167.17	2,144.35	146,077.81
11/6/2017	14	164.75	2,146.77	143,931.04
11/20/2017	14	162.32	2,149.20	141,781.84

OK w/ CNB

<u>Date</u>		<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
12/4/2017	14	159.90	2,151.62	139,630.22
12/18/2017	14	157.47	2,154.05	137,476.17
1/1/2018	14	155.04	2,156.48	135,319.70
1/15/2018	14	152.61	2,158.91	133,160.79
1/29/2018	14	150.18	2,161.34	130,999.44
2/12/2018	14	147.74	2,163.78	128,835.66
2/26/2018	14	145.30	2,166.22	126,669.44
3/12/2018	14	142.85	2,168.67	124,500.77
3/26/2018	14	140.41	2,171.11	122,329.66
4/9/2018	14	137.96	2,173.56	120,156.10
4/23/2018	14	135.51	2,176.01	117,980.09
5/7/2018	14	133.06	2,178.46	115,801.63
5/21/2018	14	130.60	2,180.92	113,620.71
6/4/2018	14	128.14	2,183.38	111,437.33
6/18/2018	14	125.68	2,185.84	109,251.48
7/2/2018	14	123.21	2,188.31	107,063.17
7/16/2018	14	120.74	2,190.78	104,872.40
7/30/2018	14	118.27	2,193.25	102,679.15
8/13/2018	14	115.80	2,195.72	100,483.43
8/27/2018	14	113.32	2,198.20	98,285.23
9/10/2018	14	110.84	2,200.68	96,084.56
9/24/2018	14	108.36	2,203.16	93,881.40
10/8/2018	14	105.88	2,205.64	91,675.76
10/22/2018	14	103.39	2,208.13	89,467.63
11/5/2018	14	100.90	2,210.62	87,257.01
11/19/2018	14	98.41	2,213.11	85,043.89
12/3/2018	14	95.91	2,215.61	82,828.28
12/17/2018	14	93.41	2,218.11	80,610.17
12/31/2018	14	90.91	2,220.61	78,389.57
1/14/2019	14	88.41	2,223.11	76,166.45
1/28/2019	14	85.90	2,225.62	73,940.83
2/11/2019	14	83.39	2,228.13	71,712.70
2/25/2019	14	80.88	2,230.64	69,482.05
3/11/2019	14	78.36	2,233.16	67,248.90
3/25/2019	14	75.84	2,235.68	65,013.22
4/8/2019	14	73.32	2,238.20	62,775.02
4/22/2019	14	70.80	2,240.72	60,534.29
5/6/2019	14	68.27	2,243.25	58,291.04
5/20/2019	14	65.74	2,245.78	56,045.26
6/3/2019	14	63.21	2,248.31	53,796.95
6/17/2019	14	60.67	2,250.85	51,546.10
7/1/2019	14	58.13	2,253.39	49,292.71
7/15/2019	14	55.59	2,255.93	47,036.78
7/29/2019	14	53.05	2,258.47	44,778.31

<u>Date</u>		<u>Interest</u>	<u>Principal</u>	<u>Balance</u>
8/12/2019	14	50.50	2,261.02	42,517.29
8/26/2019	14	47.95	2,263.57	40,253.72
9/9/2019	14	45.40	2,266.12	37,987.60
9/23/2019	14	42.84	2,268.68	35,718.92
10/7/2019	14	40.28	2,271.24	33,447.68
10/21/2019	14	37.72	2,273.80	31,173.88
11/4/2019	14	35.16	2,276.36	28,897.52
11/18/2019	14	32.59	2,278.93	26,618.59
12/2/2019	14	30.02	2,281.50	24,337.09
12/16/2019	14	27.45	2,284.07	22,053.02
12/30/2019	14	24.87	2,286.65	19,766.37
1/13/2020	14	22.29	2,289.23	17,477.14
1/27/2020	14	19.71	2,291.81	15,185.33
2/10/2020	14	17.13	2,294.39	12,890.94
2/24/2020	14	14.54	2,296.98	10,593.96
3/9/2020	14	11.95	2,299.57	8,294.38
3/23/2020	14	9.35	2,302.17	5,992.22
4/6/2020	14	6.76	2,304.76	3,687.45
4/20/2020	14	4.16	2,307.36	1,380.09
5/4/2020	14	1.56	1,383.96	-3.87

EXHIBIT 15

CB



Handwritten initials/signature

LOAN NUMBER 76735	LOAN NAME LEBANON WATER WORKS CO., INC., CITY OF LEBANON GENERAL OBLIGATION	ACCT. NUMBER	NOTE DATE 08/13/17	INITIALS JPR
NOTE AMOUNT \$3,135,549.02	INDEX (w/Margin) Not Applicable	RATE 3.500%	MATURITY DATE 08/13/18	LOAN PURPOSE Commercial

Creditor Use Only

PROMISSORY NOTE
(Commercial - Single Advance)
RENEWAL NOTE

DATE AND PARTIES. The date of this Promissory Note (Note) is August 13, 2017. The parties and their addresses are:

LENDER:

CITIZENS NATIONAL BANK
149 W. Main St.
Lebanon, KY 40033
Telephone: (270) 692-2113

AFT

BORROWER:

LEBANON WATER WORKS CO., INC., CITY OF LEBANON GENERAL OBLIGATION
a Kentucky Corporation
120 SOUTH PROCTOR KNOTT AVENUE
LEBANON, KY 40033

1. DEFINITIONS. As used in this Note, the terms have the following meanings:

- A. Pronouns.** The pronouns "I," "me," and "my" refer to each Borrower signing this Note, individually and together with their heirs, successors and assigns, and each other person or legal entity (including guarantors, endorsers, and sureties) who agrees to pay this Note. "You" and "Your" refer to the Lender, any participants or syndicators, successors and assigns, or any person or company that acquires an interest in the Loan.
- B. Note.** Note refers to this document, and any extensions, renewals, modifications and substitutions of this Note.
- C. Loan.** Loan refers to this transaction generally, including obligations and duties arising from the terms of all documents prepared or submitted for this transaction such as applications, security agreements, disclosures or notes, and this Note.
- D. Loan Documents.** Loan Documents refer to all the documents executed as a part of or in connection with the Loan.
- E. Property.** Property is any property, real, personal or intangible, that secures my performance of the obligations of this Loan.
- F. Percent.** Rates and rate change limitations are expressed as annualized percentages.
- G. Dollar Amounts.** All dollar amounts will be payable in lawful money of the United States of America.

2. RENEWAL. This Note is a renewal of the following described note:

Note Date	Note Number	Note Amount
August 13, 2012	# 76735	\$4,022,993.30

I have requested that the note listed in the table above be renewed. The remaining balance of the note listed in the table above is \$3,135,549.02.

3. PROMISE TO PAY. For value received, I promise to pay you or your order, at your address, or at such other location as you may designate, the principal sum of \$3,135,549.02 (Principal) plus interest from August 13, 2017 on the unpaid Principal balance until this Note matures or this obligation is accelerated.

4. INTEREST. Interest will accrue on the unpaid Principal balance of this Note at the rate of 3.500 percent (Interest Rate).

- A. Post-Maturity Interest.** After maturity or acceleration, interest will accrue on the unpaid Principal balance of this Note at the Interest Rate in effect from time to time, until paid in full.
- B. Maximum Interest Amount.** Any amount assessed or collected as interest under the terms of this Note will be limited to the maximum lawful amount of interest allowed by applicable law. Amounts collected in excess of the maximum lawful amount will be applied first to the unpaid Principal balance. Any remainder will be refunded to me.
- C. Statutory Authority.** The amount assessed or collected on this Note is authorized by the Kentucky usury laws under Ky. Rev. Stat. Ann. § 360.010.
- D. Accrual.** Interest accrues using an Actual/360 days counting method.

5. REMEDIAL CHARGES. In addition to interest or other finance charges, I agree that I will pay these additional fees based on my method and pattern of payment. Additional remedial charges may be described elsewhere in this Note.

- A. Late Charge.** If a payment is more than 10 days late, I will be charged 5.000 percent of the Amount of Payment or \$5.00, whichever is greater. I will pay this late charge promptly but only once for each late payment.

B. Renewal Fee. A(n) Renewal Fee equal to \$10.00.

C. Minimum Finance Charge - Commercial/Ag. A(n) Minimum Finance Charge - Commercial/Ag equal to \$10.00.

D. Extension Fee. A(n) Extension Fee equal to \$10.00.

6. PAYMENT. I agree to pay this Note on demand, but if no demand is made, I agree to pay this Note in 12 payments. I will make 11 payments of \$23,441.15 beginning on September 13, 2017, and on the 13th day of each month thereafter. A single "balloon payment" of the entire unpaid balance of Principal and interest will be due August 13, 2018.

Payments will be rounded to the nearest \$.01. With the final payment I also agree to pay any additional fees or charges owing and the amount of any advances you have made to others on my behalf. Payments scheduled to be paid on the 29th, 30th or 31st day of a month that contains no such day will, instead, be made on the last day of such month.

Each payment I make on this Note will be applied first to interest that is due, then to principal that is due, and finally to any charges that I owe other than principal and interest. If you and I agree to a different application of payments, we will describe our agreement on this Note. You may change how payments are applied in your sole discretion without notice to me. The actual amount of my final payment will depend on my payment record.

7. PREPAYMENT. I may prepay this Loan in full or in part at any time. Any partial prepayment will not excuse any later scheduled payments until I pay in full.

8. LOAN PURPOSE. The purpose of this Loan is RENEWAL.

9. ADDITIONAL TERMS. LEBANON WATER WORKS COMPANY, INC. AND THE CITY OF LEBANON HEREBY AGREE TO BIWEEKLY PAYMENTS OF \$11,720.58, WHICH SHALL BE DRAFTED FROM LEBANON WATER WORKS COMPANY, INC.'S CHECKING ACCOUNT, BEGINNING AUGUST 21, 2017, FOR THE DURATION OF THIS LOAN.

SEE ADDENDUM TO ORDINANCE NO. 96-15 AND ORDINANCE NO. ___ ATTACHED HERETO

10. SECURITY. The Loan is secured by the following, previously executed, security instruments or agreements: SEE ADDENDUM TO ORDINANCE NO. 96-15 AND ORDINANCE NO. ___ ATTACHED HERETO .

11. LIMITATIONS ON CROSS-COLLATERALIZATION. The cross-collateralization clause on any existing or future loan, but not including this Loan, is void and ineffective as to this Loan, including any extension or refinancing.

The Loan is not secured by a previously executed security instrument if a non-possessory, non-purchase money security interest is created in "household goods" in connection with a "consumer loan," as those terms are defined by federal law governing unfair and deceptive credit practices. The Loan is not secured by a previously executed security instrument if you fail to fulfill any necessary requirements or fail to conform to any limitations of the Real Estate Settlement Procedures Act, (Regulation X), that are required for loans secured by the Property or if, as a result, the other debt would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

The Loan is not secured by a previously executed security instrument if you fail to fulfill any necessary requirements or fail to conform to any limitations of the Truth in Lending Act, (Regulation Z), that are required for loans secured by the Property.

12. DEFAULT. I understand that you may demand payment anytime at your discretion. For example, you may demand payment in full if any of the following events (known separately and collectively as an Event of Default) occur:

A. Payments. I fail to make a payment in full when due.

B. Insolvency or Bankruptcy. The death, dissolution or insolvency of, appointment of a receiver by or on behalf of, application of any debtor relief law, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against me or any co-signer, endorser, surety or guarantor of this Note or any other obligations I have with you.

C. Business Termination. I merge, dissolve, reorganize, end my business or existence, or a partner or majority owner dies or is declared legally incompetent.

D. New Organizations. Without your written consent, I organize, merge into, or consolidate with an entity; acquire all or substantially all of the assets of another; materially change the legal structure, management, ownership or financial condition; or effect or enter into a domestication, conversion or interest exchange.

E. Failure to Perform. I fail to perform any condition or to keep any promise or covenant of this Note.

F. Other Documents. A default occurs under the terms of any other Loan Document.

G. Other Agreements. I am in default on any other debt or agreement I have with you.

H. Misrepresentation. I make any verbal or written statement or provide any financial information that is untrue, inaccurate, or conceals a material fact at the time it is made or provided.

I. Judgment. I fail to satisfy or appeal any judgment against me.

J. Forfeiture. The Property is used in a manner or for a purpose that threatens confiscation by a legal authority.

K. Name Change. I change my name or assume an additional name without notifying you before making such a change.

L. Property Transfer. I transfer all or a substantial part of my money or property.

M. Property Value. You determine in good faith that the value of the Property has declined or is impaired.

N. Material Change. Without first notifying you, there is a material change in my business, including ownership, management, and financial conditions.

O. Insecurity. You determine in good faith that a material adverse change has occurred in my financial condition from the conditions set forth in my most recent financial statement before the date of this Note or that the prospect for payment or performance of the Loan is impaired for any reason.

13. DUE ON SALE OR ENCUMBRANCE. You may, at your option, declare the entire balance of this Note to be due and payable upon the creation of, or contract for the creation of, any lien, encumbrance, transfer or sale of all or any part of the Property. This right is subject to the restrictions imposed by federal law, as applicable.

14. WAIVERS AND CONSENT. To the extent not prohibited by law, I waive protest, presentment for payment, demand, notice of acceleration, notice of intent to accelerate and notice of dishonor.

A. Additional Waivers By Borrower. In addition, I, and any party to this Note and Loan, to the extent permitted by law, consent to certain actions you may take, and generally waive defenses that may be available based on these actions or based on the status of a party to this Note.

- (1) You may renew or extend payments on this Note, regardless of the number of such renewals or extensions.
- (2) You may release any Borrower, endorser, guarantor, surety, accommodation maker or any other co-signer.
- (3) You may release, substitute or impair any Property securing this Note.
- (4) You, or any institution participating in this Note, may invoke your right of set-off.
- (5) You may enter into any sales, repurchases or participations of this Note to any person in any amounts and I waive notice of such sales, repurchases or participations.
- (6) I agree that any of us signing this Note as a Borrower is authorized to modify the terms of this Note or any instrument securing, guarantying or relating to this Note.

B. No Waiver By Lender. Your course of dealing, or your forbearance from, or delay in, the exercise of any of your rights, remedies, privileges or right to insist upon my strict performance of any provisions contained in this Note, or any other Loan Document, shall not be construed as a waiver by you, unless any such waiver is in writing and is signed by you.

15. REMEDIES. After I default, you may at your option do any one or more of the following.

- A. Acceleration.** You may make all or any part of the amount owing by the terms of this Note immediately due.
- B. Sources.** You may use any and all remedies you have under state or federal law or in any Loan Document.
- C. Insurance Benefits.** You may make a claim for any and all insurance benefits or refunds that may be available on my default.
- D. Payments Made On My Behalf.** Amounts advanced on my behalf will be immediately due and may be added to the balance owing under the terms of this Note, and accrue interest at the highest post-maturity interest rate.
- E. Set-Off.** You may use the right of set-off. This means you may set-off any amount due and payable under the terms of this Note against any right I have to receive money from you.

My right to receive money from you includes any deposit or share account balance I have with you; any money owed to me on an item presented to you or in your possession for collection or exchange; and any repurchase agreement or other non-deposit obligation. "Any amount due and payable under the terms of this Note" means the total amount to which you are entitled to demand payment under the terms of this Note at the time you set-off.

Subject to any other written contract, if my right to receive money from you is also owned by someone who has not agreed to pay this Note, your right of set-off will apply to my interest in the obligation and to any other amounts I could withdraw on my sole request or endorsement.

Your right of set-off does not apply to an account or other obligation where my rights arise only in a representative capacity. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

You will not be liable for the dishonor of any check when the dishonor occurs because you set-off against any of my accounts. I agree to hold you harmless from any such claims arising as a result of your exercise of your right of set-off.

F. Waiver. Except as otherwise required by law, by choosing any one or more of these remedies you do not give up your right to use any other remedy. You do not waive a default if you choose not to use a remedy. By electing not to use any remedy, you do not waive your right to later consider the event a default and to use any remedies if the default continues or occurs again.

16. COLLECTION EXPENSES AND ATTORNEYS' FEES. On or after the occurrence of an Event of Default, to the extent permitted by law, I agree to pay all expenses of collection, enforcement or protection of your rights and remedies under this Note or any other Loan Document. Expenses include, but are not limited to, reasonable attorneys' fees as provided by law, and court costs. This amount does not include attorneys' fees for your salaried employee. These expenses are due and payable immediately. If not paid immediately, these expenses will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of this Note. All fees and expenses will be secured by the Property I have granted to you, if any. In addition, to the extent permitted by the United States Bankruptcy Code, I agree to pay the reasonable attorneys' fees incurred by you to protect your rights and interests in connection with any bankruptcy proceedings initiated by or against me.

17. COMMISSIONS. I understand and agree that you (or your affiliate) will earn commissions or fees on any insurance products, and may earn such fees on other services that I buy through you or your affiliate.

18. WARRANTIES AND REPRESENTATIONS. I make to you the following warranties and representations which will continue as long as this Note is in effect:

- A. Power.** I am duly organized, and validly existing and in good standing in all jurisdictions in which I operate. I have the power and authority to enter into this transaction and to carry on my business or activity as it is now being conducted and, as applicable, am qualified to do so in each jurisdiction in which I operate.
- B. Authority.** The execution, delivery and performance of this Note and the obligation evidenced by this Note are within my powers, have been duly authorized, have received all necessary governmental approval, will not violate any provision of law, or order of court or governmental agency, and will not violate any agreement to which I am a party or to which I am or any of my Property is subject.
- C. Name and Place of Business.** Other than previously disclosed in writing to you I have not changed my name or principal place of business within the last 10 years and have not used any other trade or fictitious name. Without your prior written consent, I do not and will not use any other name and will preserve my existing name, trade names and franchises.

19. APPLICABLE LAW. This Note is governed by the laws of Kentucky, the United States of America, and to the extent required, by the laws of the jurisdiction where the Property is located, except to the extent such state laws are preempted by federal law. In the event of a dispute, the exclusive forum, venue and place of jurisdiction will be in Kentucky, unless otherwise required by law.

20. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS. My obligation to pay the Loan is independent of the obligation of any other person who has also agreed to pay it. You may sue me alone, or anyone else who is obligated on the Loan, or any number of us together, to collect the Loan. Extending the Loan or new obligations under the Loan, will not affect my duty under the Loan and I will still be obligated to pay the Loan. This Note shall inure to the benefit of and be enforceable by you and your successors and assigns and shall be binding upon and enforceable against me and my personal representatives, successors, heirs and assigns.

21. AMENDMENT, INTEGRATION AND SEVERABILITY. This Note may not be amended or modified by oral agreement. No amendment or modification of this Note is effective unless made in writing and executed by you and me. This Note and the other Loan Documents are the complete and final expression of the agreement. If any provision of this Note is unenforceable, then the

unenforceable provision will be severed and the remaining provisions will still be enforceable. No present or future agreement securing any other debt I owe you will secure the payment of this Loan if, with respect to this loan, you fail to fulfill any necessary requirements or fail to conform to any limitations of the Truth in Lending Act (Regulation Z) or the Real Estate Settlement Procedures Act (Regulation X) that are required for loans secured by the Property or if, as a result, this Loan would become subject to Section 670 of the John Warner National Defense Authorization Act for Fiscal Year 2007.

22. INTERPRETATION. Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Note.

23. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS. Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one Borrower will be deemed to be notice to all Borrowers. I will inform you in writing of any change in my name, address or other application information. I will provide you any correct and complete financial statements or other information you request. I agree to sign, deliver, and file any additional documents or certifications that you may consider necessary to perfect, continue, and preserve my obligations under this Loan and to confirm your lien status on any Property. Time is of the essence.

24. CREDIT INFORMATION. I agree to supply you with whatever information you reasonably request. You will make requests for this information without undue frequency, and will give me reasonable time in which to supply the information.

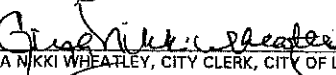
25. ERRORS AND OMISSIONS. I agree, if requested by you, to fully cooperate in the correction, if necessary, in the reasonable discretion of you of any and all loan closing documents so that all documents accurately describe the loan between you and me. I agree to assume all costs including by way of illustration and not limitation, actual expenses, legal fees and marketing losses for failing to reasonably comply with your requests within thirty (30) days.


26. SIGNATURES. By signing, I agree to the terms contained in this Note. I also acknowledge receipt of a copy of this Note.

BORROWER:

LEBANON WATER WORKS CO., INC., CITY OF LEBANON GENERAL OBLIGATION

By  Date 8-13-17
GARY CRENSHAW, MAYOR, CITY OF LEBANON

By  Date 8-13-17
GINA NIKKI WHEATLEY, CITY CLERK, CITY OF LEBANON

By  Date 8-13-17
WILLIAM P. THOMPSON, SECRETARY, LEBANON WATER WORKS COMPANY, INC.

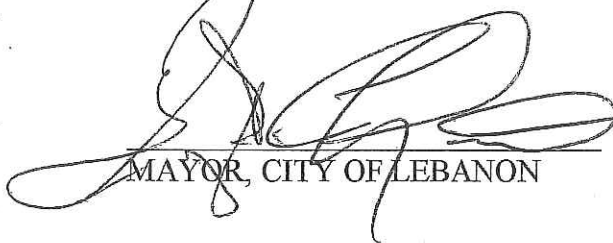
By  Date 8-13-17
JAMES R. MORAJA, PRESIDENT, LEBANON WATER WORKS COMPANY, INC.

WHEREAS, IT IS RECOGNIZED THERE IS A VALID **ORDINANCE NO. 96-15** (ATTACHED HERETO) AND WILL REMAIN VALID AND ALL PROVISIONS CONTAINED WITHIN CARRY FORWARD WITH ONLY CHANGES BEING MADE AS FOLLOWS:

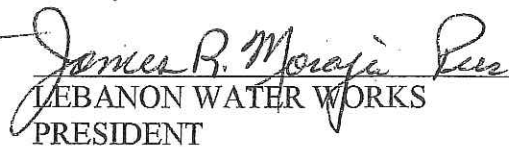
CITIZENS NATIONAL BANK, LEBANON, KY WILL NOW ASSUME THE ROLE OF "GOVERNMENT" AS DEFINED IN ARTICLE I, SECTION 102 (6) AND "PURCHASER" AS DEFINED IN ARTICLE I, SECTION 102 (8). ALL PROVISIONS OF AUTHORIZED ORDINANCE SHALL CARRY FORWARD WITHOUT AMENDMENTS AND/OR DELETIONS. THE CITY OF LEBANON AND LEBANON WATERWORKS COMPANY, INC DO HEREBY EXPLICITLY AGREE AND AFFIRM THAT CITIZENS NATIONAL BANK, LEBANON, KY WILL HAVE ALL SAFEGUARDS THAT WERE PRESENT AND GUARANTEED AT THE ORIGINAL ORIDANCE AS PROVIDED TO THE "GOVERNMENT" AND/OR "PURCHASERS" OF ORDINANCE NO. 96-15.

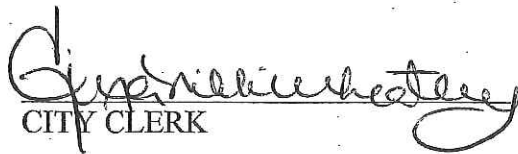
THIS CHANGE IS BEING PROMULGATED BY THE CITY OF LEBANON AND SPECIFICALLY THE LEBANON WATERWORKS COMPANY, INC (THE "COMPANY") DESIRE TO REFINANCE ORIGINAL BOND ISSUANCE REFERENCED AS **SERIES 1997B.**

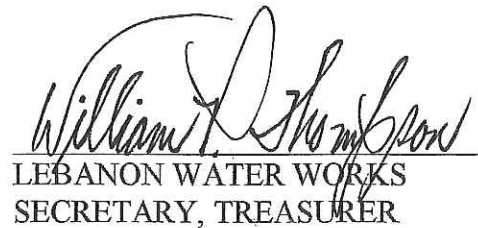
AGREED TO:


MAYOR, CITY OF LEBANON

AGREED TO:


LEBANON WATER WORKS
PRESIDENT


CITY CLERK


LEBANON WATER WORKS
SECRETARY, TREASURER

DATED:

8/13/12

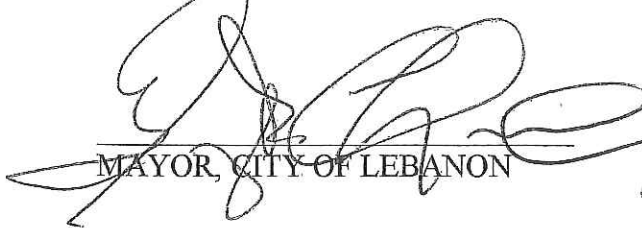
WHEREAS, IT IS RECOGNIZED THERE IS A VALID ORDINANCE NO. _____ (ATTACHED HERETO) AND WILL REMAIN VALID AND ALL PROVISIONS CONTAINED WITHIN CARRY FORWARD WITH ONLY CHANGES BEING MADE AS FOLLOWS:

CITIZENS NATIONAL BANK, LEBANON, KY WILL NOW ASSUME THE ROLE OF "GOVERNMENT" AS DEFINED IN ARTICLE 1, SECTION 101 AND "PURCHASER" AS DEFINED IN SAME SECTION. ALL PROVISIONS OF AUTHORIZED ORDINANCE SHALL CARRY FORWARD WITHOUT AMENDMENTS AND/OR DELETIONS. THE CITY OF LEBANON AND LEBANON WATERWORKS COMPANY, INC DO HEREBY EXPLICITLY AGREE AND AFFIRM THAT CITIZENS NATIONAL BANK, LEBANON, KY WILL HAVE ALL SAFEGUARDS THAT WERE PRESENT AND GUARANTEED AT THE ORIGINAL ORIDANCE AS PROVIDED TO THE "GOVERNMENT" AND/OR "PURCHASERS" OF ORDINANCE NO. _____.

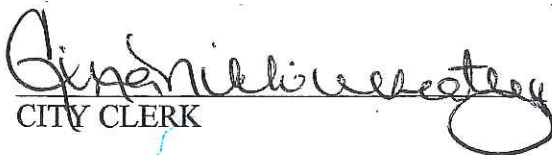
THIS CHANGE IS BEING PROMULGATED BY THE CITY OF LEBANON AND SPECIFICALLY THE LEBANON WATERWORKS COMPANY, INC (THE "COMPANY") DESIRE TO REFINANCE ORIGINAL BOND ISSUANCE REFERENCED AS **SERIES 2002**.

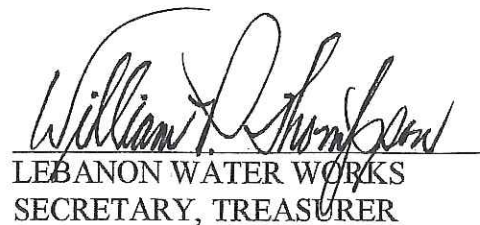
AGREED TO:

AGREED TO:


MAYOR, CITY OF LEBANON


LEBANON WATER WORKS
PRESIDENT


CITY CLERK


LEBANON WATER WORKS
SECRETARY, TREASURER

DATED:

8/13/12

EXHIBIT 16

CNB Loan #76735 8-13-2012 **\$ 4,022,993.30**

\$ 11,720.58 Bi-weekly

Date		Interest	Principal	Balance
				4,022,993.30
8/27/2012	14	5,475.74	6,244.84	4,016,748.46
9/10/2012	14	5,467.24	6,253.34	4,010,495.12
9/24/2012	14	5,458.73	6,261.85	4,004,233.27
10/8/2012	14	5,450.21	6,270.37	3,997,962.90
10/22/2012	14	5,441.67	6,278.91	3,991,683.99
11/5/2012	14	5,433.13	6,287.45	3,985,396.53
11/19/2012	14	5,424.57	6,296.01	3,979,100.52
12/3/2012	14	5,416.00	6,304.58	3,972,795.94
12/17/2012	14	5,407.42	6,313.16	3,966,482.78
12/31/2012	14	5,398.82	6,321.76	3,960,161.02
1/14/2013	14	5,390.22	6,330.36	3,953,830.66
1/28/2013	14	5,381.60	6,338.98	3,947,491.68
2/11/2013	14	5,372.97	6,347.61	3,941,144.08
2/25/2013	14	5,364.33	6,356.25	3,934,787.83
3/11/2013	14	5,355.68	6,364.90	3,928,422.94
3/25/2013	14	5,347.02	6,373.56	3,922,049.38
4/8/2013	14	5,338.35	6,382.23	3,915,667.15
4/22/2013	14	5,329.65	6,390.93	3,909,276.22
5/6/2013	14	5,320.96	6,399.62	3,902,876.59
5/20/2013	14	5,312.25	6,408.33	3,896,468.26
6/3/2013	14	5,303.53	6,417.05	3,890,051.21
6/17/2013	14	5,294.79	6,425.79	3,883,625.42
7/1/2013	14	5,286.05	6,434.53	3,877,190.89
7/15/2013	14	5,277.29	6,443.30	3,870,747.59
7/29/2013	14	5,268.52	6,452.06	3,864,295.52
8/12/2013	14	5,259.74	6,460.84	3,857,834.68
8/26/2013	14	5,250.94	6,469.64	3,851,365.04
9/9/2013	14	5,242.13	6,478.45	3,844,886.59
9/23/2013	14	5,233.32	6,487.26	3,838,399.33
10/7/2013	14	5,224.49	6,496.09	3,831,903.24
10/21/2013	14	5,215.65	6,504.93	3,825,398.30
11/4/2013	14	5,206.79	6,513.79	3,818,884.52
11/18/2013	14	5,197.92	6,522.66	3,812,361.86
12/2/2013	14	5,189.05	6,531.53	3,805,830.32
12/16/2013	14	5,180.16	6,540.42	3,799,289.90
12/30/2013	14	5,171.26	6,549.32	3,792,740.58
1/13/2014	14	5,162.34	6,558.24	3,786,182.34
1/27/2014	14	5,153.41	6,567.17	3,779,615.17
2/10/2014	14	5,144.48	6,576.10	3,773,039.07
2/24/2014	14	5,135.52	6,585.06	3,766,454.01

3/10/2014	14	5,126.57	6,594.01	3,759,860.00
3/24/2014	14	5,117.58	6,602.98	3,753,257.02
4/7/2014	14	5,108.60	6,611.98	3,746,645.04
4/21/2014	14	5,099.60	6,620.98	3,740,024.06
5/5/2014	14	5,090.59	6,629.99	3,733,394.07
5/19/2014	14	5,081.57	6,639.01	3,726,755.06
6/2/2014	14	5,072.52	6,648.06	3,720,107.00
6/16/2014	14	5,063.48	6,657.10	3,713,449.90
6/30/2014	14	5,054.42	6,666.16	3,706,783.74
7/14/2014	14	5,045.35	6,675.23	3,700,108.51
7/28/2014	14	5,036.25	6,684.33	3,693,424.18
8/11/2014	14	5,027.16	6,693.42	3,686,730.76
8/25/2014	14	5,018.06	6,702.52	3,680,028.24
9/8/2014	14	5,008.92	6,711.66	3,673,316.58
9/22/2014	14	4,999.79	6,720.79	3,666,595.79
10/6/2014	14	4,990.65	6,729.93	3,659,865.86
10/20/2014	14	4,981.48	6,739.10	3,653,126.76
11/3/2014	14	4,972.31	6,748.27	3,646,378.49
11/17/2014	14	4,963.13	6,757.45	3,639,621.04
12/1/2014	14	4,953.93	6,766.65	3,632,854.39
12/15/2014	14	4,944.72	6,775.86	3,626,078.53
12/29/2014	14	4,935.49	6,785.09	3,619,293.44
1/12/2015	14	4,926.26	6,794.32	3,612,499.12
1/26/2015	14	4,917.02	6,803.56	3,605,695.56
2/9/2015	14	4,907.75	6,812.83	3,598,882.73
2/23/2015	14	4,898.48	6,822.10	3,592,060.63
3/9/2015	14	4,889.19	6,831.39	3,585,229.24
3/23/2015	14	4,879.90	6,840.68	3,578,388.56
4/6/2015	14	4,870.58	6,850.00	3,571,538.56
4/20/2015	14	4,861.26	6,859.32	3,564,679.24
5/4/2015	14	4,851.93	6,868.65	3,557,810.59
5/18/2015	14	4,842.57	6,878.01	3,550,932.58
6/1/2015	14	4,833.22	6,887.36	3,544,045.22
6/15/2015	14	4,823.84	6,896.74	3,537,148.48
6/29/2015	14	4,814.45	6,906.13	3,530,242.35
7/13/2015	14	4,805.05	6,915.53	3,523,326.83
7/27/2015	14	4,795.64	6,924.94	3,516,401.89
8/10/2015	14	4,786.21	6,934.37	3,509,467.52
8/24/2015	14	4,776.78	6,943.80	3,502,523.71
9/7/2015	14	3,745.75	7,974.83	3,494,548.88
9/21/2015	14	5,775.72	5,944.86	3,488,604.02
10/5/2015	14	4,748.37	6,972.21	3,481,631.81
10/19/2015	14	4,738.89	6,981.69	3,474,650.12
11/2/2015	14	4,729.38	6,991.20	3,467,658.93
11/16/2015	14	4,719.87	7,000.71	3,460,658.22

11/30/2015	14	4,710.34	7,010.24	3,453,647.98
12/14/2015	14	4,700.79	7,019.79	3,446,628.19
12/28/2015	14	4,691.25	7,029.33	3,439,598.86
1/11/2016	14	4,681.67	7,038.91	3,432,559.95
1/25/2016	14	4,672.10	7,048.48	3,425,511.46
2/8/2016	14	4,662.50	7,058.08	3,418,453.38
2/22/2016	14	4,652.90	7,067.68	3,411,385.70
3/7/2016	14	4,643.27	7,077.31	3,404,308.39
3/21/2016	14	4,633.64	7,086.94	3,397,221.46
4/4/2016	14	4,624.00	7,096.57	3,390,124.89
4/18/2016	14	4,614.34	7,106.24	3,383,018.64
5/2/2016	14	4,604.66	7,115.92	3,375,902.73
5/16/2016	14	4,594.98	7,125.60	3,368,777.13
5/30/2016	14	3,602.72	8,117.86	3,360,659.27
6/13/2016	14	5,554.42	6,166.16	3,354,493.11
6/27/2016	14	4,565.84	7,154.74	3,347,338.36
7/11/2016	14	4,556.10	7,164.48	3,340,173.88
7/25/2016	14	4,546.35	7,174.23	3,332,999.65
8/8/2016	14	4,536.58	7,184.00	3,325,815.65
8/22/2016	14	4,526.80	7,193.78	3,318,621.88
9/5/2016	14	3,549.09	8,171.49	3,310,450.39
9/19/2016	14	5,471.43	6,249.15	3,304,201.24
10/3/2016	14	4,497.39	7,223.19	3,296,978.05
10/17/2016	14	4,487.55	7,233.03	3,289,745.02
10/31/2016	14	4,477.71	7,242.87	3,282,502.15
11/14/2016	14	4,467.85	7,252.73	3,275,249.42
11/28/2016	14	4,457.98	7,262.60	3,267,986.82
12/12/2016	14	4,448.09	7,272.49	3,260,714.33
12/26/2016	14	3,487.16	8,233.42	3,252,480.91
1/9/2017	14	5,375.62	6,344.96	3,246,135.95
1/23/2017	14	4,418.36	7,302.22	3,238,833.73
2/6/2017	14	4,408.41	7,312.17	3,231,521.57
2/20/2017	14	4,398.46	7,322.12	3,224,199.45
3/6/2017	14	4,388.49	7,332.09	3,216,867.36
3/20/2017	14	4,378.52	7,342.06	3,209,525.30
4/3/2017	14	4,368.52	7,352.06	3,202,173.24
4/17/2017	14	4,358.51	7,362.07	3,194,811.17
5/1/2017	14	4,348.49	7,372.09	3,187,439.09
5/15/2017	14	4,338.46	7,382.12	3,180,056.97
5/29/2017	14	3,400.90	8,319.68	3,171,737.29
6/12/2017	14	5,242.17	6,478.41	3,165,258.88
6/26/2017	14	4,308.27	7,412.31	3,157,846.54
7/10/2017	14	4,298.18	7,422.40	3,150,424.14
7/24/2017	14	4,288.08	7,432.50	3,142,991.64
8/7/2017	14	4,277.96	7,442.62	3,135,549.02

8/21/2017	11	4,267.83	7,452.75	3,128,096.27
9/1/2017	17	3,345.33	8,375.25	3,119,721.02
9/18/2017	14	5,156.20	6,564.38	3,113,156.64
10/2/2017	14	4,237.35	7,483.23	3,105,673.41
10/16/2017	14	4,227.17	7,493.41	3,098,180.00
10/30/2017	14	4,216.97	7,503.61	3,090,676.38
11/13/2017	14	4,206.75	7,513.83	3,083,162.56
11/27/2017	14	4,196.53	7,524.05	3,075,638.51
12/11/2017	14	4,186.29	7,534.29	3,068,104.21
12/25/2017	14	4,176.03	7,544.55	3,060,559.66
1/8/2018	14	4,165.76	7,554.82	3,053,004.84
1/22/2018	14	4,155.48	7,565.10	3,045,439.74
2/5/2018	14	4,145.18	7,575.40	3,037,864.34
2/19/2018	14	4,134.87	7,585.71	3,030,278.64
3/5/2018	14	4,124.55	7,596.03	3,022,682.60
3/19/2018	14	4,114.21	7,606.37	3,015,076.23
4/2/2018	14	4,103.85	7,616.73	3,007,459.50
4/16/2018	14	4,093.49	7,627.09	2,999,832.41
4/30/2018	14	4,083.11	7,637.47	2,992,194.93
5/14/2018	14	4,072.71	7,647.87	2,984,547.06
5/28/2018	14	4,062.30	7,658.28	2,976,888.78
6/11/2018	14	4,051.88	7,668.70	2,969,220.08
6/25/2018	14	4,041.44	7,679.14	2,961,540.94
7/9/2018	14	4,030.99	7,689.59	2,953,851.34
7/23/2018	14	4,020.52	7,700.06	2,946,151.28
8/6/2018	14	4,010.04	7,710.54	2,938,440.74
8/20/2018	14	3,999.54	7,721.04	2,930,719.71
9/3/2018	14	3,989.04	7,731.54	2,922,988.16
9/17/2018	14	3,978.51	7,742.07	2,915,246.09
10/1/2018	14	3,967.97	7,752.61	2,907,493.49
10/15/2018	14	3,957.42	7,763.16	2,899,730.33
10/29/2018	14	3,946.86	7,773.72	2,891,956.61
11/12/2018	14	3,936.27	7,784.31	2,884,172.30
11/26/2018	14	3,925.68	7,794.90	2,876,377.40
12/10/2018	14	3,915.07	7,805.51	2,868,571.89
12/24/2018	14	3,904.45	7,816.13	2,860,755.75
1/7/2019	14	3,893.81	7,826.77	2,852,928.98
1/21/2019	14	3,883.15	7,837.43	2,845,091.55
2/4/2019	14	3,872.49	7,848.09	2,837,243.46
2/18/2019	14	3,861.80	7,858.78	2,829,384.68
3/4/2019	14	3,851.11	7,869.47	2,821,515.21
3/18/2019	14	3,840.40	7,880.18	2,813,635.02
4/1/2019	14	3,829.67	7,890.91	2,805,744.11
4/15/2019	14	3,818.93	7,901.65	2,797,842.46
4/29/2019	14	3,808.17	7,912.41	2,789,930.06
5/13/2019	14	3,797.40	7,923.18	2,782,006.88

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5/27/2019	14	3,786.62	7,933.96	2,774,072.92
6/10/2019	14	3,775.82	7,944.76	2,766,128.17
6/24/2019	14	3,765.01	7,955.57	2,758,172.59
7/8/2019	14	3,754.18	7,966.40	2,750,206.19
7/22/2019	14	3,743.34	7,977.24	2,742,228.95
8/5/2019	14	3,732.48	7,988.10	2,734,240.85
8/19/2019	14	3,721.61	7,998.97	2,726,241.87
9/2/2019	14	3,710.72	8,009.86	2,718,232.01
9/16/2019	14	3,699.82	8,020.76	2,710,211.25
9/30/2019	14	3,688.90	8,031.68	2,702,179.57
10/14/2019	14	3,677.97	8,042.61	2,694,136.95
10/28/2019	14	3,667.02	8,053.56	2,686,083.39
11/11/2019	14	3,656.06	8,064.52	2,678,018.87
11/25/2019	14	3,645.08	8,075.50	2,669,943.37
12/9/2019	14	3,634.09	8,086.49	2,661,856.88
12/23/2019	14	3,623.08	8,097.50	2,653,759.38
1/6/2020	14	3,612.06	8,108.52	2,645,650.86
1/20/2020	14	3,601.02	8,119.56	2,637,531.31
2/3/2020	14	3,589.97	8,130.61	2,629,400.70
2/17/2020	14	3,578.91	8,141.67	2,621,259.03
3/2/2020	14	3,567.82	8,152.76	2,613,106.27
3/16/2020	14	3,556.73	8,163.85	2,604,942.42
3/30/2020	14	3,545.62	8,174.96	2,596,767.46
4/13/2020	14	3,534.49	8,186.09	2,588,581.37
4/27/2020	14	3,523.35	8,197.23	2,580,384.13
5/11/2020	14	3,512.19	8,208.39	2,572,175.74
5/25/2020	14	3,501.02	8,219.56	2,563,956.18
6/8/2020	14	3,489.83	8,230.75	2,555,725.43
6/22/2020	14	3,478.63	8,241.95	2,547,483.48
7/6/2020	14	3,467.41	8,253.17	2,539,230.30
7/20/2020	14	3,456.17	8,264.41	2,530,965.90
8/3/2020	14	3,444.93	8,275.65	2,522,690.24
8/17/2020	14	3,433.66	8,286.92	2,514,403.33
8/31/2020	14	3,422.38	8,298.20	2,506,105.13
9/14/2020	14	3,411.09	8,309.49	2,497,795.64
9/28/2020	14	3,399.78	8,320.80	2,489,474.83
10/12/2020	14	3,388.45	8,332.13	2,481,142.71
10/26/2020	14	3,377.11	8,343.47	2,472,799.24
11/9/2020	14	3,365.75	8,354.83	2,464,444.41
11/23/2020	14	3,354.38	8,366.20	2,456,078.21
12/7/2020	14	3,343.00	8,377.58	2,447,700.63
12/21/2020	14	3,331.59	8,388.99	2,439,311.64
1/4/2021	14	3,320.17	8,400.41	2,430,911.24
1/18/2021	14	3,308.74	8,411.84	2,422,499.40
2/1/2021	14	3,297.29	8,423.29	2,414,076.11

2/15/2021	14	3,285.83	8,434.75	2,405,641.35
3/1/2021	14	3,274.35	8,446.23	2,397,195.12
3/15/2021	14	3,262.85	8,457.73	2,388,737.39
3/29/2021	14	3,251.34	8,469.24	2,380,268.14
4/12/2021	14	3,239.81	8,480.77	2,371,787.37
4/26/2021	14	3,228.27	8,492.31	2,363,295.06
5/10/2021	14	3,216.71	8,503.87	2,354,791.19
5/24/2021	14	3,205.13	8,515.45	2,346,275.74
6/7/2021	14	3,193.54	8,527.04	2,337,748.70
6/21/2021	14	3,181.94	8,538.64	2,329,210.06
7/5/2021	14	3,170.31	8,550.27	2,320,659.79
7/19/2021	14	3,158.68	8,561.90	2,312,097.89
8/2/2021	14	3,147.02	8,573.56	2,303,524.33
8/16/2021	14	3,135.35	8,585.23	2,294,939.10
8/30/2021	14	3,123.67	8,596.91	2,286,342.19
9/13/2021	14	3,111.97	8,608.61	2,277,733.57
9/27/2021	14	3,100.25	8,620.33	2,269,113.24
10/11/2021	14	3,088.52	8,632.06	2,260,481.18
10/25/2021	14	3,076.77	8,643.81	2,251,837.36
11/8/2021	14	3,065.00	8,655.58	2,243,181.78
11/22/2021	14	3,053.22	8,667.36	2,234,514.42
12/6/2021	14	3,041.42	8,679.16	2,225,835.27
12/20/2021	14	3,029.61	8,690.97	2,217,144.30
1/3/2022	14	3,017.78	8,702.80	2,208,441.49
1/17/2022	14	3,005.93	8,714.65	2,199,726.85
1/31/2022	14	2,994.07	8,726.51	2,191,000.34
2/14/2022	14	2,982.19	8,738.39	2,182,261.96
2/28/2022	14	2,970.30	8,750.28	2,173,511.68
3/14/2022	14	2,958.39	8,762.19	2,164,749.49
3/28/2022	14	2,946.46	8,774.12	2,155,975.37
4/11/2022	14	2,934.52	8,786.06	2,147,189.32
4/25/2022	14	2,922.56	8,798.02	2,138,391.30
5/9/2022	14	2,910.59	8,809.99	2,129,581.31
5/23/2022	14	2,898.60	8,821.98	2,120,759.32
6/6/2022	14	2,886.59	8,833.99	2,111,925.33
6/20/2022	14	2,874.57	8,846.01	2,103,079.32
7/4/2022	14	2,862.52	8,858.06	2,094,221.26
7/18/2022	14	2,850.47	8,870.11	2,085,351.15
8/1/2022	14	2,838.39	8,882.19	2,076,468.96
8/15/2022	14	2,826.30	8,894.28	2,067,574.69
8/29/2022	14	2,814.20	8,906.38	2,058,668.31
9/12/2022	14	2,802.08	8,918.50	2,049,749.80
9/26/2022	14	2,789.94	8,930.64	2,040,819.16
10/10/2022	14	2,777.78	8,942.80	2,031,876.36
10/24/2022	14	2,765.61	8,954.97	2,022,921.39

11/7/2022	14	2,753.42	8,967.16	2,013,954.23
11/21/2022	14	2,741.22	8,979.36	2,004,974.87
12/5/2022	14	2,728.99	8,991.59	1,995,983.28
12/19/2022	14	2,716.76	9,003.82	1,986,979.46
1/2/2023	14	2,704.50	9,016.08	1,977,963.38
1/16/2023	14	2,692.23	9,028.35	1,968,935.03
1/30/2023	14	2,679.94	9,040.64	1,959,894.39
2/13/2023	14	2,667.63	9,052.95	1,950,841.44
2/27/2023	14	2,655.31	9,065.27	1,941,776.17
3/13/2023	14	2,642.97	9,077.61	1,932,698.56
3/27/2023	14	2,630.62	9,089.96	1,923,608.60
4/10/2023	14	2,618.25	9,102.33	1,914,506.27
4/24/2023	14	2,605.86	9,114.72	1,905,391.54
5/8/2023	14	2,593.45	9,127.13	1,896,264.41
5/22/2023	14	2,581.03	9,139.55	1,887,124.86
6/5/2023	14	2,568.59	9,151.99	1,877,972.87
6/19/2023	14	2,556.13	9,164.45	1,868,808.42
7/3/2023	14	2,543.66	9,176.92	1,859,631.49
7/17/2023	14	2,531.17	9,189.41	1,850,442.08
7/31/2023	14	2,518.66	9,201.92	1,841,240.15
8/14/2023	14	2,506.13	9,214.45	1,832,025.71
8/28/2023	14	2,493.59	9,226.99	1,822,798.72
9/11/2023	14	2,481.03	9,239.55	1,813,559.17
9/25/2023	14	2,468.46	9,252.12	1,804,307.04
10/9/2023	14	2,455.86	9,264.72	1,795,042.33
10/23/2023	14	2,443.25	9,277.33	1,785,765.00
11/6/2023	14	2,430.62	9,289.96	1,776,475.04
11/20/2023	14	2,417.98	9,302.60	1,767,172.44
12/4/2023	14	2,405.32	9,315.26	1,757,857.18
12/18/2023	14	2,392.64	9,327.94	1,748,529.24
1/1/2024	14	2,379.94	9,340.64	1,739,188.60
1/15/2024	14	2,367.23	9,353.35	1,729,835.25
1/29/2024	14	2,354.50	9,366.08	1,720,469.17
2/12/2024	14	2,341.75	9,378.83	1,711,090.34
2/26/2024	14	2,328.98	9,391.60	1,701,698.74
3/11/2024	14	2,316.20	9,404.38	1,692,294.36
3/25/2024	14	2,303.40	9,417.18	1,682,877.18
4/8/2024	14	2,290.58	9,430.00	1,673,447.19
4/22/2024	14	2,277.75	9,442.83	1,664,004.35
5/6/2024	14	2,264.89	9,455.69	1,654,548.67
5/20/2024	14	2,252.02	9,468.56	1,645,080.11
6/3/2024	14	2,239.14	9,481.44	1,635,598.67
6/17/2024	14	2,226.23	9,494.35	1,626,104.32
7/1/2024	14	2,213.31	9,507.27	1,616,597.05
7/15/2024	14	2,200.37	9,520.21	1,607,076.84

7/29/2024	14	2,187.41	9,533.17	1,597,543.67
8/12/2024	14	2,174.43	9,546.15	1,587,997.52
8/26/2024	14	2,161.44	9,559.14	1,578,438.38
9/9/2024	14	2,148.43	9,572.15	1,568,866.23
9/23/2024	14	2,135.40	9,585.18	1,559,281.06
10/7/2024	14	2,122.35	9,598.23	1,549,682.83
10/21/2024	14	2,109.29	9,611.29	1,540,071.54
11/4/2024	14	2,096.21	9,624.37	1,530,447.17
11/18/2024	14	2,083.11	9,637.47	1,520,809.70
12/2/2024	14	2,069.99	9,650.59	1,511,159.11
12/16/2024	14	2,056.86	9,663.72	1,501,495.39
12/30/2024	14	2,043.70	9,676.88	1,491,818.51
1/13/2025	14	2,030.53	9,690.05	1,482,128.46
1/27/2025	14	2,017.34	9,703.24	1,472,425.22
2/10/2025	14	2,004.13	9,716.45	1,462,708.77
2/24/2025	14	1,990.91	9,729.67	1,452,979.10
3/10/2025	14	1,977.67	9,742.91	1,443,236.19
3/24/2025	14	1,964.40	9,756.18	1,433,480.01
4/7/2025	14	1,951.13	9,769.45	1,423,710.56
4/21/2025	14	1,937.83	9,782.75	1,413,927.81
5/5/2025	14	1,924.51	9,796.07	1,404,131.74
5/19/2025	14	1,911.18	9,809.40	1,394,322.34
6/2/2025	14	1,897.83	9,822.75	1,384,499.59
6/16/2025	14	1,884.46	9,836.12	1,374,663.47
6/30/2025	14	1,871.07	9,849.51	1,364,813.95
7/14/2025	14	1,857.66	9,862.92	1,354,951.04
7/28/2025	14	1,844.24	9,876.34	1,345,074.70
8/11/2025	14	1,830.80	9,889.78	1,335,184.91
8/25/2025	14	1,817.34	9,903.24	1,325,281.67
9/8/2025	14	1,803.86	9,916.72	1,315,364.94
9/22/2025	14	1,790.36	9,930.22	1,305,434.72
10/6/2025	14	1,776.84	9,943.74	1,295,490.98
10/20/2025	14	1,763.31	9,957.27	1,285,533.71
11/3/2025	14	1,749.75	9,970.83	1,275,562.88
11/17/2025	14	1,736.18	9,984.40	1,265,578.49
12/1/2025	14	1,722.59	9,997.99	1,255,580.50
12/15/2025	14	1,708.98	10,011.60	1,245,568.91
12/29/2025	14	1,695.36	10,025.22	1,235,543.68
1/12/2026	14	1,681.71	10,038.87	1,225,504.82
1/26/2026	14	1,668.05	10,052.53	1,215,452.28
2/9/2026	14	1,654.37	10,066.21	1,205,386.07
2/23/2026	14	1,640.66	10,079.92	1,195,306.15
3/9/2026	14	1,626.94	10,093.64	1,185,212.52
3/23/2026	14	1,613.21	10,107.37	1,175,105.14
4/6/2026	14	1,599.45	10,121.13	1,164,984.01
4/20/2026	14	1,585.67	10,134.91	1,154,849.11

5/4/2026	14	1,571.88	10,148.70	1,144,700.40
5/18/2026	14	1,558.06	10,162.52	1,134,537.89
6/1/2026	14	1,544.23	10,176.35	1,124,361.54
6/15/2026	14	1,530.38	10,190.20	1,114,171.34
6/29/2026	14	1,516.51	10,204.07	1,103,967.27
7/13/2026	14	1,502.62	10,217.96	1,093,749.31
7/27/2026	14	1,488.71	10,231.87	1,083,517.45
8/10/2026	14	1,474.79	10,245.79	1,073,271.66
8/24/2026	14	1,460.84	10,259.74	1,063,011.92
9/7/2026	14	1,446.88	10,273.70	1,052,738.21
9/21/2026	14	1,432.89	10,287.69	1,042,450.53
10/5/2026	14	1,418.89	10,301.69	1,032,148.84
10/19/2026	14	1,404.87	10,315.71	1,021,833.13
11/2/2026	14	1,390.83	10,329.75	1,011,503.38
11/16/2026	14	1,376.77	10,343.81	1,001,159.57
11/30/2026	14	1,362.69	10,357.89	990,801.68
12/14/2026	14	1,348.59	10,371.99	980,429.69
12/28/2026	14	1,334.47	10,386.11	970,043.58
1/11/2027	14	1,320.34	10,400.24	959,643.34
1/25/2027	14	1,306.18	10,414.40	949,228.94
2/8/2027	14	1,292.01	10,428.57	938,800.36
2/22/2027	14	1,277.81	10,442.77	928,357.60
3/8/2027	14	1,263.60	10,456.98	917,900.61
3/22/2027	14	1,249.36	10,471.22	907,429.40
4/5/2027	14	1,235.11	10,485.47	896,943.93
4/19/2027	14	1,220.84	10,499.74	886,444.19
5/3/2027	14	1,206.55	10,514.03	875,930.16
5/17/2027	14	1,192.24	10,528.34	865,401.82
5/31/2027	14	1,177.91	10,542.67	854,859.15
6/14/2027	14	1,163.56	10,557.02	844,302.12
6/28/2027	14	1,149.19	10,571.39	833,730.73
7/12/2027	14	1,134.80	10,585.78	823,144.95
7/26/2027	14	1,120.39	10,600.19	812,544.77
8/9/2027	14	1,105.96	10,614.62	801,930.15
8/23/2027	14	1,091.52	10,629.06	791,301.09
9/6/2027	14	1,077.05	10,643.53	780,657.55
9/20/2027	14	1,062.56	10,658.02	769,999.54
10/4/2027	14	1,048.05	10,672.53	759,327.01
10/18/2027	14	1,033.53	10,687.05	748,639.96
11/1/2027	14	1,018.98	10,701.60	737,938.36
11/15/2027	14	1,004.42	10,716.16	727,222.20
11/29/2027	14	989.83	10,730.75	716,491.45
12/13/2027	14	975.22	10,745.36	705,746.09
12/27/2027	14	960.60	10,759.98	694,986.11
1/10/2028	14	945.95	10,774.63	684,211.48

1/24/2028	14	931.29	10,789.29	673,422.19
2/7/2028	14	916.60	10,803.98	662,618.21
2/21/2028	14	901.90	10,818.68	651,799.53
3/6/2028	14	887.17	10,833.41	640,966.12
3/20/2028	14	872.43	10,848.15	630,117.97
4/3/2028	14	857.66	10,862.92	619,255.05
4/17/2028	14	842.87	10,877.71	608,377.34
5/1/2028	14	828.07	10,892.51	597,484.83
5/15/2028	14	813.24	10,907.34	586,577.50
5/29/2028	14	798.40	10,922.18	575,655.31
6/12/2028	14	783.53	10,937.05	564,718.27
6/26/2028	14	768.64	10,951.94	553,766.33
7/10/2028	14	753.74	10,966.84	542,799.49
7/24/2028	14	738.81	10,981.77	531,817.72
8/7/2028	14	723.86	10,996.72	520,821.00
8/21/2028	14	708.90	11,011.68	509,809.32
9/4/2028	14	693.91	11,026.67	498,782.64
9/18/2028	14	678.90	11,041.68	487,740.96
10/2/2028	14	663.87	11,056.71	476,684.25
10/16/2028	14	648.82	11,071.76	465,612.49
10/30/2028	14	633.75	11,086.83	454,525.66
11/13/2028	14	618.66	11,101.92	443,423.74
11/27/2028	14	603.55	11,117.03	432,306.71
12/11/2028	14	588.42	11,132.16	421,174.55
12/25/2028	14	573.27	11,147.31	410,027.23
1/8/2029	14	558.09	11,162.49	398,864.75
1/22/2029	14	542.90	11,177.68	387,687.07
2/5/2029	14	527.69	11,192.89	376,494.17
2/19/2029	14	512.45	11,208.13	365,286.04
3/5/2029	14	497.19	11,223.39	354,062.66
3/19/2029	14	481.92	11,238.66	342,823.99
4/2/2029	14	466.62	11,253.96	331,570.04
4/16/2029	14	451.30	11,269.28	320,300.76
4/30/2029	14	435.96	11,284.62	309,016.14
5/14/2029	14	420.61	11,299.97	297,716.17
5/28/2029	14	405.22	11,315.36	286,400.81
6/11/2029	14	389.82	11,330.76	275,070.06
6/25/2029	14	374.40	11,346.18	263,723.88
7/9/2029	14	358.96	11,361.62	252,362.26
7/23/2029	14	343.49	11,377.09	240,985.17
8/6/2029	14	328.01	11,392.57	229,592.60
8/20/2029	14	312.50	11,408.08	218,184.52
9/3/2029	14	296.97	11,423.61	206,760.91
9/17/2029	14	281.42	11,439.16	195,321.76
10/1/2029	14	265.85	11,454.73	183,867.03

10/15/2029	14	250.26	11,470.32	172,396.71
10/29/2029	14	234.65	11,485.93	160,910.79
11/12/2029	14	219.02	11,501.56	149,409.22
11/26/2029	14	203.36	11,517.22	137,892.01
12/10/2029	14	187.69	11,532.89	126,359.11
12/24/2029	14	171.99	11,548.59	114,810.52
1/7/2030	14	156.27	11,564.31	103,246.21
1/21/2030	14	140.53	11,580.05	91,666.16
2/4/2030	14	124.77	11,595.81	80,070.35
2/18/2030	14	108.98	11,611.60	68,458.75
3/4/2030	14	93.18	11,627.40	56,831.35
3/18/2030	14	77.35	11,643.23	45,188.13
4/1/2030	14	61.51	11,659.07	33,529.05
4/15/2030	14	45.64	11,674.94	21,854.11
4/29/2030	14	29.75	11,690.83	10,163.27
5/13/2030	14	13.83	10,199.10	-35.83

EXHIBIT 17

Rec'd 1-14-11

Chicken factory

(Replacement Reserve)
Depreciation Reserve
↓

KENTUCKY INFRASTRUCTURE AUTHORITY
REPAYMENT SCHEDULE
LOAN # B08-09
Lebanon, City of
FINAL

1.07% Rate
\$16,225.65 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$582,883.00		
06/01/11	\$13,107.23	\$3,118.42	1.07%	\$16,225.65	\$582.88	\$0.00	<i>Pa. 5-24-11</i> \$16,808.54	\$569,775.77	\$ -	\$ -
12/01/11	\$13,177.35	\$3,048.30	1.07%	\$16,225.65	\$569.78	\$0.00	<i>Pa. 11-22-11</i> \$16,795.43	\$556,598.41	\$ 4,000.00	\$ 4,000.00
06/01/12	\$13,247.85	\$2,977.80	1.07%	\$16,225.65	\$556.60	\$0.00	<i>Pa. 5-19-12</i> \$16,782.25 ✓	\$543,350.56	\$ -	\$ 4,000.00
12/01/12	\$13,318.72	\$2,906.93	1.07%	\$16,225.65	\$543.35	\$0.00	<i>Pa. 11-21-12</i> \$16,769.00 ✓	\$530,031.83	\$ 4,000.00	\$ 8,000.00
06/01/13	\$13,389.98	\$2,835.67	1.07%	\$16,225.65	\$530.03	\$0.00	<i>Pa. 5-21-13</i> \$16,755.69	\$516,641.85	\$ -	\$ 8,000.00
12/01/13	\$13,461.62	\$2,764.03	1.07%	\$16,225.65	\$516.64	\$0.00	<i>Pa. 11-14-13</i> \$16,742.30	\$503,180.22	\$ 4,000.00	\$ 12,000.00
06/01/14	\$13,533.64	\$2,692.01	1.07%	\$16,225.65	\$503.18	\$0.00	<i>Pa. 5-20-14</i> \$16,728.83	\$489,646.58	\$ -	\$ 12,000.00
12/01/14	\$13,606.04	\$2,619.61	1.07%	\$16,225.65	\$489.65	\$0.00	<i>Pa. 11-21-14</i> \$16,715.30	\$476,040.54	\$ 4,000.00	\$ 16,000.00
06/01/15	\$13,678.83	\$2,546.82	1.07%	\$16,225.65	\$476.04	\$0.00	<i>Pa. 5-22-15</i> \$16,701.69	\$462,361.70	\$ -	\$ 16,000.00
12/01/15	\$13,752.01	\$2,473.64	1.07%	\$16,225.65	\$462.36	\$0.00	<i>Pa. 11-17-15</i> \$16,688.02	\$448,609.69	\$ 4,000.00	\$ 20,000.00
06/01/16	\$13,825.59	\$2,400.06	1.07%	\$16,225.65	\$448.61	\$0.00	<i>Pa. 5-17-16</i> \$16,674.26	\$434,784.09	\$ -	\$ 20,000.00
12/01/16	\$13,899.56	\$2,326.09	1.07%	\$16,225.65	\$434.78	\$0.00	<i>Pa. 11-15-16</i> \$16,660.44	\$420,884.53	\$ 4,000.00	\$ 24,000.00
06/01/17	\$13,973.92	\$2,251.73	1.07%	\$16,225.65	\$420.88	\$0.00	<i>Pa. 5-16-17</i> \$16,646.54	\$406,910.60	\$ -	\$ 24,000.00
12/01/17	\$14,048.68	\$2,176.97	1.07%	\$16,225.65	\$406.91	\$0.00	\$16,632.56	\$392,861.92	\$ 4,000.00	\$ 28,000.00
06/01/18	\$14,123.84	\$2,101.81	1.07%	\$16,225.65	\$392.86	\$0.00	\$16,618.52	\$378,738.08	\$ -	\$ 28,000.00
12/01/18	\$14,199.40	\$2,026.25	1.07%	\$16,225.65	\$378.74	\$0.00	\$16,604.39	\$364,538.67	\$ 4,000.00	\$ 32,000.00
06/01/19	\$14,275.37	\$1,950.28	1.07%	\$16,225.65	\$364.54	\$0.00	\$16,590.19	\$350,263.30	\$ -	\$ 32,000.00
12/01/19	\$14,351.74	\$1,873.91	1.07%	\$16,225.65	\$350.26	\$0.00	\$16,575.92	\$335,911.55	\$ 4,000.00	\$ 36,000.00
06/01/20	\$14,428.52	\$1,797.13	1.07%	\$16,225.65	\$335.91	\$0.00	\$16,561.57	\$321,483.03	\$ -	\$ 36,000.00
12/01/20	\$14,505.72	\$1,719.93	1.07%	\$16,225.65	\$321.48	\$0.00	\$16,547.14	\$306,977.30	\$ 4,000.00	\$ 40,000.00
06/01/21	\$14,583.32	\$1,642.33	1.07%	\$16,225.65	\$306.98	\$0.00	\$16,532.63	\$292,393.98	\$ -	\$ 40,000.00
12/01/21	\$14,661.34	\$1,564.31	1.07%	\$16,225.65	\$292.39	\$0.00	\$16,518.05	\$277,732.64	\$ -	\$ 40,000.00
06/01/22	\$14,739.78	\$1,485.87	1.07%	\$16,225.65	\$277.73	\$0.00	\$16,503.39	\$262,992.85	\$ -	\$ 40,000.00
12/01/22	\$14,818.64	\$1,407.01	1.07%	\$16,225.65	\$262.99	\$0.00	\$16,488.65	\$248,174.21	\$ -	\$ 40,000.00
06/01/23	\$14,897.92	\$1,327.73	1.07%	\$16,225.65	\$248.17	\$0.00	\$16,473.83	\$233,276.28	\$ -	\$ 40,000.00
12/01/23	\$14,977.62	\$1,248.03	1.07%	\$16,225.65	\$233.28	\$0.00	\$16,458.93	\$218,298.66	\$ -	\$ 40,000.00
06/01/24	\$15,057.75	\$1,167.90	1.07%	\$16,225.65	\$218.30	\$0.00	\$16,443.95	\$203,240.90	\$ -	\$ 40,000.00
12/01/24	\$15,138.31	\$1,087.34	1.07%	\$16,225.65	\$203.24	\$0.00	\$16,428.90	\$188,102.59	\$ -	\$ 40,000.00
06/01/25	\$15,219.30	\$1,006.35	1.07%	\$16,225.65	\$188.10	\$0.00	\$16,413.76	\$172,883.29	\$ -	\$ 40,000.00
12/01/25	\$15,300.72	\$924.93	1.07%	\$16,225.65	\$172.88	\$0.00	\$16,398.54	\$157,582.56	\$ -	\$ 40,000.00
06/01/26	\$15,382.58	\$843.07	1.07%	\$16,225.65	\$157.58	\$0.00	\$16,383.24	\$142,199.98	\$ -	\$ 40,000.00
12/01/26	\$15,464.88	\$760.77	1.07%	\$16,225.65	\$142.20	\$0.00	\$16,367.85	\$126,735.09	\$ -	\$ 40,000.00
06/01/27	\$15,547.62	\$678.03	1.07%	\$16,225.65	\$126.74	\$0.00	\$16,352.39	\$111,187.47	\$ -	\$ 40,000.00
12/01/27	\$15,630.80	\$594.85	1.07%	\$16,225.65	\$111.19	\$0.00	\$16,336.84	\$95,556.67	\$ -	\$ 40,000.00
06/01/28	\$15,714.42	\$511.23	1.07%	\$16,225.65	\$95.56	\$0.00	\$16,321.21	\$79,842.24	\$ -	\$ 40,000.00
12/01/28	\$15,798.49	\$427.16	1.07%	\$16,225.65	\$79.84	\$0.00	\$16,305.50	\$64,043.75	\$ -	\$ 40,000.00
06/01/29	\$15,883.02	\$342.63	1.07%	\$16,225.65	\$64.04	\$0.00	\$16,289.70	\$48,160.72	\$ -	\$ 40,000.00
12/01/29	\$15,967.99	\$257.66	1.07%	\$16,225.65	\$48.16	\$0.00	\$16,273.81	\$32,192.73	\$ -	\$ 40,000.00
06/01/30	\$16,053.42	\$172.23	1.07%	\$16,225.65	\$32.19	\$0.00	\$16,257.85	\$16,139.30	\$ -	\$ 40,000.00
12/01/30	\$16,139.30	\$86.35	1.07%	\$16,225.65	\$16.14	\$0.00	\$16,241.79	(\$0.00)	\$ -	\$ 40,000.00
Totals	\$582,883.00	\$66,143.17		\$649,026.17	\$12,363.21	\$0.00	\$661,389.38		\$40,000.00	

EXHIBIT 18

Marion Taylor

DRAFT SCHEDULE

Borrower's Name:	LWWC
Loan Number:	F14-036
Principal Amount:	\$1,700,000.00
Loan Rate:	0.75%
First Payment Date:	6/1/2018
Ann. R & M Payment:	Enter manually on every 12/1 payment date.

KENTUCKY INFRASTRUCTURE AUTHORITY

REPAYMENT SCHEDULE

LOAN #A

LWWC

0.75% Rate
\$45,846.65 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
11-1-17	-	6,292.66	0.75%	6,292.66	2,084.53	-	8,377.19	\$1,700,000.00	\$0.00	\$0.00
06/01/18	\$39,471.65	\$6,375.00	0.75%	\$45,846.65	\$2,125.00	\$0.00	\$47,971.65	\$1,660,528.35	\$0.00	\$0.00
12/01/18	\$39,619.67	\$6,226.98	0.75%	\$45,846.65	\$2,075.66	\$0.00	\$47,922.31	\$1,620,908.69	\$0.00	\$0.00
06/01/19	\$39,768.24	\$6,078.41	0.75%	\$45,846.65	\$2,026.14	\$0.00	\$47,872.78	\$1,581,140.45	\$0.00	\$0.00
12/01/19	\$39,917.37	\$5,929.28	0.75%	\$45,846.65	\$1,976.43	\$0.00	\$47,823.07	\$1,541,223.08	\$0.00	\$0.00
06/01/20	\$40,067.06	\$5,779.59	0.75%	\$45,846.65	\$1,926.53	\$0.00	\$47,773.18	\$1,501,156.02	\$0.00	\$0.00
12/01/20	\$40,217.31	\$5,629.34	0.75%	\$45,846.65	\$1,876.45	\$0.00	\$47,723.09	\$1,460,938.71	\$0.00	\$0.00
06/01/21	\$40,368.13	\$5,478.52	0.75%	\$45,846.65	\$1,826.17	\$0.00	\$47,672.82	\$1,420,570.58	\$0.00	\$0.00
12/01/21	\$40,519.51	\$5,327.14	0.75%	\$45,846.65	\$1,775.71	\$0.00	\$47,622.36	\$1,380,051.07	\$0.00	\$0.00
06/01/22	\$40,671.46	\$5,175.19	0.75%	\$45,846.65	\$1,725.06	\$0.00	\$47,571.71	\$1,339,379.62	\$0.00	\$0.00
12/01/22	\$40,823.97	\$5,022.67	0.75%	\$45,846.65	\$1,674.22	\$0.00	\$47,520.87	\$1,298,555.65	\$0.00	\$0.00
06/01/23	\$40,977.06	\$4,869.58	0.75%	\$45,846.65	\$1,623.19	\$0.00	\$47,469.84	\$1,257,578.58	\$0.00	\$0.00
12/01/23	\$41,130.73	\$4,715.92	0.75%	\$45,846.65	\$1,571.97	\$0.00	\$47,418.62	\$1,216,447.86	\$0.00	\$0.00
06/01/24	\$41,284.97	\$4,561.68	0.75%	\$45,846.65	\$1,520.56	\$0.00	\$47,367.21	\$1,175,162.89	\$0.00	\$0.00
12/01/24	\$41,439.79	\$4,406.86	0.75%	\$45,846.65	\$1,468.95	\$0.00	\$47,315.60	\$1,133,723.10	\$0.00	\$0.00
06/01/25	\$41,595.18	\$4,251.46	0.75%	\$45,846.65	\$1,417.15	\$0.00	\$47,263.80	\$1,092,127.92	\$0.00	\$0.00
12/01/25	\$41,751.17	\$4,095.48	0.75%	\$45,846.65	\$1,365.16	\$0.00	\$47,211.81	\$1,050,376.75	\$0.00	\$0.00
06/01/26	\$41,907.73	\$3,938.91	0.75%	\$45,846.65	\$1,312.97	\$0.00	\$47,159.62	\$1,008,469.02	\$0.00	\$0.00
12/01/26	\$42,064.89	\$3,781.76	0.75%	\$45,846.65	\$1,260.59	\$0.00	\$47,107.23	\$966,404.13	\$0.00	\$0.00
06/01/27	\$42,222.63	\$3,624.02	0.75%	\$45,846.65	\$1,208.01	\$0.00	\$47,054.65	\$924,181.50	\$0.00	\$0.00
12/01/27	\$42,380.97	\$3,465.68	0.75%	\$45,846.65	\$1,155.23	\$0.00	\$47,001.87	\$881,800.53	\$0.00	\$0.00
06/01/28	\$42,539.89	\$3,306.75	0.75%	\$45,846.65	\$1,102.25	\$0.00	\$46,948.90	\$839,260.64	\$0.00	\$0.00
12/01/28	\$42,699.42	\$3,147.23	0.75%	\$45,846.65	\$1,049.08	\$0.00	\$46,895.72	\$796,561.22	\$0.00	\$0.00
06/01/29	\$42,859.54	\$2,987.10	0.75%	\$45,846.65	\$995.70	\$0.00	\$46,842.35	\$753,701.68	\$0.00	\$0.00
12/01/29	\$43,020.27	\$2,826.38	0.75%	\$45,846.65	\$942.13	\$0.00	\$46,788.77	\$710,681.41	\$0.00	\$0.00
06/01/30	\$43,181.59	\$2,665.06	0.75%	\$45,846.65	\$888.35	\$0.00	\$46,735.00	\$667,499.82	\$0.00	\$0.00
12/01/30	\$43,343.52	\$2,503.12	0.75%	\$45,846.65	\$834.37	\$0.00	\$46,681.02	\$624,156.30	\$0.00	\$0.00
06/01/31	\$43,506.06	\$2,340.59	0.75%	\$45,846.65	\$780.20	\$0.00	\$46,626.84	\$580,650.24	\$0.00	\$0.00
12/01/31	\$43,669.21	\$2,177.44	0.75%	\$45,846.65	\$725.81	\$0.00	\$46,572.46	\$536,981.03	\$0.00	\$0.00
06/01/32	\$43,832.97	\$2,013.68	0.75%	\$45,846.65	\$671.23	\$0.00	\$46,517.87	\$493,148.06	\$0.00	\$0.00
12/01/32	\$43,997.34	\$1,849.31	0.75%	\$45,846.65	\$616.44	\$0.00	\$46,463.08	\$449,150.72	\$0.00	\$0.00
06/01/33	\$44,162.33	\$1,684.32	0.75%	\$45,846.65	\$561.44	\$0.00	\$46,408.08	\$404,988.39	\$0.00	\$0.00
12/01/33	\$44,327.94	\$1,518.71	0.75%	\$45,846.65	\$506.24	\$0.00	\$46,352.88	\$360,660.45	\$0.00	\$0.00
06/01/34	\$44,494.17	\$1,352.48	0.75%	\$45,846.65	\$450.83	\$0.00	\$46,297.47	\$316,166.28	\$0.00	\$0.00
12/01/34	\$44,661.02	\$1,185.62	0.75%	\$45,846.65	\$395.21	\$0.00	\$46,241.85	\$271,505.26	\$0.00	\$0.00
06/01/35	\$44,828.50	\$1,018.14	0.75%	\$45,846.65	\$339.38	\$0.00	\$46,186.03	\$226,676.76	\$0.00	\$0.00
12/01/35	\$44,996.61	\$850.04	0.75%	\$45,846.65	\$283.35	\$0.00	\$46,129.99	\$181,680.15	\$0.00	\$0.00
06/01/36	\$45,165.35	\$681.30	0.75%	\$45,846.65	\$227.10	\$0.00	\$46,073.75	\$136,514.80	\$0.00	\$0.00
12/01/36	\$45,334.72	\$511.93	0.75%	\$45,846.65	\$170.64	\$0.00	\$46,017.29	\$91,180.09	\$0.00	\$0.00
06/01/37	\$45,504.72	\$341.93	0.75%	\$45,846.65	\$113.98	\$0.00	\$45,960.62	\$45,675.36	\$0.00	\$0.00
12/01/37	\$45,675.36	\$171.28	0.75%	\$45,846.65	\$57.09	\$0.00	\$45,903.74	\$0.00	\$0.00	\$0.00
Totals	\$1,700,000.00	\$133,865.86		\$1,833,865.86	\$44,621.95	\$0.00	\$1,878,487.82		\$0.00	

Created on 5/31/2017

EXHIBIT 19

KENTUCKY INFRASTRUCTURE AUTHORITY
 REPAYMENT SCHEDULE
 LOAN #F15-057
 LEBANON, CITY OF
 FINAL

Woodlawn Ave
 Loretto Rd.

0.75% Rate
 \$19,417.40 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$720,000.00		
06/01/17	\$16,717.40	\$2,725.36	0.75%	\$19,442.76	\$900.00	\$0.00	\$20,342.76	\$703,282.60	\$0.00	\$0.00
12/01/17	\$16,780.09	\$2,637.31	0.75%	\$19,417.40	\$879.10	\$0.00	\$20,296.50	\$686,502.51	\$1,800.00	\$1,800.00
06/01/18	\$16,843.02	\$2,574.38	0.75%	\$19,417.40	\$858.13	\$0.00	\$20,275.53	\$669,659.49	\$0.00	\$1,800.00
12/01/18	\$16,906.18	\$2,511.22	0.75%	\$19,417.40	\$837.07	\$0.00	\$20,254.47	\$652,753.31	\$1,800.00	\$3,600.00
06/01/19	\$16,969.58	\$2,447.82	0.75%	\$19,417.40	\$815.94	\$0.00	\$20,233.34	\$635,783.73	\$0.00	\$3,600.00
12/01/19	\$17,033.21	\$2,384.19	0.75%	\$19,417.40	\$794.73	\$0.00	\$20,212.13	\$618,750.52	\$1,800.00	\$5,400.00
06/01/20	\$17,097.09	\$2,320.31	0.75%	\$19,417.40	\$773.44	\$0.00	\$20,190.84	\$601,653.43	\$0.00	\$5,400.00
12/01/20	\$17,161.20	\$2,256.20	0.75%	\$19,417.40	\$752.07	\$0.00	\$20,169.47	\$584,492.23	\$1,800.00	\$7,200.00
06/01/21	\$17,225.55	\$2,191.85	0.75%	\$19,417.40	\$730.62	\$0.00	\$20,148.02	\$567,266.68	\$0.00	\$7,200.00
12/01/21	\$17,290.15	\$2,127.25	0.75%	\$19,417.40	\$709.08	\$0.00	\$20,126.48	\$549,976.53	\$1,800.00	\$9,000.00
06/01/22	\$17,354.99	\$2,062.41	0.75%	\$19,417.40	\$687.47	\$0.00	\$20,104.87	\$532,621.54	\$0.00	\$9,000.00
12/01/22	\$17,420.07	\$1,997.33	0.75%	\$19,417.40	\$665.78	\$0.00	\$20,083.18	\$515,201.47	\$1,800.00	\$10,800.00
06/01/23	\$17,485.39	\$1,932.01	0.75%	\$19,417.40	\$644.00	\$0.00	\$20,061.40	\$497,716.08	\$0.00	\$10,800.00
12/01/23	\$17,550.96	\$1,866.44	0.75%	\$19,417.40	\$622.15	\$0.00	\$20,039.55	\$480,165.12	\$1,800.00	\$12,600.00
06/01/24	\$17,616.78	\$1,800.62	0.75%	\$19,417.40	\$600.21	\$0.00	\$20,017.61	\$462,548.34	\$0.00	\$12,600.00
12/01/24	\$17,682.84	\$1,734.56	0.75%	\$19,417.40	\$578.19	\$0.00	\$19,995.59	\$444,865.50	\$1,800.00	\$14,400.00
06/01/25	\$17,749.15	\$1,668.25	0.75%	\$19,417.40	\$556.08	\$0.00	\$19,973.48	\$427,116.35	\$0.00	\$14,400.00
12/01/25	\$17,815.71	\$1,601.69	0.75%	\$19,417.40	\$533.90	\$0.00	\$19,951.30	\$409,300.64	\$1,800.00	\$16,200.00
06/01/26	\$17,882.52	\$1,534.88	0.75%	\$19,417.40	\$511.63	\$0.00	\$19,929.03	\$391,418.12	\$0.00	\$16,200.00
12/01/26	\$17,949.58	\$1,467.82	0.75%	\$19,417.40	\$489.27	\$0.00	\$19,906.67	\$373,468.54	\$1,800.00	\$18,000.00
06/01/27	\$18,016.89	\$1,400.51	0.75%	\$19,417.40	\$466.84	\$0.00	\$19,884.24	\$355,451.65	\$0.00	\$18,000.00
12/01/27	\$18,084.46	\$1,332.94	0.75%	\$19,417.40	\$444.31	\$0.00	\$19,861.71	\$337,367.19	\$0.00	\$18,000.00
06/01/28	\$18,152.27	\$1,265.13	0.75%	\$19,417.40	\$421.71	\$0.00	\$19,839.11	\$319,214.92	\$0.00	\$18,000.00
12/01/28	\$18,220.34	\$1,197.06	0.75%	\$19,417.40	\$399.02	\$0.00	\$19,816.42	\$300,994.58	\$0.00	\$18,000.00
06/01/29	\$18,288.67	\$1,128.73	0.75%	\$19,417.40	\$376.24	\$0.00	\$19,793.64	\$282,705.91	\$0.00	\$18,000.00
12/01/29	\$18,357.25	\$1,060.15	0.75%	\$19,417.40	\$353.38	\$0.00	\$19,770.78	\$264,348.66	\$0.00	\$18,000.00
06/01/30	\$18,426.09	\$991.31	0.75%	\$19,417.40	\$330.44	\$0.00	\$19,747.84	\$245,922.57	\$0.00	\$18,000.00
12/01/30	\$18,495.19	\$922.21	0.75%	\$19,417.40	\$307.40	\$0.00	\$19,724.80	\$227,427.38	\$0.00	\$18,000.00
06/01/31	\$18,564.55	\$852.85	0.75%	\$19,417.40	\$284.28	\$0.00	\$19,701.68	\$208,862.83	\$0.00	\$18,000.00
12/01/31	\$18,634.16	\$783.24	0.75%	\$19,417.40	\$261.08	\$0.00	\$19,678.48	\$190,228.67	\$0.00	\$18,000.00
06/01/32	\$18,704.04	\$713.36	0.75%	\$19,417.40	\$237.79	\$0.00	\$19,655.19	\$171,524.63	\$0.00	\$18,000.00
12/01/32	\$18,774.18	\$643.22	0.75%	\$19,417.40	\$214.41	\$0.00	\$19,631.81	\$152,750.45	\$0.00	\$18,000.00
06/01/33	\$18,844.59	\$572.81	0.75%	\$19,417.40	\$190.94	\$0.00	\$19,608.34	\$133,905.86	\$0.00	\$18,000.00
12/01/33	\$18,915.25	\$502.15	0.75%	\$19,417.40	\$167.38	\$0.00	\$19,584.78	\$114,990.61	\$0.00	\$18,000.00
06/01/34	\$18,986.19	\$431.21	0.75%	\$19,417.40	\$143.74	\$0.00	\$19,561.14	\$96,004.42	\$0.00	\$18,000.00
12/01/34	\$19,057.38	\$360.02	0.75%	\$19,417.40	\$120.01	\$0.00	\$19,537.41	\$76,947.04	\$0.00	\$18,000.00
06/01/35	\$19,128.85	\$288.55	0.75%	\$19,417.40	\$96.18	\$0.00	\$19,513.58	\$57,818.19	\$0.00	\$18,000.00
12/01/35	\$19,200.58	\$216.82	0.75%	\$19,417.40	\$72.27	\$0.00	\$19,489.67	\$38,617.61	\$0.00	\$18,000.00
06/01/36	\$19,272.58	\$144.82	0.75%	\$19,417.40	\$48.27	\$0.00	\$19,465.67	\$19,345.03	\$0.00	\$18,000.00
12/01/36	\$19,345.03	\$72.37	0.75%	\$19,417.40	\$24.18	\$0.00	\$19,441.58	\$0.00	\$0.00	\$18,000.00
Totals	\$720,000.00	\$56,721.36		\$776,721.36	\$18,898.73	\$0.00	\$795,620.09		\$18,000.00	

EXHIBIT 20



INVOICE

Invoice Date: March 24, 2015

CLIENT:
Lebanon Water Works Inc.
120 South Proctor Knott Avenue
Lebanon KY 40033

Invoice No. 2017-025

Project No. 17001

Job Description: Rate Study
Billing Period: Project Inception - March 13, 2017

SERVICES	Total Fee	% Complete	Amount Earned to Date	Amount Paid to Date	Amount Due This Period
Study	\$ 6,000.00	75%	\$ 4,500.00	\$ -	\$ 4,500.00
Total Fees:	\$ 6,000.00				
		Total Amount Due To Date			\$ 4,500.00
		Previous Amount Paid			\$ -
		Total Amount Due This Invoice			\$ 4,500.00

#525-5 Eng. Fees

PLEASE MAKE CHECK PAYABLE TO: KENTUCKY ENGINEERING GROUP, PLLC
PO BOX 1034, VERSAILLES KY 40383

pd. 3-28-17
clt# 104533

ORIGINAL

*Rec'd
12-1-17*



INVOICE

Invoice Date: July 14, 2017

CLIENT:
Lebanon Water Works Inc.
120 South Proctor Knott Avenue
Lebanon KY 40033

Invoice No. 2017-074

Project No. 17001

Job Description: **Rate Study**
Billing Period: March 14 - July 14, 2017

SERVICES	Total Fee	% Complete	Amount Earned to Date	Amount Paid to Date	Amount Due This Period
Study	\$ 6,000.00	100%	\$ 6,000.00	\$ 4,500.00	\$ 1,500.00
Total Fees:	\$ 6,000.00				
Total Amount Due To Date					\$ 1,500.00
Previous Amount Paid					\$ -
Total Amount Due This Invoice					\$ 1,500.00

**PLEASE MAKE CHECK PAYABLE TO: KENTUCKY ENGINEERING GROUP, PLLC
PO BOX 1034, VERSAILLES KY 40383**

ORIGINAL

*#525-5
Eng. Fees*

*pd. 12-5-17
CHK# 45605*

EXHIBIT 21

Stoll Keenon Ogden PLLC

P.O. Box 150

112 North Lincoln Boulevard

Hodgenville, Kentucky 42748

(270) 358-3187

Tax ID # 61-0421389

Lebanon Water Works Company
Daren Thompson, O&M Superintendent
daren.thompson@lebanonwaterworks.com;
lisa.mattingly@lebanonwaterworks.com

October 11, 2017
Invoice #: 865175
Account #: 120538/157999

Re: Wholesale Rate Increase

Fees rendered this bill	\$ 4,976.00
Total Current Charges This Matter	\$ 4,976.00

Keep this copy for your records.

Professional Services for the period through 09/30/17, including the following:

Re: Wholesale Rate Increase

Our Reference: 120538/157999/DRT/2404

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
09/05/17	Sent email memo to M.E. Wimberly re past PSC treatment of rate case expense	GEW	0.10
09/05/17	Reviewed Danville Wholesale Rate Increase case and discussed research with Damon Talley	MEW	0.50
09/06/17	Researched recovery of rate case legal expenses issue; drafted email to Damon summarizing research	MEW	1.10
09/07/17	Conferred with Attorney Mary Ellen Wimberly re Customer Notice and reviewed her research. No Charge.	DRT	0.00
09/07/17	Reviewed draft Customer Notice of Proposed Increase of Wholesale Rate	GEW	0.10
09/07/17	Drafted Customer Notice; reviewed PSC regulations re Customer Notice requirements	MEW	1.00
09/08/17	Discussed Customer Notice with Damon Talley; edited Customer Notice and calculated average monthly water purchases by Marion Count Water District in hundred cubic feet rather than thousand gallons	MEW	1.50
09/09/17	Reviewed draft Customer Notice; made some edits; prepared lengthy email memo to Attorney Mary Ellen Wimberly explaining changes to be made; researched recent PSC Orders re Customer Notice in municipal wholesale rate cases; memo to file	DRT	2.60
09/10/17	Reviewed 1988 Water Purchase Agreement between LWW and MCWD to determine amount of advance notice required to be given to MCWD before rate increase can become effective; reviewed all Addendums to Agreement; made numerous revisions to Customer Notice; prepared new provision re recovery of Rate Case Expense from MCWD; prepared first draft of new Tariff Sheet; prepared lengthy email memo to Attorneys Wimberly and Wuetcher explaining changes to Customer Notice	DRT	4.10
09/10/17	Conferred with Attorney Wuetcher re recovery of Rate Case Expenses and other strategy decisions. No Charge.	DRT	0.00
09/11/17	Reviewed draft Tariff Sheet; discussed changes with attorney Wimberly; reviewed revised draft of Customer Notice; made substantial changes to Customer Notice; discussed changes with attorney Wimberly; memo to file	DRT	0.60
09/11/17	Reviewed final draft of Tariff Sheet; reviewed final draft of Customer Notice; prepared cover letter from Daren Thompson to Jimmy Mudd; email correspondence with client re documents	DRT	0.50

Keep this copy for your records.

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
09/11/17	Conferred with attorney Wimberly re PSC Tariff Filing Process and other matters. No Charge.	DRT	0.00
09/11/17	Conferred with Daren and Lisa re PSC procedures for filing a Wholesale Rate Increase and other matters related to City Rate Increase Ordinance; conferred with Daren and Lisa re documents for Lebanon Water to hand deliver to MCWD and need for Rate Case Expense Recovery Surcharge	DRT	0.90
09/11/17	Corrected mistake in Tariff Sheet; prepared email memo to client and forwarded corrected Tariff Sheet. No Charge.	DRT	0.00
09/11/17	Edited Tariff Sheet and Customer Notice; discussed edits with Damon Talley; reviewed and edited letter to MCWD to accompany notice; registered to file tariffs for LWW with PSC	MEW	1.50
09/12/17	Received and reviewed email memo from client re delivery of letter to MCWD and reviewed Ordinance increasing all rates including wholesale rates	DRT	0.30
09/12/17	Discussed PSC approval process for Wholesale Rate Increase with Damon Talley; drafted cover letter to file for approval of tariff. No Charge.	MEW	0.00
09/13/17	Reviewed PSC cover letter to accompany Tariff filing. No Charge	GEW	0.00
09/13/17	Edited cover letter to PSC; discussed PSC cover letter with Damon Talley; filed Tariff Sheet, Customer Notice, and Cover Letter to MCWD with PSC Tariff Filing System	MEW	1.10
09/15/17	Reviewed email correspondence from client; reviewed FYE 6-30-17 Audit and depreciation schedule from Auditor; replied to client and Auditor by email	DRT	0.40
09/20/17	Reviewed news article re effective date of rate increase; email correspondence with client. No Charge.	DRT	0.00
09/21/17	Obtained copy of newspaper ad where Rate Increase Ordinance was published; email correspondence with client re same	DRT	0.20
09/21/17	Reviewed letter of protest filed by attorney Reed on behalf of MCWD. No Charge.	DRT	0.00
09/21/17	Prepared lengthy email memo to client and Holly Nicholas and attached MCWD's letter of protest with my analysis; made work assignments for Nicholas re future information to provide to PSC; explained PSC review process to clients	DRT	0.30
09/21/17	Reviewed Marion County Water District's request for PSC to open investigation into reasonableness of proposed rates. No Charge.	GEW	0.00

Keep this copy for your records.

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
09/21/17	Reviewed protest letter filed by attorney for Marion County Water District; compared it to other protest letters filed in other municipal wholesale rate cases	MEW	0.30
09/22/17	Reviewed email memo from Daren to news media; email correspondence with Daren and Holly Nicholas. No Charge.	DRT	0.00
09/29/17	Met with Attorney Wimberly to discuss case strategy; email correspondence with Holly Nicholas re resume and PSC procedures in municipal rate cases. No Charge.	DRT	0.00
Total Services			\$4,976.00

Summary of Services

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
GEW	Wuetcher, G E	0.20	320.00	64.00
DRT	Talley, D R	9.90	330.00	3,267.00
MEW	Wimberly, Mary Ellen	7.00	235.00	1,645.00
Total Services		17.10		\$4,976.00

TOTAL FEES & DISBURSEMENTS \$4,976.00

Total Current Charges This Matter \$4,976.00

Stoll Keenon Ogden PLLC

P.O. Box 150

112 North Lincoln Boulevard

Hodgenville, Kentucky 42748

(270) 358-3187

Tax ID # 61-0421389

Lebanon Water Works Company
Daren Thompson, O&M Superintendent
daren.thompson@lebanonwaterworks.com;
lisa.mattingly@lebanonwaterworks.com

November 8, 2017
Invoice #: 866741
Account #: 120538/157999

Re: Wholesale Rate Increase

Fees rendered this bill	\$ 301.50
Total Current Charges This Matter	\$ 301.50

Keep this copy for your records.

Professional Services for the period through 10/31/17, including the following:

Re: Wholesale Rate Increase
 Our Reference: 120538/157999/DRT/2404

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
10/04/17	Reviewed email memo from Holly Nicholas; reviewed Resume prepared by Nicholas; prepared reply memo to Nicholas	DRT	0.20
10/10/17	Reviewed email memo from Lisa Mattingly with numerous attachments, including all contracts and agreements with MCWD; preliminary review of attached documents; prepared email memo to Mattingly re same	DRT	0.50
10/10/17	Forwarded various documents between Lebanon and MCWD to Attorney Mary Ellen Wimberly; prepared email memo with instructions to Attorney Mary Ellen Wimberly. No Charge.	DRT	0.00
10/22/17	Reviewed Water Purchase Agreements; organized and filed Water Purchase Agreements, amendments to Agreements, and other documents between Lebanon Water and MCWD in document management system	MEW	0.30
Total Services			\$301.50

Summary of Services

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
DRT	Talley, D R	0.70	330.00	231.00
MEW	Wimberly, Mary Ellen	0.30	235.00	70.50
Total Services		1.00		\$301.50

TOTAL FEES & DISBURSEMENTS	\$301.50
Total Current Charges This Matter	\$301.50

Keep this copy for your records.

Stoll Keenon Ogden PLLC

P.O. Box 150

112 North Lincoln Boulevard

Hodgenville, Kentucky 42748

(270) 358-3187

Tax ID # 61-0421389

Lebanon Water Works Company
Daren Thompson, O&M Superintendent
daren.thompson@lebanonwaterworks.com;
lisa.mattingly@lebanonwaterworks.com

December 8, 2017
Invoice #: 869112
Account #: 120538/157999

Re: Wholesale Rate Increase

Fees rendered this bill	\$ 5,626.00
Disbursements	\$ 34.24
Total Current Charges This Matter	\$ 5,660.24

Keep this copy for your records.

Professional Services for the period through 11/30/17, including the following:

Re: Wholesale Rate Increase

Our Reference: 120538/157999/DRT/2404

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
11/01/17	Made numerous telephone calls and corresponded via email with client and attorney Wimberly to schedule meeting for 11-3-17 to discuss wholesale rate increase. No Charge.	DRT	0.00
11/01/17	Reviewed numerous email memos from clients (Thompson & Mattingly) re current Audit, prior Audits, system maps, and other documents; quick review of various documents forwarded by client; prepared follow-up email memos to client re documents	DRT	0.50
11/01/17	Prepared email memo to attorney Wimberly re PSC Procedural Schedules in prior wholesale rate cases; reviewed PSC Orders from prior wholesale rate cases; reviewed email memo from attorney Wimberly to client re typical PSC Procedural Schedules. No Charge.	DRT	0.00
11/01/17	Researched Direct Testimony due date and sent information to client	MEW	0.80
11/02/17	Prepared for meeting with clients; reviewed portions of Holly Nicholas' Rate Study; prepared outline of discussion topics for 11-3-27 meeting with clients	DRT	1.50
11/03/17	Met with Daren Thompson, Lisa Mattingly, and Attorney Mary Ellen Wimberly at LWW office to discuss topics to include in Direct Testimony of Thompson and Mattingly, to describe PSC review process, to obtain exhibits, and to obtain additional information and supporting documents re proposed rate increase; memo to file	DRT	7.50
11/03/17	Organized files; prepared for meeting with clients to discuss Direct Testimony; obtained copies of Direct Testimony from prior municipal wholesale rate case. No Charge.	DRT	0.00
11/03/17	Traveled from Lexington to Lebanon for meeting with clients and returned to Lexington; attended meeting with Daren Thompson, Lisa Mattingly, and Damon Talley re wholesale rate case; discussed Direct Testimony, Rate Study, potential exhibits, and case strategy	MEW	8.40
11/05/17	Saved and filed Audits and other documents received from Daren Thompson re wholesale rate case	MEW	0.30
11/13/17	Reviewed PSC Order establishing case and suspending implementation of MCWD rates; drafted email to client summarizing PSC Order	MEW	0.20
11/20/17	Drafted Entry of Appearance and Statement Regarding Electronic Filing; filed Entry of Appearance and Statement Regarding Electronic Filing	MEW	0.90

Keep this copy for your records.

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
Total Services			\$5,626.00

Summary of Services

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
DRT	Talley, D R	9.50	330.00	3,135.00
MEW	Wimberly, Mary Ellen	10.60	235.00	2,491.00
Total Services		20.10		\$5,626.00

Disbursements

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Amount</u>
11/03/17	Mileage to Lebanon for client meeting PAYEE: Talley, P.S.C., Damon R; REQUEST#: 284054; DATE: 12/1/2017.	DRT	\$34.24
Total Disbursements			\$34.24

TOTAL FEES & DISBURSEMENTS	\$5,660.24
Total Current Charges This Matter	\$5,660.24

Stoll Keenon Ogden PLLC

P.O. Box 150

112 North Lincoln Boulevard

Hodgenville, Kentucky 42748

(270) 358-3187

Tax ID # 61-0421389

Lebanon Water Works Company
Daren Thompson, O&M Superintendent
daren.thompson@lebanonwaterworks.com;
lisa.mattingly@lebanonwaterworks.com

January 5, 2018
Invoice #: 870821
Account #: 120538/157999

Re: Wholesale Rate Increase

Fees rendered this bill	\$ 7,148.50
Total Current Charges This Matter	\$ 7,148.50

Keep this copy for your records.

Professional Services for the period through 12/31/17, including the following:

Re: Wholesale Rate Increase

Our Reference: 120538/157999/DRT/2404

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
12/08/17	Reviewed notes from November client meeting and created to-do list. No Charge.	MEW	0.00
12/09/17	Reviewed various Contracts and Amendments between MCWD and LWW; reviewed Agreement between Campbellsville and LWW to understand terms re wholesale rate being triggered by minimum purchase commitment; worked on outline of topics to include in Direct Testimony of Thompson and Holly Nicholas	DRT	2.70
12/10/17	Reviewed notes of meetings with D. Talley and revised outline and to do list. No Charge.	MEW	0.00
12/11/17	Discussed to do list with D. Talley and reviewed list of documents. No Charge.	MEW	0.00
12/18/17	Met with Daren Thompson and Lisa Mattingly at Lebanon to obtain additional information concerning the need for the rate increase, to discuss their Direct Testimony, to review Board Minutes, to review additional documents, and to review financial records pertaining to the Campbellsville Interconnect Project; prepared memo to file	DRT	7.50
12/18/17	Saved Lebanon documents to Document Management System (DM) for easy retrieval and use as Exhibits. No Charge.	MEW	0.00
12/19/17	Reviewed email memo from client; reviewed PSC Order converting case to an electronic case; prepared email memo to client re same. No Charge.	DRT	0.00
12/19/17	Reviewed documents provided by PSC in response to Open Records Request re Marion County Water District Inspection Reports	MEW	0.20
12/21/17	Conferred with attorney Wuetcher re novel legal issues presented by the Lebanon and MCWD Water Supply Agreement and Amendments; discussed best way to present these legal issues to PSC and timing the presentment of these issues; memo to file. No Charge.	DRT	0.00
12/21/17	Reviewed Simpson County Case and several PSC Orders re modification of contracts between municipal utility and PSC regulated utility; researched law on whether PSC has jurisdiction where regulated utility has contract that requires it to pay same rate as city customers	DRT	2.10
12/21/17	Conferred with D. Talley re legal presumption created by wholesale	GEW	0.60

Keep this copy for your records.

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
	contract and burden of proof		
12/27/17	Reviewed email memo from attorney Wimberly outlining her legal research re PSC modifying terms of water purchase agreement. No Charge.	DRT	0.00
12/27/17	Researched case law re judicial reformation of contracts and circumstances that dictate when contracts may be reformed by courts	JTM	4.20
12/27/17	Discussed research with Damon Talley; researched PSC's legal authority to modify Water Purchase Agreement	MEW	2.40
12/28/17	Reviewed 1988 Contract between Lebanon and MCWD and several Addendums to Contract for specific provisions re MCWD paying same rate as Lebanon customers pay; reviewed three Lebanon City Ordinances re rate increases; prepared email memo to attorneys Wimberly and Wuetcher re documents to review to support Lebanon's legal position	DRT	0.70
12/28/17	Continued legal research re judicial reformation of contracts; prepared memo of law to attorney Talley summarizing research	JTM	1.10
12/29/17	Reviewed research memo prepared by attorney Mandlehr re circumstances where Court's will reform or modify terms of contracts. No Charge.	DRT	0.00
12/30/17	Reviewed PSC filings in MCWD Rate case; developed arguments re primacy of contract process; developed legal arguments in support of Motion to Dismiss PSC proceeding	GEW	2.20
12/31/17	Discussed rate case documents with Damon Talley. No Charge.	MEW	0.00
Total Services			\$7,148.50

Summary of Services

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
JTM	Mandlehr, J T	5.30	255.00	1,351.50
GEW	Wuetcher, G E	2.80	320.00	896.00
DRT	Talley, D R	13.00	330.00	4,290.00
MEW	Wimberly, Mary Ellen	2.60	235.00	611.00
Total Services		23.70		\$7,148.50

Keep this copy for your records.

Lebanon Water Works Company

Stoll Keenon Ogden PLLC
Invoice No. 870821

TOTAL FEES & DISBURSEMENTS	\$7,148.50
Total Current Charges This Matter	\$7,148.50

Keep this copy for your records.

Stoll Keenon Ogden PLLC

P.O. Box 150

112 North Lincoln Boulevard

Hodgenville, Kentucky 42748

(270) 358-3187

Tax ID # 61-0421389

Lebanon Water Works Company
Daren Thompson, O&M Superintendent
daren.thompson@lebanonwaterworks.com;
lisa.mattingly@lebanonwaterworks.com

February 6, 2018
Invoice #: 872529
Account #: 120538/157999

Re: Wholesale Rate Increase

Fees rendered this bill	\$ 28,590.00
Less discount	\$-5,718.00
Disbursements	\$ 34.24
Total Current Charges This Matter	\$ 22,906.24

Keep this copy for your records.

Professional Services for the period through 01/31/18, including the following:

Re: Wholesale Rate Increase

Our Reference: 120538/157999/DRT/2404

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
01/02/18	Prepared outline of topics to discuss with attorneys Wuetcher and Wimberly on 1-3-18; prepared email memo to them; reviewed prior PSC rate proceedings between Lebanon Water and MCWD	DRT	1.10
01/02/18	Organized documents and created index. No Charge.	MEW	0.00
01/03/18	Met with attorneys Wimberly and Wuetcher to discuss legal issues in rate case with MCWD; developed legal strategies for shifting burden of proof to MCWD; memo to file	DRT	1.50
01/03/18	Discussed possible legal strategies with Daren and requested copies of additional Rate Ordinances. No Charge.	DRT	0.00
01/03/18	Reviewed case documents; reviewed PSC Orders in other municipal rate cases; conferred with D. Talley and M.E. Wimberly to discuss case strategy	GEW	2.50
01/03/18	Organized documents. No charge.	MEW	0.00
01/03/18	Participated in meeting with Damon Talley and Jerry Wuetcher to discuss case strategy	MEW	1.50
01/04/18	Discussed proposed legal strategy with Daren; requested copies of old contracts between Lebanon Water and MCWD; reviewed old contracts; reviewed portions of Rate Study prepared by Nicholas	DRT	1.10
01/04/18	Prepared portions of draft outline for proposed Motion to Shift Burden of Proof	GEW	0.80
01/05/18	Received and reviewed Resume of Daren Thompson for use in PSC proceeding; added it to list of Exhibits to be included as part of Daren's Direct Testimony	DRT	0.20
01/05/18	Reviewed draft Outline of legal arguments prepared by attorney Wuetcher; sent reply email to Wuetcher	DRT	0.30
01/05/18	Prepared Motion to Shift Burden of Proof and Establish Procedural Schedule	GEW	1.10
01/05/18	Reviewed outline of Motion prepared by Jerry Wuetcher	MEW	0.20
01/08/18	Drafted portions of Direct Testimony of Daren Thompson	MEW	1.10
01/09/18	Reviewed original draft of Motion to Shift Burden of Proof and made edits; revised Motion to Shift Burden of Proof	GEW	1.60
01/09/18	Drafted additional questions and answers to be included in Direct	MEW	1.80

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<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
	Testimony of Daren Thompson		
01/11/18	Reviewed earlier drafts of Thompson Testimony and made edits; prepared additional provisions to include in Thompson Testimony	MEW	1.80
01/12/18	Made revisions to Direct Testimony of Daren Thompson; drafted additional provisions to include in Testimony	MEW	1.70
01/15/18	Discussed case status with client (Daren) and presented outline of legal strategy. No Charge.	DRT	0.00
01/16/18	Discussed legal strategy with client (Daren); answered questions raised by LWW Board members re PSC process and procedures for requiring LWW to prove the reasonableness of the proposed rates; participated in conference call with LWW's local counsel and Daren re legal strategy and proposed Motion to Shift Burden of Proof to MCWD; reviewed lengthy email memo from Daren; replied to email	DRT	1.20
01/16/18	Discussed legal strategy with attorney Wuetcher and shifting burden of proof to MCWD. No Charge.	DRT	0.00
01/17/18	Reviewed email memo from attorney Spragens; reviewed Timeline prepared by client (Daren) for use as an Exhibit; made notes re additional events to add to Timeline	DRT	0.70
01/17/18	Prepared email memo to attorneys Wimberly and Wuetcher re guidance on Memo of Law in Support of Motion to Shift Burden of Proof and other issues.. No Charge.	DRT	0.00
01/17/18	Added Questions and Answers to Direct Testimony of Daren Thompson; revised Thompson Testimony; reviewed email memo from LWW's local counsel Rob Spragens re legal strategy	MEW	0.50
01/18/18	Reviewed numerous contracts and addendums between LWW and MCWD; organized contracts; selected contracts for use as Exhibits to Thompson Testimony; drafted additional Questions and Answers to include in Direct Testimony of Daren Thompson; revised and edited Thompson Testimony	MEW	4.20
01/19/18	Reviewed draft version of Daren Thompson's Direct Testimony; made edits to Direct Testimony; made list of additional topics to include	DRT	1.20
01/19/18	Revised Motion to Shift Burden of Proof; conferred with M.E. Wimberly re Memorandum of Law	GEW	0.50
01/19/18	Discussed Thompson Testimony with Damon Talley; discussed Memorandum of Law with Jerry Wuetcher; made additional edits to Thompson Testimony	MEW	0.90
01/22/18	Reviewed draft of Direct Testimony of Daren Thompson prepared by attorney Wimberly; made edits to Direct Testimony; prepared additional Questions and Answers to be included in Direct	DRT	2.10

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<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
	Testimony; discussed proposed changes with attorney Wimberly; prepared email memo to Wimberly		
01/22/18	Prepared Memorandum of Law in Support of Motion to Shift Burden of Proof; researched PSC Orders to find cases to support arguments	GEW	7.00
01/23/18	Reviewed outline of Motion to Shift Burden of Proof to MCWD; worked on Daren Thompson's Direct Testimony; reviewed PSC Orders in similar cases	DRT	0.80
01/23/18	Discussed Thompson Testimony with attorney Wimberly; discussed Motion to Enforce Contract with attorney Wuetcher. No Charge.	DRT	0.00
01/23/18	Reviewed previous draft of Memorandum of Law; drafted additional arguments to include in Memorandum of Law	GEW	6.00
01/23/18	Reviewed and revised Direct Testimony of Daren Thompson to include additional topics contained in Memorandum of Law	MEW	0.40
01/24/18	Performed additional legal research to locate supporting authorities; prepared Statement of Case portion of Memorandum of Law; reviewed and revised Statement of Case	GEW	8.50
01/25/18	Revised Argument portion of Memorandum of Law; reviewed and revised entire Memorandum of Law	GEW	1.50
01/25/18	Reviewed draft Motion and Memorandum in Support of Motion drafted by Jerry Wuetcher	MEW	0.50
01/26/18	Reviewed and made proposed edits to first and second drafts of Memorandum of Law prepared by attorney Wuetcher; drafted additional provisions to Memo of Law; reviewed draft Motion for Order to Establish Procedural Schedule; made edits to draft Motion; reviewed letter from LWW to Mayor requesting delay in Second Reading of Ordinance; reviewed other old Ordinances and contracts with MCWD to support Motion; obtained additional information from client to support Motion	DRT	2.10
01/26/18	Discussed legal strategy with attorney Wimberly; reviewed proposed changes to attorney Wuetcher's second draft of Motion to Establish Procedural Schedule with attorney Wimberly. No Charge.	DRT	0.00
01/26/18	Participated in Conference Call with Attorneys Wuetcher and Wimberly re structural changes that need to be made to draft Memorandum of Law and to refine the legal arguments in the Memorandum. No Charge.	DRT	0.00
01/26/18	Conferred with D. Talley & M.E. Wimberly re Motion to Assign Burden of Proof and Supporting Memorandum of Law	GEW	0.90
01/26/18	Reviewed Memorandum of Law and made edits; discussed Memorandum of Law with Damon Talley; conferred with Damon Talley and Jerry Wuetcher re need to simplify arguments and make	MEW	3.00

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<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
	structural changes to Memorandum of Law; started revising Memorandum of Law		
01/27/18	Drafted additional provisions to include in Memorandum of Law; reviewed and revised Memorandum of Law	MEW	1.70
01/28/18	Reviewed the revised version of Memorandum of Law (20 pages) prepared by attorney Wimberly; made extensive edits and proposed changes to Memo; researched other PSC Orders re issues contained in Memo	DRT	2.10
01/28/18	Consulted with Attorney Wuetcher re need to simplify arguments in Memo of Law; consulted with attorney Wimberly re re-arranging arguments and placing more emphasis on single versus dual rates in Memo of Law. No Charge.	DRT	0.00
01/28/18	Conferred with D. Talley re Motion to Shift Burden of Proof and Memorandum of Law in support of Motion	GEW	0.80
01/28/18	Reviewed revised version of Memorandum of Law drafted by Wimberly; prepared four (4) additional paragraphs to include in Memorandum	GEW	1.20
01/28/18	Edited Memorandum of Law; discussed edits to Memorandum of Law with Damon Talley	MEW	1.50
01/29/18	Reviewed Monday morning draft of Memorandum of Law; prepared edits to draft; prepared lengthy email memo to attorney Wimberly explaining edits; prepared Timeline of Events to include as Exhibit to Thompson Testimony; reviewed and revised two (2) additional draft versions of Memo of Law	DRT	3.10
01/29/18	Reviewed and revised Thompson Testimony; reviewed some of the Exhibits to Thompson Testimony; added additional Exhibits to Thompson Testimony; reviewed later version of Thompson Testimony; prepared email memo to client and forwarded Testimony to Daren for his review; forwarded version 7 of Memorandum of Law to client and local counsel Spragens; reviewed and revised Timeline	DRT	2.50
01/29/18	Participated in lengthy conference call with attorneys Wimberly and Wuetcher to discuss legal strategy and make changes to Memorandum of Law; prepared and reviewed numerous email memos to and from attorneys Wimberly and Wuetcher re Memorandum of Law and Motion to Assign Burden of Proof.	DRT	0.50
01/29/18	Reviewed revised draft of Memorandum of Law and made revisions	GEW	0.80
01/29/18	Reviewed revisions to Memorandum of Law prepared by Damon Talley; discussed edits to Memorandum with Damon Talley; drafted additional provisions and arguments to include in Memorandum of Law; reviewed and made edits to Memorandum of Law	MEW	4.50
01/30/18	Reviewed updated draft of Memorandum of Law; made edits to Memo of Law; drafted several new paragraphs to include in Memo of Law concerning numerous addendums to Master Agreement and 1997 Addendum that codified single, uniform rate; reviewed	DRT	2.80

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<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
	provisions of 1997 Addendum; obtained information concerning implementation of retail rates; revised Timeline Exhibit		
01/30/18	Drafted new Motion for Procedural Schedule and Assignment of Burden of Proof; prepared lengthy email memo to attorney Wimberly re Motion and Memo of Law; re-read facts of Versailles case; drafted several new paragraphs to Memo of Law comparing Versailles case to current case; reviewed and revised these paragraphs; reviewed and revised Tuesday afternoon version of Memo of Law	DRT	2.50
01/30/18	Reviewed email memo from attorney Spragens re comments on Memo of Law and suggested additions; discussed changes with attorney Spragens; numerous phone calls and email correspondence with Daren and Lisa to obtain additional information; several phone calls with attorneys Wimberly and Wuetcher; reviewed several emails from attorneys Wimberly and Wuetcher re suggested changes; forwarded Thompson Testimony to Daren for review.	DRT	0.50
01/30/18	Reviewed drafts of Motion to Assign Burden of Proof and Memorandum of Law in Support of Motion	GEW	0.60
01/30/18	Edited Motion to Assign Burden of Proof; reviewed and edited Memorandum of Law; discussed edits to Memorandum of Law with Damon Talley; organized numerous Exhibits to include in Thompson's Testimony; prepared Exhibits to streamline filing with PSC	MEW	3.60
01/31/18	Reviewed and edited latest draft of Memorandum of Law in Support of Motion; drafted several additional Questions and Answers to be included in Thompson's Testimony; reviewed additional information from client re amounts of previous rate increases; revised Memo of Law; revised Timeline Exhibit; emailed various documents to client to review and make comments; made final edits to Memorandum and Thompson Testimony	DRT	4.10
01/31/18	Discussed final changes to Motion, Memorandum of Law, Thompson Testimony, and Exhibits with attorneys Wimberly and Wuetcher; discussed various changes to documents with client; prepared numerous email memos to client re documents and reviewed reply memos. No Charge.	DRT	0.00
01/31/18	Reviewed electronic message from PSC confirming receipt of documents that were filed; checked PSC website to review documents that were filled; prepared email memo to client re successful PSC filing and attached all documents that were filed with PSC. No Charge.	DRT	0.00
01/31/18	Quality control; proofread final version of all documents before PSC filing. No Charge.	DRT	0.00
01/31/18	Reviewed final version of Motion to Assign Burden of Proof and Memorandum of Law	GEW	0.40

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<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
01/31/18	Reviewed and edited additional portions of Thompson Testimony prepared by Damon Talley; reviewed and made final edits to Memorandum of Law; discussed edits with Damon Talley; drafted Transmittal Letter to PSC; filed Motion to Shift Burden of Proof, Memorandum of Law, Thompson Testimony, and Transmittal Letter with the PSC	MEW	3.50
Total Services			\$28,590.00

Summary of Services

<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>
GEW	Wuetcher, G E	34.20	320.00	10,944.00
DRT	Talley, D R	30.40	330.00	10,032.00
MEW	Wimberly, Mary Ellen	32.40	235.00	7,614.00
Total Services		97.00		\$28,590.00

Disbursements

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Amount</u>
12/18/17	Mileage to Lebanon for client meeting PAYEE: Talley, P.S.C., Damon R; REQUEST#: 285527; DATE: 1/5/2018.	DRT	\$34.24
Total Disbursements			\$34.24

TOTAL FEES & DISBURSEMENTS	\$28,624.24
LESS DISCOUNT	\$-5,718.00
Total Current Charges This Matter	\$22,906.24

Stoll Keenon Ogden PLLC

P.O. Box 150

112 North Lincoln Boulevard

Hodgenville, Kentucky 42748

(270) 358-3187

Tax ID # 61-0421389

Lebanon Water Works Company
Daren Thompson, O&M Superintendent
daren.thompson@lebanonwaterworks.com;
lisa.mattingly@lebanonwaterworks.com

March 7, 2018
Invoice #: 874722
Account #: 120538/157999

Re: Wholesale Rate Increase

Fees rendered this bill	\$ 6,258.00
Total Current Charges This Matter	\$ 6,258.00

Keep this copy for your records.

Professional Services for the period through 02/28/18, including the following:

Re: Wholesale Rate Increase

Our Reference: 120538/157999/DRT/2404

<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
02/07/18	Reviewed Response Memorandum filed by attorney Samford on behalf of MCWD; reviewed Entry of Appearance filed by attorney Samford. No Charge.	DRT	0.00
02/07/18	Discussed preliminary observations re Response Memorandum filed by attorney for MCWD with Daren. No Charge.	DRT	0.00
02/07/18	Reviewed Marion County Water District's Response to Motion to Assign Burden of Proof. No Charge.	GEW	0.00
02/07/18	Conferred with D. Talley re Response to Motion to Assign Burden of Proof	GEW	0.40
02/07/18	Reviewed Response to Motion to Assign Burden of Proof	MEW	0.40
02/08/18	Reviewed Response to Motion to Assign Burden of Proof; discussed Response to Motion to Assign Burden of Proof with Damon Talley	MEW	0.20
02/12/18	Reviewed Response Memo filed by Attorney Samford; reviewed and analyzed Simpson County case; reviewed preliminary draft of Reply Memo prepared by Attorney Wimberly; made revisions to Reply Memo; drafted several paragraphs to insert into Reply Memo; reviewed and edited revised versions of Reply Memo	DRT	3.10
02/12/18	Discussed Reply Memo with Attorney Wimberly and planned case strategy with her; exchanged several email memos with Attorneys Wimberly and Wuetcher re Reply Memo. No Charge.	DRT	0.00
02/12/18	Reviewed and proofread final version of Reply Memo; discussed contents of Reply Memo with Daren prior to LWW meeting; prepared email memo to Daren and attached Reply Memo. No Charge.	DRT	0.00
02/12/18	Reviewed Response to Motion to Assign Burden of Proof; conferred with ME Wimberly re Reply to Marion District's Response to Motion to Assign Burden of Proof; reviewed draft Reply Memo and made edits	GEW	3.00
02/12/18	Discussed Reply to Marion District's Response to Motion to Assign Burden of Proof with Damon Talley; drafted Reply to Marion District's Response to Motion; edited Reply to Marion District's Response to Motion; drafted PSC Transmittal Letter; discussed edits to Reply with Damon Talley; filed Reply to Marion District's Response to Motion to Assign Burden of Proof	MEW	8.70
02/13/18	Discussed need to prepare written testimony with Damon Talley;	MEW	0.00

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<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
	reviewed case record. No charge.		
02/14/18	Reviewed notes from meeting with client. No Charge.	MEW	0.00
02/15/18	Reviewed notes and drafted outline of testimony for Daren Thompson; No Charge.	MEW	0.00
02/16/18	Reviewed Motion for Leave to File Sur-Reply Memo filed by MCWD and Sur-Reply Memo tendered with Motion	DRT	0.30
02/16/18	Reviewed email memos from attorneys Wuetcher and Wimberly re whether to file Objection to MCWD's Motion for Leave to File Sur-Reply Memo; participated in conference call with Wuetcher and Wimberly to discuss legal strategy. No Charge.	DRT	0.00
02/16/18	Discussed Motion for Leave to File Sur-Reply Memo with client; prepared email memo to client explaining basis for filing Objection to Motion. No Charge.	DRT	0.00
02/16/18	Reviewed Motion to file Sur-Reply & Sur-Reply Memo tendered by MCWD	GEW	0.20
02/16/18	Conferred with D. Talley and M.E. Wimberly re Motion to File Sur-Reply and whether to file Response	GEW	0.30
02/16/18	Reviewed Marion District Motion to file Sur-Reply; discussed proposed Response to Motion with Damon Talley and Jerry Wuetcher	MEW	0.90
02/17/18	Reviewed Response to Motion for Leave to File Sur-Reply and made edits to Response	GEW	0.20
02/17/18	Reviewed revised Response to Motion to File Sur-Reply	GEW	0.20
02/17/18	Drafted Response to Motion for Leave to File Sur-Reply; edited Response to Motion	MEW	0.90
02/19/18	Filed Response to Motion for Leave to File Sur-Reply	GEW	0.10
02/19/18	Made final revisions to Response to Motion for Leave to File Sur-Reply	MEW	0.40
02/20/18	Researched various documents for use as Exhibits to written testimony; revised outline of proposed written testimony. No Charge.	MEW	0.00
02/28/18	Reviewed PSC Procedural Order; conferred with D. Talley & M.E. Wimberly re whether to file Response and outline of topics to include in Response	GEW	1.20
02/28/18	Reviewed Commission Order; discussed Order and drafting of Motion with Damon Talley and Jerry Wuetcher; drafted Motion to	MEW	2.20

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<u>Date</u>	<u>Description</u>	<u>Tkpr</u>	<u>Hours</u>
	Modify Procedural Schedule; reviewed and revised Motion based upon input from Damon Talley and Jerry Wuetcher		
Total Services			<u>\$6,258.00</u>

Summary of Services					
<u>Init</u>	<u>Timekeeper</u>	<u>Hours</u>	<u>Rate</u>	<u>Value</u>	
GEW	Wuetcher, G E	5.60	330.00	1,848.00	
DRT	Talley, D R	3.40	330.00	1,122.00	
MEW	Wimberly, Mary Ellen	<u>13.70</u>	<u>240.00</u>	<u>3,288.00</u>	
Total Services		22.70		\$6,258.00	

TOTAL FEES & DISBURSEMENTS	\$6,258.00
Total Current Charges This Matter	\$6,258.00