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**APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION**

For Small Utilities Pursuant to **807 KAR 5:076**
(Alternative Rate Filing)

(Name of Utility)

(Business Mailing Address - Number and Street, or P.O. Box)

(Business Mailing Address - City, State, and Zip)

(Telephone Number)

BASIC INFORMATION

NAME, TITLE, ADDRESS, TELEPHONE NUMBER and E-MAIL ADDRESS of the person to whom correspondence or communications concerning this application should be directed:

(Name)

(Address - Number and Street or P.O. Box)

(Address - City, State, Zip)

(Telephone Number)

(Email Address)

(For each statement below, the Applicant should check either "YES", "NO", or "NOT APPLICABLE" (N/A))

- | | YES | NO | N/A |
|---|-------------------------------------|-------------------------------------|-----|
| 1. a. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | |
| 2. a. Applicant has filed an annual report with the Public Service Commission for the past year. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| b. Applicant has filed an annual report with the Public Service Commission for the two previous years. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |
| 3. Applicant's records are kept separate from other commonly-owned enterprises. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | |

YES NO N/A

4. a. Applicant is a corporation that is organized under the laws of the state of _____^{Kentucky}, is authorized to operate in, and is in good standing in the state of Kentucky.
- b. Applicant is a limited liability company that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- c. Applicant is a limited partnership that is organized under the laws of the state of _____, is authorized to operate in, and is in good standing in the state of Kentucky.
- d. Applicant is a sole proprietorship or partnership.
- e. Applicant is a water district organized pursuant to KRS Chapter 74.
- f. Applicant is a water association organized pursuant to KRS Chapter 273.
5. a. A paper copy of this application has been mailed to Office of Rate Intervention, Office of Attorney General, 1024 Capital Center Drive, Suite 200, Frankfort, Kentucky 40601-8204.
- b. An electronic copy of this application has been electronically mailed to Office of Rate Intervention, Office of Attorney General at rateintervention@ag.ky.gov.
6. a. Applicant has 20 or fewer customers and has mailed written notice of the proposed rate adjustment to each of its customers no later than the date this application was filed with the Public Service Commission. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- b. Applicant has more than 20 customers and has included written notice of the proposed rate adjustment with customer bills that were mailed by the date on which the application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
- c. Applicant has more than 20 customers and has made arrangements to publish notice once a week for three (3) consecutive weeks in a prominent manner in a newspaper of general circulation in its service area, the first publication having been made by the date on which this Application was filed. A copy of this notice is attached to this application. **(Attach a copy of customer notice.)**
7. Applicant requires a rate adjustment for the reasons set forth in the attachment entitled "Reasons for Application." **(Attach completed "Reasons for Application" Attachment.)**

YES NO N/A

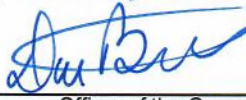
8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2019.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 181,620.50 and total revenues from service rates of \$ 181,620.50. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had 209 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

- 16. a. Applicant is not required to file state and federal tax returns.
- b. Applicant is required to file state and federal tax returns.
- c. Applicant's most recent state and federal tax returns are attached to this Application. **(Attach a copy of returns.)**
- 17. Approximately -0- (Insert dollar amount or percentage of total utility plant) of Applicant's total utility plant was recovered through the sale of real estate lots or other contributions.
- 18. Applicant has attached a completed Statement of Disclosure of Related Party Transactions for each person who 807 KAR 5:076, §4(h) requires to complete such form.

By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.


I am authorized by the Applicant to sign and file this application on the Applicant's behalf, have read and completed this application, and to the best of my knowledge all the information contained in this application and its attachments is true and correct.

Signed 
 Officer of the Company/Authorized Representative
 Title Vice President
 Date March 23, 2020

COMMONWEALTH OF KENTUCKY

COUNTY OF Monroe

Before me appeared Dan Bryant, who after being duly sworn, stated that he/she had read and completed this application, that he/she is authorized to sign and file this application on behalf of the Applicant, and that to the best of his/her knowledge all the information contained in this application and its attachments is true and correct.


 Notary Public
 My commission expires: 6/17/2023

NEIL WILSON
 NOTARY PUBLIC
 STATE AT LARGE
 KENTUCKY
 MY COMMISSION EXPIRES 6/17/2023

LIST OF ATTACHMENTS
(Indicate all documents submitted by checking box)

- Customer Notice of Proposed Rate Adjustment
- "Reasons for Application" Attachment
- Current and Proposed Rates" Attachment
- "Statement of Adjusted Operations" Attachment
- "Revenue Requirements Calculation" Attachment
- Attachment Billing Analysis" Attachment
- Depreciation Schedules
- Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)
- State Tax Return
- Federal Tax Return
- Statement of Disclosure of Related Party Transactions - ARF Form 3

LIST OF ATTACHMENTS

Sentra Corporation

1. Customer Notice of Proposed Rate Adjustment
2. Reasons for Application
3. Current and Proposed Rates
4. Statement of Adjusted Operations and Revenue Requirements Calculation with the following attachments:
 - a. References
 - b. Adjustment – Revenue
 - c. Adjustment – Contractual Services Provided to Clay Gas
 - d. Adjustment – Rate Case Expenses
 - e. Adjustment – Interest Expenses
 - f. Adjustment – Removal of Unpaid Taxes
5. Current and Proposed Billing Analysis
6. Depreciation Schedule
7. Outstanding Debt Instruments
 - a. Promissory Notes – Edmonton State Bank
 - b. Conversion of Promissory Notes to a Loan – Edmonton State Bank
8. State Tax Return
9. Federal Tax Return
10. Statements of Disclosure of Related Party Transactions

ATTACHMENT 1

NOTICE OF APPLICATION OF SENTRA CORPORATION TO ADJUST RATES FOR NATURAL GAS SERVICE

Pursuant to the Kentucky Public Service Commission's regulation 807 KAR 5:076, Sentra Corporation ("Sentra") gives notice that an application will be filed on April 3, 2020, with the Kentucky Public Service Commission seeking approval to adjust its rates for natural gas service. This rate adjustment will apply to all Sentra's customers. The proposed rates will produce additional annual revenue of approximately \$179,862. The increase is to be effective in SIX MONTHS or October 3, 2020, or sooner if approved by the Kentucky Public Service Commission. If Sentra's application is approved, monthly natural gas bills will increase as follows:

Customer Class	Total \$ Change	Percentage Change
Residential	\$48,685	95.2%
Non-Residential	\$130,697	69.1%
All Customers	\$179,382	74.7%

Customer Class	Existing Customer Charge	Proposed Customer Charge	Proposed Increase Amount	% of Proposed Increase
Residential	\$5.00	\$15.00	\$10.00	200%
Non-Residential	\$5.00	\$25.00	\$20.00	400%

Customer Class	Existing Gas Base Rates	Proposed Gas Base Rates	Proposed Increase	% of Proposed Change
Residential				
All Mcf	\$4.3709/Mcf	\$10.5273/Mcf	\$6.1564/Mcf	140.8%
Non-Residential				
First 50 Mcf	\$4.3709/Mcf	\$10.5273/Mcf	\$6.1564/Mcf	140.8%
Over 50 Mcf	\$4.3709/Mcf	\$8.5273/Mcf	\$4.1564/Mcf	95.1%

Customer Class	2019 Average Usage per Customer	Average Customer Monthly Cost, Current Rate*	Average Customer Monthly Cost, Proposed Rate	Proposed Change in Average Monthly Cost
Residential	3.0 Mcf	\$18.11	\$46.58	\$28.47
Non-Residential	27.1 Mcf	\$123.45	\$310.29	\$186.84

*Base Rates only, no Gas Cost included.

Sentra proposed to increase its current Reconnect fee from \$40.00 to \$120.00 for residential Sentra customers and from \$40.00 to \$200.00 for non-residential Sentra customers.

Reconnect Charge	Current Fee	Proposed Fee	\$ Change	% Change
Residential	\$40.00	\$120.00	\$80.00	200.0%
Non-Residential	\$40.00	\$200.00	\$160.00	400.0%

The rates contained in this notice are the rates proposed by Sentra. However, the Kentucky Public Service Commission may order rates to be charged that differ from the proposed rates contained in this notice. Such action may result in rates that are higher or lower than those proposed by Sentra.

Sentra has available for inspection at its office the application which it submitted to the Kentucky Public Service Commission. A person may examine this application at Sentra's office located at 112 Orchard Lane, Tompkinsville, Kentucky, 42167. You may contact the office at (270) 407-5850.

A person may also examine the application at the Kentucky Public Service Commission's offices located at 211 Sower Boulevard, Frankfort, Kentucky, 40601, Monday through Friday, 8:00 a.m. to 4:30 p.m., or through the Public Service Commission's website at <http://psc.ky.gov>. Comments regarding the application may be submitted to the Kentucky Public Service Commission through its website or by mail to the Kentucky Public Service Commission, PO Box 615, Frankfort, Kentucky, 40602. You may contact the Kentucky Public Service Commission at (502) 564-3940.

A person may submit a timely written request for intervention to the Kentucky Public Service Commission, PO Box 615, Frankfort, KY, 40602, establishing the grounds for the request including the status and interest of the party. If the Kentucky Public Service Commission does not receive a written request for intervention within thirty (30) days of the initial publication of this notice, the Kentucky Public Service Commission may take final action on the application.

ATTACHMENT 2

Reasons for Application

Sentra Corporation ("Sentra") is requesting a 74.7 percent rate increase for its retail gas customers. The gas rate increase will generate an approximate total of \$179,381 in additional annual revenue. Sentra is also requesting that the reconnect charge be increased from \$40.00 to \$120.00 for residential customers and from \$40.00 to \$200.00 for non-residential customers. This increase will generate an approximate total of \$2,240.00 in additional revenue. It should be noted that the revenue requirement calculation submitted in this filing could support a revenue increase of \$261,263, which would have resulted in a 108.8 percent increase. However, Sentra is proposing an increase capped at 74.7 percent, which would produce a net income of \$0 on the Statement of Adjusted Operations.

Also, Sentra is proposing changes to the current rates that will result in residential and non-residential rate classes.

Sentra needs this rate increase for the following reasons:

1. To restore Sentra to a sound financial condition by charging rates that recover its cost of providing service; and,
2. To enable Sentra to meet the requirements set forth in its existing debt instruments.

ATTACHMENT 3

Current Rates

Residential Customers

Customer Charge \$ 5.00 per Month

Base Rate Charge \$ 4.3709 per M cf

Non-Residential Customers

Customer Charge \$ 5.00 per Month

Base Rate Charge \$ 4.3709 per M cf

Reconnect Fees \$ 50.00 per Occurrence

Proposed Rates

Residential Customers

Customer Charge \$ 15.00 per Month

Base Rate Charge \$ 10.5273 per M cf

Non-Residential Customers

Customer Charge \$ 25.00 per Month

Base Rate Charge

First 50 M cf per month \$ 10.5273 per M cf

Over 50 M cf per month \$ 8.5273 per M cf

Reconnect Fees

Residential Charge \$ 120.00 per Occurrence

Non-Residential Charge \$ 200.00 per Occurrence

ATTACHMENT 4

Sentra Corporation

Pro Forma Operating Results for the 12 Months Ended December 31, 2019

Revenues:	2019	Adjustment	Ref.	Adjusted
Sales	\$ 375,508.65	\$ (564.55)	a	\$ 374,944.10
Service/Fee Income	\$ 5,567.68	\$ -		\$ 5,567.68
Management Fees	\$ 21,869.36	\$ -		\$ 21,869.36
Total Revenue	\$ 402,945.69	\$ (564.55)		\$ 402,381.14
Cost of Goods Sold				
Supervisor Wages	\$ 63,371.79	\$ -		\$ 63,371.79
Technician Wages	\$ 40,856.54	\$ -		\$ 40,856.54
Payroll Taxes-Direct	\$ 9,074.36	\$ -		\$ 9,074.36
Payroll Reimbursement from Clay Gas	\$ (60,917.84)	\$ (14,368.74)	b.	\$ (75,286.58)
Natural Gas	\$ 234,237.72	\$ -		\$ 234,237.72
Job Supplies	\$ 4,774.15	\$ -		\$ 4,774.15
Transport Fee -Clay Gas	\$ 29,059.64	\$ -		\$ 29,059.64
Total Cost of Goods Sold	\$ 320,456.36	\$ (14,368.74)		\$ 306,087.62
Expenses				
Salaries-Office	\$ 94,525.00	\$ -		\$ 94,525.00
Payroll Taxes-Office	\$ 13,371.81	\$ -		\$ 13,371.81
Insurance	\$ 28.00	\$ -		\$ 28.00
CSU Liability	\$ 15,617.79	\$ -		\$ 15,617.79
Guardian Insurance	\$ 22.59	\$ -		\$ 22.59
Health Insurance	\$ 2,919.92	\$ -		\$ 2,919.92
Key Work Comp	\$ 8,776.96	\$ -		\$ 8,776.96
Van Meter & Auto	\$ 6,100.00	\$ -		\$ 6,100.00
Outsourced Wages	\$ 42,393.24	\$ -		\$ 42,393.24
Car & Truck	\$ 13,910.76	\$ -		\$ 13,910.76
Other Business Expenses	\$ 128.38	\$ -		\$ 128.38
Office Supplies & Software	\$ 9,853.45	\$ -		\$ 9,853.45
Bank Charges & Fees	\$ 322.66	\$ -		\$ 322.66
Advertising & Marketing	\$ 125.00	\$ -		\$ 125.00
Premier Drug Testing	\$ 655.83	\$ -		\$ 655.83
Taxes & Licenses	\$ 1,628.17	\$ -		\$ 1,628.17
Rent & Lease	\$ 7,305.00	\$ -		\$ 7,305.00
Professional Expense	\$ 40,032.65	\$ 5,416.67	c.	\$ 45,449.32
Dues & Subscriptions	\$ 4,050.49	\$ -		\$ 4,050.49
Repairs & Maintenance	\$ 125.00	\$ -		\$ 125.00
Utilities	\$ 2,147.64	\$ -		\$ 2,147.64
Telephone	\$ 400.25	\$ -		\$ 400.25
Electric	\$ 509.03	\$ -		\$ 509.03
Total Expenses	\$ 264,949.62	\$ 5,416.67		\$ 270,366.29
Net Operating Income	\$ (182,460.29)	\$ 8,387.52		\$ (174,072.77)
Other Income				
Discounts Earned	\$ 41.75	\$ -		\$ 41.75
Total Other Income	\$ 41.75	\$ -		\$ 41.75
Other Expenses				
Interest Paid	\$ 6,468.61	\$ 546.17	d.	\$ 7,014.78
Amortization	\$ 6,550.00	\$ (6,442.71)	e.	\$ 107.29
Retirement Contribution-Matching	\$ 401.05	\$ -		\$ 401.05
Penalties	\$ 66.36	\$ -		\$ 66.36
Total Other Expenses	\$ 13,486.02	\$ (5,896.54)		\$ 7,589.48
Net Other Income	\$ (13,444.27)	\$ 5,896.54		\$ (7,547.73)
Net Income	\$ (195,904.56)	\$ 14,284.06		\$ (181,620.50)

Revenue Requirements Calculation

Total Expenses	\$ 584,043.39
Operating Ratio	88%
Revenue Requirement Based on 88% Operating Ratio	\$ 663,685.67
Total Revenue	\$ 402,422.89
Increase in Revenue	\$ 261,262.78
Percent Increase in Total Revenue (Retail and Wholesale)	64.9%
Increase in Total Revenue Necessary to Breakeven	\$ 181,620.50
Percent Increase in Total Revenue - Breakeven	45.1%

Revenues	2019	Adjustment	Ref.	Adjusted
Sales	\$ 375,508.65	\$ (15,213.88)		\$ 360,294.77
Service/Fee Income	\$ 5,567.68	\$ -		\$ 5,567.68
Management Fees	\$ 21,869.36	\$ -		\$ 21,869.36
Total Revenue	\$ 402,945.69	\$ (15,213.88)		\$ 387,731.81
Cost of Goods Sold				
Supervisor Wages	\$ 63,371.79	\$ -		\$ 63,371.79
Technician Wages	\$ 40,856.54	\$ -		\$ 40,856.54
Payroll Taxes - Direct	\$ 9,074.36	\$ -		\$ 9,074.36
Payroll Reimbursement from Clay Gas	\$ (60,917.84)	\$ (14,368.74)		\$ (75,286.58)
Natural Gas	\$ 234,237.72	\$ -		\$ 234,237.72
Job Supplies	\$ 4,774.15	\$ -		\$ 4,774.15
Transport Fee - Clay Gas	\$ 29,059.64	\$ -		\$ 29,059.64
Total Cost of Goods Sold	\$ 320,456.36	\$ (14,368.74)		\$ 306,087.62
Expenses				
Salaries-Office	\$ 94,525.00	\$ -		\$ 94,525.00
Payroll Taxes - Office	\$ 13,371.81	\$ -		\$ 13,371.81
Insurance	\$ 28.00	\$ -		\$ 28.00
CSU Liability	\$ 5,235.25	\$ -		\$ 5,235.25
Guardian Insurance	\$ 22.59	\$ -		\$ 22.59
Health Insurance	\$ 2,919.92	\$ -		\$ 2,919.92
Kemi Work Comp	\$ 8,776.96	\$ -		\$ 8,776.96
Van Meter IM & Auto	\$ 6,100.00	\$ -		\$ 6,100.00
Outsourced Wages	\$ 42,393.24	\$ -		\$ 42,393.24
Car & Truck	\$ 13,963.76	\$ -		\$ 13,963.76
Other Business Expenses	\$ 128.38	\$ -		\$ 128.38
Office Supplies & Software	\$ 9,853.45	\$ -		\$ 9,853.45
Bank Charges & Fees	\$ 322.66	\$ -		\$ 322.66
Advertising & Marketing	\$ 125.00	\$ -		\$ 125.00
Premier Drug Testing	\$ 655.83	\$ -		\$ 655.83
Taxes & Licenses	\$ 1,628.17	\$ -		\$ 1,628.17
Rent & Lease	\$ 7,305.00	\$ -		\$ 7,305.00
Professional Expense	\$ 40,032.65	\$ 5,416.67		\$ 45,449.32
Dues & subscriptions	\$ 4,050.49	\$ -		\$ 4,050.49
Repairs & Maintenance	\$ 125.00	\$ -		\$ 125.00
Utilities	\$ 2,147.64	\$ -		\$ 2,147.64
Telephone	\$ 400.25	\$ -		\$ 400.25
Electric	\$ 509.03	\$ -		\$ 509.03
Total Expenses	\$ 254,620.08	\$ 5,416.67		\$ 260,036.75

Net Operating Income	\$ (172,130.75)	\$ (6,261.81)	\$ (178,392.56)
Other Income			
Discounts Earned	\$ 41.75	\$ -	\$ 41.75
Total Other Income	\$ 41.75	\$ -	\$ 41.75
Other Expenses			
Interest Paid	\$ 6,023.23	\$ -	\$ 6,023.23
Retirement Contribution - Matching	\$ 401.05	\$ -	\$ 401.05
Penalties	\$ 66.36	\$ -	\$ 66.36
Total Other Expenses	\$ 6,490.64	\$ -	\$ 6,490.64
Net Other Income	\$ (6,448.89)	\$ -	\$ (6,448.89)
Net Income	\$ (178,579.64)	\$ (6,261.81)	\$ (184,841.45)
Total Expenses			\$ 572,615.01
Operating Ratio			88%
Revenue Requirement Based on 88% Operating Ratio			\$ 650,698.88
Total Revenue			\$ 387,773.56
Increase in Revenue			\$ 262,925.32
Percent Increase in Revenue			67.80%

September	2020	\$ 683.53
October	2021	672.47
November	2022	661.36
December	2023	650.19
January	2024	638.96
February	2025	627.68
March	2026	616.34
April	2027	604.95
May	2028	593.49
June	2029	581.98
July	2030	570.42
August	2031	558.79

Pro-Forma Annual \$ 7,460.16

Actual Interest \$ 6,468.61

Pro-Forma Adjustment \$ 991.55

REFERENCES

- a. An adjustment was made to test year revenues to reflect the decrease in the number of customers served at year end.
- b. An adjustment was made to the Payroll Reimbursement from Clay Gas to reflect an increase in the hourly rate for services provided each month that Sentra Corporation bills Clay Gas per their contractual agreement.
- c. An adjustment was made to Professional Expense to reflect the additional expense from the rate case filing. These costs will be recovered over a three-year period.
- d. An adjustment was made to Interest Paid to reflect the additional expense from the conversion of a promissory note and a line of credit promissory note from Edmonton State Bank into a five-year loan. The total of the promissory note and line of credit promissory note is \$150,000. An additional adjustment was made to remove interest paid on taxes withheld but not paid to the state.
- e. An adjustment was made to Amortization to remove taxes withheld but not paid to the state.

Sentra Corporation
Pro Forma Adjustment to Revenue
Adjustment a

Average number of customers during the test year	210
Year end number of customers in test year	209
Difference	(1)
Total Base Rate revenue - 2019	\$ 118,601.75
Average annual revenue per customer	\$ 564.55
Total Revenue Adjustment	\$ (564.55)

Sentra Corporation
Pro Forma Adjustment to Contractual Services Provided to Clay Gas
Adjustment b

Manager

Old Hourly Rate \$ 15.00

New Hourly Rate \$ 30.56

Difference \$ 15.56

of Hours Under Old Rate 504

Additional Fee to Clay Gas \$ 7,842.24

Technician

Old Hourly Rate \$ 15.00

New Hourly Rate \$ 26.45

Difference \$ 11.45

of Hours Under Old Rate 570

Additional Fee to Clay Gas \$ 6,526.50

Total Adjustment \$ 14,368.74

Sentra Corporation
Pro Forma Adjustment for Rate Case Expenses
Adjustment c

Rate Case Expenses - The Prime Group LLC	\$	8,000.00
Rate Case Expenses - Legal	\$	8,250.00
Total Rate Case Expenses	\$	16,250.00
Number of Years to Recover Costs		3
Rate Case Expense Adjustment	\$	5,416.67

Sentra Corporation
Pro Forma Adjustments to Interest Expenses
Adjustment d

Interest From Consolidation of Promissory Notes

September	2020	\$	683.53
October	2020		672.47
November	2020		661.36
December	2020		650.19
January	2020		638.96
February	2020		627.68
March	2020		616.34
April	2020		604.95
May	2020		593.49
June	2020		581.98
July	2020		570.42
August	2020		558.79

Pro-Forma Annual \$ 7,460.16

Actual Interest \$ 6,468.61

Pro-Forma Adjustment \$ 991.55

Remove Interest on Unpaid Taxes \$ (445.38)

Total Interest Adjustment \$ 546.17

Sentra Corporation
Pro Forma Adjustment to Remove Unpaid Taxes
Adjustment e

Adjustment in 2019 For 2018 Taxes
Withheld But Not Paid (Nov, Dec) \$ 2,591.89

Adjustment in 2019 For 2019 Taxes
Withheld But Not Paid \$ 3,850.82

Total Unpaid Tax Adjustment \$ 6,442.71

ATTACHMENT 5

Billing Analysis - Current Rates			
Residential Customers			
	Number of Bills	Customer Charge	Total Revenue
Customer Charge Revenue	1,710	\$ 5.00	\$ 8,550.00
	Usage (M cf)	Base Rate (per M cf)	Total Revenue
Base Rate Charge Revenue	5,130.4	\$ 4.3709	\$ 22,424.47
			Total Revenue
Gas Cost Recovery Rate Revenue			\$ 20,145.61
Total Revenue			\$ 51,120.08
Non-Residential Customers			
	Number of Bills	Customer Charge	Total Revenue
Customer Charge Revenue	811	\$ 5.00	\$ 4,055.00
	Usage (M cf)	Base Rate (per M cf)	Total Revenue
Base Rate Charge Revenue	22,004.0	\$ 4.3709	\$ 96,177.28
			Total Revenue
Gas Cost Recovery Rate Revenue			\$ 88,788.79
Total Revenue			\$ 189,021.07
Total Revenue - All Customers			\$ 240,141.15
	Number of Charges	Disconnect/Reconnect Charge	Total Revenue
Disconnect/Reconnect Fees	32	\$ 50.00	\$ 1,600.00

Billing Analysis - Proposed Rates			
Residential Customers			
	Number of Bills	Customer Charge	Total Revenue
Customer Charge Revenue	1,710	\$ 15.00	\$ 25,650.00
	Usage (M cf)	Base Rate (per M cf)	Total Revenue
Base Rate Charge Revenue	5,130.4	\$ 10.5273	\$ 54,009.26
			Total Revenue
Gas Cost Recovery Rate Revenue			\$ 20,145.61
Total Revenue			\$ 99,804.87
Non-Residential Customers			
	Number of Bills	Customer Charge	Total Revenue
Customer Charge Revenue	811	\$ 25.00	\$ 20,275.00
	Usage (M cf)	Base Rate (per M cf)	Total Revenue
Base Rate Charge Revenue			
First 50 M cf per month	11,509.6	\$ 10.5273	\$ 121,165.01
Over 50 M cf per month	10,494.4	\$ 8.5273	\$ 89,488.90
	22,004.0		
			Total Revenue
Gas Cost Recovery Rate Revenue			\$ 88,788.79
Total Revenue			\$ 319,717.70
Total Revenue - All Customers			\$ 419,522.57
Total Increase			\$ 179,381.42
Percent Increase			74.7%
	Number of Charges	Disconnect/Reconnect Charge	Total Revenue
Disconnect/Reconnect Fees			
Residential Charge	32	\$ 120.00	\$ 3,840.00
Non-Residential Charge	-	\$ 200.00	\$ -
Total Increase			\$ 2,240.00
Percent Increase			140.0%

ATTACHMENT 6

Sentra Corporation
Depreciation Schedule
Attachment 6

Sentra does not have any depreciation expenses on their books during the test year (Jan-Dec 2019) and they are not making any pro forma adjustments to depreciation expenses in the revenue requirement calculation. When Sentra purchased the company from the previous owner, all assets were fully depreciated at the time of purchase.

ATTACHMENT 7

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$100,000.00	10-10-2018	10-15-2023		4A / 003B		AWH	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: **SENTRA CORPORATION**
2006 EDMONTON ROAD
TOMPKINSVILLE, KY 42167

Lender: EDMONTON STATE BANK
TOMPKINSVILLE
213 NORTH MAIN
PO BOX 638
TOMPKINSVILLE, KY 42167

Principal Amount: \$100,000.00

Initial Rate: 6.000%

Date of Note: October 10, 2018

PROMISE TO PAY. SENTRA CORPORATION ("Borrower") promises to pay to EDMONTON STATE BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of One Hundred Thousand & 00/100 Dollars (\$100,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on October 15, 2023. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning November 15, 2018, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Prime Rate as published in Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current Index rate upon Borrower's request. The interest rate change will not occur more often than each 12 months on the anniversary date of the loan. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.000% per annum. Interest on the unpaid principal balance of this Note will be a rate of 1.000 percentage point over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 6.000% per annum. NOTICE: Under no circumstances will the interest rate on this Note be less than 4.000% per annum or more than the lesser of 24.000% per annum or the maximum rate allowed by applicable law.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: EDMONTON STATE BANK, TOMPKINSVILLE, 213 NORTH MAIN, PO BOX 638, TOMPKINSVILLE, KY 42167.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$10.00, whichever is greater.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the total sum due under this Note will continue to accrue interest at the interest rate under this Note. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf, or made by Guarantor, or any other guarantor, endorser, surety, or accommodation party, under this Note or the related documents in connection with the obtaining of the loan evidenced by this Note or any security document directly or indirectly securing repayment of this Note is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Execution; Attachment. Any execution or attachment is levied against the Collateral, and such execution or attachment is not set aside, discharged or stayed within thirty (30) days after the same is levied.

Change in Zoning or Public Restriction. Any change in any zoning ordinance or regulation or any other public restriction is enacted, adopted or implemented, that limits or defines the uses which may be made of the Collateral such that the present or intended use of the Collateral, as specified in the related documents, would be in violation of such zoning ordinance or regulation or public restriction, as changed.

Default Under Other Lien Documents. A default occurs under any other mortgage, deed of trust or security agreement covering all or any portion of the Collateral.

Judgment. Unless adequately covered by insurance in the opinion of Lender, the entry of a final judgment for the payment of money involving more than ten thousand dollars (\$10,000.00) against Borrower and the failure by Borrower to discharge the same, or cause it to be discharged, or bonded off to Lender's satisfaction, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor, or any other guarantor, endorser, surety, or accommodation party of any of the indebtedness or any Guarantor, or any other guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Change in Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay

**PROMISSORY NOTE
(Continued)**

Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Kentucky.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note, as well as directions for payment from Borrower's accounts, may be requested orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: **subject to sweep agreement for automatic transfer.** Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

FINANCIAL STATEMENTS. Borrower agrees to provide Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request.

MAXIMUM LATE CHARGE. The late charge as stated earlier will be limited to a maximum of \$50.00 per occurrence.

LOAN PROCESS FEE. I agree to pay a non-refundable process fee for this loan in the amount of \$150.00.

ELECTRONIC IMAGE WAIVER. The undersigned, in consideration of the bank loaning money to the undersigned, waives any and all objection to the introduction of electronically reproduced images of any writing constituting any portion of the "loan documents" pertaining to any and all documents regarding my loan or other loans as evidenced in any Court or otherwise evidentiary proceeding.

____ (initial) _____ (initial) _____ (initial) _____ (initial).

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: EDMONTON STATE BANK OPERATIONS CENTER PO BOX 1149 GLASGOW, KY 42141.

GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

SENTRA CORPORATION

By: COPY
RANDY DARREN CLEARY, Secretary of SENTRA CORPORATION

COMMERCIAL GUARANTY

Borrower: SENTRA CORPORATION
2006 EDMONTON ROAD
TOMPKINSVILLE, KY 42167

Lender: EDMONTON STATE BANK
TOMPKINSVILLE
213 NORTH MAIN
PO BOX 638
TOMPKINSVILLE, KY 42167

Guarantor: SENTRA RESOURCES, LLC
2006 EDMONTON ROAD
TOMPKINSVILLE, KY 42167

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

CONTINUING GUARANTY. THIS GUARANTY ENCOMPASSES A LINE OF CREDIT AND GUARANTOR UNDERSTANDS AND AGREES THAT THIS GUARANTY SHALL BE OPEN AND CONTINUOUS UNTIL THE INDEBTEDNESS IS PAID IN FULL AND THE LENDER DECLARES THAT THE LINE OF CREDIT IS FULLY SATISFIED, PERFORMED AND TERMINATED.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. This Guaranty covers a revolving line of credit and it is specifically anticipated that fluctuations will occur in the aggregate amount of the Indebtedness. Guarantor specifically acknowledges and agrees that fluctuations in the amount of the Indebtedness, even to zero dollars (\$ 0.00), shall not constitute a termination of this Guaranty. Guarantor's liability under this Guaranty shall terminate only upon (A) termination in writing by Borrower and Lender of the line of credit, (B) payment of the Indebtedness in full in legal tender, and (C) payment in full in legal tender of all of Guarantor's other obligations under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means SENTRA CORPORATION and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation SENTRA RESOURCES, LLC, and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means EDMONTON STATE BANK, its successors and assigns.

Note. The word "Note" means the promissory note dated October 10, 2018, in the original principal amount of \$100,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

COMMERCIAL GUARANTY
(Continued)

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED OCTOBER 10, 2018.

GUARANTOR:

SENTRA RESOURCES, LLC

By: COPY
RANDY DARREN CLEARY, Member of SENTRA
RESOURCES, LLC

By: COPY
WESLEY D CLEARY, Member of SENTRA
RESOURCES, LLC

By: COPY
DANTANA N BRYANT, Member of SENTRA
RESOURCES, LLC

LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____
by RANDY DARREN CLEARY, Member of SENTRA RESOURCES, LLC; WESLEY D CLEARY, Member of SENTRA RESOURCES, LLC; and
DANTANA N BRYANT, Member of SENTRA RESOURCES, LLC, on behalf of SENTRA RESOURCES, LLC, a limited liability company.

(Signature of Person Taking Acknowledgment)

(Title or Rank)

(Serial Number, if any) (My commission expires)

COMMERCIAL GUARANTY

Borrower: SENTRA CORPORATION
2006 EDMONTON ROAD
TOMPKINSVILLE, KY 42167

Lender: EDMONTON STATE BANK
TOMPKINSVILLE
213 NORTH MAIN
PO BOX 638
TOMPKINSVILLE, KY 42167

Guarantor: DANTANA N BRYANT
171 SADDLEBROOK ESTATES
TOMPKINSVILLE, KY 42167

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

CONTINUING GUARANTY. THIS GUARANTY ENCOMPASSES A LINE OF CREDIT AND GUARANTOR UNDERSTANDS AND AGREES THAT THIS GUARANTY SHALL BE OPEN AND CONTINUOUS UNTIL THE INDEBTEDNESS IS PAID IN FULL AND THE LENDER DECLARES THAT THE LINE OF CREDIT IS FULLY SATISFIED, PERFORMED AND TERMINATED.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. This Guaranty covers a revolving line of credit and it is specifically anticipated that fluctuations will occur in the aggregate amount of the Indebtedness. Guarantor specifically acknowledges and agrees that fluctuations in the amount of the Indebtedness, even to zero dollars (\$ 0.00), shall not constitute a termination of this Guaranty. Guarantor's liability under this Guaranty shall terminate only upon (A) termination in writing by Borrower and Lender of the line of credit, (B) payment of the Indebtedness in full in legal tender, and (C) payment in full in legal tender of all of Guarantor's other obligations under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration of or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means SENTRA CORPORATION and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation DANTANA N BRYANT, and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means EDMONTON STATE BANK, its successors and assigns.

Note. The word "Note" means the promissory note dated October 10, 2018, in the original principal amount of \$100,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**COMMERCIAL GUARANTY
(Continued)**

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED OCTOBER 10, 2018.

GUARANTOR:

X COPY
DANTANA N BRYANT

INDIVIDUAL ACKNOWLEDGMENT

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____
by DANTANA N BRYANT.

(Signature of Person Taking Acknowledgment)

(Title or Rank)

(Serial Number, if any) (My commission expires)

COMMERCIAL GUARANTY

Borrower: SENTRA CORPORATION
2006 EDMONTON ROAD
TOMPKINSVILLE, KY 42167

Lender: EDMONTON STATE BANK
TOMPKINSVILLE
213 NORTH MAIN
PO BOX 638
TOMPKINSVILLE, KY 42167

Guarantor: RANDY DARREN CLEARY
347 TOOLEY RIDGE RD
TOMPKINSVILLE, KY 42167

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

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DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. This Guaranty covers a revolving line of credit and it is specifically anticipated that fluctuations will occur in the aggregate amount of the Indebtedness. Guarantor specifically acknowledges and agrees that fluctuations in the amount of the Indebtedness, even to zero dollars (\$ 0.00), shall not constitute a termination of this Guaranty. Guarantor's liability under this Guaranty shall terminate only upon (A) termination in writing by Borrower and Lender of the line of credit, (B) payment of the Indebtedness in full in legal tender, and (C) payment in full in legal tender of all of Guarantor's other obligations under this Guaranty.

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GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

GUARANTOR'S WAIVERS. Except as prohibited by applicable law, Guarantor waives any right to require Lender (A) to continue lending money or to extend other credit to Borrower; (B) to make any presentment, protest, demand, or notice of any kind, including notice of any nonpayment of the Indebtedness or of any nonpayment related to any collateral, or notice of any action or nonaction on the part of Borrower, Lender, any surety, endorser, or other guarantor in connection with the Indebtedness or in connection with the creation of new or additional loans or obligations; (C) to resort for payment or to proceed directly or at once against any person, including Borrower or any other guarantor; (D) to proceed directly against or exhaust any collateral held by Lender from Borrower, any other guarantor, or any other person; (E) to give notice of the terms, time, and place of any public or private sale of personal property security held by Lender from Borrower or to comply with any other applicable provisions of the Uniform Commercial Code; (F) to pursue any other remedy within Lender's power; or (G) to commit any act or omission of any kind, or at any time, with respect to any matter whatsoever.

Guarantor also waives any and all rights or defenses based on suretyship or impairment of collateral including, but not limited to, any rights or defenses arising by reason of (A) any "one action" or "anti-deficiency" law or any other law which may prevent Lender from bringing any action, including a claim for deficiency, against Guarantor, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale; (B) any election of remedies by Lender which destroys or otherwise adversely affects Guarantor's subrogation rights or Guarantor's rights to proceed against Borrower for reimbursement, including without limitation, any loss of rights Guarantor may suffer by reason of any law limiting, qualifying, or discharging the Indebtedness; (C) any disability or other defense of Borrower, of any other guarantor, or of any other person, or by reason of the cessation of Borrower's liability from any cause whatsoever, other than payment in full in legal tender, of the Indebtedness; (D) any right to claim discharge of the Indebtedness on the basis of unjustified impairment of any collateral for the Indebtedness; (E) any statute of limitations, if at any time any action or suit brought by Lender against Guarantor is commenced, there is outstanding Indebtedness which is not barred by any applicable statute of limitations; or (F) any defenses given to guarantors at law or in equity other than actual payment and performance of the Indebtedness. If payment is made by Borrower, whether voluntarily or otherwise, or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, the Indebtedness shall be considered unpaid for the purpose of the enforcement of this Guaranty.

Guarantor further waives and agrees not to assert or claim at any time any deductions to the amount guaranteed under this Guaranty for any claim of setoff, counterclaim, counter demand, recoupment or similar right, whether such claim, demand or right may be asserted by the Borrower, the Guarantor, or both.

GUARANTOR'S UNDERSTANDING WITH RESPECT TO WAIVERS. Guarantor warrants and agrees that each of the waivers set forth above is made with Guarantor's full knowledge of its significance and consequences and that, under the circumstances, the waivers are reasonable and not contrary to public policy or law. If any such waiver is determined to be contrary to any applicable law or public policy, such waiver shall be effective only to the extent permitted by law or public policy.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Guarantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Guarantor holds jointly with someone else and all accounts Guarantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Guarantor authorizes Lender, to the extent permitted by applicable law, to hold these funds if there is a default, and Lender may apply the funds in these accounts to pay what Guarantor owes under the terms of this Guaranty.

SUBORDINATION OF BORROWER'S DEBTS TO GUARANTOR. Guarantor agrees that the Indebtedness, whether now existing or hereafter created, shall be superior to any claim that Guarantor may now have or hereafter acquire against Borrower, whether or not Borrower becomes insolvent. Guarantor hereby expressly subordinates any claim Guarantor may have against Borrower, upon any account whatsoever, to any claim that Lender may now or hereafter have against Borrower. In the event of insolvency and consequent liquidation of the assets of Borrower, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of Borrower applicable to the payment of the claims of both Lender and Guarantor shall be paid to Lender and shall be first applied by Lender to the Indebtedness. Guarantor does hereby assign to Lender all claims which it may have or acquire against Borrower or against any assignee or trustee in bankruptcy of Borrower; provided however, that such assignment shall be effective only for the purpose of assuring to Lender full payment in legal tender of the Indebtedness. If Lender so requests, any notes or credit agreements now or hereafter evidencing any debts or obligations of Borrower to Guarantor shall be marked with a legend that the same are subject to this Guaranty and shall be delivered to Lender. Guarantor agrees, and Lender is hereby authorized, in the name of Guarantor, from time to time to file financing statements and continuation statements and to execute documents and to take such other actions as Lender deems necessary or appropriate to perfect, preserve and enforce its rights under this Guaranty.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Guaranty:

Amendments. This Guaranty, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Guaranty. No alteration or amendment to this Guaranty shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Guarantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Guaranty. Lender may hire or pay someone else to help enforce this Guaranty, and Guarantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Guarantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

Governing Law. This Guaranty will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions.

Integration. Guarantor further agrees that Guarantor has read and fully understands the terms of this Guaranty; Guarantor has had the opportunity to be advised by Guarantor's attorney with respect to this Guaranty; the Guaranty fully reflects Guarantor's intentions and parol evidence is not required to interpret the terms of this Guaranty. Guarantor hereby indemnifies and holds Lender harmless from all losses, claims, damages, and costs (including Lender's attorneys' fees) suffered or incurred by Lender as a result of any breach by Guarantor of the warranties, representations and agreements of this paragraph.

Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

Notices. Any notice required to be given under this Guaranty shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Guaranty. Any party may change its address for notices under this Guaranty by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Guarantor agrees to keep Lender informed at all times of Guarantor's current address. Unless otherwise provided or required by law, if there is more than one Guarantor, any notice given by Lender to any Guarantor is deemed to be notice given to all Guarantors.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means SENTRA CORPORATION and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation RANDY DARREN CLEARLY, and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means EDMONTON STATE BANK, its successors and assigns.

Note. The word "Note" means the promissory note dated October 10, 2018, in the original principal amount of \$100,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

COMMERCIAL GUARANTY
(Continued)

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED OCTOBER 10, 2018.

GUARANTOR:

X COPY

RANDY DARREN CLEARY

INDIVIDUAL ACKNOWLEDGMENT

COMMONWEALTH OF KENTUCKY

)

) SS

COUNTY OF _____

)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____
by RANDY DARREN CLEARY.

(Signature of Person Taking Acknowledgment)

(Title or Rank)

(Serial Number, if any)

(My commission expires)

COMMERCIAL GUARANTY

Borrower: SENTRA CORPORATION
2006 EDMONTON ROAD
TOMPKINSVILLE, KY 42167

Lender: EDMONTON STATE BANK
TOMPKINSVILLE
213 NORTH MAIN
PO BOX 638
TOMPKINSVILLE, KY 42167

Guarantor: WESLEY D CLEARY
281 HILLTOP LANE
TOMPKINSVILLE, KY 42167

GUARANTEE OF PAYMENT AND PERFORMANCE. For good and valuable consideration, Guarantor absolutely and unconditionally guarantees full and punctual payment and satisfaction of the Indebtedness of Borrower to Lender, and the performance and discharge of all Borrower's obligations under the Note and the Related Documents. This is a guaranty of payment and performance and not of collection, so Lender can enforce this Guaranty against Guarantor even when Lender has not exhausted Lender's remedies against anyone else obligated to pay the Indebtedness or against any collateral securing the Indebtedness, this Guaranty or any other guaranty of the Indebtedness. Guarantor will make any payments to Lender or its order, on demand, in legal tender of the United States of America, in same-day funds, without set-off or deduction or counterclaim, and will otherwise perform Borrower's obligations under the Note and Related Documents.

INDEBTEDNESS. The word "Indebtedness" as used in this Guaranty means all of the principal amount outstanding from time to time and at any one or more times, accrued unpaid interest thereon and all collection costs and legal expenses related thereto permitted by law, reasonable attorneys' fees, arising from any and all debts, liabilities and obligations that Borrower individually or collectively or interchangeably with others, owes or will owe Lender under the Note and Related Documents and any renewals, extensions, modifications, refinancings, consolidations and substitutions of the Note and Related Documents.

If Lender presently holds one or more guaranties, or hereafter receives additional guaranties from Guarantor, Lender's rights under all guaranties shall be cumulative. This Guaranty shall not (unless specifically provided below to the contrary) affect or invalidate any such other guaranties. Guarantor's liability will be Guarantor's aggregate liability under the terms of this Guaranty and any such other unexpired guaranties.

CONTINUING GUARANTY. THIS GUARANTY ENCOMPASSES A LINE OF CREDIT AND GUARANTOR UNDERSTANDS AND AGREES THAT THIS GUARANTY SHALL BE OPEN AND CONTINUOUS UNTIL THE INDEBTEDNESS IS PAID IN FULL AND THE LENDER DECLARES THAT THE LINE OF CREDIT IS FULLY SATISFIED, PERFORMED AND TERMINATED.

DURATION OF GUARANTY. This Guaranty will take effect when received by Lender without the necessity of any acceptance by Lender, or any notice to Guarantor or to Borrower, and will continue in full force until all the Indebtedness shall have been fully and finally paid and satisfied and all of Guarantor's other obligations under this Guaranty shall have been performed in full. Release of any other guarantor or termination of any other guaranty of the Indebtedness shall not affect the liability of Guarantor under this Guaranty. A revocation Lender receives from any one or more Guarantors shall not affect the liability of any remaining Guarantors under this Guaranty. This Guaranty covers a revolving line of credit and it is specifically anticipated that fluctuations will occur in the aggregate amount of the Indebtedness. Guarantor specifically acknowledges and agrees that fluctuations in the amount of the Indebtedness, even to zero dollars (\$ 0.00), shall not constitute a termination of this Guaranty. Guarantor's liability under this Guaranty shall terminate only upon (A) termination in writing by Borrower and Lender of the line of credit, (B) payment of the Indebtedness in full in legal tender, and (C) payment in full in legal tender of all of Guarantor's other obligations under this Guaranty.

GUARANTOR'S AUTHORIZATION TO LENDER. Guarantor authorizes Lender, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (A) to make one or more additional secured or unsecured loans to Borrower, to lease equipment or other goods to Borrower, or otherwise to extend additional credit to Borrower; (B) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (C) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce, waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (D) to release, substitute, agree not to sue, or deal with any one or more of Borrower's sureties, endorsers, or other guarantors on any terms or in any manner Lender may choose; (E) to determine how, when and what application of payments and credits shall be made on the Indebtedness; (F) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or deed of trust, as Lender in its discretion may determine; (G) to sell, transfer, assign or grant participations in all or any part of the Indebtedness; and (H) to assign or transfer this Guaranty in whole or in part.

GUARANTOR'S REPRESENTATIONS AND WARRANTIES. Guarantor represents and warrants to Lender that (A) no representations or agreements of any kind have been made to Guarantor which would limit or qualify in any way the terms of this Guaranty; (B) this Guaranty is executed at Borrower's request and not at the request of Lender; (C) Guarantor has full power, right and authority to enter into this Guaranty; (D) the provisions of this Guaranty do not conflict with or result in a default under any agreement or other instrument binding upon Guarantor and do not result in a violation of any law, regulation, court decree or order applicable to Guarantor; (E) Guarantor has not and will not, without the prior written consent of Lender, sell, lease, assign, encumber, hypothecate, transfer, or otherwise dispose of all or substantially all of Guarantor's assets, or any interest therein; (F) upon Lender's request, Guarantor will provide to Lender financial and credit information in form acceptable to Lender, and all such financial information which currently has been, and all future financial information which will be provided to Lender is and will be true and correct in all material respects and fairly present Guarantor's financial condition as of the dates the financial information is provided; (G) no material adverse change has occurred in Guarantor's financial condition since the date of the most recent financial statements provided to Lender and no event has occurred which may materially adversely affect Guarantor's financial condition; (H) no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Guarantor is pending or threatened; (I) Lender has made no representation to Guarantor as to the creditworthiness of Borrower; and (J) Guarantor has established adequate means of obtaining from Borrower on a continuing basis information regarding Borrower's financial condition. Guarantor agrees to keep adequately informed from such means of any facts, events, or circumstances which might in any way affect Guarantor's risks under this Guaranty, and Guarantor further agrees that, absent a request for information, Lender shall have no obligation to disclose to Guarantor any information or documents acquired by Lender in the course of its relationship with Borrower.

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Caption Headings. Caption headings in this Guaranty are for convenience purposes only and are not to be used to interpret or define the provisions of this Guaranty.

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Interpretation. In all cases where there is more than one Borrower or Guarantor, then all words used in this Guaranty in the singular shall be deemed to have been used in the plural where the context and construction so require; and where there is more than one Borrower named in this Guaranty or when this Guaranty is executed by more than one Guarantor, the words "Borrower" and "Guarantor" respectively shall mean all and any one or more of them. The words "Guarantor," "Borrower," and "Lender" include the heirs, successors, assigns, and transferees of each of them. If a court finds that any provision of this Guaranty is not valid or should not be enforced, that fact by itself will not mean that the rest of this Guaranty will not be valid or enforced. Therefore, a court will enforce the rest of the provisions of this Guaranty even if a provision of this Guaranty may be found to be invalid or unenforceable. If any one or more of Borrower or Guarantor are corporations, partnerships, limited liability companies, or similar entities, it is not necessary for Lender to inquire into the powers of Borrower or Guarantor or of the officers, directors, partners, managers, or other agents acting or purporting to act on their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Guaranty.

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No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Guaranty unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Guaranty shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Guaranty. No prior waiver by Lender, nor any course of dealing between Lender and Guarantor, shall constitute a waiver of any of Lender's rights or of any of Guarantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Guaranty, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Successors and Assigns. Subject to any limitations stated in this Guaranty on transfer of Guarantor's interest, this Guaranty shall be binding upon and inure to the benefit of the parties, their successors and assigns.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Guaranty. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Guaranty shall have the meanings attributed to such terms in the Uniform Commercial Code:

Borrower. The word "Borrower" means SENTRA CORPORATION and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Guarantor. The word "Guarantor" means everyone signing this Guaranty, including without limitation WESLEY D CLEARY, and in each case, any signer's successors and assigns.

Guaranty. The word "Guaranty" means this guaranty from Guarantor to Lender.

Indebtedness. The word "Indebtedness" means Borrower's indebtedness to Lender as more particularly described in this Guaranty.

Lender. The word "Lender" means EDMONTON STATE BANK, its successors and assigns.

Note. The word "Note" means the promissory note dated October 10, 2018, in the original principal amount of \$100,000.00 from Borrower to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**COMMERCIAL GUARANTY
(Continued)**

EACH UNDERSIGNED GUARANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS GUARANTY AND AGREES TO ITS TERMS. IN ADDITION, EACH GUARANTOR UNDERSTANDS THAT THIS GUARANTY IS EFFECTIVE UPON GUARANTOR'S EXECUTION AND DELIVERY OF THIS GUARANTY TO LENDER AND THAT THE GUARANTY WILL CONTINUE UNTIL TERMINATED IN THE MANNER SET FORTH IN THE SECTION TITLED "DURATION OF GUARANTY". NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS GUARANTY EFFECTIVE. THIS GUARANTY IS DATED OCTOBER 10, 2018.

GUARANTOR:

X COPY
WESLEY D CLEARY

INDIVIDUAL ACKNOWLEDGMENT

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____
by WESLEY D CLEARY.

(Signature of Person Taking Acknowledgment)

(Title or Rank)

(Serial Number, if any) (My commission expires)

PROMISSORY NOTE

Principal	Loan Date	Maturity	Loan No.	Call / Coll	Account	Officer	Initials
\$50,000.00	06-21-2019	06-21-2021	1087	NA / 003B		JRG	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.
Any item above containing "****" has been omitted due to text length limitations.

Borrower: SENTRA CORPORATION
2006 EDMONTON ROAD
TOMPKINSVILLE, KY 42167

Lender: EDMONTON STATE BANK
TOMPKINSVILLE
213 NORTH MAIN
PO BOX 638
TOMPKINSVILLE, KY 42167

Principal Amount: \$50,000.00

Initial Rate: 6.500%

Date of Note: June 21, 2019

PROMISE TO PAY. SENTRA CORPORATION ("Borrower") promises to pay to EDMONTON STATE BANK ("Lender"), or order, in lawful money of the United States of America, the principal amount of Fifty Thousand & 00/100 Dollars (\$50,000.00) or so much as may be outstanding, together with interest on the unpaid outstanding principal balance of each advance. Interest shall be calculated from the date of each advance until repayment of each advance.

PAYMENT. Borrower will pay this loan in full immediately upon Lender's demand. If no demand is made, Borrower will pay this loan in one payment of all outstanding principal plus all accrued unpaid interest on June 21, 2021. In addition, Borrower will pay regular monthly payments of all accrued unpaid interest due as of each payment date, beginning July 21, 2019, with all subsequent interest payments to be due on the same day of each month after that. Unless otherwise agreed or required by applicable law, payments will be applied first to any accrued unpaid interest; then to principal; and then to any late charges. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

VARIABLE INTEREST RATE. The interest rate on this Note is subject to change from time to time based on changes in an independent index which is the Prime Rate as published in Wall Street Journal (the "Index"). The Index is not necessarily the lowest rate charged by Lender on its loans. If the Index becomes unavailable during the term of this loan, Lender may designate a substitute index after notifying Borrower. Lender will tell Borrower the current index rate upon Borrower's request. The interest rate change will not occur more often than each 12 months on the anniversary date of the loan. Borrower understands that Lender may make loans based on other rates as well. The Index currently is 5.500% per annum. Interest on the unpaid principal balance of this Note will be a rate of 1.000 percentage point over the Index, adjusted if necessary for any minimum and maximum rate limitations described below, resulting in an initial rate of 6.500% per annum. NOTICE: Under no circumstances will the interest rate on this Note be less than 4.000% per annum or more than the lesser of 24.000% per annum or the maximum rate allowed by applicable law.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments of accrued unpaid interest. Rather, early payments will reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: EDMONTON STATE BANK, TOMPKINSVILLE, 213 NORTH MAIN, PO BOX 638, TOMPKINSVILLE, KY 42167.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$10.00, whichever is greater.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the total sum due under this Note will continue to accrue interest at the interest rate under this Note. However, in no event will the interest rate exceed the maximum interest rate limitations under applicable law.

DEFAULT. Each of the following shall constitute an event of default ("Event of Default") under this Note:

Payment Default. Borrower fails to make any payment when due under this Note.

Other Defaults. Borrower fails to comply with or to perform any other term, obligation, covenant or condition contained in this Note or in any of the related documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf, or made by Guarantor, or any other guarantor, endorser, surety, or accommodation party, under this Note or the related documents in connection with the obtaining of the loan evidenced by this Note or any security document directly or indirectly securing repayment of this Note is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Insolvency. The dissolution or termination of Borrower's existence as a going business, the insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Execution; Attachment. Any execution or attachment is levied against the Collateral, and such execution or attachment is not set aside, discharged or stayed within thirty (30) days after the same is levied.

Change in Zoning or Public Restriction. Any change in any zoning ordinance or regulation or any other public restriction is enacted, adopted or implemented, that limits or defines the uses which may be made of the Collateral such that the present or intended use of the Collateral, as specified in the related documents, would be in violation of such zoning ordinance or regulation or public restriction, as changed.

Default Under Other Lien Documents. A default occurs under any other mortgage, deed of trust or security agreement covering all or any portion of the Collateral.

Judgment. Unless adequately covered by insurance in the opinion of Lender, the entry of a final judgment for the payment of money involving more than ten thousand dollars (\$10,000.00) against Borrower and the failure by Borrower to discharge the same, or cause it to be discharged, or bonded off to Lender's satisfaction, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor, or any other guarantor, endorser, surety, or accommodation party of any of the indebtedness or any Guarantor, or any other guarantor, endorser, surety, or accommodation party dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any guaranty of the indebtedness evidenced by this Note.

Change in Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower.

Adverse Change. A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of this Note is impaired.

Cure Provisions. If any default, other than a default in payment, is curable and if Borrower has not been given a notice of a breach of the same provision of this Note within the preceding twelve (12) months, it may be cured if Borrower, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

LENDER'S RIGHTS. Upon default, Lender may declare the entire unpaid principal balance under this Note and all accrued unpaid interest immediately due, and then Borrower will pay that amount.

ATTORNEYS' FEES; EXPENSES. Lender may hire or pay someone else to help collect this Note if Borrower does not pay. Borrower will pay

PROMISSORY NOTE
(Continued)

Page 2

Lender that amount. This includes, subject to any limits under applicable law, Lender's reasonable attorneys' fees and Lender's legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), and appeals. If not prohibited by applicable law, Borrower also will pay any court costs, in addition to all other sums provided by law.

GOVERNING LAW. This Note will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. This Note has been accepted by Lender in the Commonwealth of Kentucky.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

LINE OF CREDIT. This Note evidences a revolving line of credit. Advances under this Note, as well as directions for payment from Borrower's accounts, may be requested orally or in writing by Borrower or as provided in this paragraph. Lender may, but need not, require that all oral requests be confirmed in writing. The following person or persons are authorized to request advances and authorize payments under the line of credit until Lender receives from Borrower, at Lender's address shown above, written notice of revocation of such authority: subject to sweep agreement for automatic transfer. Borrower agrees to be liable for all sums either: (A) advanced in accordance with the instructions of an authorized person or (B) credited to any of Borrower's accounts with Lender. The unpaid principal balance owing on this Note at any time may be evidenced by endorsements on this Note or by Lender's internal records, including daily computer print-outs.

FINANCIAL STATEMENTS. Borrower agrees to provide Lender with such financial statements and other related information at such frequencies and in such detail as Lender may reasonably request.

MAXIMUM LATE CHARGE. The late charge as stated earlier will be limited to a maximum of \$50.00 per occurrence.

LOAN PROCESS FEE. I agree to pay a non-refundable process fee for this loan in the amount of \$150.00.

ELECTRONIC IMAGE WAIVER. The undersigned, in consideration of the bank loaning money to the undersigned, waives any and all objection to the introduction of electronically reproduced images of any writing constituting any portion of the "loan documents" pertaining to any and all documents regarding my loan or other loans as evidenced in any Court or otherwise evidentiary proceeding.

 (initial) _____ (initial) _____ (initial) _____ (initial) _____

SUCCESSOR INTERESTS. The terms of this Note shall be binding upon Borrower, and upon Borrower's heirs, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: EDMONTON STATE BANK OPERATIONS CENTER PO BOX 1149 GLASGOW, KY 42141.

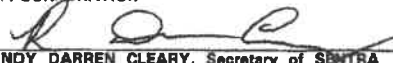
GENERAL PROVISIONS. This Note is payable on demand. The inclusion of specific default provisions or rights of Lender shall not preclude Lender's right to declare payment of this Note on its demand. If any part of this Note cannot be enforced, this fact will not affect the rest of the Note. Lender may delay or forgo enforcing any of its rights or remedies under this Note without losing them. Borrower and any other person who signs, guarantees or endorses this Note, to the extent allowed by law, waive presentment, demand for payment, and notice of dishonor. Upon any change in the terms of this Note, and unless otherwise expressly stated in writing, no party who signs this Note, whether as maker, guarantor, accommodation maker or endorser, shall be released from liability. All such parties agree that Lender may renew or extend (repeatedly and for any length of time) this loan or release any party or guarantor or collateral; or impair, fail to realize upon or perfect Lender's security interest in the collateral; and take any other action deemed necessary by Lender without the consent of or notice to anyone. All such parties also agree that Lender may modify this loan without the consent of or notice to anyone other than the party with whom the modification is made. The obligations under this Note are joint and several.

PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS NOTE, INCLUDING THE VARIABLE INTEREST RATE PROVISIONS. BORROWER AGREES TO THE TERMS OF THE NOTE.

BORROWER ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THIS PROMISSORY NOTE.

BORROWER:

SENTRA CORPORATION

By: 
RANDY DARREN CLEARY, Secretary of SENTRA CORPORATION

COMMERCIAL SECURITY AGREEMENT

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$50,000.00	06-21-2019	06-21-2021		4A / 0038		JRG	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Borrower: SENTRA CORPORATION
2006 EDMONTON ROAD
TOMPKINSVILLE, KY 42167

Lender: EDMONTON STATE BANK
TOMPKINSVILLE
213 NORTH MAIN
PO BOX 638
TOMPKINSVILLE, KY 42167

Grantor: SENTRA RESOURCES, LLC
2006 EDMONTON ROAD
TOMPKINSVILLE, KY 42167

THIS COMMERCIAL SECURITY AGREEMENT dated June 21, 2019, is made and executed among SENTRA RESOURCES, LLC ("Grantor"); SENTRA CORPORATION ("Borrower"); and EDMONTON STATE BANK ("Lender").

GRANT OF SECURITY INTEREST. For valuable consideration, Grantor grants to Lender a security interest in the Collateral to secure the indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located, in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

All Inventory, Chattel Paper, Accounts, Equipment and General Intangibles (including, but not limited to all rights to the proceeds of any sale of stock acquired in any companies) all accounts receivable, inventory, equipment, all intangibles (including, but not limited to the proceeds from the sale of any stock acquired in any companies.)

In addition, the word "Collateral" also includes all the following, whether now owned or hereafter acquired, whether now existing or hereafter arising, and wherever located:

- (A) All accessions, attachments, accessories, tools, parts, supplies, replacements of and additions to any of the collateral described herein, whether added now or later.
- (B) All products and produce of any of the property described in this Collateral section.
- (C) All accounts, general intangibles, instruments, rents, monies, payments, and all other rights, arising out of a sale, lease, consignment or other disposition of any of the property described in this Collateral section.
- (D) All proceeds (including insurance proceeds) from the sale, destruction, loss, or other disposition of any of the property described in this Collateral section, and sums due from a third party who has damaged or destroyed the Collateral or from that party's insurer, whether due to judgment, settlement or other process.
- (E) All records and data relating to any of the property described in this Collateral section, whether in the form of a writing, photograph, microfilm, microfiche, or electronic media, together with all of Grantor's right, title, and interest in and to all computer software required to utilize, create, maintain, and process any such records or data on electronic media.

CROSS-COLLATERALIZATION. In addition to the Note, this Agreement secures all obligations, debts and liabilities, plus interest thereon, of either Grantor or Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower and Grantor or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, direct or indirect, determined or undetermined, absolute or contingent, liquidated or unliquidated, whether Borrower or Grantor may be liable individually or jointly with others, whether obligated as guarantor, surety, accommodation party or otherwise, and whether recovery upon such amounts may be or hereafter may become barred by any statute of limitations, and whether the obligation to repay such amounts may be or hereafter may become otherwise unenforceable.

FUTURE ADVANCES. In addition to the Note, this Agreement secures all future advances made by Lender to Borrower regardless of whether the advances are made a) pursuant to a commitment or b) for the same purposes.

BORROWER'S WAIVERS AND RESPONSIBILITIES. Except as otherwise required under this Agreement or by applicable law, (A) Borrower agrees that Lender need not tell Borrower about any action or inaction Lender takes in connection with this Agreement; (B) Borrower assumes the responsibility for being and keeping informed about the Collateral; and (C) Borrower waives any defenses that may arise because of any action or inaction of Lender, including without limitation any failure of Lender to realize upon the Collateral or any delay by Lender in realizing upon the Collateral; and Borrower agrees to remain liable under the Note no matter what action Lender takes or fails to take under this Agreement.

GRANTOR'S REPRESENTATIONS AND WARRANTIES. Grantor warrants that: (A) this Agreement is executed at Borrower's request and not at the request of Lender; (B) Grantor has the full right, power and authority to enter into this Agreement and to pledge the Collateral to Lender; (C) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (D) Lender has made no representation to Grantor about Borrower or Borrower's creditworthiness.

GRANTOR'S WAIVERS. Grantor waives all requirements of presentment, protest, demand, and notice of dishonor or non-payment to Borrower or Grantor, or any other party to the indebtedness or the Collateral. Lender may do any of the following with respect to any obligation of any Borrower, without first obtaining the consent of Grantor: (A) grant any extension of time for any payment, (B) grant any renewal, (C) permit any modification of payment terms or other terms, or (D) exchange or release any Collateral or other security. No such act or failure to act shall affect Lender's rights against Grantor or the Collateral.

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Grantor's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Grantor holds jointly with someone else and all accounts Grantor may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Grantor authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts.

GRANTOR'S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL. With respect to the Collateral, Grantor represents and promises to Lender that:

Perfection of Security Interest. Grantor agrees to take whatever actions are requested by Lender to perfect and continue Lender's security interest in the Collateral. Upon request of Lender, Grantor will deliver to Lender any and all of the documents evidencing or constituting the Collateral, and Grantor will note Lender's interest upon any and all chattel paper and instruments if not delivered to Lender for possession by Lender. This is a continuing Security Agreement and will continue in effect even though all or any part of the indebtedness is paid in full and even though for a period of time Borrower may not be indebted to Lender.

Notices to Lender. Grantor will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (1) change in Grantor's name; (2) change in Grantor's assumed business name(s); (3) change in the management or in the members or managers of the limited liability company Grantor; (4) change in the authorized signer(s); (5) change in Grantor's principal office address; (6) change in Grantor's state of organization; (7) conversion of Grantor to a new or different type of business entity; or (8) change in any other aspect of Grantor that directly or indirectly relates to any agreements between Grantor and Lender. No change in Grantor's name or state of organization will take effect until after Lender has received notice.

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party, and its membership agreement does not prohibit any term or condition of this Agreement.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. At the time any account becomes subject to a security interest in favor of Lender, the account shall be a good and valid account representing an undisputed, bona fide indebtedness incurred by the account debtor, for merchandise held subject to delivery instructions or previously shipped or delivered pursuant to a contract of sale, or for services previously performed by Grantor with or for the account debtor. So long as this Agreement

remains in effect, Grantor shall not, without Lender's prior written consent, compromise, settle, adjust, or extend payment under or with regard to any such Accounts. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral (or to the extent the Collateral consists of intangible property such as accounts or general intangibles, the records concerning the Collateral) at Grantor's address shown above or at such other locations as are acceptable to Lender. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

Removal of the Collateral. Except in the ordinary course of Grantor's business, including the sales of inventory, Grantor shall not remove the Collateral from its existing location without Lender's prior written consent. To the extent that the Collateral consists of vehicles, or other titled property, Grantor shall not take or permit any action which would require application for certificates of title for the vehicles outside the Commonwealth of Kentucky, without Lender's prior written consent. Grantor shall, whenever requested, advise Lender of the exact location of the Collateral.

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. While Grantor is not in default under this Agreement, Grantor may sell inventory, but only in the ordinary course of its business and only to buyers who qualify as a buyer in the ordinary course of business. A sale in the ordinary course of Grantor's business does not include a transfer in partial or total satisfaction of a debt or any bulk sale. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

Title. Grantor represents and warrants to Lender that Grantor holds good and marketable title to the Collateral, free and clear of all liens and encumbrances except for the lien of this Agreement. No financing statement covering any of the Collateral is on file in any public office other than those which reflect the security interest created by this Agreement or to which Lender has specifically consented. Grantor shall defend Lender's rights in the Collateral against the claims and demands of all other persons.

Repairs and Maintenance. Grantor agrees to keep and maintain, and to cause others to keep and maintain, the Collateral in good order, repair and condition at all times while this Agreement remains in effect. Grantor further agrees to pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

Inspection of Collateral. Lender and Lender's designated representatives and agents shall have the right at all reasonable times to examine and inspect the Collateral wherever located.

Taxes, Assessments and Liens. Grantor will pay when due all taxes, assessments and liens upon the Collateral, its use or operation, upon this Agreement, upon any promissory note or notes evidencing the indebtedness, or upon any of the other Related Documents. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized in Lender's sole opinion. If the Collateral is subjected to a lien which is not discharged within fifteen (15) days, Grantor shall deposit with Lender cash, a sufficient corporate surety bond or other security satisfactory to Lender in an amount adequate to provide for the discharge of the lien plus any interest, costs, reasonable attorneys' fees or other charges that could accrue as a result of foreclosure or sale of the Collateral. In any contest Grantor shall defend itself and Lender and shall satisfy any final adverse judgment before enforcement against the Collateral. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings. Grantor further agrees to furnish Lender with evidence that such taxes, assessments, and governmental and other charges have been paid in full and in a timely manner. Grantor may withhold any such payment or may elect to contest any lien if Grantor is in good faith conducting an appropriate proceeding to contest the obligation to pay and so long as Lender's interest in the Collateral is not jeopardized.

Compliance with Governmental Requirements. Grantor shall comply promptly with all laws, ordinances, rules and regulations of all governmental authorities, now or hereafter in effect, applicable to the ownership, production, disposition, or use of the Collateral, including all laws or regulations relating to the undue erosion of highly-erodible land or relating to the conversion of wetlands for the production of an agricultural product or commodity. Grantor may contest in good faith any such law, ordinance or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Lender's interest in the Collateral, in Lender's opinion, is not jeopardized.

Hazardous Substances. Grantor represents and warrants that the Collateral never has been, and never will be so long as this Agreement remains a lien on the Collateral, used in violation of any Environmental Laws or for the generation, manufacture, storage, transportation, treatment, disposal, release or threatened release of any Hazardous Substance. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Collateral for Hazardous Substances. Grantor hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any Environmental Laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims and losses resulting from a breach of this provision of this Agreement. This obligation to indemnify and defend shall survive the payment of the indebtedness and the satisfaction of this Agreement.

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least ten (10) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

Application of Insurance Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Collateral if the estimated cost of repair or replacement exceeds \$1000, whether or not such casualty or loss is covered by insurance. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. All proceeds of any insurance on the Collateral, including accrued proceeds thereon, shall be held by Lender as part of the Collateral. If Lender consents to repair or replacement of the damaged or destroyed Collateral, Lender shall, upon satisfactory proof of expenditure, pay or reimburse Grantor for the proceeds for the reasonable cost of repair or restoration. If Lender does not consent to repair or replacement of the Collateral, Lender shall retain a sufficient amount of the proceeds to pay all of the indebtedness, and shall pay the balance to Grantor. Any proceeds which have not been disbursed within six (6) months after their receipt and which Grantor has not committed to the repair or restoration of the Collateral shall be used to prepay the indebtedness.

Insurance Reserves. Lender may require Grantor to maintain with Lender reserves for payment of insurance premiums, which reserves shall be created by monthly payments from Grantor of a sum estimated by Lender to be sufficient to produce, at least fifteen (15) days before the premium due date, amounts at least equal to the insurance premiums to be paid. If fifteen (15) days before payment is due, the reserve funds are insufficient, Grantor shall upon demand pay any deficiency to Lender. The reserve funds shall be held by Lender as a general deposit and shall constitute a non-interest-bearing account which Lender may satisfy by payment of the insurance premiums required to be paid by Grantor as they become due. Lender does not hold the reserve funds in trust for Grantor, and Lender is not the agent of Grantor for payment of the insurance premiums required to be paid by Grantor. The responsibility for the payment of premiums shall remain Grantor's sole responsibility.

Insurance Reports. Grantor, upon request of Lender, shall furnish to Lender reports on each existing policy of insurance showing such information as Lender may reasonably request including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the property insured; (5) the then current value on the basis of which insurance has been obtained and the manner of determining that value; and (6) the expiration date of the policy. In addition, Grantor shall upon request by Lender (however not more often than annually) have an independent appraiser satisfactory to Lender determine, as applicable, the cash value or replacement cost of the Collateral.

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect,

protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement.

GRANTOR'S RIGHT TO POSSESSION AND TO COLLECT ACCOUNTS. Until default and except as otherwise provided below with respect to accounts, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. Until otherwise notified by Lender, Grantor may collect any of the Collateral consisting of accounts. At any time and even though no Event of Default exists, Lender may exercise its rights to collect the accounts and to notify account debtors to make payments directly to Lender for application to the Indebtedness. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to discharge or pay when due any amounts Grantor is required to discharge or pay under this Agreement or any Related Documents, Lender on Grantor's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses will become a part of the Indebtedness and, at Lender's option, will (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity. The Agreement also will secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon Default.

DEFAULT. Each of the following shall constitute an Event of Default under this Agreement:

Payment Default. Borrower fails to make any payment when due under the Indebtedness.

Other Defaults. Borrower or Grantor fails to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower or Grantor.

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or Grantor or on Borrower's or Grantor's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

Defective Collateralization. This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

Insolvency. The dissolution or termination of Borrower's or Grantor's existence as a going business, the insolvency of Borrower or Grantor, the appointment of a receiver for any part of Borrower's or Grantor's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or Grantor.

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or Grantor or by any governmental agency against any collateral securing the Indebtedness. This includes a garnishment of any of Borrower's or Grantor's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower or Grantor as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower or Grantor gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or Guarantor dies or becomes incompetent or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness.

Adverse Change. A material adverse change occurs in Borrower's or Grantor's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

Cure Provisions. If any default, other than a default in payment, is curable and if Grantor has not been given a notice of a breach of the same provision of this Agreement within the preceding twelve (12) months, it may be cured if Grantor, after Lender sends written notice to Borrower demanding cure of such default: (1) cures the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiates steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

RIGHTS AND REMEDIES ON DEFAULT. If an Event of Default occurs under this Agreement, at any time thereafter, Lender shall have all the rights of a secured party under the Kentucky Uniform Commercial Code. In addition and without limitation, Lender may exercise any one or more of the following rights and remedies:

Accelerate Indebtedness. Lender may declare the entire Indebtedness, including any prepayment penalty which Borrower would be required to pay, immediately due and payable, without notice of any kind to Borrower or Grantor.

Assemble Collateral. Lender may require Grantor to deliver to Lender all or any portion of the Collateral and any and all certificates of title and other documents relating to the Collateral. Lender may require Grantor to assemble the Collateral and make it available to Lender at a place to be designated by Lender. Lender also shall have full power to enter upon the property of Grantor to take possession of and remove the Collateral. If the Collateral contains other goods not covered by this Agreement at the time of repossession, Grantor agrees Lender may take such other goods, provided that Lender makes reasonable efforts to return them to Grantor after repossession.

Sell the Collateral. Lender shall have full power to sell, lease, transfer, or otherwise deal with the Collateral or proceeds thereof in Lender's own name or that of Grantor. Lender may sell the Collateral at public auction or private sale. Unless the Collateral threatens to decline speedily in value or is of a type customarily sold on a recognized market, Lender will give Grantor, and other persons as required by law, reasonable notice of the time and place of any public sale, or the time after which any private sale or any other disposition of the Collateral is to be made. However, no notice need be provided to any person who, after Event of Default occurs, enters into and authenticates an agreement waiving that person's right to notification of sale. The requirements of reasonable notice shall be met if such notice is given at least ten (10) days before the time of the sale or disposition. All expenses relating to the disposition of the Collateral, including without limitation the expenses of retaking, holding, insuring, preparing for sale and selling the Collateral, shall become a part of the Indebtedness secured by this Agreement and shall be payable on demand, with interest at the Note rate from date of expenditure until repaid.

Appoint Receiver. Lender shall have the right to have a receiver appointed to take possession of all or any part of the Collateral, with the power to protect and preserve the Collateral, to operate the Collateral preceding foreclosure or sale, and to collect the rents from the Collateral and apply the proceeds, over and above the cost of the receivership, against the Indebtedness. The receiver may serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent value of the Collateral exceeds the Indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Collect Revenues, Apply Accounts. Lender, either itself or through a receiver, may collect the payments, rents, income, and revenues from the Collateral. Lender may at any time in Lender's discretion transfer any Collateral into Lender's own name or that of Lender's nominee and receive the payments, rents, income, and revenues therefrom and hold the same as security for the Indebtedness or apply it to payment of the Indebtedness in such order of preference as Lender may determine. Insofar as the Collateral consists of accounts, general intangibles, insurance policies, instruments, chattel paper, choses in action, or similar property, Lender may demand, collect, receipt for, settle, compromise, adjust, sue for, foreclose, or realize on the Collateral as Lender may determine, whether or not Indebtedness or Collateral is then due. For these purposes, Lender may, on behalf of and in the name of Grantor, receive, open and dispose of mail addressed to Grantor; change any address to which mail and payments are to be sent; and endorse notes, checks, drafts, money orders, documents of title, instruments and items pertaining to payment, shipment, or storage of any Collateral. To facilitate collection, Lender may notify account debtors and obligors on any Collateral to make payments directly to Lender.

Obtain Deficiency. If Lender chooses to sell any or all of the Collateral, Lender may obtain a judgment against Borrower for any deficiency remaining on the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this Agreement. Borrower shall be liable for a deficiency even if the transaction described in this subsection is a sale of accounts or chattel

paper.

Other Rights and Remedies. Lender shall have all the rights and remedies of a secured creditor under the provisions of the Uniform Commercial Code, as may be amended from time to time. In addition, Lender shall have and may exercise any or all other rights and remedies it may have available at law, in equity, or otherwise.

Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies, whether evidenced by this Agreement, the Related Documents, or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Grantor under this Agreement, after Grantor's failure to perform, shall not affect Lender's right to declare a default and exercise its remedies.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Attorneys' Fees; Expenses. Grantor agrees to pay upon demand all of Lender's costs and expenses, including Lender's reasonable attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may hire or pay someone else to help enforce this Agreement, and Grantor shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's reasonable attorneys' fees and legal expenses whether or not there is a lawsuit, including reasonable attorneys' fees and legal expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Grantor also shall pay all court costs and such additional fees as may be directed by the court.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the Commonwealth of Kentucky without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the Commonwealth of Kentucky.

Joint and Several Liability. All obligations of Borrower and Grantor under this Agreement shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each Borrower and Grantor signing below is responsible for all obligations in this Agreement. Where any one or more of the parties is a corporation, partnership, limited liability company or similar entity, it is not necessary for Lender to inquire into the powers of any of the officers, directors, partners, members, or other agents acting or purporting to act on the entity's behalf, and any obligations made or created in reliance upon the professed exercise of such powers shall be guaranteed under this Agreement.

No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or of any of Grantor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address. Unless otherwise provided or required by law, if there is more than one Grantor, any notice given by Lender to any Grantor is deemed to be notice given to all Grantors.

Power of Attorney. Grantor hereby appoints Lender as Grantor's irrevocable attorney-in-fact for the purpose of executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement or to demand termination of filings of other secured parties. Lender may at any time, and without further authorization from Grantor, file a carbon, photographic or other reproduction of any financing statement or of this Agreement for use as a financing statement. Grantor will reimburse Lender for all expenses for the perfection and the continuation of the perfection of Lender's security interest in the Collateral.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Grantor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Agreement and the indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Agreement or liability under the indebtedness.

Survival of Representations and Warranties. All representations, warranties, and agreements made by Grantor in this Agreement shall survive the execution and delivery of this Agreement, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Commercial Security Agreement, as this Commercial Security Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Commercial Security Agreement from time to time.

Borrower. The word "Borrower" means SENTRA CORPORATION and includes all co-signers and co-makers signing the Note and all their successors and assigns.

Collateral. The word "Collateral" means all of Grantor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Default. The word "Default" means the Default set forth in this Agreement in the section titled "Default".

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement.

Grantor. The word "Grantor" means SENTRA RESOURCES, LLC.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Indebtedness.

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical,

**COMMERCIAL SECURITY AGREEMENT
(Continued)**

chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

Indebtedness. The word "indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents. Specifically, without limitation, indebtedness includes the future advances set forth in the Future Advances provision, together with all interest thereon and all amounts that may be indirectly secured by the Cross-Collateralization provision of this Agreement.

Lender. The word "Lender" means EDMONTON STATE BANK, its successors and assigns.

Note. The word "Note" means the Note dated June 21, 2019 and executed by SENTRA CORPORATION in the principal amount of \$50,000.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.


Property. The word "Property" means all of Grantor's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.


BORROWER AND GRANTOR HAVE READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREE TO ITS TERMS. THIS AGREEMENT IS DATED JUNE 21, 2019.

GRANTOR:

SENTRA RESOURCES, LLC

By: 
RANDY DARREN CLEARY, Member of SENTRA
RESOURCES, LLC

By: 
WESLEY D. CLEARY, Member of SENTRA
RESOURCES, LLC

By: 
DANTANA N BRYANT, Member of SENTRA
RESOURCES, LLC


BORROWER:

SENTRA CORPORATION

By: 
RANDY DARREN CLEARY, Secretary of SENTRA
CORPORATION

LENDER:

EDMONTON STATE BANK

X 
Authorized Signer

ATTACHMENT 8



► See instructions. Taxable period beginning _____, 201____, and ending _____, 201____.

A LLET Exemption Code Enter Code _____	D Federal Identification Number Name of Corporation <input type="checkbox"/> Change of Name Sentra Corporation Number and Street 2006 Edmonton Road City State ZIP Code Telephone Number Tompkinsville, KY 42167	E Kentucky Corporation/LLET Account Number (Required) Taxable Year Ending <u>12/19</u> State and Date of Incorporation KY 05/22/1992
B Income Tax Return Exemption Code Enter Code _____ <input type="checkbox"/> Elective consolidated Attach Form 722	F Name of Common Parent _____ Kentucky Corporation/LLET Account Number _____ G Check if applicable: <input type="checkbox"/> Initial return <input type="checkbox"/> Short-period return (Complete Part IV) <input type="checkbox"/> Change of accounting period <input type="checkbox"/> Final return (Complete Part IV)	Principal Business Activity in KY O&G Extraction H Provide 3-Factor Apportionment Code _____ NAICS Code Number in KY (See www.census.gov)
C Check if applicable: <input type="checkbox"/> Amended return <input type="checkbox"/> Amended return — RAR Provide explanation of changes in Part V — Explanation of Amended Return Changes.		

PART I — LLET COMPUTATION				PART II — INCOME TAX COMPUTATION			
1	Schedule L, Section D, line 1 (Page 4)	1	175.00	1	Income tax (see instructions)	1	00
2	Tax credit recapture	2	00	2	Tax credit recapture	2	00
3	Total (add lines 1 and 2)	3	175.00	3	Tax installment on LIFO recapture	3	00
4	Nonrefundable LLET credit from Kentucky Schedule(s) K-1	4	00	4	Total (add lines 1 through 3)	4	00
5	Nonrefundable tax cr (attach Schedule TCS)	5	00	5	Nonrefundable LLET credit from the Corporation LLET Credit Worksheet(s) (see instructions)	5	00
6	LLET liability (greater of line 3 less lines 4 and 5 or \$175 minimum)	6	175.00	6	Nonrefundable LLET credit (Part I, line 6 less \$175)	6	00
7	Withholding tax (Form PTE-WH)	7	00	7	Nonrefundable tax credits (attach Schedule TCS)	7	00
8	Estimated tax payments	8	00	8	Net income tax liability (line 4 less lines 5 through 7, but not less than zero)	8	00
9	Certified rehabilitation tax credit	9	00	9	Estimated tax payments	9	00
10	Film industry tax credit	10	00	10	Extension payment	10	00
11	Extension payment	11	00	11	Prior year's tax credit	11	00
12	Prior year's tax credit	12	00	12	LLET overpayment from Part I, line 18	12	00
13	Income tax overpayment from Part II, line 17	13	00	13	Corporation income tax paid on original return	13	00
14	LLET paid on original return	14	00	14	Corporation income tax overpayment on original return	14	00
15	LLET overpayment on original return	15	00	15	Income tax due (lines 8 and 14 less lines 9 through 13)	15	00
16	LLET due (lines 6 and 15 less lines 7 through 14)	16	175.00	16	Income tax overpayment (lines 9 through 13 less lines 8 and 14)	16	00
17	LLET overpayment (lines 7 through 14 less lines 6 and 15)	17	00	17	Credited to 2019 LLET	17	00
18	Credited to 2019 income tax	18	00	18	Credited to 2019 interest	18	00
19	Credited to 2019 interest	19	00	19	Credited to 2019 penalty	19	00
20	Credited to 2019 penalty	20	00	20	Credited to 2020 corporation income tax	20	00
21	Credited to 2020 LLET	21	00	21	Amount to be refunded	21	00
22	Amount to be refunded	22	00				

TAX PAYMENT SUMMARY				OFFICIAL USE ONLY	
LLET	INCOME	P			
1. LLET due (Part I, Ln 16) \$	1. Income tax due (Part II, Ln 15) \$	W			
2. Interest \$	2. Interest \$	0			
3. Penalty \$	3. Penalty \$	4			
4. Subtotal \$	4. Subtotal \$	V			
TOTAL PAYMENT (Add Subtotals)	► \$	A			
		L			
		#			



Sentra Corporation

PART III – TAXABLE INCOME COMPUTATION

1	Federal taxable income (Form 1120, line 28)	1	-195904	00	12	Dividend income (See line 5)	12		00
ADDITIONS:									
2	Interest income (state and local obligations)	2		00	13	Federal work opportunity credit	13		00
3	State taxes based on net/gross income	3		00	14	Depreciation adjustment	14		00
4	Depreciation adjustment	4		00	15	Other (attach Schedule O-720)	15		00
5	Deductions attributable to nontaxable income	5		00	16	Revenue Agent Report (RAR)	16		00
6	Related party expenses (attach Sch RPC)	6		00	17	Net income (line 10 less lines 11 through 16)	17	-195904	00
7	Dividend paid deduction (REIT)	7		00	18	Taxable net income (see instructions)	18	-195904	00
8	Other (attach Schedule O-720)	8		00	19	Net operating loss deduction (NOLD)	19		00
9	Revenue Agent Report (RAR)	9		00	20	Taxable net income after NOLD (line 18 less line 19)	20	-195904	00
10	Total (add lines 1 through 9)	10	-195904	00					
SUBTRACTIONS:									
11	Interest income (U.S. obligations)	11		00					

PART IV – EXPLANATION OF FINAL RETURN AND/OR SHORT-PERIOD RETURN

- | | |
|---|--|
| <input type="checkbox"/> Ceased operations in Kentucky | <input type="checkbox"/> Change in filing status |
| <input type="checkbox"/> Change of ownership | <input type="checkbox"/> Merger |
| <input type="checkbox"/> Successor to previous business | <input type="checkbox"/> Other _____ |

PART V – EXPLANATION OF AMENDED RETURN CHANGES

OFFICER INFORMATION

Attach a schedule listing the name, home address, and Social Security number of the vice president, secretary, and treasurer. See St 1

Has the attached officer information changed from the last return filed? Yes No

President's Name Wesley Cleary President's Home Address _____

President's Social Security Number _____ 385 Hilltop Lane

Date Became President 11/01/2018 Tompkinsville, KY 42167

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Sign Here	Signature of Officer	Date
	Name of Officer <u>Randy D. Cleary</u>	Title <u>Secretary</u>
Paid Preparer Use	Signature of Preparer 	Date <u>2.17.20</u>
	Name of Preparer or Firm <u>3008 Poston Ave., Nashville, TN 37203</u> <u>Cooper, Travis & Company, PLC</u>	ID Number
	Email and/or Telephone No.	May the DOR discuss this return with this preparer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Enclose	Include federal Form 1120 with all supporting schedules and statements	Refund or No Payment	Kentucky Department of Revenue P.O. Box 856905 Louisville, KY 40285-6905
Payment	Check Payable: Kentucky State Treasurer E-Pay Options: www.revenue.ky.gov	With Payment	Kentucky Department of Revenue P.O. Box 856910 Louisville, KY 40285-6910



Sentra Corporation
SCHEDULE Q - KENTUCKY CORPORATION/LLET QUESTIONNAIRE

IMPORTANT: Questions 3 - 15 must be completed by all corporations. If this is the corporation's initial return or if the corporation did not file a return under the same name and same federal I.D. number for the preceding year, questions 1 and 2 must be answered. Failure to do so may result in a request for a delinquent return.

1 Indicate whether: (a) [] new business; (b) [] successor to previously existing business which was organized as: (1) [] corporation; (2) [] partnership; (3) [] sole proprietorship; or (4) [] other
If successor to previously existing business, give name, address, and federal I.D. number of the previous business organization.

2 If a foreign corporation, enter the date qualified to do business in Kentucky
3 List the following Kentucky account numbers. Enter N/A for any number not applicable.
KY Secretary of State Organization
Employer Withholding N/A
Sales and Use Tax Permit N/A
Consumer Use Tax N/A
Unemployment Insurance N/A
Coal Severance and/or Processing Tax N/A

4 The corporation's books are in care of: (name and address)
See Statement 2

5 Are disregarded entities included in this return?
[] Yes [X] No. If yes, list name, address, and federal I.D. number of each entity.

6(a) Was the corporation a partner or member in a pass-through entity doing business in Kentucky?
[] Yes [X] No. If yes, list name and federal I.D. number of the pass-through entity(ies).

6(b) Was the corporation doing business in Kentucky other than through its interest held in a pass-through entity doing business in Kentucky?
[] Yes [X] No
7 Are related party costs as defined in KRS 141.205(1)(I) included in this return?
[] Yes [X] No. If yes, attach Schedule RPC, Related Party Costs Disclosure Statement, and enter any related party cost additions on Form 720 Part III, Line 6.

8 Did the corporation at any time during the taxable year own 50 percent or more of the voting stock of another corporation that is part of a unitary business per KRS 141.202(2)(f)?
[] Yes [X] No. If yes, list name, address, and federal I.D. number of each entity.

9 Was 50 percent or more of the corporation's voting stock owned by any corporation that is part of a unitary business per KRS 141.202(2)(f)?
[X] Yes [] No. If yes, list name, address, and federal I.D. number of each entity
See Statement 3

10 The federal tax return attached to this Kentucky tax return is:
[] a pro forma federal tax return [] a copy of the federal tax return filed with the Internal Revenue Service

11 Is the entity filing this Kentucky tax return or any entity included in the tax return organized as a limited cooperative association per KRS Chapter 272A?
[] Yes [] No. If yes, enter each limited cooperative association's name, address, and federal I.D. number included in the return:

12 Is the entity filing this Kentucky tax return or any entity included in this tax return organized as a statutory trust or a series statutory trust per KRS Chapter 386A?
[] Yes [] No
If yes, is the entity filing this Kentucky tax return or any entity included in this tax return a series within a statutory trust?
[] Yes [] No
If yes, for each series within a statutory trust, enter the name, address, and federal I.D. number of the statutory trust registered with the Kentucky Secretary of State:

13 Was this return prepared on: (a) [] cash basis, (b) [X] accrual basis, (c) [] other

14 Did the corporation file a Kentucky tangible personal property tax return for January 1, 2020?
[] Yes [X] No
If yes, list name and federal I.D. number of entity(ies) filing return(s):

15 Is the corporation currently under audit by the Internal Revenue Service?
[] Yes [X] No
If yes, enter years under audit
If the Internal Revenue Service has made final and unappealable adjustments to the corporation's taxable income which have not been reported to the department, check here [] and file an amended return. (See instructions.) Attach a copy of the final determination to each amended return.



SCHEDULE L – LIMITED LIABILITY ENTITY TAX COMPUTATION

Check this box and complete Schedule L-C, Limited Liability Entity Tax - Continuation Sheet, if the corporation or limited liability pass-through entity filing this tax return is a partner or member of a limited liability pass-through entity or general partnership doing business in Kentucky. Enter the total amounts from Schedule L-C in Section A of this schedule.

SECTION A – Computation of Gross Receipts and Gross Profits

	Column A Kentucky	Column B Total
1a Gross receipts less returns and allowances	463864.	463864.
b Kentucky statutory gross receipts reductions (see instructions)		
2 Adjusted gross receipts (line 1a less line 1b)	463864.	463864.
3a Cost of goods sold (attach Schedule COGS)	338466.	338466.
b Kentucky statutory cost of goods sold reductions (see instructions)		
4 Adjusted cost of goods sold (line 3a less line 3b)	338466.	338466.
5 Gross profits (line 2 less line 4)	125398.	125398.



If Section A, Column B, Line 2 or 5 is \$3,000,000 or less, STOP and enter \$175 in Section D, line 1 below.

SECTION B – Computation of Gross Receipts LLET

1 If gross receipts from all sources (Column B, line 2) are greater than \$3,000,000, but less than \$6,000,000, enter the following: (Column A, line 2 x 0.00095) – [$\$2,850 \times (\$6,000,000 - \text{Column A, line 2})$] <u>\$3,000,000</u> but in no case shall the result be less than zero	1	
2 If gross receipts from all sources (Column B, line 2) are \$6,000,000 or greater, enter the following: Column A, line 2 x 0.00095	2	
3 Enter the amount from line 1 or line 2	3	0.

SECTION C – Computation of Gross Profits LLET

1 If gross profits from all sources (Column B, line 5) are greater than \$3,000,000, but less than \$6,000,000, enter the following: (Column A, line 5 x 0.0075) – [$\$22,500 \times (\$6,000,000 - \text{Column A, line 5})$] <u>\$3,000,000</u> but in no case shall the result be less than zero	1	
2 If gross profits from all sources (Column B, line 5) are \$6,000,000 or greater, enter the following: Column A, line 5 x 0.0075	2	
3 Enter the amount from line 1 or line 2	3	0.

SECTION D – Computation of LLET

1 Enter the lesser of Section B, line 3 or Section C, line 3 here and on Page 1, Part I, line 1. If less than \$175, enter the minimum of \$175 here and on Page 1, Part I, line 1.	1	175.
--	---	------



- ▶ See instructions.
- ▶ Attach to Form 720, 720S, 725, or 765.

Name of Entity		Federal Identification Number	Kentucky Corporation/LLET Account Number	
Sentra Corporation				
			Limited Liability Entity Tax	
			Column A Kentucky Cost of Goods Sold	Column B Total Cost of Goods Sold
1	Inventory at beginning of year	1		
2	Purchases	2		
3	Cost of labor	3	104,228.	104,228.
4	Additional section 263A costs	4		
5	Other costs	5	234,238.	234,238.
6	Total (add lines 1 through 5)	6	338,466.	338,466.
7	Inventory at end of year	7		
8	Cost of goods sold (subtract line 7 from line 6)	8	338,466.	338,466.
9	Detail of purchases on line 2:	9		
(a)		(a)		
(b)		(b)		
(c)		(c)		
(d)		(d)		
(e)		(e)		
(f)		(f)		
(g)		(g)		
(h)		(h)		
(i)		(i)		
(j)		(j)		
(k)		(k)		
10	Detail of additional section 263A costs on line 4:	10		
(a)		(a)		
(b)		(b)		
(c)		(c)		
(d)		(d)		
(e)		(e)		
(f)		(f)		
(g)		(g)		
(h)		(h)		
(i)		(i)		
(j)		(j)		
(k)		(k)		
11	Detail of other costs on line 5:	11		
(a)	Natural Gas	(a)	234,238.	234,238.
(b)		(b)		
(c)		(c)		
(d)		(d)		
(e)		(e)		
(f)		(f)		
(g)		(g)		
(h)		(h)		
(i)		(i)		
(j)		(j)		
(k)		(k)		

Client:

Sentra Corporation

2/17/20

02:15PM

Statement 1
Form 720, Page 2
Officer information

Vice President

Dantanna N. Bryant
171 Saddlebrook Estates
Tompkinsville, KY 42167

Secretary

Randy D. Cleary
347 Tooley Ridge Road
Tompkinsville, KY 42167

Statement 2
Form 720, Page 3, Schedule Q, Line 4
Books In Care of Information

Name: Tony High
Street: 2006 Edmonton Road
City: Tompkinsville
State: KY
Zip Code: 42167

Statement 3
Form 720, Page 3, Schedule Q, Line 9
Corporation Owning of 50% or More of the Corporation's Stock

Corporation Name: Sentra Resources, LLC
Street Address: 2006 Edmonton Road
City, State, Zip: Tompkinsville, KY 42167
EIN:

ATTACHMENT 9

U.S. Corporation Income Tax Return

For calendar year 2019 or tax year beginning _____, 2019, ending _____,
Go to www.irs.gov/Form1120 for instructions and the latest information.

2019

A Check if:

- 1a Consolidated return (attach Form 851) [X]
b Life/nonlife consolidated return []
2 Personal holding co. (attach Sch. PH) []
3 Personal service corp. (see instrs) []
4 Schedule M-3 attached []

TYPE OR PRINT

Sentra Resources and Subsidiary, LLC
2006 Edmonton Road
Tompkinsville, KY 42167

B Employer identification number

C Date incorporated

11/13/2017

D Total assets (see instructions)

\$ 124,383.

E Check if: (1) Initial return (2) Final return (3) Name change (4) Address change

Table with columns for line numbers, descriptions, and amounts. Includes sections for Income (lines 1-11), Deductions (lines 12-29), and Credits (lines 30-37).

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete.

Signature of officer

Date

President

Title

May the IRS discuss this return with the preparer shown below? See instructions. [X] Yes [] No

Paid Preparer Use Only

Print/Type preparer's name: Timothy M. Cooper, CPA; Preparer's signature: Timothy M. Cooper, CPA; Date: 2.17.20; Firm's name: Cooper, Travis & Company, PLC; Firm's address: 3008 Poston Ave, Nashville, TN 37203

Schedule L	Balance Sheets per Books	Beginning of tax year		End of tax year	
		(a)	(b)	(c)	(d)
Assets					
1	Cash.....		4,875.		4,359.
2a	Trade notes and accounts receivable.....	91,944.		61,076.	
b	Less allowance for bad debts.....		91,944.		61,076.
3	Inventories.....				
4	U.S. government obligations.....				
5	Tax-exempt securities (see instructions).....				
6	Other current assets (attach statement).....				
7	Loans to shareholders.....				
8	Mortgage and real estate loans.....				
9	Other investments (attach statement).....				
10a	Buildings and other depreciable assets.....				
b	Less accumulated depreciation.....				
11a	Depletable assets.....				
b	Less accumulated depletion.....				
12	Land (net of any amortization).....				
13a	Intangible assets (amortizable only).....	66,608.		66,608.	
b	Less accumulated amortization.....	1,110.	65,498.	7,660.	58,948.
14	Other assets (attach statement)..... Stmt. 4				
15	Total assets.....		162,317.		124,383.
Liabilities and Shareholders' Equity					
16	Accounts payable.....		74,597.		53,988.
17	Mortgages, notes, bonds payable in less than 1 year.....		19,785.		127,707.
18	Other current liabilities (attach stmt)..... Stmt. 5		41,179.		43,396.
19	Loans from shareholders.....				
20	Mortgages, notes, bonds payable in 1 year or more.....		114,123.		95,163.
21	Other liabilities (attach statement)..... Stmt. 6		500.		2,400.
22	Capital stock: a Preferred stock.....				
b	Common stock.....	1,000.	1,000.	1,000.	1,000.
23	Additional paid-in capital.....		17,970.		85,470.
24	Retained earnings — Approp (att stmt).....				
25	Retained earnings — Unappropriated.....		-106,837.		-284,741.
26	Adjmt to shareholders' equity (att stmt).....				
27	Less cost of treasury stock.....				
28	Total liabilities and shareholders' equity.....		162,317.		124,383.

Schedule M-1 Reconciliation of Income (Loss) per Books With Income per Return

Note: The corporation may be required to file Schedule M-3. See instructions.

1	Net income (loss) per books.....	-205,225.	7	Income recorded on books this year not included on this return (itemize): Tax-exempt interest \$ _____	
2	Federal income tax per books.....		8	Deductions on this return not charged against book income this year (itemize): a Depreciation.. \$ _____ b Charitable contribns \$ _____	
3	Excess of capital losses over capital gains.....		9	Add lines 7 and 8.....	0.
4	Income subject to tax not recorded on books this year (itemize): _____		10	Income (page 1, line 28) — line 6 less line 9.....	-205,225.
5	Expenses recorded on books this year not deducted on this return (itemize): a Depreciation..... \$ _____ b Charitable contributions.. \$ _____ c Travel & entertainment.. \$ _____				
6	Add lines 1 through 5.....	-205,225.			

Schedule M-2 Analysis of Unappropriated Retained Earnings per Books (Line 25, Schedule L)

1	Balance at beginning of year.....	-106,837.	5	Distributions..... a Cash.....	67,500.
2	Net income (loss) per books.....	-205,225.	b	Stock..... c Property.....	
3	Other increases (itemize): _____		6	Other decreases (itemize): _____	
	Statement 7	94,821.	7	Add lines 5 and 6.....	67,500.
4	Add lines 1, 2, and 3.....	-217,241.	8	Balance at end of year (line 4 less line 7).....	-284,741.

Cost of Goods Sold

▶ **Attach to Form 1120, 1120-C, 1120-F, 1120S, or 1065.**
▶ **Go to www.irs.gov/Form1125A for the latest information.**

Name Sentra Resources and Subsidiary, LLC	Employer identification number
---	--------------------------------

1 Inventory at beginning of year	1	
2 Purchases	2	
3 Cost of labor	3	104,228.
4 Additional section 263A costs (attach schedule)	4	
5 Other costs (attach schedule) See Statement 8	5	277,146.
6 Total. Add lines 1 through 5	6	381,374.
7 Inventory at end of year	7	
8 Cost of goods sold. Subtract line 7 from line 6. Enter here and on Form 1120, page 1, line 2 or the appropriate line of your tax return. See instructions.	8	381,374.

9 a Check all methods used for valuing closing inventory:

- (i) Cost
- (ii) Lower of cost or market
- (iii) Other (Specify method used and attach explanation.) ▶

b Check if there was a writedown of subnormal goods ▶

c Check if the LIFO inventory method was adopted this tax year for any goods (if checked, attach Form 970) ▶

d If the LIFO inventory method was used for this tax year, enter amount of closing inventory computed under LIFO. **9d**

e If property is produced or acquired for resale, do the rules of section 263A apply to the entity? See instructions Yes No

f Was there any change in determining quantities, cost, or valuations between opening and closing inventory? If "Yes," attach explanation. Yes No

BAA For Paperwork Reduction Act Notice, see instructions.

ATTACHMENT 10

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Seatra Corporation ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

 Dan Bryant
(Print Name)

 [Signature]
(Signed)

 Vice President
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Monroe

Subscribed and sworn to before me by Dan Bryant
(Name)

this 19th day of March, 20 20.

Neil Wilson
NOTARY PUBLIC
State-at-Large

NEIL WILSON
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY
MY COMMISSION EXPIRES 6/17/2023

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between _____ Sentra Corporation _____ ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Darren Cleary
(Print Name)


(Signed)

Secretary
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Monroe

Subscribed and sworn to before me by Darren Cleary
(Name)

this 19th day of March, 20 20.

Neil Wilson
NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between Sentra Corporation ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Wesley Cleary
(Print Name)

Wesley Cleary
(Signed)

President
(Position/Office)

* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Monroe

Subscribed and sworn to before me by Wesley Cleary
(Name)

this 19th day of March, 20 20.

Neil Wilson

NOTARY PUBLIC
State-at-Large

NEIL WILSON
NOTARY PUBLIC
STATE AT LARGE
KENTUCKY
MY COMMISSION EXPIRES 6/17/2023

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF SENTRA)	
CORPORATION FOR AN ADJUSTMENT)	CASE NO. 2020-00102
OF ITS RATES)	

DIRECT TESTIMONY OF
ERIC BLAKE
THE PRIME GROUP, LLC

Filed: April 3, 2020

1 **I. INTRODUCTION AND QUALIFICATIONS**

2 **Q. Please state your name and business address.**

3 A. My name is Eric Andrew Blake. My business address is 2604 Sunningdale Place East,
4 LaGrange, Kentucky, 40031.

5 **Q. By whom and in what capacity are you employed?**

6 A. I am a senior consultant and partner for The Prime Group, LLC, a firm located in
7 LaGrange, Kentucky, providing consulting and educational services in the areas of
8 utility regulatory analysis, revenue requirement support, cost of service, rate design
9 and economic analysis.

10 **Q. On whose behalf are you testifying in this proceeding?**

11 A. I am testifying on behalf of Sentra Corporation (“Sentra”), which provides natural gas
12 sales service to approximately 210 customers in Monroe County, Kentucky.

13 **Q. What is the purpose of your testimony?**

14 A. The purpose of my testimony is to describe and support the development of Sentra’s
15 revenue requirement and proposed revenue increase and to support Sentra’s proposed
16 rates.

17 **Q. Is Sentra submitting its application pursuant to the Alternative Rate Adjustment
18 Procedure for Small Utilities as set forth in 807 KAR 5:076 of the Kentucky
19 Public Service Commission’s (“Commission’s”) regulations?**

20 A. Yes.

21 **Q. Are you sponsoring the information required by 807 KAR 5:076, Section 4?**

22 A. Yes. Section 4 of 807 KAR 5:076 sets forth the filing requirements for the application.

1 **Q. Please describe your educational and professional background.**

2 A. I received a Bachelor of Science degree in Mechanical Engineering Technology from
3 Purdue University in 2000. I joined the Prime Group in May 2000 as a Rate
4 Consultant. I have been performing cost of service and rate studies for electric, gas
5 and water utilities for almost 20 years. I have performed cost of service and rate
6 studies for more than 40 utilities. I also prepared or assisted in the preparation of cost
7 of service and rate studies for a number of utilities in Kentucky, including Louisville
8 Gas and Electric Company, Kentucky Utilities Company, Delta Natural Gas
9 Company, Big Rivers Electric Cooperative, East Kentucky Electric Cooperative and
10 Graves County Water District.

11 **Q. How is your testimony organized?**

12 A. My testimony is divided into the following sections: (I) Introduction and
13 Qualifications, (II) Revenue Requirement and Proposed Revenue Increase, and (III)
14 Proposed Rates.

15

16 **II. REVENUE REQUIREMENT AND PROPOSED REVENUE INCREASE**

17 **Q. What are the components of revenue requirements?**

18 A. Utility revenue requirements generally include the following cost of service
19 components: (1) investor returns or margins, (2) depreciation expenses, (3) operation
20 and maintenance expenses, (4) income taxes, and (5) other taxes (taxes other than
21 income taxes). For small utilities filing applications pursuant to the Commission's
22 Alternative Rate Application Procedures, the Commission has allowed small utilities

1 to calculate revenue requirements sufficient to produce an 88% operating ratio, where
2 the operating ratio represents ratio of expenses to total revenue. The Commission
3 therefore allows small utilities subject to the Alternative Rate Application Procedures
4 to include margins equal to 12% of total revenues in the utility's revenue requirements.

5 **Q. What test year was used to develop Sentra's revenue requirements?**

6 A. Revenue requirements were calculated based on pro forma operating results for the 12
7 months ended December 31, 2019. The calculation of Sentra's revenue requirements
8 are shown in Attachment 4 of the application.

9 **Q. Were any pro forma adjustments made to test year operating results?**

10 A. Yes. Attachment 4 includes the following five pro forma adjustments to test year
11 operating results:

12 (a) Test year revenues were adjusted to reflect the decrease in the number
13 of customers served at year end. During the test year Sentra served, on average, 210
14 customers, but only 209 customers at year end. Therefore, test year revenues were
15 reduced to reflect the loss of one customer. This adjustment is shown on Attachment
16 4b.

17 (b) Sentra has a contract with Clay Gas for Sentra to maintain a
18 transmission line serving Clay Gas. Sentra is reimbursed for the payroll expenses
19 associated with maintaining the line. During the test year, the contract was modified
20 to increase the reimbursement from Clay Gas. Therefore, an adjustment was made to
21 test year operating results to increase the reimbursement from Clay to reflect
22 modifications to the contract for a full year. This adjustment is shown on Attachment

1 4c.

2 (c) An adjustment has been made to amortize estimated rate case expenses
3 over a period of three years. The estimate includes \$8,250 for legal expenses and
4 \$8,000 for outside consultants, which results in an annual adjustment of \$5,416.67
5 ($[\$8,250 + \$8,000] \div 3 \text{ years} = \$5,416.67$).

6 (d) Two adjustments were made to test-year interest expense: (i) an
7 adjustment of \$991.55 for additional interest expenses that Sentra will be required to
8 pay as a result of combining two promissory notes, and (ii) an adjustment of -\$445.38
9 to remove non-recurring interest on unpaid state taxes incurred by the utility's
10 previous owner. These two adjustments result in a net increase in taxes of \$546.17
11 ($[\$991.55 - \$445.38 = \$546.17]$).

12 (e) An adjustment was made to remove \$6,442.71 in gross receipts taxes
13 which were accrued during the test year but are directly billed to customers. These
14 taxes should therefore not be included in Sentra's revenue requirement.

15 **Q. What revenue increase would be necessary to produce an 88% operating ratio?**

16 A. As can be seen from Attachment 4, Sentra is currently operating at a loss. On an
17 unadjusted basis, Sentra had a negative income (a loss) of \$(195,904.56). On an
18 adjustment basis, the loss is \$(181,620.50). Based on an 88% operating ratio, Sentra's
19 annual revenue requirement is \$663,685.67. This would result in an increase in
20 revenue of \$261,262.78.

21 **Q. Is this the revenue increase being proposed by Sentra?**

22 A. No. An increase in annual revenue of \$261,262.78 would result in an increase of

1 108.8% in Sentra's retail rates. While Sentra is concerned about continuing to operate
2 at a loss, the Company is also concerned with the impact on customers of
3 implementing an increase that fully reflects its annual revenue requirements.
4 Therefore, in order to lessen the impact on customers in this rate filing, Sentra is
5 proposing an increase in retail revenue of \$181,621.42, which corresponds to an
6 increase of 75.1% in retail revenues. This level of increase would allow Sentra to
7 cover its costs without providing a margin on its investment. Instead of requesting a
8 return on investment (or a margin) in this proceeding, Sentra is proposing to increase
9 its rates in this filing to allow it to simply recover its expenses, without a margin, and
10 increase its revenues in future rate cases to a level sufficient to provide a margin.
11 Requesting a partial revenue increase in this application is a way to phase in the
12 increase over time to allow Sentra eventually to earn a margin on its investment. This
13 approach is consistent with the ratemaking principle of gradualism.

14

15 **III. PROPOSED RATES**

16 **Q. Please describe your recommended rate design.**

17 A. Sentra currently provides retail gas sales service to all customers, both residential and
18 non-residential customers, under a single rate schedule (Rate Schedule for Retail
19 Sales). The rate schedule consists of a Monthly Customer Charge of \$5.00 per month,
20 a Base Rate (delivery charge) of \$4.3709 per Mcf, and a Gas Cost Recovery Charge
21 which is adjusted quarterly. Sentra is proposing to separate this rate schedule into
22 two Schedules – Residential and Non-Residential.

1 **Q. Please describe the proposed Residential and Non-Residential Rates.**

2 A. The Residential Rate would consist of the following charges:

3

4 Monthly Customer Charge \$15.00 per customer per month

5 Base Rate \$10.5273 per Mcf

6 Gas Cost Recovery Rate Adjusted Quarterly

7

8 The Non-Residential Rate would consist of the following charges:

9

10 Monthly Customer Charge \$25.00 per customer per month

11 Base Rate

12 First 50 Mcf per Month \$10.5273 per Mcf

13 Over 50 Mcf per Month \$ 8.5273 per Mcf

14 Gas Cost Recovery Rate Adjusted Quarterly

15

16 The declining-block rate structure for the Non-Residential Rate is largely designed to
17 prevent Sentra's largest customers, which operate chicken broiler facilities, from
18 switching to an alternative source of energy. Without serving these customers,
19 Sentra's rates would need to be much higher to cover its costs. The \$2.00 per Mcf
20 differential for the second block (over 50 Mcf) is designed to help ensure
21 competitiveness with the cost of propane.

22 **Q. How do Sentra's proposed monthly customer charges for residential customers**

1 **compare to the monthly customer charges for other gas utilities in the state?**

2 A. As mentioned above, Sentra is proposing a monthly customer charge of \$15.00 for
3 residential customers. The following table shows the monthly residential customer
4 charges for the five largest natural gas utilities in Kentucky:

5
6 **Residential**

7 Atmos	\$ 19.30 per month
8 Columbia Gas of Kentucky	\$ 16.00 per month
9 Delta Natural Gas Company	\$ 20.90 per month
10 Duke – Kentucky	\$16.50 per month
11 Louisville Gas and Electric Company	\$ 19.77* per month

12 * LG&E’s charge is \$0.65 per day [\$0.65/Day x 365 days ÷ 12
13 months = \$19.77]

14 Obviously, these utilities are much larger than Sentra. However, one would anticipate
15 that the economies of scale for these larger utilities would result in a lower cost of
16 service. Therefore, Sentra’s proposed residential customer charge of \$15.00 per
17 month is quite reasonable in comparison with these other natural gas utilities.

18 **Q. How do Sentra’s proposed monthly customer charges for non-residential**
19 **customers compare to the monthly customer charges for other gas utilities in the**
20 **state?**

21 A. Sentra is proposing a monthly customer charge of \$25.00 for non-residential
22 customers. The following table shows the monthly residential customer charges for

1 the five largest natural gas utilities in Kentucky:

2

3 **Non-Residential**

4 Atmos \$ 51.75 per month

5 Columbia Gas of Kentucky \$ 44.69 per month

6 Delta Natural Gas Company \$ 31.20 per month

7 Duke – Kentucky \$ 50.00 per month

8 Louisville Gas and Electric Company \$ 30.42 per month

9 * LG&E’s charge is \$1.97 per day [$\$1.97/\text{Day} \times 365 \text{ days} \div 12$
10 months = \$30.42]

11 Sentra’s customer charge for non-residential customers is significantly lower than
12 these other utilities.

13 **Q. Do any of these other utilities have declining-block rates for non-commercial**
14 **customers?**

15 A. Yes. Atmos and Columbia Gas of Kentucky have declining block rates for its non-
16 residential rates. Their block differentials range from approximately \$0.70 to \$1.00
17 per Mcf. While their block differentials are less than the \$2.00 per Mcf block
18 differential as proposed by Sentra, their non-residential customer charges are
19 significantly higher than Sentra’s. Sentra’s lower customer charge for non-residential
20 customers thus assumes that more of its customer-related costs would be recovered
21 through the first block of the rate.

22 **Q. Does Sentra have cost data that support its proposed customer charges?**

1 A. Sentra does not have the historical accounting cost data showing the original cost of
2 its mains, services, and meters necessary to perform a zero-intercept or minimum
3 system analysis to calculate its customer-related costs. Because the plant was fully
4 depreciated when the utility was purchased by Sentra, the only data available is
5 reproduction costs. But based on reproduction costs, Sentra's customer costs are
6 much higher than what the Company is proposing. It is estimated that the
7 reproduction cost of Sentra's mains would be in excess of \$3 million. Therefore, based
8 on reproduction costs, the Sentra's monthly customer cost would be in excess of \$84
9 per month. Based on a zero-intercept analysis of the reproduction cost of Sentra's
10 mains, the customer-related portion of Sentra's main is estimated to be 69.70% of total
11 cost. Using a conservative carrying charge rate of 9.50% the monthly customer-
12 related cost for mains would be approximately \$85 per month. [$\$3,228,982.68 \times$
13 $69.70\% \times 9.50\% \div 12 \text{ months} = \$84.84.$] This estimate would not include the cost of
14 the meter or meter-reading and billing expenses. Therefore, Sentra's proposed
15 customer charges are significantly below the level that could be supported based an
16 analysis of reproduction costs. Furthermore, as mentioned earlier, Sentra's proposed
17 customer charges do not exceed those charged by the larger gas distribution utilities
18 in Kentucky.

19 **Q. Is Sentra proposing to modify any of its other charges?**

20 A. Yes. Sentra currently charges a disconnection/reconnection charge of \$40 which, as
21 described in its tariff, is equal to its current customer charge of \$5.00 per month
22 multiplied by 8 months. Based on this methodology, Sentra is proposing to increase

1 its disconnection/reconnection charge for residential customers to \$120, which
2 corresponds to the proposed \$15 monthly customer charge multiplied by 8 months,
3 and to increase its disconnection/reconnection charge for non-residential customers to
4 \$200, which corresponds to the proposed \$25 monthly customer charge multiplied by
5 8 months.

6 **Q. Based on test-year billing determinants, what additional revenues would Sentra's**
7 **proposed rates produce?**

8 A. As shown in Attachment 5, the increase the Sentra's base rates would produce an
9 increase in revenue of \$179,381.42. The increase in the disconnection/reconnection
10 charge would produce an increase in revenue of \$2,240.00. The combination of these
11 proposed rate adjustments will increase test-year revenue by \$181,621.42.

12 **Q. Does this conclude your testimony?**

13 A. Yes, it does.

VERIFICATION

The undersigned, **Eric A. Blake**, being duly sworn, deposes and says that he is a senior consultant and partner for The Prime Group, LLC, that he has personal knowledge of the matters set forth in the foregoing testimony, and that the answers contained therein are true and correct to the best of his information, knowledge and belief.




Eric A. Blake

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF Oldham)

The foregoing instrument was subscribed, sworn to and acknowledged before me this 2nd day of April, 2020, by Eric A. Blake.

My commission expires:

10/16/2022

#G10711
NOTARY PUBLIC

