

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

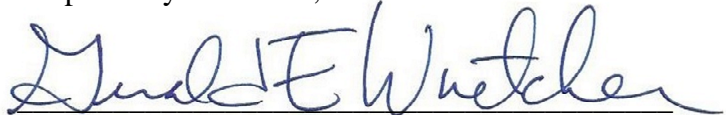
ELECTRONIC APPLICATION OF)	
MCCREARY COUNTY WATER DISTRICT)	
FOR AUTHORIZATION TO EXECUTE)	CASE NO. 2018-00038
LEASE-PURCHASE AGREEMENT AND)	
RELATED RELIEF)	

NOTICE OF FILING

Pursuant to the Commission’s Order of June 28, 2018, McCreary County Water District (“McCreary District”) gives notice of its filing of a copy of Municipal Lease-Purchase Agreement between McCreary District and Government Capital Corporation, a statement of construction costs, and certification that installation of the meters has been satisfactorily completed in accordance with the plans and specifications set forth in McCreary District’s application.

Dated: September 27, 2021

Respectfully submitted,

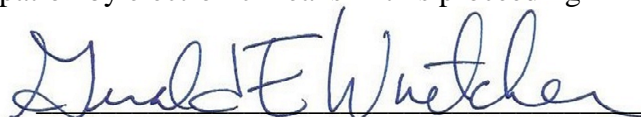


Gerald E. Wuetcher
Stoll Keenon Ogden PLLC
300 West Vine St. Suite 2100
Lexington, Kentucky 40507-1801
Telephone: (859) 231-3017
Fax: (859) 259-3517
gerald.wuetcher@skofirm.com

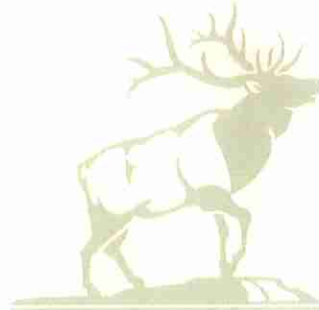
Counsel for McCreary County Water District

CERTIFICATE OF SERVICE

In accordance with 807 KAR 5:001, Section 8, and the Public Service Commission's Order of July 22, 2021 in Case No. 2020-00085, I certify that this document was transmitted to the Public Service Commission on September 24, 2021 and that there are currently no parties that the Public Service Commission has excused from participation by electronic means in this proceeding

A handwritten signature in blue ink that reads "Gerald E. Wuetcher". The signature is written in a cursive style with a horizontal line underneath the name.

Gerald E. Wuetcher



GOVERNMENT CAPITAL
CORPORATION

**MUNICIPAL LEASE-PURCHASE AGREEMENT
No. 8306**

**DATED
June 29, 2018.**

MCCREARY COUNTY WATER DISTRICT

"YOUR PUBLIC FINANCE PARTNER"

**345 Miron Drive
Southlake, TX 76092
800.883.1199
www.govcap.com**



GOVERNMENT CAPITAL CORPORATION

EXHIBIT A

345 MIRON DRIVE SOUTHLAKE, TEXAS 76092 817.421.5400
WWW.GOVCAP.COM

NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

Dated September 7, 2018

Government Capital Corporation ("Assignor") hereby gives notice that it has assigned and sold to Branch Banking and Trust Company ("Assignee") all of Assignor's right, title and interest in, to and under that certain Promissory Note and Loan and Security Agreement dated as of June 29, 2018 (the "Lease-Purchase Agreement"), between Assignor and the McCreary County Water District ("Obligor"), together with all exhibits, schedules, addenda and attachments related thereto, and all certifications and other documents delivered in connection therewith (collectively, the "Transaction Documents"). Each capitalized term used but not defined herein has the meaning set forth in the Lease-Purchase Agreement.

1. Obligor hereby acknowledges the effect of the assignment of the Lease-Purchase Agreement and the other Transaction Documents and absolutely and unconditionally agrees to deliver to Assignee all Payments and other amounts coming due under the Lease-Purchase Agreement in accordance with the terms thereof on and after the date of this Notice.

2. All Payments and other amounts coming due pursuant to the Lease-Purchase Agreement on and after the date of this Notice should be remitted to Assignee at the following address (or such other address as provided to Obligor in writing from time to time by Assignee):

By Mail:

Branch Banking and Trust Company
Attn: Governmental Finance
5130 Parkway Plaza Blvd.
Charlotte, NC 28217

By Wire:


Bank: Branch Banking and Trust Company
ABA No. 053101121
Account No: 0005203964953
Ref: McCreary County Water District

3. Any questions related to the administration of the documents should be referred to Assignee at the address below. All notices to be given under the Lease-Purchase Agreement shall be given to Assignee at the address below.

Branch Banking and Trust Company
5130 Parkway Plaza Blvd
Charlotte, NC 28217
Attn: Roxanne Crouch

Please acknowledge your receipt and acceptance of this Notice by countersigning this letter as indicated below and sending an executed copy to Assignee at the address indicated above.

GOVERNMENT CAPITAL CORPORATION

By: 
Name: Ann Schmidt
Title: Post Closing Coordinator



ACKNOWLEDGED AND AGREED:

McCreary County Water District

By: 
Name: Stephen Whitaker
Title: Manager/Superintendent

cc: Branch Banking and Trust Company



EXHIBIT A

345 MIRON DRIVE SOUTH LAKE, TEXAS 76092 817.421.5400
WWW.GOVCAP.COM

NOTICE AND ACKNOWLEDGEMENT OF ASSIGNMENT

Dated September 7, 2018

Government Capital Corporation ("Assignor") hereby gives notice that it has assigned and sold to Branch Banking and Trust Company ("Assignee") all of Assignor's right, title and interest in, to and under that certain Promissory Note and Loan and Security Agreement dated as of June 29, 2018 (the "Lease-Purchase Agreement"), between Assignor and the McCreary County Water District ("Obligor"), together with all exhibits, schedules, addenda and attachments related thereto, and all certifications and other documents delivered in connection therewith (collectively, the "Transaction Documents"). Each capitalized term used but not defined herein has the meaning set forth in the Lease-Purchase Agreement.

1. Obligor hereby acknowledges the effect of the assignment of the Lease-Purchase Agreement and the other Transaction Documents and absolutely and unconditionally agrees to deliver to Assignee all Payments and other amounts coming due under the Lease-Purchase Agreement in accordance with the terms thereof on and after the date of this Notice.

2. All Payments and other amounts coming due pursuant to the Lease-Purchase Agreement on and after the date of this Notice should be remitted to Assignee at the following address (or such other address as provided to Obligor in writing from time to time by Assignee):

By Mail:

Branch Banking and Trust Company
Attn: Governmental Finance
5130 Parkway Plaza Blvd.
Charlotte, NC 28217

By Wire:

Bank: Branch Banking and Trust Company
ABA No. 053101121
Account No: 0005203964953
Ref: McCreary County Water District

3. Any questions related to the administration of the documents should be referred to Assignee at the address below. All notices to be given under the Lease-Purchase Agreement shall be given to Assignee at the address below.

Branch Banking and Trust Company
5130 Parkway Plaza Blvd
Charlotte, NC 28217
Attn: Roxanne Crouch

Please acknowledge your receipt and acceptance of this Notice by countersigning this letter as indicated below and sending an executed copy to Assignee at the address indicated above.

GOVERNMENT CAPITAL CORPORATION

By: 
Name: Ann Schmidt
Title: Post Closing Coordinator

MUNICIPAL LEASE-PURCHASE AGREEMENT

THIS MUNICIPAL LEASE-PURCHASE AGREEMENT **No.8306** (hereafter referred to as "Agreement") dated as of **June 29, 2018**, by and between **Government Capital Corporation**, a Texas corporation (and its successors and assigns, herein referred to as "Lessor"), and **McCreary County Water District**, a political subdivision or agency of the State of Kentucky (hereinafter referred to as "Lessee").

WITNESSETH: In consideration of the mutual covenants and conditions hereinafter set forth, the parties hereto agree as follows:

1. Term and Payments. Lessor hereby leases to Lessee and Lessee hereby leases from Lessor the property described in Exhibit A hereto (hereinafter, with all replacement parts, substitutions, proceeds, increases, additions, accessions, repairs and accessories incorporated therein or affixed thereto, referred to as the "Property") for the amounts to be paid in the amounts (the "Lease Payments") and on the dates (the "Lease Payment Dates") set forth in Exhibit B hereto. Except as specifically provided in Section 2 hereof, the obligation of the Lessee to make the Lease Payments shall be absolute and unconditional in all events and shall not be subject to any set-off, defense, counterclaim, abatement, reduction or recoupment for any reason. The term of this Agreement shall commence on the date hereof and shall continue until the end of the Lessee's current fiscal period and thereafter shall continue for such successive fiscal periods as are necessary to pay all Lease Payments for the full lease term as set forth in Exhibit B, unless earlier terminated as provided herein. Lessee shall pay the Lease Payments out of its general funds and other funds of Lessee that are legally available therefor with lawful money of the United States of America, without notice or demand, at the office of Lessor identified below (or such other place as Lessor may designate from time to time in writing).

2. Renewal and Non-Appropriation. Lessee agrees that its officer responsible for the Lessee's budget will take all necessary steps and make timely requests for the appropriation of funds to make all Lease Payments, and use the officer's best efforts and take all reasonable means to cause such appropriations to be made. In the event that funds have been appropriated for the payment of Lease Payments during any fiscal period, this Agreement will terminate at the end of the last fiscal period for which such funds were appropriated. Lessee shall give notice to Lessor at least sixty (60) days prior to the first day of such fiscal period for which appropriations cannot be made. Lessee's failure to obtain the full amount of funds necessary to make Lease Payments hereunder during any fiscal period shall terminate all Lessee's right, title and interest in and obligations under this Agreement and to all the Property, effective on the last day of the last fiscal period for which appropriation or approval was properly obtained.

3. Lessee's Representations and Warranties. Lessee covenants and warrants to Lessor as follows:

(a) Lessee is a state or political subdivision of the State within the meaning of Section 103(c) of the Internal Revenue Code of 1986, as amended (the "Code"), duly organized and existing under the Constitution and laws of the State, and is authorized under the Constitution and laws of the State to enter into this Agreement and the transactions contemplated hereby and thereby, and to perform all of its obligations under this Agreement.

(b) This Agreement has been duly authorized, executed, and delivered by Lessee and is a valid and binding obligation of Lessee enforceable in accordance with its terms, and all requirements for execution, delivery and performance of this Agreement have been satisfied;

(c) The execution, delivery and performance of this Agreement by Lessee does not (i) violate any State or federal law or local law or ordinance, or any order, writ, injunction, decree, or regulation of any court or other governmental agency or body applicable to Lessee, or (ii) conflict with or result in the breach or violation of any term or provision of, or constitute a default under, any note, bond, mortgage, indenture, agreement, deed of trust, lease or other obligation to which Lessee is bound; (d) There is no action, suit, proceeding, claim, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best of Lessee's knowledge, threatened against or affecting Lessee, challenging Lessee's authority to enter into this Agreement or any other action wherein an unfavorable ruling or finding would adversely affect the enforceability of this Agreement;

(d) Information supplied and statements made by Lessee in any financial statement or current budget prior to or contemporaneously with the Agreement are true and correct;

(e) Lessee has an immediate need for, and expects to make immediate use of, the Property, which need is not temporary or expected to diminish during the full term of this Agreement;

(f) There are no circumstances presently affecting the Lessee that could reasonably be expected to alter its foreseeable need for the Property or adversely affect its ability or willingness to budget funds for the payment of sums due hereunder;

(g) Lessee's right to terminate this Agreement as specified in Section 2 hereof was not an independently bargained for consideration, but was included solely for the purpose of complying with the requirements of the laws of the State in which Lessee is located; and

(h) No lease, rental agreement, lease-purchase agreement, payment agreement or contract for purchase to which Lessee has been a party at any time during the past ten (10) years has been terminated by Lessee as a result of insufficient funds being appropriated in any Fiscal Year. No event has occurred which would constitute an event of default under any debt, revenue bond or obligation which Lessee has issued during the past ten (10) years.

4. Taxes. Lessee agrees to pay all licenses, assessments, sales, use, real or personal property, gross receipts or other taxes, levies, imposts, duties or charges, if any, together with any penalties, fines, or interest thereon imposed against or on Lessor, Lessee or the Property by any governmental authority upon or with respect to the Property or the purchase, ownership, rental, possession, operation, return or sale of, or receipt of payments for, the Property, except any Federal or state income taxes, if any, payable by Lessor (except as provided in Section 23). Lessee may contest any such taxes prior to payment provided such contest does not involve any risk of sale, forfeiture or loss of the Property or any interest therein.

5. Use and Licenses. Lessee shall pay and discharge all operating expenses and shall cause the Property to be operated by competent persons only. Lessee shall use the Property only for its proper purposes and will not install, use, operate or maintain the Property improperly, carelessly, or in violation of any applicable law, ordinance, rule or regulation of any governmental authority, or in a manner contrary to the nature of the Property or the use contemplated by its manufacturer. Lessee shall keep the property at the location stated on the Certificate of Acceptance executed by Lessee upon delivery of the Property until Lessor, in writing, permits its removal, and the Property shall be used solely in the conduct of the Lessee's operations. Lessee shall obtain, at its expense, all registrations, permits and licenses, if any, required by law for the installation and operation of the Property. Any

license plates used on the Property shall be issued in the name of the Lessee. If a certificate of title is issuable with respect to the Property, it shall be delivered to the Lessor showing the interest of the Lessor.

6. Maintenance. Lessor shall not be obligated to make any repairs or replacements. At its own expense, Lessee shall service, repair and maintain the Property in as good condition, repair, appearance and working order as when delivered to Lessee hereunder, ordinary wear and tear from proper use alone excepted, and shall replace any and all parts thereof which may from time to time become worn out, lost, stolen, destroyed, or damaged beyond repair or rendered unfit for intended use, for any reason whatsoever, all of which replacements shall be free and clear of all liens, encumbrances and claims of others and shall become part of the Property and subject to this Agreement. Lessor may, at its option, discharge such costs, expenses and insurance premiums necessary for the repair, maintenance and preservation of the Property, and all sums so expended shall be due from Lessee in addition to rental payments hereunder.

7. Alterations.

(a) Lessee may, at its own expense, install or place in or on, or attach or affix to, the Property such equipment or accessories as may be necessary or convenient to use the Property for its intended purposes provided that such equipment or accessories do not impair the value or utility of the Property. All such equipment and accessories shall be removed by Lessee upon termination of this Agreement, provided that any resulting damage shall be repaired at Lessee's expense. Any such equipment or accessories not removed shall become the property of Lessor.

(b) Without the written consent of Lessor, Lessee shall not make any other alterations, modifications or improvements to the Property except as required or permitted hereunder. Any other alterations, modifications or improvements to the Property shall immediately become part of the Property, subject to the provisions hereof. Without the prior written consent of Lessor, Lessee shall not affix or attach any of the Property to any real property. The Property shall remain personal property regardless of whether it becomes affixed or attached to real property or permanently rests upon any real property or any improvement thereon.

8. Liens. Lessee shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, security interest, pledge, lien, charge, encumbrance or claim on or with respect to the Property, title thereto or any interest therein, except the respective rights of Lessor and Lessee hereunder.

9. Damage to or Destruction of Property. Lessee shall bear the entire risk of loss, damage, theft or destruction of the Property from any and every cause whatsoever, and no loss, damage, destruction or other event shall release Lessee from the obligation to pay the full amount of the Lease Payments or from any other obligation under this Agreement. In the event of damage to any item of the Property, Lessee will provide notice to Lessor and, unless otherwise directed by Lessor, immediately place the same in good repair, with the proceeds of any insurance recovery applied to the cost of such repair. If Lessor determines that any item of Property is lost, stolen, destroyed or damaged beyond repair, Lessee, at the option of Lessor, will either (a) replace the same with like property in good repair or (b) on the next Lease Payment Date, pay to Lessor (i) all amounts then owed by Lessee to Lessor under this Agreement, including the Lease Payment due on such date, and (ii) an amount equal to the applicable Option to Purchase Value set forth in Exhibit B.

10. Insurance. Lessee shall, for the term of this Agreement, at its own expense, provide comprehensive liability insurance with respect to the Property, insuring against such risks, and such amounts as are customary for lessees of property of a character similar to the Property. Lessee may self-insure with Lessor's prior written consent. In addition, Lessee shall, for the term of this Agreement, at its own expense, provide casualty insurance with respect to the Property, insuring against customary risks, coverage at all times not less than the amount of the unpaid principal portion of the Lease Payments. If insurance policies are provided with respect to the Property, all insurance policies shall be with insurers rated not less than "A" by A.M. Best and authorized to do business in the State where the Property is located, and shall name both Lessor and Lessee as insureds as their respective interest may appear. Insurance proceeds from casualty losses shall be payable solely to the Lessor, subject to the provisions of Section 9. Lessee shall, upon request, deliver to Lessor evidence of the required coverages together with premium receipts, and each insurer shall agree to give Lessor written notice of non-payment of any premium due and ten (10) days notice prior to cancellation or alteration of any such policy. Lessee shall also carry and require any other person or entity working on, in or about the Property to carry workmen's compensation insurance covering employees on, in or about the Property. In the event Lessee fails, for any reason, to comply with the requirements of this Section, Lessee shall indemnify, save harmless and, at Lessee's sole expense, defend Lessor and its agents, employees, officers and directors and the Property against all risk of loss not covered by insurance.

11. Claims and Expenses. Lessee assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Property and for injury to or death of any person or damage to any property, whether such injury or death be with respect to agents or employees of Lessee or of third parties, and whether such property damage be to Lessee's property or the property of others, which is proximately caused by the negligent conduct of Lessee, its officers, employees and agents. Lessee hereby assumes responsibility for and agrees to reimburse Lessor for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Lessor that in any way relate to or arise out of a claim, suit or proceeding based in whole or in part upon the negligent conduct of Lessee, its officers, employees and agents, to the maximum extent permitted by law.

12. No Warranty. ALL WARRANTIES, PROMISES AND SERVICE AGREEMENTS, IF ANY, RELATING TO THE PROPERTY THAT THE MANUFACTURERS OR SUPPLIERS OF THE PROPERTY (THE "VENDOR") HAVE MADE IN CONNECTION WITH THE PROPERTY ARE HEREBY ASSIGNED TO LESSEE. Lessee may communicate with Vendor and receive an accurate and complete statement of all such warranties, promises and service agreements, if any. All claims or actions on any warranty so assigned shall be made or prosecuted by Lessee, at its sole expense, upon prior written notice to Lessor. Lessor may, but shall have no obligation whatsoever to participate in such claim or action on such warranty, at Lessor's expense. Any recovery under such a warranty shall be made payable jointly to Lessee and Lessor. Lessee acknowledges that Lessee has selected the Vendor and that Lessee has directed Lessor to acquire the Property from Vendor in connection with this Agreement. Lessee further acknowledges that this Agreement is a "Finance Lease" within the meaning of the Uniform Commercial Code and that Lessee is entitled to the Vendor's warranties and promises described above, if any. LESSOR HAS MADE AND MAKES NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, AND ASSUMES NO OBLIGATION WITH RESPECT TO THE TITLE, MERCHANTABILITY, CONDITION, QUALITY OR FITNESS OF THE PROPERTY DESCRIBED IN EXHIBIT A FOR ANY PARTICULAR PURPOSE OR THE CONFORMITY OF THE PROPERTY TO ANY SPECIFICATION OR PURCHASE ORDER, OR AS TO THE PROPERTY'S DESIGN, DELIVERY, INSTALLATION OR OPERATION. All such risks shall be borne by Lessee without in any way excusing Lessee from its obligations under this Agreement, and Lessor shall not be liable to Lessee for any damages on account of such risks.

13. Option to Purchase. Provided that no Event of Default has occurred and is continuing, Lessee shall have the option to purchase all of the Property which is then subject to this Agreement, "as is" on a Lease Payment Date, by paying the applicable Option to Purchase Value set forth in Exhibit B plus the Lease Payment then due and all other amounts due and owing hereunder, by giving written notice to Lessor not less than sixty (60) days prior to the date for the exercise of such option; provided that at the end of the full term of this Agreement upon Lessee's payment of all Lease Payments and any other amounts payable hereunder, Lessee shall be deemed to have properly exercised its option to purchase the Property, free of any lien, encumbrance or security interest except such liens in favor of Lessor. Upon payment of the applicable Option to Purchase Value and other amounts payable hereunder, Lessor's interest in the Property shall automatically vest in Lessee free from any lien, encumbrance or security interest in favor of Lessor and this Agreement shall terminate.

14. Default and Lessor's Remedies.

(a) The occurrence of one or more of the following events shall constitute an "Event of Default", whether occurring voluntarily or involuntarily, by operation of law or pursuant to any order of any court or governmental agency:

(1) Lessee fails to make any payment hereunder when due;
(2) Lessee fails to comply with any other covenant, condition or agreement of Lessee hereunder for a period of the ten (10) days after notice thereof;
(3) Any representation or warranty made by Lessee hereunder shall be untrue in any material respect as of the date made;

(4) Lessee fails to insure the Property as required by Section 10.
(5) Lessee makes, permits or suffers any unauthorized assignment, transfer or other disposition of this Agreement or any interest herein, or any part of the Property or any interest therein; or
(6) Lessee becomes insolvent; or admits in writing its inability to pay its debts as they mature; or applies for, consents to or acquiesces in the appointment of a trustee, receiver or custodian for the Lessee or a substantial part of its property; or, in the absence of such application, consent or acquiescence, a trustee, receiver or custodian is appointed for Lessee or a substantial part of its property and is not discharged within sixty (60) days; or any bankruptcy, reorganization, debt arrangement, moratorium, or any proceeding under any bankruptcy or insolvency law, or any dissolution or liquidation proceeding is instituted by or against Lessee and, if instituted against Lessee, is consented to or acquiesced in by Lessee or is not dismissed within sixty (60) days.

(b) Upon the occurrence of any Event of Default specified herein, Lessor may, at its sole discretion, exercise any or all of the following remedies:

(1) Lessor, with or without terminating this Agreement, may declare all Lease Payments payable hereunder to the end of the then-current fiscal period of Lessee to be immediately due and payable by Lessee, whereupon such Lease Payments shall be immediately due and payable;

(2) Terminate this Agreement and take possession of the Property, without demand or notice and without court order or any process of law, and remove and relet the same for Lessee's account, in which event Lessee waives any and all damages resulting there from and shall be liable for all costs and expenses incurred by Lessor in connection therewith and the difference, if any, between the amounts to be paid pursuant to Section 1 hereof and the amounts received and to be received by Lessor in connection with any such reletting;

(3) Terminate this Agreement and repossess the Property, in which event Lessee shall be liable for any amounts payable hereunder through the date of such termination and all costs and expenses incurred by Lessor in connection therewith;

(4) Sell the Property or any portion thereof for Lessor's account at public or private sale, for cash or credit, without demand on notice to Lessee of Lessor's intention to do so, or relet the Property for a term and a rental which may be equal to, greater than or less than the rental and term provided herein. If the proceeds from any such sale or rental payments received under a new agreement made for the periods prior to the expiration of this Agreement are less than the sum of (i) the costs of such repossession, sale, relocation, storage, reconditioning, reletting and reinstallation (including but not limited to reasonable attorneys' fees), (ii) the unpaid principal balance of the Lease Payments, and (iii) any past due amounts hereunder (plus interest on such unpaid principal balance at the Default Rate (defined herein), to the date of such sale), all of which shall be paid to Lessor, Lessor shall retain all such proceeds and Lessee shall remain liable for any deficiency; or

(5) Pursue and exercise any other remedy available at law or in equity, in which event Lessee shall be liable for any and all costs and expenses incurred by Lessor in connection therewith. "Costs and expenses", as that term is used in this Section 14, shall mean, to the extent allowed by law: (i) reasonable attorneys' fees if this Agreement is referred for collection to an attorney not a salaried employee of Lessor or the holder of this Agreement; (ii) court costs and disbursements including such costs in the event of any action necessary to secure possession of the Property; and (iii) actual and reasonable out-of-pocket expenses incurred in connection with any repossession or foreclosure, including costs of storing, reconditioning and reselling the Property, subject to the standards of good faith and commercial reasonableness set by the applicable Uniform Commercial Code. Lessee waives all rights under all exemption laws.

(6) Apply any proceeds of this Agreement held under any escrow fund or project fund established in connection herewith to the outstanding amount of this Agreement.

Each of the rights and remedies under this Agreement is cumulative and may be enforced separately or concurrently.

15. Termination. Unless Lessee has properly exercised its option to purchase pursuant to Section 13 hereof, lessee shall, upon the expiration of the term of this Agreement or any earlier termination hereof pursuant to the terms of this Agreement, deliver the Property to Lessor unencumbered and in at least as good condition and repair as when delivered to Lessee, ordinary wear and tear resulting from proper use alone excepted, by loading the Property, at Lessee's sole expense, on such carrier, or delivering the Property to such location, as Lessor shall provide or designate at or within a reasonable distance from the general location of the Property. If Lessee fails to deliver the Property to Lessor, as provided in this Section 15, on or before the date of termination of this Agreement, Lessee shall pay to Lessor upon demand, for the hold-over period, a portion of the total payment for the applicable period as set forth in Exhibit B prorated from the date of termination of this Agreement to the date Lessee either redelivers the Property to Lessor or Lessor repossesses the Property. Lessee hereby waives any right which it now has or which might be acquired or conferred upon it by any law or order of any court or other governmental authority to terminate this Agreement or its obligations hereunder, except in accordance with the express provisions hereof.

16. Assignment. Without Lessor's prior written consent, Lessee will not either (i) assign, transfer, pledge,

hypothecate, grant any security interest in or otherwise dispose of this Agreement or the Property or any interest in this Agreement or the Property; or (ii) sublet or lend the Property. Lessor may assign its rights, title and interest in and to this Agreement, the Property and any other documents executed with respect to this Agreement and/or grant or assign a security interest in this Agreement and the Property, in whole or in part. Any such assignees shall have all of the rights of Lessor under this Agreement. Subject to the foregoing, this Agreement inures to the benefit of and is binding upon the heirs, executors, administrators, successors and assigns of the parties hereto. No assignment or reassignment of any of Lessor's rights, title or interest in this Agreement or the Property shall be effective with regard to Lessee unless and until Lessee shall have received notice of such assignment, disclosing the name and address of such assignee. During the term of this Agreement, Lessee shall keep a complete and accurate record of all such assignments in form necessary to comply with the United States Internal Revenue Code of 1986, Section 149 (a), and the regulations, proposed or existing, from time to time promulgated thereunder.

17. Personal Property. The Property is and shall at all times be and remain personal property.

18. Title. Upon acceptance of the Property by Lessee hereunder, Lessee shall have title to the Property during the term of this Agreement; however, in the event of (i) an Event of Default hereunder and for so long as such Event of Default is continuing, or (ii) termination of this Agreement pursuant to the provisions of Section 2 hereof, title shall be reverted immediately in and shall revert to Lessor free of any right, title or interest of Lessee unless Lessor elects otherwise.

19. Lessor's Right to Perform for Lessee. If Lessee fails to make any payment or perform or comply with any of its covenants or obligations hereunder, Lessor may, but shall not be required to, make such payment or perform or comply with such covenants and obligations on behalf of Lessee, and the amount of any such payment and the expenses (including but not limited to reasonable attorneys' fees) incurred by Lessor in performing or complying with such covenants and obligations, as the case may be, together with interest thereon at the Default Rate, shall be payable by Lessee upon demand.

20. Interest on Default. If Lessee fails to pay any Lease Payment specified in Section 1 hereof within ten (10) days after the due date thereof, Lessee shall pay to Lessor interest on such delinquent payment from the due date until paid at the lesser of 10% per annum or the highest lawful rate (the "Default Rate").

21. Notices. Any notices to be given or to be served upon any party hereto in connection with this Agreement must be in writing and may be given by certified or registered mail, and shall be deemed to have been given and received forty-eight (48) hours after a registered or certified letter containing such notice, postage prepaid, is deposited in the United States mail, and if given otherwise shall be deemed to have been given when delivered to and received by the party to whom it is addressed. Such notice shall be given to the parties at their respective addresses designated on the signature page of this Agreement or at such other address as either party may hereafter designate.

22. Security Interest. As security for Lessee's covenants and obligations hereunder, Lessee hereby grants to Lessor, and its successors, a security interest in the Property, all accessions thereto and proceeds therefrom, and, in addition to Lessor's rights hereunder, all of the rights and benefits of a secured party under the Uniform Commercial Code as in effect from time to time hereafter in the State in which the Property is located or any other State which may have jurisdiction over the Property. Lessee agrees to execute, acknowledge and deliver to Lessor in recordable form upon request financing statements or any other instruments with respect to the Property or this Agreement considered necessary or desirable by Lessor to perfect and continue the security interest granted herein in accordance with the laws of the applicable jurisdiction. Lessee hereby authorizes Lessor or its agent/assigns to sign and execute on its behalf, any and all necessary UCC-1 forms to perfect the Purchase Money Security interest herein granted to Lessor.

23. Tax Exemption.

(a) Lessee covenants and agrees that it will (i) complete and timely file an IRS Form 8038-G with the Internal Revenue Service ("IRS") in accordance with Section 149(e) of the Code; (ii) not permit the Property to be directly or indirectly used for a private business use within the meaning of Section 141 of the Code including, without limitation, use by private persons or entities pursuant to contractual arrangements which do not satisfy IRS guidelines for permitted management contracts, as the same may be amended from time to time; (iii) invest and reinvest moneys related to this Agreement from time to time in a manner that will not cause this Agreement to be classified as an "arbitrage bond" within the meaning of Section 148(a) of the Code; (iv) rebate an amount equal to excess earnings on invested proceeds of this Agreement to the federal government if required by, and in accordance with, Section 148(f) of the Code and make the determinations and maintain the records required by the Code; and (v) comply with all provisions and regulations applicable to establishing and maintaining the excludability of the interest component of the Rental Payments from federal gross income pursuant to Section 103 of the Code.

(b) Lessee certifies that it does reasonably anticipate that not more than \$10,000,000 of "qualified tax-exempt obligations" as that term is defined in Section 265(b)(3) of the Code, will be issued by it and any subordinate entities during the current calendar year. Further, Lessee designates this issue as comprising a portion of the \$10 million in aggregate issues to be designated as "qualified tax exempt obligations" eligible for the exception contained in Section 265(b)(3) of the Code allowing for an exception to the general rule of the Code which provides for a total disallowance of a deduction for interest expense allocable to the carrying of tax exempt obligations.

(c) If Lessor either (i) receives notice, in any form, from the Internal Revenue Service; or (ii) reasonably determines, based on an opinion of independent tax counsel selected by Lessor and approved by Lessee, which approval Lessee shall not unreasonably withhold; that Lessor may not exclude any interest paid hereunder from Federal gross income because Lessee breached a covenant contained herein, then Lessee shall pay to Lessor, within thirty (30) days after Lessor notifies Lessee of such determination, an amount which, with respect to rental payments previously paid and taking into account all penalties, fines, interest and additions to tax (including all federal, state and local taxes imposed on the interest component of all Lease Payments due through the date of such event), will restore to Lessor its after-tax yield (assuming tax at the highest marginal tax rate and taking into account the time of receipt of payments and reinvestment at the after-tax yield rate) on the transaction evidenced by this Agreement through the date of such payment. Additionally, Lessee agrees that upon the occurrence of such an event, it shall pay as additional rent to Lessor, on each succeeding Lease Payment due date, such amount as will maintain such after-tax yield to Lessor.

24. Continuing Disclosure. Specifically and without limitation, Lessee agrees to provide audited financial statements, prepared by a certified public accountant not later than six (6) months after and as of the end of each fiscal year. Periodic financial statement shall include a combined balance sheet as of the end of each such period, and a combined statement of revenues, expenditures and changes in fund balances, from the beginning of the then fiscal year to the end of such period certified as correct by one of Lessee's authorized agents. If Lessee has subsidiaries, the financial statements required will be provided on a consolidated and consolidation basis.

25. Miscellaneous.

(a) Lessee shall, whenever requested, advise Lessor of the exact location and condition of the Property and shall give the Lessor immediate notice of any attachment or other judicial process affecting the Property, and indemnify and save Lessor harmless from any loss or damage caused thereby. Lessor may, for the purpose of inspection at all reasonable times enter upon any job, building or place where the Property and the books and records of the Lessee with respect thereto are located.

(b) Time is of the essence. No covenant or obligations hereunder to be performed by Lessee may be waived except by the written consent of Lessor, and a waiver of any such covenant or obligation or a forbearance to invoke any remedy on any occasion shall not constitute or be treated as a waiver of such covenant or obligation as to any other occasion and shall not preclude Lessor from invoking such remedy at any later time prior to Lessee's cure of the condition giving rise to such remedy. Lessor's rights hereunder are cumulative and not alternative.

(c) This Agreement shall be construed in accordance with, and governed by, the laws of the State in which the Property is located.

(d) This Agreement constitutes the entire agreement between the parties and shall not be modified, waived, discharged, terminated, amended, altered or changed in any respect except by a written document signed by both Lessor and Lessee.

(e) Any term or provision of this Agreement found to be prohibited by law or unenforceable shall be ineffective to the extent of such prohibition or unenforceability without, to the extent reasonably possible, invalidating the remainder of this Agreement.

(f) The Lessor hereunder shall have the right at any time or times, by notice to Lessee, to designate or appoint any person or entity to act as agent or trustee for Lessor for any purposes hereunder.

(g) All transportation charges shall be borne by Lessee. Lessee will immediately notify Lessor of any change occurring in or to the Property, of a change in Lessee's address, or in any fact or circumstance warranted or represented by Lessee to Lessor, or if any Event of Default occurs.

(h) Use of the neuter gender herein is for purposes of convenience only and shall be deemed to mean and include the masculine or feminine gender whenever and wherever appropriate.

(i) The captions set forth herein are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.


(j) Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, administrators, legal representatives, successors and assigns, where permitted by this Agreement.

(k) This Agreement may be executed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument, and in making proof of this Agreement it shall not be necessary to produce or account for more than one such counterpart. A signed and delivered facsimile copy of this Agreement, or a signed copy transmitted electronically in either a tagged image format file (TIFF) or a portable document format (PDF), shall be binding on the party signing the facsimile or electronically transmitted copy, and such copy shall have the same effect as the original. Any party who delivers such a signature page agrees to later deliver an original counterpart to the party which requests it.

[Signature Page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 9 day of August in the year 2018.

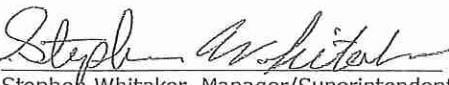
Lessor: Government Capital Corporation


Authorized Signature
345 Miron Drive
Southlake, TX 76092

Keith Miller
Director of
Operations

Witness Signature: Kim Strange
Print Name: Kim Strange
Print Title: Team Lead-Proc. Dept.

Lessee: McCreary County Water District


Stephen Whitaker, Manager/Superintendent
19 Crit King Road
Whitley, KS 42653

Witness Signature: Kathy Troxell
Print Name: Kathy Troxell
Print Title: Office Assistant

EXHIBIT A
DESCRIPTION OF PROPERTY
MUNICIPAL LEASE-PURCHASE AGREEMENT No.8306 (THE "AGREEMENT")
BY AND BETWEEN
Lessor, Government Capital Corporation and **Lessee**, McCreary County Water District
Dated as of June 29, 2018

QTY	DESCRIPTION
	Water Meters
5,600	Kamstrup FlowIQ 2100 RF – 5/8 in x 3/4 in
24	Kamstrup FlowIQ 3101 RF – 1 in.
16	FlowIQ 3101, Internal Kamstrup RF – 1 ½ in
48	FlowIQ 3101, Internal Kamstrup RF – 2 in x 17 in
2	FlowIQ 3101, Internal Kamstrup RF – 2 in x 15 1/4 in
10	External Antenna, 5 ft cable length
2	READY Converter, 3 Channel

PROPERTY LOCATION:
McCreary County Water District
Throughout the District

EXHIBIT B

**>> SCHEDULE OF PAYMENTS & OPTION TO PURCHASE PRICE <<
MUNICIPAL LEASE-PURCHASE AGREEMENT No.8306 (THE "AGREEMENT")
BY AND BETWEEN**

Lessor: Government Capital Corporation and **Lessee:** McCreary County Water District
Schedule dated as of September 7, 2018

PMT NO.	PMT DATE MO DAY YR	TOTAL PAYMENT	INTEREST PAID	PRINCIPAL PAID	OPTION TO PURCHASE after pmt on this line
1	8/1/2019	\$97,666.78	\$28,311.82	\$69,354.96	N/A
2	8/1/2020	\$97,666.78	\$28,721.36	\$68,945.42	N/A
3	8/1/2021	\$97,666.78	\$26,001.30	\$71,665.48	N/A
4	8/1/2022	\$97,666.78	\$23,173.92	\$74,492.86	N/A
5	8/1/2023	\$97,666.78	\$20,235.00	\$77,431.78	\$439,428.88
6	8/1/2024	\$97,666.78	\$17,180.13	\$80,486.65	\$357,728.89
7	8/1/2025	\$97,666.78	\$14,004.74	\$83,662.04	\$273,046.85
8	8/1/2026	\$97,666.78	\$10,704.07	\$86,962.71	\$185,273.92
9	8/1/2027	\$97,666.78	\$7,273.18	\$90,393.60	\$94,297.28
10	8/1/2028	\$97,666.78	\$3,706.94	\$93,959.84	\$1.00
Grand Totals		\$976,667.80	\$179,312.46	\$797,355.34	

Rate: 3.945%

INCUMBENCY, INSURANCE, AND ESSENTIAL USE CERTIFICATES
MUNICIPAL LEASE-PURCHASE AGREEMENT No.8306 (THE "AGREEMENT")

BY AND BETWEEN

Lessor, Government Capital Corporation and Lessee, McCreary County Water District
Dated as of June 29, 2018

I, Coy Taylor, do hereby certify that I am the duly elected or appointed and acting Secretary, Board of Commissioners (Keeper of the Records), of McCreary County Water District, a political subdivision or agency duly organized and existing under the laws of the State of ~~Kansas~~ ^{Kentucky}, that I have custody of the records of such entity, and that, as of the date hereof, the individual(s) named below are the duly elected or appointed officer(s) of such entity holding the office(s) set forth opposite their respective name(s). I further certify that (i) the signature(s) set opposite their respective name(s) and title(s) are their true and authentic signature(s), and (ii) such officers have the authority on behalf of such entity to enter into that certain Municipal Lease-Purchase Agreement dated as of June 29, 2018, between such entity and Government Capital Corporation.

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Stephen Whitaker	Manager/Superintendent	

IN WITNESS WHEREOF, I have duly executed this certificate hereto this 9 day of August, 2018.

BY: 
Coy Taylor, Secretary, Board of Commissioners

Lessee certifies that property and liability insurance, if applicable, have been secured in accordance with the Agreement and such coverage will be maintained in full force for the term of the Agreement. "Lessor or its Assigns" should be designated as loss payee until Lessee is notified, in writing, to substitute a new loss payee. **The following information is provided about insurance--**

INSURANCE COMPANY/AGENT'S NAME: One Beعاد Insurance / Crabtree Wilson Ins. Agency
INSURANCE COMPANY ADDRESS: 8000 IH-10 West, The Forum, Suite 1045
PHONE NUMBER: San Antonio, TX 78230 866-971-6247
POLICY NUMBER: 791 QQQ6 QQQ

I, Stephen Whitaker, Manager/Superintendent, of McCreary County Water District ("Lessee"), hereby certify that the Property to be leased to the undersigned under the certain Lease Agreement, dated as of June 29, 2018, between such entity and Government Capital Corporation ("Lessor"), will be used by the undersigned Lessee for the following purpose: **(PLEASE FILL OUT PRIMARY USE BELOW)**

PRIMARY USE-- to measure water use

The undersigned hereby represents that the use of the Property is essential to its proper, efficient and economic operation.

IN WITNESS WHEREOF, I have set my hand this 9 day of August, 2018.

By Lessee:


Stephen Whitaker, Manager/Superintendent

For Lessee: McCreary County Water District



500 WEST JEFFERSON STREET
SUITE 2000
LOUISVILLE, KY 40202-2828
MAIN: (502) 333-6000
FAX: (502) 333-6099

September 7, 2018

Government Capital Corporation
345 Miron Drive
Southlake, Texas 76092

Re: Municipal Lease-Purchase Agreement dated as of June 29, 2018, by and between Government Capital Corporation and McCreary County Water District

Ladies and Gentlemen:

Section 1. Introduction

We have acted as special counsel to the McCreary County Water District (the "**Lessee**") with respect to its approval, execution, and delivery of the Municipal Lease-Purchase Agreement described above (the "**Lease**"). In connection with the opinions hereinafter set forth, we have reviewed:

- (a) the Lease;
- (b) the Project Fund Agreement dated as of June 29, 2018, by and between the Lessee and Branch Banking and Trust Company, as Project Fund Agent (the "**Project Fund Agreement**" and, together with the Lease, each a "**Financing Document**" and together, the "**Financing Documents**"); and
- (c) a resolution of the Board of Commissioners of the Lessee dated June 29, 2018 approving the Lessee's execution and delivery of the Lease, the Project Fund Agreement, and other agreements, certificates, and documents related thereto (the "**Resolution**").

Section 2. Opinions

Subject to each of the "**Limitations**" (as defined below), the accuracy of each of the "**Assumptions**" (as defined below), and the definitions and other provisions of this opinion letter, we are of the opinion that:

- (a) The Lessee is a water district and political subdivision of the Commonwealth of

Kentucky (the “**Commonwealth**”), duly organized, existing, and operating under the Constitution and laws of the Commonwealth.

- (b) The Lessee is authorized and has power under applicable law to enter into each Financing Document and to carry out its obligations thereunder and the transactions contemplated thereby.
- (c) Each Financing Document has been duly authorized, approved, executed, and delivered by the Lessee, and is a valid and binding contract of the Lessee enforceable in accordance with its terms.
- (d) To our knowledge, the authorization, approval, and execution of each Financing Document and all other proceedings of the Lessee relating to the transactions contemplated thereby have been performed in accordance with all applicable open meeting and public bidding laws, rules, and regulations of the Commonwealth.
- (e) The execution of the Lease and the appropriation of moneys to pay the Lease Payments coming due under the Lease do not result in the violation of any constitutional, statutory, or other limitation relating to the manner, form, or amount of indebtedness which may be incurred by the Lessee.
- (f) To our knowledge, there is no litigation, action, suit, or proceeding pending or before any court, administrative agency, arbitrator, or governmental body that challenges the organization or existence of the Lessee; the authority of the Lessee or its officers or its employees to enter into the Financing Documents; the proper authorization, approval, or execution of the Financing Documents, the exhibits thereto and other documents contemplated thereby; the appropriation of moneys to make Lease Payments under the Lease for the current fiscal year of the Lessee; or the ability of the Lessee otherwise to perform its obligations under the Financing Documents and the transactions contemplated thereby.
- (g) The Resolution has not been amended or repealed and remains in full force and effect as of the date hereof.

Section 3. Definitions and Interpretation

Unless otherwise indicated herein, all capitalized terms used herein which are defined in the Financing Documents shall have the same meanings assigned to them in the Financing Documents. The headings of sections in this opinion letter are provided for convenience only and will not affect its construction or interpretation. All references to “Section” refer to the corresponding section of this opinion letter. Thus, by way of example, any reference to “Section

3" would refer to this grammatical paragraph and the two immediately following grammatical paragraphs. "Assumptions" has the meaning set forth in Section 4. "Limitations" has the meaning set forth in Section 5.

In this opinion letter, unless a clear contrary intention appears, (a) the word "or" is used in the inclusive sense of "and/or," (b) the word "including" means including without limiting the generality of any description preceding such term, (c) reference to any gender includes each other gender, (d) the singular number includes the plural number and vice versa, and (e) the word "any" shall mean "any and all."

Whenever used in this opinion letter, where matters are indicated to be "to our knowledge", known to us, or subject to terms of similar import or meaning, it means that the opinion or matter stated is based solely upon the conscious awareness of information disclosed to us by the Lessee or otherwise obtained in public records as to the matters being opined upon by (y) the attorney who signs this opinion letter on behalf of Stoll Keenon Ogden PLLC and (z) any attorney at Stoll Keenon Ogden PLLC who has been actively involved in preparing or reviewing the Financing Documents or preparing this opinion letter. No inference as to "our knowledge" of any matters bearing on the accuracy of any such statement qualified by knowledge should be drawn from the fact of our representation of the Lessee. We do not purport to have undertaken, nor were we obligated or expected to undertake, an independent investigation to determine the accuracy of the facts or other information as to which our knowledge is sought, and any limited inquiry undertaken by us during the preparation of this opinion letter should not be regarded as such an investigation.

Section 4. Assumptions

The term "**Assumptions**" means each of the following, without any representation or assurance as to any investigation:

- (a) The authenticity and conformity to the complete originals of all documents, certificates, and instruments which have been submitted to us as originals or copies, including those electronic copies furnished to us by email (regardless of format); the genuineness of all signatures other than those of the officers and representatives of the Lessee; the legal capacity of natural persons executing the Financing Documents other than those of the officers and representatives of the Lessee; the truthfulness of all statements of fact contained in any Financing Document on the date of execution by the Lessee; and, the accuracy of information provided to us by any person or persons purporting to be a representative or representatives of any party to any Financing Document.
- (b) Each Financing Document constitutes a binding and enforceable agreement of each party other than the Lessee.

- (c) Each natural person involved in each Financing Document has sufficient legal capacity to enter into and perform such Financing Document and to carry out his or her role.
- (d) The absence of negligence, gross negligence, bad-faith, fraud, or criminal actions on behalf of the individuals and entities acting on behalf of or as the Lessee.

Section 5: Limitations

The term "**Limitations**" means each of the following:

- (a) The effect of bankruptcy, insolvency, reorganization, receivership, moratorium, and other similar laws affecting the rights and remedies of creditors generally. This exception includes:
 - (i) the Federal Bankruptcy Code and thus comprehends, among other things, matters of turn-over, automatic stay, avoiding powers, fraudulent transfer, preference, discharge, conversion of non-recourse obligation into a recourse claim, limitations on ipso facto and anti-assignment clauses, and the coverage of pre-petition security agreements applicable to property acquired after a petition is filed;
 - (ii) all other Federal and state bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement, and assignment for the benefit of creditors laws that affect the rights and remedies of creditors generally (not just creditors of specific types of debtors);
 - (iii) all other Federal bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement, and assignment for the benefit of creditors laws that have reference to or affect generally only creditors of specific types of debtors and state laws of like character affecting generally only creditors of financial institutions and insurance companies;
 - (iv) state fraudulent transfer and conveyance laws; and
 - (v) judicially developed doctrines relevant to any of the foregoing laws, such as substantive consolidation of entities.
- (b) The effect of general principles of equity, whether applied by a court of law or equity. This limitation includes principles:
 - (i) governing the availability of specific performance, injunctive relief, or

other equitable remedies, which generally place the award of such remedies, subject to certain guidelines, in the discretion of the court to which application for such relief is made;

- (ii) affording equitable defenses (e.g., waiver, laches, and estoppel) against a party seeking enforcement;
 - (iii) requiring good faith and fair dealing in the performance and enforcement of a contract by the party seeking its enforcement;
 - (iv) requiring reasonableness in the performance and enforcement of an agreement by the party seeking enforcement of the contract;
 - (v) requiring consideration of the materiality of (1) the breach by the Lessee and (2) the consequences of the breach to the party seeking enforcement;
 - (vi) requiring consideration of the impracticability or impossibility of performance at the time of attempted enforcement; and
 - (vii) affording defenses based upon the unconscionability of the enforcing party's conduct after the parties have entered into the contract.
- (c) The impact of any laws other than the substantive laws of the United States and the Commonwealth without regard to any principles relating to choice of law or conflicts of law.
- (d) We express no opinion as to:
- (i) any matter except those specifically and expressly provided in Section 2 and no other opinion of any kind is to be implied or inferred from any provision of this opinion letter;
 - (ii) the enforceability of any indemnification or contribution provisions that may be contained in any Financing Document to the extent any such provision may call for indemnification of a party against its own negligence or willful misconduct or for any violation of the securities laws of the United States of America or any state;
 - (iii) the treatment of any component of any Lease Payment constituting interest for federal or state tax purposes or the need for any approvals, consents, or authorizations required for compliance with applicable laws

- relating to the treatment of such interest for federal or state tax purposes;
- (iv) the enforceability of any advance waivers of any rights or defenses contained within any Financing Document;
 - (v) the enforceability of any provision in any Financing Document that purports to bind or obligate any third party, not a signatory thereto, including any person or party affiliated with any party thereto in any way;
 - (vi) the enforceability of any provision in any Financing Document that purports to modify or amend the effect of, or that is otherwise in derogation of, any provision of the United States Bankruptcy Code or the bankruptcy and fraudulent conveyance laws of any state;
 - (vii) the enforceability of any increased interest or charge following maturity or default, late payment, prepayment, or other penalty or forfeiture provision contained in any Financing Document to the extent that a court of competent jurisdiction might find the same to be unenforceable as a penalty or an ineffective attempt to liquidate damages;
 - (viii) the enforceability of any Financing Document, or any portion thereof, against any member, manager, director, officer, employee, or agent of the Lessee;
 - (ix) the creation, attachment, perfection, priority, or enforcement of a security interest or other lien in real or personal property;
 - (x) the enforceability or the validity of any provisions purporting to determine the jurisdiction whose laws shall govern the interpretation, construction, and enforcement of any Financing Document; and
 - (xi) the legality, validity, binding nature, or enforceability of any provision of any Financing Document (1) purporting to release or exculpate any party from liability for damages or injuries as of the result of the party's negligence or willful, tortious, improper, illegal, or otherwise wrongful act or failure to act (including by breach of contract or otherwise) or purporting to impose a duty upon any party to indemnify any other party when any claimed damages result from the negligence or willful, tortious, improper, or otherwise wrongful act or failure to act (including by breach of contract or otherwise) of the party seeking such indemnity; (2) purporting to establish choice of forum, venue, standards for service of

process, or evidentiary standards for suits or proceedings to enforce any Obligated Group Document; (3) purporting to limit the availability of a remedy under certain circumstances where another remedy has been elected; (4) which may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange; (5) that may permit a party who has materially failed to render or offer performance required by the contract to cure that failure unless (a) permitting a cure would unreasonably hinder the aggrieved party from making substitute arrangements for performance, or (b) it was important in the circumstances to the aggrieved party that performance occur by the date stated in the contract; (6) providing for delay or omission of enforcement of rights or remedies; (7) relating to liquidated damages, indemnification, or severability; (8) stating or providing (a) a party may make a determination in such party's sole discretion (whether or not such party is required to consult with any other party or parties), (b) a party may deem a matter, result, or consequence to be or not be or (c) a matter shall be deemed to have occurred; (9) purporting to grant, or otherwise relating to, any right of set-off or offset; (10) relating to appointment of attorneys-in-fact or other agents; (11) stating or providing a determination or other matter is considered correct, conclusive, and binding, conclusive absent manifest error, conclusive, accepted, or conclusively binding or any other provision purporting to create a consequence as a result of not timely objecting or purporting to create an assumption or presumption; (12) providing that any provision may be waived only in writing; (13) requiring the payment of interest on unpaid interest; (14) giving any person or entity the power to accelerate obligations or to foreclose upon or sell collateral without any necessary notice; or (15) providing that any person or entity may exercise set-off rights other than in accordance with and pursuant to applicable law.

- (e) Our opinions are subject to the qualification that the provisions of any Financing Document respecting payment, if any, of attorneys' fees and expenses of collection as remedies upon default will, to the extent that the substantive laws of the Commonwealth govern such provisions, be limited to those attorneys' fees recoverable pursuant to Sections 411.195 and 453.260 of the Kentucky Revised Statutes.
- (f) Our opinions are limited solely to those set forth above and are based solely upon the laws of the Commonwealth without regard to principles regarding

choice of law or conflicts of law. We specifically render no opinion pertaining to the effects of any documents which may be or are to be construed under any law other than the laws of the Commonwealth without regard to principles regarding choice of law or conflicts of law.

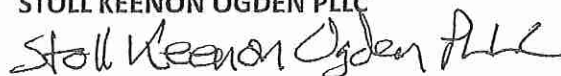
- (g) The opinions expressed herein are only as of the date hereof. If there is a change in any of the facts, assumptions, or legal authorities or if any of the actual facts or other matters differs from those assumed by us as a basis for our opinions, some or all of the opinions expressed herein may be inapplicable and the opinions expressed herein are limited accordingly. We do not undertake, and affirmatively disclaim, any obligation to advise you or anyone else of any changes in the views expressed herein no matter how such changes occur and even if such changes result from any changes in the facts or assumptions on which our opinions are based that hereafter might come to our attention or from any changes in the applicable law, whether due to legislative, judicial, or administrative action or any other cause.

Our opinions are limited to those expressly set forth herein, and no other opinions may be implied. This opinion letter is provided as a legal opinion only, effective as of the date of this opinion letter, and not as a guaranty or warranty of the matters discussed herein or as representations of fact. We understand that the addressee has made such independent investigations of fact as it deems necessary, and that the determination of the extent of that investigation that is necessary has been made independent of this opinion letter. We make no representation regarding the sufficiency of this opinion letter for the purposes of the addressee or any other person or entity.

This opinion letter is being delivered to you in connection with the transaction described in the Lease and may be relied upon only by you. This opinion letter may also be relied upon by any entity to which you have assigned the right to receive Lease Payments under the Lease, to the same extent as if this opinion were addressed to such entity, with our prior written consent.

Very truly yours,

STOLL KEENON OGDEN PLLC



Cc: McCreary County Water District

RESOLUTION

A RESOLUTION REGARDING A LEASE PURCHASE AGREEMENT FOR THE PURPOSE OF PROCURING "WATER METERS".

WHEREAS, McCreary County Water District desires to enter into that certain Lease-Purchase Agreement No.8306, by and between Government Capital Corporation and McCreary County Water District, for the purpose of procuring "**Water Meters**". The Water District desires to designate this Agreement as a "qualified tax exempt obligation" of the Water District for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended. The McCreary County Water District desires to designate Stephen Whitaker, Manager/Superintendent, as an authorized signer of the Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF THE MCCREARY COUNTY WATER DISTRICT:

Section 1. That the Water District enters into a Lease Purchase Agreement with Government Capital Corporation for the purpose of procuring "**Water Meters**".

Section 2. That the Lease Purchase Agreement No.8306, by and between the Water District and Government Capital Corporation is designated by the Water District as a "qualified tax exempt obligation" for the purposes of Section 265 (b) (3) of the Internal Revenue Code of 1986, as amended.

Section 3. That the McCreary County Water District designates Stephen Whitaker, Manager/Superintendent, as an authorized signer of the Lease Purchase Agreement Number 8306, by and between the McCreary County Water District and Government Capital Corporation.

PASSED AND APPROVED by the Board of the McCreary County Water District in a meeting held on the 29th day of June, 2018.

Lessee: McCreary County Water District



Randy Kidd
President, Board of Commissioners

Witness Signature



Coy Taylor
Secretary, Board of Commissioners

PROJECT FUND AGREEMENT

THIS PROJECT FUND AGREEMENT is dated as of June 29, 2018, and is by and between the MCCREARY COUNTY WATER DISTRICT, a water district organized and existing under Kentucky law (the "Lessee"), Government Capital Corporation (and its successors and assigns, herein referred to as "Lessor"), and BRANCH BANKING AND TRUST COMPANY, as Project Fund Agent ("BB&T").

RECITALS

The Lessee is, simultaneously with the execution and delivery of this Project Fund Agreement, executing and delivering a Municipal Lease-Purchase Agreement dated as of June 29, 2018 (the "Financing Agreement"), by and between the Lessee and Lessor. The purpose of the Financing Agreement is to provide for Lessor's advance of \$781,144 to the Lessee via a project fund to finance the Lessee's acquisition of the Property (as defined in the Financing Agreement).

NOW, THEREFORE, the parties agree as follows:

SECTION 1. DEFINITIONS

In this Project Fund Agreement, the term "*Project Costs*" means all costs of the design, planning, acquiring, installing of the Property as determined in accordance with generally accepted accounting principles and that will not adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Lease Payments payable by the Lessee under the Financing Agreement, including (a) sums required to reimburse the Lessee or its agents for advances made for any such costs, (b) interest during the installation process and for up to six months thereafter, and (c) all costs related to the financing of the Property through the Financing Agreement and all related transactions.

In addition, any capitalized terms used in this Project Fund Agreement and not otherwise defined shall have the meanings assigned thereto in the Financing Agreement.

SECTION 2. PROJECT FUND.

2.1. Project Fund. On the Closing Date, Lessor will deposit or have deposited \$781,144 into a special account of the Lessee at Branch Banking and Trust Company to be designated "2018-McCreary County Water District Project Fund" (the "Project Fund"). This account shall be held separate and apart from all other funds of the Lessee. The Project Fund is the Lessee's property, but the Lessee will withdraw amounts on deposit in the Project Fund only as provided in this Project Fund Agreement and only for application from time to time to the payment of Project Costs. Pending such application, such amounts shall be subject to a lien and charge in favor of Lessor to secure the Lessee's obligations under the Financing Agreement.

2.2. Requisitions from Project Fund. The Lessee may withdraw funds from the Project Fund only after authorization from Lessor and BB&T. BB&T will disburse funds from the Project Fund only to the Lessee and only upon its receipt of written requisitions from one of the designated Authorized Representatives named in the Certificate of Authorized Representatives contained herein and substantially in the form of Exhibit A attached hereto.

2.3. Disposition of Project Fund Balance.

(a) *Upon completion* -- Promptly after the acquisition and installation of the Property has been completed, the Lessee shall deliver to Lessor a certificate to such effect signed by a Lessee Representative.

(b) *Upon default* -- Upon the occurrence of an Event of Default, Lessor may withdraw any balance remaining in the Project Fund and apply such balance against outstanding Lease Payments.

(c) *After delay or inactivity* -- If (i) more than three years have elapsed from the Closing Date or (ii) at least six months has passed from BB&T's most recent receipt of a requisition for Project Costs, then BB&T, upon 30 days' notice from BB&T to the Lessee, may withdraw any balance remaining in the Project Fund and apply such balance against outstanding Lease Payments.

(d) *Application of Project Fund balance* -- Lessor will apply any amounts paid to it pursuant to this section (i) first against all amounts other than Lease Payments then due and payable to Lessor, (ii) then to interest accrued under the Financing Agreement and unpaid to the prepayment date, and (iii) then to the prepayment, in inverse order of maturity and without premium of the outstanding principal components of Lease Payments. Such prepayment, however, will not affect any other Lessee payment obligation under the Financing Agreement. Lessor will notify the Lessee of any withdrawal from the Project Fund made under this Section 2.3, and in the notice will describe Lessor's application of the funds withdrawn.

2.4. Investment. (a) The Lessee, Lessor and BB&T agree that money in the Project Fund will be continuously invested and reinvested in a public funds money rate savings account.

(b) From and after the date that is three years from the Closing Date, the Lessee will not purchase or hold any investment which has a "yield," as determined under the Code, in excess of the "yield" on the Lessee's obligations under the Financing Agreement, unless the Lessee has supplied Lessor with a Bond Counsel Opinion to the effect that such investment will not adversely affect the exclusion from gross income for federal income tax purposes to which the interest components of Lease Payments would otherwise be entitled.

(c) Investment obligations acquired with money in the Project Fund shall be deemed at all times to be part of the Project Fund. The interest accruing thereon and any profit or loss realized upon the disposition or maturity of any such investment shall be credited to or charged against the Project Fund.

(d) All earnings on moneys in the Project Fund must be used for Project Costs.

SECTION 3. MISCELLANEOUS.

3.1. Notices. Any notice or other communication required or contemplated by this Project Fund Agreement shall be deemed to be delivered if in writing, addressed as provided below and if (a) actually received by such addressee, or (b) in the case of mailing, when indicated to have been delivered by a signed receipt returned by the United States Postal Service after deposit in the United States mails, postage and registry fees prepaid, and clearly directed to be transmitted as registered or certified mail:

(i) If intended for the Lessee, address it to the following address McCreary County Water District, 19 Crit King Road, Whitley, KY 42653.

(ii) If intended for BB&T, address it to the following address: BB&T, Attn: Governmental Finance, 5130 Parkway Plaza Boulevard, Charlotte, NC 28217.

Any party may designate a different or alternate address for notices by notice given under this Project Fund Agreement.

3.2. Survival of Covenants and Representations. All covenants, representations and warranties made by the Lessee in this Project Fund Agreement and in any certificates delivered pursuant to this Project Fund Agreement shall survive the delivery of this Project Fund Agreement.

3.3. Choice of Law. The parties intend that Kentucky law shall govern this Project Fund Agreement.

3.4. Amendments. This Project Fund Agreement may not be modified or amended unless such amendment is in writing and signed by Lessor, BB&T, and the Lessee.

3.5. No Third-Party Beneficiaries. There are no parties intended to be or which shall be deemed to be third-party beneficiaries of this Project Fund Agreement.

3.6. Successors and Assigns. All of the covenants and conditions of this Project Fund Agreement shall be binding upon and inure to the benefit of the parties to this Project Fund Agreement and their respective successors and assigns.

3.7. Severability. If any court of competent jurisdiction shall hold any provision of this Project Fund Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Project Fund Agreement.

3.8. Counterparts. This Project Fund Agreement may be executed in any number of counterparts, including separate counterparts, each executed counterpart constituting an original but all together only one agreement.

3.9. Termination. Except as otherwise provided in this Project Fund Agreement, this Project Fund Agreement shall cease and terminate upon payment of all funds (including investment proceeds) from the Project Fund.

The remainder of this page left blank intentionally; signature page follows.

CERTIFICATE DESIGNATING AUTHORIZED REPRESENTATIVES

In accordance with the terms herein, the Lessee designates the following persons as Authorized Representatives authorized to sign requisitions to withdraw funds from the Project Fund account:

Printed Name:

Signature:

Stephen Whitaker

Stephen Whitaker

The Lessee may designate additional Representatives to sign requisitions upon written notification to Lessor and BB&T.

IN WITNESS WHEREOF, each of the parties has caused this Project Fund Agreement to be signed and delivered by a duly authorized officer, all as of the date first above written.

MCCREARY WATER DISTRICT

ATTEST:

By: [Signature]

By: [Signature]

Printed Name: Randy Kidd

Printed Name: Stephen Whitaker

Title: Chairman

Title: Superintendent

(SEAL)

GOVERNMENT CAPITAL CORPORATION

BRANCH BANKING AND TRUST COMPANY

By: [Signature]

By: _____

Printed Name: Keith Miller
Director of

Printed Name: _____

Title: Operations

Title: _____

[Project Fund Agreement dated as of June 29, 2018]

Wire Transfer Agreement

This Wire Transfer Agreement is dated as of June 29, 2018 (this "Agreement") and is by and between McCreary County Water District, a water district organized and existing under Kentucky law (the "Lessee") and BRANCH BANKING AND TRUST COMPANY, as Project Fund Agent ("BB&T").

RECITALS

The Lessee is, simultaneously with the execution and delivery of this Agreement, executing and delivering that certain Municipal Lease-Purchase Agreement, dated June 29, 2018 hereof (the "Financing Agreement"), by and between the Lessee and Government Capital Corporation (and its successors and assigns, herein referred to as "Lessor"), as well as simultaneously with a Project Fund Agreement, dated as of June 29, 2018 (the "Project Fund Agreement") by and between Lessee, Lessor, and BB&T. The purpose of the Financing Agreement is to provide for the advance of \$781,144 to the Lessee via a project fund to enable the Lessee to finance certain water meter equipment and related costs, and to pay related financing costs.

In order to prevent unauthorized or fraudulent wire transfers through cyber fraud and other means, BB&T and the Lessee hereby agree to the following:

Section 1. Wire Transfer Requirements. In the event a wire transfer is made by BB&T to disburse funds as contemplated by the Project Fund Agreement (a "Disbursement"), said wire transfer shall be delivered as directed in a written "Project Fund Requisition" provided to BB&T by a representative of the Lessee, subject to the terms and conditions set forth herein. For the purposes of this Agreement, a representative of the Lessee shall include employees and elected and/or appointed officials of the Lessee, bond counsel, the Lessee's legal counsel, or the Lessee's financial advisor.

Section 2. Verification Procedures. Prior to making any Disbursement pursuant to a Project Fund Requisition not delivered to BB&T in person by a representative of the Lessee, BB&T shall verify such Project Fund Requisition verbally via telephone communication with a representative of the Lessee. The Lessee shall ensure that a representative of the Lessee will provide such verification to BB&T. The Lessee shall not disclose, or allow to be disclosed, such BB&T verification procedures to any third party unless there is a legitimate business need to make such disclosure or such disclosure is required by law, and the Lessee accepts the risk of such third party knowledge of the security procedures. If the Lessee has reason to believe that a security procedure has been obtained by or disclosed to an unauthorized person or learns of any unauthorized transfer or of any discrepancy in a transfer request, then the Lessee shall notify BB&T immediately.

Section 3. Payee Identification. The Lessee is solely responsible for accurately identifying the wire transfer information contained in the Project Fund Requisition delivered to BB&T by a representative of the Lessee, including but not limited to the bank name and its ABA number, beneficiary's account name and account number and beneficiary's physical address, together with other information requested by BB&T (collectively, "Remittance Instructions"). If the Remittance Instructions describe a beneficiary inconsistently by name and account number, the Lessee acknowledges that BB&T may make payment on the basis of the account number alone, that BB&T is not obligated to detect such errors, and that the Lessee assumes the risk of any loss resulting therefrom.

Section 4. Duty to Reconcile Written Confirmation. Upon request from a representative of the Lessee, BB&T shall use its best efforts to send a representative of the Lessee written confirmation of the Disbursement in the form of a reference number, beneficiary name and wire amount. A representative of the Lessee shall promptly review and reconcile the written confirmation of the Disbursement sent by BB&T, and shall report to BB&T in writing, promptly, but in no event later than ten (10) business days after the date of such written confirmation, any unauthorized, erroneous, unreceived or improperly executed payment. BB&T and the Lessee agree that ten (10) business days is a reasonable time for the detection and reporting to BB&T of such information. After that time, all

items on the written confirmation will be considered correct and the Lessee will be precluded from recovering from BB&T if such wire transfer identified in the written confirmation was actually made by BB&T. For the avoidance of doubt, any such writings can be provided electronically.

Section 5. Unauthorized Payments. Notwithstanding any other provision herein, if a Disbursement has been verified by a representative of the Lessee pursuant to Section 2, it shall be binding on the Lessee if BB&T acted in good faith in making such Disbursement.

Section 6. Recordation. BB&T may record any telephone conversation between BB&T and a representative of the Lessee in order to reduce the risk of unauthorized or erroneous transfers. BB&T may retain such recordings for as long as BB&T may deem necessary.

Section 7. Indemnification and Hold Harmless. If BB&T complies with the provisions of this Agreement, the Lessee agrees that BB&T shall not be responsible for any communication or miscommunication by a representative of the Lessee, and the Lessee further agrees to indemnify, to the extent allowed by law, BB&T and hold BB&T harmless from and against any and all losses, claims, expenses, suits, costs or damages, demands or liabilities of whatever kind or nature, whether now existing or hereafter relating in any way to a wire transfer made pursuant to the Project Fund Agreement.

Section 8. Applicable Law. All wire transfer orders are governed by Article 4A of the Uniform Commercial Code, except as any provisions thereof that may be and are modified by the terms hereof. If any part of the applicable wire transfer order involves the use of the Fedwire, the rights and obligations of BB&T and the Lessee regarding that wire transfer order are governed by Regulation J of the Federal Reserve Board.

Section 9. Choice of Law. The parties intend that Kentucky law shall govern this Agreement.

Section 10. Amendments. This Agreement may not be modified or amended unless such amendment is in writing and signed by BB&T and the Lessee.

Section 11. No Third-Party Beneficiaries. There are no parties intended to be or which shall be deemed to be third-party beneficiaries of this Agreement.

Section 12. Successors and Assigns. All of the covenants and conditions of this Agreement shall be binding upon and inure to the benefit of the parties to this Agreement and their respective successors and assigns.

Section 13. Severability. If any court of competent jurisdiction shall hold any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

Section 14. Counterparts. This Agreement may be executed in any number of counterparts, including separate counterparts, each executed counterpart constituting an original but all together only one agreement.

Section 15. Termination. This Agreement shall cease and terminate upon termination of the Project Fund Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the parties has caused this Wire Transfer Agreement to be signed and delivered by a duly authorized officer, all as of the date first above written.

MCCREARY COUNTY WATER DISTRICT

[SEAL]

By: *Randy Kidd*
Name: *Randy Kidd*
Title: *Chairman*

Attest:

Stephen Whitaker
Name: *Stephen Whitaker*
Title: *Superintendent*

BRANCH BANKING AND TRUST COMPANY

By: _____
Name: _____
Title: _____

[WIRE TRANSFER AGREEMENT, DATED AS OF JUNE 29, 2018]

Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. McCreary County Water District	
2 Business name/disregarded entity name, if different from above McCreary County Water District	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input checked="" type="checkbox"/> Other (see instructions) ▶ Special District Under Chapter 74	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.) See instructions. PO Box 488 / 19 cent King Road	Requester's name and address (optional)
6 City, state, and ZIP code Whitley City, KY 42653	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number	
[] [] [] - [] [] - [] [] [] []	

or

Employer identification number

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here

Signature of U.S. person ▶

Stephen W. Kitchener

Date ▶

7/9/18

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See *What is backup withholding*, later.

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name McCreary County Water District		2 Issuer's employer identification number (EIN) [REDACTED]	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions). Randy Kidd, Chairman, Board of Commissioners		3b Telephone number of other person shown on 3a 606-376-2540	
4 Number and street (or P.O. box if mail is not delivered to street address) Room/suite P.O. Box 488		5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Whitley, KY 42653		7 Date of issue September 7, 2018	
8 Name of issue Municipal Lease Purchase Agreement No.8306		9 CUSIP number None	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Stephen Whitaker, Manager/Superintendent		10b Telephone number of officer or other employee shown on 10a 606-376-2540	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ► <u>Water Meters</u>	18	\$797,355	34
19 If obligations are TANs or RANs, check only box 19a			<input type="checkbox"/>
If obligations are BANs, check only box 19b			<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box			<input checked="" type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	08/01/2028	\$ 797,355.34	\$ N/A	5.700 years	3.945 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	N/A	
23 Issue price of entire issue (enter amount from line 21, column (b))	23	\$797,355	34
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	\$16,211	34
25 Proceeds used for credit enhancement	25	N/A	
26 Proceeds allocated to reasonably required reserve or replacement fund	26	N/A	
27 Proceeds used to currently refund prior issues	27	N/A	
28 Proceeds used to advance refund prior issues	28	N/A	
29 Total (add lines 24 through 28)	29	\$16,211	34
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	\$781,144	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded	►	N/A	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	N/A	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	N/A	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►		

Part VI Miscellaneous

- | | | |
|-----|--|--|
| 35 | | |
| 36a | | |
| 37 | | |
- 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
- 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)
- b Enter the final maturity date of the GIC ▶ _____
- c Enter the name of the GIC provider ▶ _____
- 37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
- 38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
- b Enter the date of the master pool obligation ▶ _____
- c Enter the EIN of the issuer of the master pool obligation ▶ _____
- d Enter the name of the issuer of the master pool obligation ▶ _____
- 39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶
- 40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶
- 41a If the issuer has identified a hedge, check here and enter the following information:
- b Name of hedge provider ▶ _____
- c Type of hedge ▶ _____
- d Term of hedge ▶ _____
- 42 If the issuer has superintegrated the hedge, check box ▶
- 43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶
- 44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶
- 45a If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
- b Enter the date the official intent was adopted ▶ _____

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the Issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	Signature of issuer's authorized representative	8/9/18 Date	Stephen Whitaker, Manager/Superintendent Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Firm's name ▶	Firm's EIN ▶		PTIN
	Firm's address ▶		Phone no.	

STATEMENT OF COSTS

Cost	Amount	Plant Account
Meters	\$798,299.00	No. 334 – Meters and Meter Installations
Legal Services for PSC Approval	\$ 13,848.79	No. 633 – Contractual Services-Legal

