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ADMITTED IN KY AND WV

May 2, 2022

Public Service Commission
P.O. Box 615
Frankfort, KY 40602

RE: Martin County Water District
PSC Case No. 2020-00154

To Whom It May Concern:

Enclosed please find Martin County Water District's Notice of Filing closing documents regarding the loan with Kentucky Rural Water Finance Corporation.

Thank you for your attention to this matter.

Very truly yours,

BRIAN CUMBO

BC/ld

Enclosure

cc: Martin County Water District
Hon. Mary Varson Cromer

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION


In the Matter of:

ELECTRONIC MARTIN COUNTY WATER)
DISTRICT MANAGEMENT AND OPERATION)
MONITORING PURSUANT TO KRS 278.250)

CASE NO. 2020-00154

NOTICE OF FILING

Comes the Martin County Water District, by counsel, and hereby gives Notice of Filing of the attached closing documents regarding the loan with Kentucky Rural Water Finance Corporation.


BRIAN CUMBO
COUNSEL FOR MARTIN COUNTY
WATER DISTRICT
P.O. BOX 1844
INEZ, KY 41224
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TELECOPIER: (606) 298-0316
EMAIL: cumbolaw@cumbolaw.com

CERTIFICATE OF SERVICE

This will certify that a true and correct copy of the foregoing was served via electronic filing on this the 2nd day of May, 2022, to the following:

Public Service Commission
ATTN: Nancy Vinsel
P.O. Box 615
Frankfort, KY 40602

Hon. Mary Varson Cromer
Appalachian Citizens' Law Center, Inc.
317 Main Street
Whitesburg, KY 41858



BRIAN CUMBO

RAYMOND JAMES®

April 11, 2022

Mr. Tony Sneed
Martin County Water District
387 East Main St., Suite 140
Inez, KY 41224

RE: Kentucky Rural Water Finance Corporation Public Projects Improvement and Refunding Revenue Bonds, Series 2022 B

Dear Tony:

The purpose of this summary letter is to confirm and itemize the proceeds of Martin County Water District's (the "District") \$1,110,000 loan through the Kentucky Rural Water Finance Corporation and to outline the procedure on how to make future bond payments.

Project and Loan Sizing

This taxable loan was issued to provide financing for operating expenses. The component costs funded by the loan are itemized below:

Construction Fund:	\$1,000,000.00
Underwriting Expenses	4,520.00
Cost of Issuance Expenses	45,000.00
Capitalized Interest	64,233.54
Reoffering Premium	(7,037.40)
Rounding Amount (deposited to construction account):	<u>3,283.86</u>
Loan Amount:	\$1,110,000.00

The transaction closed on April 20th. The bond rounding will be placed in an interest-bearing account in the name of the District which is managed by the program trustee, Regions Bank in Nashville, Tennessee.

Making Loan Payments

A semi-annual payment schedule is enclosed. Additionally, \$450 will also be billed annually on February 1st for Region's trustee fee.

Accessing Funds for Project Costs

To access funds for Project payments, simply complete and fax, mail, or email a payment request form to the Trustee.

Ms. Inna Culp
Regions Bank
150 Fourth Avenue North, Suite 1500
Nashville, TN 37219
Phone: 615-770-4352
Fax: 615-770-4350
Email: inna.culp@regions.com

A blank copy of this form is enclosed, and one was also sent to you by bond counsel. Draw requests received at Regions Bank by 12:00 p.m. (EST) on each Wednesday will be paid by Friday of the same week. We recommend that you keep copies of all completed request forms for future reference. Funds will be available to be drawn upon closing.

Bookkeeping Requirements

The Sales Resolution and other documents associated with this loan require the District to maintain a local account necessary to manage funds associated with this transaction. A new account **does not** need to be established, but the account must be designated.

Annual Reports

Under the Assistance Agreement, you have agreed to provide audited financial statements and other financial information as requested within 120 days of the completion of a fiscal year.

On behalf of the finance team and the Kentucky Rural Water Association, we appreciate your support of the Kentucky Rural Water Finance Corporation. Please feel free to call me with any questions that you have. I can be reached directly at 859-232-8249, and toll-free at 800-937-0160.

Sincerely,



Kristen Millard

Enclosures

cc: Mr. Craig Miller, Martin County Water District
Ms. Inna Culp, Regions Bank
Mr. Gary Larimore, Kentucky Rural Water Finance Corporation

TRANSCRIPT OF PROCEEDINGS
MARTIN COUNTY WATER DISTRICT
LOAN IN THE AMOUNT OF \$1,110,000

FROM THE

KENTUCKY RURAL WATER FINANCE CORPORATION
PUBLIC PROJECTS REVENUE BONDS
(FLEXIBLE TERM PROGRAM)
TAXABLE SERIES 2022B
DATED APRIL 20, 2022
IN THE AMOUNT OF \$1,110,000

APPROVING LEGAL OPINION

By

RUBIN & HAYS
Municipal Bond Attorneys
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525

TRANSCRIPT OF PROCEEDINGS INDEX

Re: Loan in the Amount of \$1,110,000, dated April 20, 2022, to the Martin County Water District, from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Taxable Series 2022B.

ASSISTANCE AGREEMENT AND CLOSING DOCUMENTATION

- a. Resolution of the Board of Commissioners, dated March 15, 2022.
- b. Minutes of Meeting of the Board of Commissioners on March 15, 2022.
- c. Assistance Agreement.
- d. Requisition Certificate, Request No. 1.
- e. Certificate of Officers.
- f. Acceptance of Election as Officers of Alliance Water Resources, Inc., dated March 25, 2022.
- g. Notice to the State Local Debt Officer.
- h. Legal Opinion of Rubin & Hays.
- i. Distribution List.

RESOLUTION

RESOLUTION OF THE MARTIN COUNTY WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION TO FINANCE A CONSTRUCTION PROJECT FOR THE DISTRICT

WHEREAS, the Board of Commissioners of the Martin County Water District (the "District") has determined that it is necessary and desirable and in the public interest to finance its operations, maintenance of and improvements to the District's water system (the "Project"); and

WHEREAS, the District desires the Kentucky Rural Water Finance Corporation (the "Corporation") to act as its agency and instrumentality to provide monies to finance the cost of said Project, and has made an application to the Corporation therefore;

WHEREAS, in order to obtain such monies, the District is required to enter into an Assistance Agreement with the Corporation;

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Martin County Water District, as follows:

1. Authorization of Assistance Agreement and the Loan Thereunder. To pay the costs, not otherwise provided, to finance the Project, the District hereby authorizes and approves the issuance of its loan pursuant to the Assistance Agreement in the maximum principal amount of \$1,130,000 (the "Loan") (subject to adjustment plus ten percent (10%) or minus by any amount), which amount shall be the maximum principal amount of such Loan to be outstanding at any one time under the Assistance Agreement, issued as a fully-registered Loan, in said maturities and terms as more fully provided for in the Assistance Agreement. The Loan shall bear interest at such rates and shall be payable in such amounts and at such times as specified in the Assistance Agreement, all as agreed upon by the Association and the Corporation.

2. Approval and Authorization of Execution of Assistance Agreement. The Assistance Agreement by and between the Association and the Corporation in such form as may be approved by the Chairman, is hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the Chairman, such approval to be conclusively evidenced by the execution of said Assistance Agreement, in order to effectuate the purposes of this Resolution; and the Chairman or any other officer of the District, is hereby authorized to execute and acknowledge same for and on behalf of the District; and the Secretary is authorized to attest same and to affix thereto the corporate seal of the District.

3. Disbursement of Proceeds of Loan. The District's officers, employees and agents are authorized to carry out the procedures specified in the Assistance Agreement for the financing of the Project and for the payment from time to time of the costs and related expenses associated therewith.

4. Revenues of the System. The revenues of the District's water system are determined to be sufficient to pay the principal of and interest on the Loan, as the same become due and payable; and said revenues, pursuant to the terms of the Assistance Agreement, are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Assistance Agreement.

5. Chairman and Other District Officials to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, the Treasurer, the Secretary and all other appropriate officials of the District are hereby authorized and directed to file any and all applications necessary to obtain approval of the issuance of the Loan from the Kentucky Public Service Commission, if necessary, and to take any and all further action and to execute and deliver all other documents as may be reasonably necessary to effect the issuance and delivery of the Loan and the Assistance Agreement.

6. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

7. Captions of Clauses. The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

8. Provisions in Conflict Repealed. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

9. Effective Date of Resolution. This Resolution shall take effect from and after its adoption and approval.

Adopted on March 15, 2022.

MARTIN COUNTY WATER DISTRICT

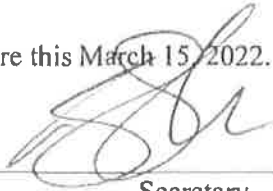
By  Chairman

Attest:
By  Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Martin County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Board of Commissioners of said District at a meeting duly held on March 15, 2022; that said official action appears as a matter of public record in the official records or Journal of said Board of Commissioners; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this March 15, 2022.



Secretary

**Martin County Water District
Special Meeting of the Board of Directors
March 15, 2022, Meeting Minutes**

Presiding: James Kerr, Chairman

Present: Directors: Greg Crum, BJ Slone, John Hensley, Lee Mueller
Staff: Brian Cumbo (Attorney), Craig Miller (GM), Jon Ridings, (LM),
Cassandra Moore

Guests:

The Special Meeting of the Martin County Water District was held on March 15, 2022, at the Alliance Water Resources Corporate office, located at 155 East Main Street Suite 100 Inez, Kentucky 41224. Mr. Kerr called the meeting to order at 6:00 p.m.


Mr. Kerr called for review of the FEMA resolution documents authorizing Craig Miller as the approval agent for MCWD. After further review, Mr. Hensley motioned to approve Mr. Miller as the approval agent. Mr. Slone seconded. All ayes. Motion carried.

Mr. Kerr called for review the motion to approve the KRWA loan and bond resolution. After further discussion, Mr. Hensley motioned to approve the Loan/Bond resolution. Mr. Slone seconded. All ayes. Motion carried.

Having no further items for discussion, Mr. Kerr requested a motion to adjourn. Mr. Slone motioned to adjourn the meeting. Mr. Mueller seconded. All ayes. Motion carried. Meeting adjourned at 6:13 p.m.

Minutes approved this 26th day of April, 2022.


James Kerr, Chairman


Cassandra Moore, District Clerk

ASSISTANCE AGREEMENT
BETWEEN
KENTUCKY RURAL WATER FINANCE CORPORATION
AND
MARTIN COUNTY WATER DISTRICT
DATED
APRIL 20, 2022
IN THE AMOUNT OF \$1,110,000

This document was prepared by:

RUBIN & HAYS
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525

By

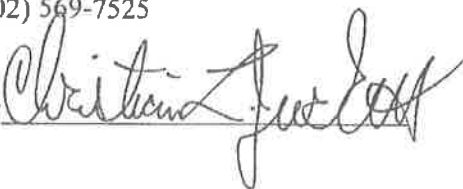


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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of April 20, 2022 (the “Assistance Agreement”) by and between the Kentucky Rural Water Finance Corporation, 1151 Old Porter Pike, Bowling Green, Kentucky 42103, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the “Issuer”) and the Martin County Water District, 387 East Main Street, Suite 140, Inez, Kentucky 41224 (the “Governmental Agency”):

WITNESSETH

WHEREAS, the Issuer has established its Public Projects Flexible Term Program (the “Program”) designed to provide financing for the expansion, addition and improvements of public projects for governmental entities under which the Issuer issued, in various series, its Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program) pursuant to a Trust Indenture dated as of April 4, 2001, as supplemented from time to time (collectively, the “Indenture”) between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as trustee (the “Trustee”), the net proceeds of which will be applied for the benefit of such governmental entities by making loans, pursuant to assistance agreements; and

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Taxable Series 2022B (the “Series 2022B Bonds”) in the aggregate principal amount of \$1,110,000, pursuant to a Supplemental Trust Indenture No. 86, dated as of April 20, 2022 by and between the Issuer and the Trustee, which Series 2022B Bonds will rank on a parity with other outstanding bonds issued under the terms of the Indenture, and the proceeds of which will be used by certain governmental agencies to acquire, construct and equip public projects described in various assistance agreements by and between the governmental agencies and the Issuer; and

WHEREAS, the Governmental Agency, presently owns and operates a waterworks system (the “System”); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to finance its operations, maintenance of and improvements to the System (hereinafter more specifically defined as the “Project”), and the Issuer has determined that the Project is a project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Issuer; and

WHEREAS, the Issuer has found and determined that the Project will be in furtherance of the purposes of the Issuer and the Governmental Agency under the Act; and

WHEREAS, the Governmental Agency has designated the Issuer as its instrumentality and agency; and

WHEREAS, pursuant to this Assistance Agreement the Governmental Agency will proceed with the Project; and

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the "Loan") in the amount of \$1,110,000, to provide funds for the Project; and

WHEREAS, under the provisions of Chapters 58 and 74 of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this Assistance Agreement and agree to the Loan to provide such funds for the purpose aforesaid; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

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

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

Section 1. Definitions.

As used in this Assistance Agreement, unless the context requires otherwise:

"*Act*" refers to Chapters 58 and 74 of the Kentucky Revised Statutes, as amended.

"*Assistance Agreement*" refers to this Assistance Agreement authorizing the Loan and the obligations thereunder.

"*Bond Counsel*" refers to Rubin & Hays, Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202, or any other nationally recognized individual or firm in the field of municipal bond law.

"*Certified Public Accountants*" refers to an independent Certified Public Accountant or firm of Certified Public Accountants, duly licensed in Kentucky and knowledgeable about the affairs of the System and/or of other Governmental Agency financial matters.

"*Code*" refers to the United States Internal Revenue Code of 1986, as amended, and any regulations issued thereunder.

“*Compliance Group*” refers to the Compliance Group identified and defined in the Indenture.

“*Fiscal Year*” refers to the annual accounting period of the Governmental Agency, beginning on January 1, and ending on December 31, of each year.

“*Funds*” refers to the Revenue Fund, Sinking Fund, Operation and Maintenance Fund and the Governmental Agency Account.

“*Governing Body*” means the Board of Commissioners of the Governmental Agency or such other body as shall be the governing body of said Governmental Agency under the laws of Kentucky at any given time.

“*Governmental Agency*” refers to the Martin County Water District, 387 East Main Street, Suite 140, Inez, Kentucky 41224.

“*Governmental Agency Chief Executive*” refers to the Chairman of the Governing Body.

“*Governmental Agency Clerk*” refers to the Secretary of the Governing Body.

“*Governmental Agency Manager*” refers to the Alliance Water Resources Inc., Alliance Water Resources, Inc., 206 S. Keene St., Columbia, MO 65201.

“*Indenture*” means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified, or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 86, dated April 20, 2022, by and between the Issuer and the Trustee.

“*Interest Payment Date*” shall mean the 1st day of each February and August of each year, commencing August 1, 2022, and continuing through and including February 1, 2024 or until the Loan has been paid in full.

“*Issuer*” refers to the Kentucky Rural Water Finance Corporation, 1151 Old Porter Pike, Bowling Green, Kentucky 42103.

“*Loan*” refers to the loan authorized by this Assistance Agreement from the Issuer to the Governmental Agency, in the principal amount of \$1,110,000, maturing February 1, 2024, for the purpose of defraying the cost of the Project.

“*Operation and Maintenance Fund*” refers to the “Martin County Water District Waterworks Operation and Maintenance Fund”, which will be maintained for the benefit of the System.

“*Outstanding Bonds*” refers collectively to the Loan and any outstanding parity bonds and does not refer to any bonds that have been defeased.

“*Permanent Financing*” shall mean proceeds of temporary or permanent financing or other borrowing secured by revenues of the Governmental Agency of whatever nature or from any other legally available funds of the Governmental Agency, including, but not limited to long term financing issued under the Program or bonds issued by the Governmental Agency and delivered to a purchaser for the purpose of financing the cost of the Project.

“*Permitted Investments*” refers to the following:

(a) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in the Commonwealth of Kentucky;

(b) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:

- i. United States Treasury;
- ii. Export-Import Bank of the United States;
- iii. Farmers Home Administration;
- iv. Government National Mortgage Corporation; and
- v. Merchant Marine bonds;

(c) Obligations of any corporation of the United States government, including but not limited to:

- i. Federal Home Loan Mortgage Corporation;
- ii. Federal Farm Credit Banks;
- iii. Bank for Cooperatives;
- iv. Federal Intermediate Credit Banks;
- v. Federal Land Banks;
- vi. Federal Home Loan Banks;
- vii. Federal National Mortgage Association; and
- viii. Tennessee Valley Authority;

(d) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institutions which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS Section 41.240(4);

(e) Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated on one (1) of the three (3) highest categories by a nationally recognized rating agency;

(f) Banker's acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

(g) Commercial paper rated in the highest category by a nationally recognized rating agency;

(h) Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and instrumentalities;

(i) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency; and

(j) Shares of mutual funds, each of which shall have the following characteristics:

- i. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
- ii. The management company of the investment company shall have been in operation for at least five (5) years; and
- iii. All of the securities in the mutual fund shall be eligible investments under this section.

Investments in the above instruments are subject to the following conditions and limitations:

(a) The amount of money invested at any time by a local government or political subdivision in one (1) or more of the categories of investments authorized by subsection (e), (f), (g), and (i) of this definition shall not exceed twenty percent (20%) of the total amount of money invested by the local government; and

(b) No local government or political subdivision shall purchase any investment authorized herein on a margin basis or through the use of any similar leveraging technique.

"Program" refers to the Issuer's Public Projects Flexible Term Program designed to provide financing for the expansion, addition and improvement of public projects for governmental entities.

"Program Administrator" refers to the Kentucky Rural Water Association, Inc., 1151 Old Porter Pike, Bowling Green, Kentucky 42103.

"Program Reserve Fund" refers to the Program Reserve Fund created and established pursuant to Section 4.2 of the Indenture.

"Project" refers to financing the cost of the operations, maintenance of and improvements to the System.

“*Requisition Certificate*” means the form attached hereto as **Exhibit B** to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Governmental Agency Account for the Project.

“*Revenue Fund*” refers to the “Martin County Water District Revenue Fund”, which will be maintained for the benefit of the System.

“*Sinking Fund*” refers to the Martin County Water District Sinking Fund, described in Section 8 hereof.

“*System*” refers to the Governmental Agency’s waterworks system, together with all future extensions, additions, and improvements to said System.

“*Treasurer*” refers to the Treasurer of the Governing Body.

“*Trustee*” refers to Regions Bank, Nashville, Tennessee.

“*U.S. Obligations*” refers to bonds, notes, or Treasury Bills that are direct obligations of the United States of America or obligations fully guaranteed by the United States of America, including book-entry obligations of the United States Treasury-State and Local Government Series, and Trust Receipts representing an ownership interest in direct obligations of the United States.

Section 2. Reaffirmation of Declaration of Waterworks System.

That all proceedings heretofore taken for the establishment of and the supplying of waterworks service in and to said Governmental Agency as a water system are hereby in all respects ratified and confirmed; and so long as the Loan herein authorized or permitted to be issued remains outstanding, said System shall be owned, controlled, operated, and maintained for the security and source of payment of the Loan. Said System is hereby declared to constitute a public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

Section 3. Authorization of Loan; Place of Payment; Manner of Execution.

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 to 58.140, inclusive of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes the borrowing of \$1,110,000 from the Program, for the purpose of providing funds for the Project.

The Loan shall mature on February 1, 2024, in such principal amount, and shall bear interest payable on the Interest Payment Date, in the maturities and at the interest rates set forth in **Exhibit A** attached hereto.

The principal of, redemption price, if any, and interest on the Loan shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the

Sinking Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Debit Direct Payment Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

Pursuant to the ACH Debit Direct Payment Method, there shall be transferred to the Trustee on or before each Interest Payment Date, from the Sinking Fund, the amounts set forth as sinking fund payments on Exhibit A attached hereto.

Notwithstanding anything herein to the contrary, to the extent funds are on deposit with the Trustee for accrued or capitalized interest, the moneys may be transferred from the Governmental Agency Account to pay interest due on the Loan on an Interest Payment Date.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Loan and any other payments due under this Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on Exhibit A attached hereto, pursuant to the ACH Debit Direct Payment Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

Section 4. Redemption.

(a) *Optional Redemption.* Payments on the Loan are not subject to optional redemption prior to their stated maturity.

In the event that the Governmental Agency desires to optionally redeem a portion of its Loan, such redemption shall be in a denomination equal to \$5,000 or any integral multiple thereof.

(b) *Notice of Redemption.* The Governmental Agency shall give the Issuer and the Trustee notice of any redemption by sending at least one such notice by first class United States mail not less than 45 and not more than 90 days prior to the date fixed for redemption.

All of said Loan as to which the Governmental Agency reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given, and for the retirement of which, upon the terms aforesaid, funds are duly provided, will cease to bear interest on the redemption date.

Section 5. Loan Shall be Payable out of Gross Revenues.

The Loan shall be secured by and payable from the gross revenues of the System.

Section 6. Permanent Financing.

The Governmental Agency does hereby covenant that if for any reason the anticipated funding for the payment of the principal and interest on the Loan fails to be provided on or before

the Maturity Date, the Governmental Agency shall take all such action required to retire the Loan with cash reserves of the Governmental Agency or obtain Permanent Financing and shall retire the Loan on or before the Maturity Date from the proceeds of Permanent Financing.

Section 7. Pledge and Assignment of the Governmental Agency; Further Assurance; Completion of Project.

The Governmental Agency does hereby irrevocably assign and pledge to the Issuer and its successors or assigns, for the benefit of the owners of all bonds issued under the Indenture, all right, title and interest of the Governmental Agency in and to the proceeds of the Permanent Financing and all monies to be received from the purchaser of bonds issued pursuant to the Permanent Financing for the Project. The Governmental Agency acknowledges and agrees that the Issuer, pursuant to the Indenture, has assigned and pledged to the Trustee for the benefit and security of the owners of the bonds issued under the Indenture all of its rights under the provisions of this Assistance Agreement. Accordingly, this Assistance Agreement shall not be terminated, modified or changed by the Issuer or the Governmental Agency except with the consent of the Trustee in the manner and subject to the conditions permitted by the terms and provisions of the Indenture.

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

The Governmental Agency hereby covenants and agrees to proceed expeditiously with and promptly complete the Project so that the Permanent Financing can be delivered on or prior to the Maturity Date.

Section 8. Flow of Funds.

After the issuance of the Loan, the income and revenues of the System shall be collected, segregated, accounted for and distributed as follows:

A. Revenue Fund. The Governmental Agency covenants and agrees that it will deposit in the Revenue Fund, promptly as received from time to time, all revenues of the System, as the System may be extended and improved from time to time. The moneys in the Revenue Fund will be used, disbursed and applied by the Governmental Agency only for the purpose and in the manner and order of priorities specified by this Assistance Agreement all as permitted by the Act, and in accordance with previous contractual commitments

B. Sinking Fund. There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Sinking Fund sums sufficient to pay when due the principal and interest requirements on the Loan. Said Sinking Fund shall be used solely and only and is hereby pledged for the purpose of paying the principal of and interest on the Loan.

If the Governmental Agency for any reason shall fail to make any monthly deposit as required, then an amount equal to the deficiency shall be set apart and deposited into the Sinking Fund out of the first available revenues in the ensuing months, which amount shall be in addition to the monthly deposit otherwise required during such succeeding months. Whenever there shall accumulate in the Sinking Fund amounts in excess of the requirements during the next twelve months for paying the principal of and interest due on the Loan, as same falls due, such excess may be used for redemption or prepayment of the Loan, subject to the terms and conditions set forth therein, prior to maturity.

C. Operation and Maintenance Fund. There shall next be transferred monthly from the Revenue Fund and deposited into said Operation and Maintenance Fund, sums sufficient to meet the current expenses of operating and maintaining the System. The balance maintained in said Operation and Maintenance Fund shall not be in excess of the amount required to cover anticipated System expenditures for a two-month period pursuant to the Governmental Agency's annual budget.

D. Surplus Funds. Subject to the provisions for the disposition of the income and revenues of the System as set forth hereinabove, which provisions are cumulative, and after paying or providing for the payment of debt service on any subordinate obligations, there shall be transferred, within sixty days after the end of each fiscal year, the balance of excess funds in the Revenue Fund on such date, to a depreciation fund for application in accordance with the terms of this Assistance Agreement or to the Sinking Fund to be applied to the maximum extent feasible, to the prompt purchase or redemption of the Loan.

Section 9. Disposition of Proceeds of the Loan; Governmental Agency Account.

Upon (i) the execution of this Assistance Agreement, (ii) the delivery of this Assistance Agreement to the Trustee, (iii) certification of the Compliance Group that the Loan is to be accepted into the Program, and (iv) upon receipt by the Governmental Agency of the proceeds of the Loan, the proceeds shall be applied as follows:

(a) *Disposition of the Proceeds.* There shall first be deducted and paid from the proceeds of the Loan the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Loan and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

Secondly, there shall be set aside from the proceeds and deposited to the Sinking Fund, the amount of \$64,233.54, for the purpose of paying the interest due on the Loan as the same becomes due on an Interest Payment Date.

The balance shall be deposited to the Governmental Agency Account to be used for the Project.

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Martin County Water District Governmental Agency Account" (the "Governmental Agency Account") has been created and maintained by the Trustee pursuant to the Indenture; and the

amount on deposit in said Governmental Agency Account, shall be applied to the extent necessary, to pay the costs of the Project.

Pending disbursement for the costs of the Project, the proceeds of the Loan shall be subject to a first and paramount lien and charge in favor of the Issuer, for the benefit of the owners of all bonds issued under the Indenture, and for their further security.

Investment income derived from investment of the Governmental Agency Account, which shall be invested in Permitted Investments in accordance with this Assistance Agreement, shall, as received, be deposited in the Governmental Agency Account.

The Trustee shall be obligated to send written notice to the Governmental Agency of the need for investment directions if and whenever funds in excess of \$50,000 shall remain uninvested for a period of more than five days. In the absence of written direction from the Governmental Agency with respect to investment of moneys held in the Governmental Agency Account, the Trustee is hereby directed to invest funds in money market mutual funds of the Trustee or its affiliates that qualify as Permitted Investments under this Assistance Agreement.

Payment from the Governmental Agency Account for costs in connection with the Project shall be made only upon a Requisition Certificate (a copy of which is attached hereto as **Exhibit B**) submitted by the Governmental Agency and delivered to the Trustee that has been signed by the Governmental Agency Manager and approved by the Program Administrator, and to the extent requested by the Program Administrator, the following documentation:

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

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

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

Upon the Program Administrator's receipt of the Requisition Certificate and such additional documentation as it may require, the Program Administrator may direct the Trustee to remit the amount requested to the Governmental Agency as a draw upon the Loan. If directed by the Program Administrator, the Governmental Agency shall establish with the Trustee, an electronic fund transfer system, which may be an ACH Payment Method.

No expenditure shall be made from the Governmental Agency Account except for proper and authorized expenses relating to the Project in accordance with the contracts, plans and specifications approved by the Governmental Agency.

Any balance remaining on deposit in the Governmental Agency Account shall, subject to any and all applicable legal provisions, upon orders of the Governing Agency Manager, be transferred to the Sinking Fund, to be used for the purposes thereof.

Section 10. Rates and Charges for Services of the System.

While the Loan is outstanding, the rates for all services of the System rendered by the Governmental Agency to its citizens, corporations, or others requiring the same, shall be reasonable and just, taking into account and consideration the cost and value of said System, the cost of maintaining and operating the same, the proper and necessary allowances for depreciation thereof, and the amounts necessary for the retirement of the Loan and the accruing interest on the Loan as may be outstanding under the provisions of this Assistance Agreement, and there shall be charged such rates and amounts as shall be adequate to meet all requirements of the provisions of this Assistance Agreement. Prior to the issuance of the Loan a schedule of rates and charges for the services rendered by the System to all users adequate to meet all requirements of this Assistance Agreement has been established and adopted.

The Governmental Agency covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the Governmental Agency Clerk a certification of the Program Administrator, with the approval of the Governmental Agency Manager and the Compliance Group, approving such reduction in rates.

Section 11. Defeasance and/or Refunding of Loan.

The Governmental Agency reserves the right, at any time, to cause the pledge of the revenues securing the Loan to be defeased and released by paying an amount into an escrow fund sufficient, when invested (or sufficient without such investment, as the case may be) in cash and/or U.S. Obligations, to assure the availability in such escrow fund of an adequate amount (a) to call for redemption and to redeem and retire the Loan, both as to principal and as to interest, on the next or any optional redemption date, including all costs and expenses in connection therewith, and to pay all principal and interest falling due on the Loan to and on said date, or (b) to pay all principal and interest requirements on the Loan as same matures, without redemption in advance of maturity, the determination of whether to defease under (a) or (b) or both to be made by the Governing Body. Such U.S. Obligations shall have such maturities as to assure that there will be sufficient funds for such purpose. If such defeasance is to be accomplished pursuant to (a), the Governmental Agency shall take all steps necessary to publish the required notice of the redemption of the Loan and the applicable redemption date. Upon the proper amount of such investments being placed in escrow and so secured, such revenue pledge shall be automatically fully defeased and released without any further action being necessary.

Section 12. Contractual Nature of Assistance Agreement.

The provisions of this Assistance Agreement shall constitute a contract between the Governmental Agency and the Issuer; and after the issuance of the Loan, no change, variation or alteration of any kind in the provisions of this Assistance Agreement shall be made in any manner except as herein or therein provided until such time as the Loan has been paid or provided for in full, or as otherwise provided herein; provided that the Governing Body may enact legislation for

any other purpose not inconsistent with the terms of this Assistance Agreement, and which shall not impair the security of the Issuer and/or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any ordinance or other proceedings pertaining hereto.

Section 13. Appointment and Duties of Trustee.

The Trustee is hereby designated as the bond registrar and paying agent with respect to the Loan.

Its duties as Trustee shall be as follows:

- (a) To register the Loan in the name of the Issuer;
- (b) To maintain adequate records relevant to the Loan;
- (c) To remit, but only to the extent that all required funds are made available to the Trustee by the Governmental Agency, semiannual interest payments directly to the Issuer's accounts for the Program;
- (d) To notify the Issuer if the Loan is to be redeemed and to redeem the Loan prior to its stated maturity upon receiving sufficient funds; and
- (e) To supply the Governmental Agency with a written accounting evidencing the payment of interest on and principal of the Loan within thirty (30) days following each respective due date.

The Trustee shall be entitled to the advice of counsel and shall be protected for any acts taken by it in good faith in reliance upon such advice. The Trustee shall not be liable for any actions taken in good faith and believed by it to be within its discretion or the power conferred upon it by this Assistance Agreement, or the responsibility for the consequences of any oversight or error in judgment.

The Trustee may at any time resign from its duties set forth in this Assistance Agreement by filing its resignation with the Governmental Agency Clerk and notifying the Issuer. Thereupon, the Issuer shall notify the Governmental Agency of a successor Trustee which shall be an incorporated bank or trust company authorized to transact business in the United States of America. Notwithstanding the foregoing, in the event of the resignation of the Trustee, provision shall be made for the orderly transition of the books, records and accounts relating to the Loan to the successor Trustee in order that there will be no delinquencies in the payment of interest or principal due on the Loan.

Section 14. Provisions in Conflict Repealed.

All ordinances, resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed; and it is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds payable or secured in any manner by all or any part of the income and revenues of the System, or any part thereof, and which have not

heretofore been issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered.

Section 15. Covenants of Governmental Agency.

In addition to the other representations and covenants of the Governmental Agency contained herein, the Governmental Agency hereby covenants as follows:

(a) the Governmental Agency shall operate and maintain the System in accordance with the laws and regulations of the Commonwealth, and all real estate and interest in real estate and all personal property constituting the System heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency and constitute a part of the System;

(b) the Governmental Agency covenants and agrees to maintain adequate records relating to the operation of the System and shall permit the Program Administrator, the Issuer and their duly authorized agents, free access to the System and to make available for audit and inspection, at any reasonable time by the Program Administrator, the Issuer or their duly authorized agents, all property, equipment, books, contracts, records and other papers relating to the operation of the System;

(c) in the event of any damage to or loss of any portion of the System by fire, storm or other casualty whatever, the Governmental Agency shall promptly notify the Program Administrator and the Issuer;

(d) the Governmental Agency shall promptly notify the Program Administrator and the Issuer of any litigation or threatened litigation that may affect the Governmental Agency or the System;

(e) the Governmental Agency shall not change or replace the Governmental Agency Manager without the prior written consent of the Program Administrator;

(f) so long as this Loan remains outstanding, the Governmental Agency Manager shall not resign without the prior written consent of the Program Administrator;

(g) replacements or changes to the Governing Body require the prior written approval of the Program Administrator;

(i) the Governmental Agency shall provide quarterly unaudited financial statements to Program Administrator within 30 days of the end of each quarter;

(j) the Governmental Agency shall not borrow any moneys or issue any debt obligations without the prior written consent of the Program Administrator and the Compliance Group; and

(k) The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not, without the prior written consent of the Program

Administrator, which consent shall not be unreasonably withheld, sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities of the System or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 16. Insurance.

(a) *Fire and Extended Coverage.* If and to the extent that the System includes structures above ground level, the Governmental Agency shall, upon receipt of the proceeds of the Loan, if such insurance is not already in force, procure fire and extended coverage insurance on the insurable portion of all of the facilities of the System, of a kind and in such amounts as would ordinarily be carried by private companies or public bodies engaged in operating a similar utility.

The foregoing fire and extended coverage insurance shall be maintained so long as the Loan is outstanding and shall be in amounts sufficient to provide for not less than full recovery whenever a loss from perils insured against does not exceed eighty percent (80%) of the full insurable value of the damaged facility.

In the event of any damage to or destruction of any part of the System the Governmental Agency shall promptly arrange for the application of the insurance proceeds for the repair or reconstruction of the damaged or destroyed portion thereof.

(b) *Liability Insurance on Facilities.* So long as the Loan is outstanding, the Governmental Agency shall, procure and maintain, public liability insurance relating to the operation of the facilities of the System, with limits of not less than \$200,000 for one person and \$1,000,000 for more than one person involved in one accident, to protect the Governmental Agency from claims for bodily injury and/or death; and not less than \$200,000 from claims for damage to property of others which may arise from the Governmental Agency's operations of the System and any other facilities constituting a portion of the System.

(c) *Vehicle Liability Insurance.* If and to the extent that the Governmental Agency owns or operates vehicles in the operation of the System, upon receipt of the proceeds of the Loan, the Governmental Agency shall, if such insurance is not already in force, procure and maintain, so long as the Loan is outstanding, vehicular public liability insurance with limits of not less than \$200,000 for one person and \$1,000,000 for more than one person involved in one accident, to protect the Governmental Agency from claims for bodily injury and/or death, and not less than \$200,000 against claims for damage to property of others which may arise from the operation of such vehicles by the Governmental Agency.

Section 17. Event of Default; Remedies.

The following items shall constitute an "Event of Default" on the part of the Governmental Agency:

(a) The failure to pay principal on the Loan when due and payable, either at maturity or by proceedings for redemption;

(b) The failure to pay any installment of interest on the Loan when the same shall become due and payable;

(c) The failure of the Governmental Agency to fulfill any of its obligations pursuant to this Assistance Agreement and to cure any such failure within 30 days after receipt of written notice of such failure; and/or

(d) The failure to promptly repair, replace or reconstruct essential facilities of the System after any major damage and/or destruction thereof.

Upon the occurrence of an Event of Default, the Issuer or the Trustee on its behalf, as owner of the Loan, may enforce and compel the performance of all duties and obligations of the Governmental Agency as set forth herein. Upon the occurrence of an Event of Default, then, upon the filing of suit by the Trustee or the Issuer, any court having jurisdiction of the action may appoint a receiver to administer the System on behalf of the Governmental Agency, with power to charge and collect rates sufficient to provide for the payment of the principal of and interest on the Loan, and for the payment of operation and maintenance expenses of the System, and to provide and apply the income and revenues in conformity with this Assistance Agreement and with the laws of the Commonwealth of Kentucky.

In addition to and apart from the foregoing, upon the occurrence of an Event of Default, the owner of the Loan may require the Governmental Agency by demand, court order, injunction, or otherwise, to raise all applicable rates charged for services of the System a reasonable amount, consistent with the requirements of this Assistance Agreement.

Section 18. Annual Reports.

The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the fiscal year ended December 31, 2021) and such other financial information and/or operating data as requested by the Issuer or the Compliance Group.

The annual financial information and operating data, including audited financial statements, will be made available on or before 120 days after the end of each fiscal year.

Section 19. Supplemental Assistance Agreement.

The Governmental Agency may, but only with the consent of the Issuer, execute one or more supplemental Assistance Agreements as shall not be inconsistent with the terms and provisions hereof for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Assistance Agreement;

(b) to subject to the lien and pledge of this Assistance Agreement additional revenues, properties, or collateral which may legally be subjected;

(c) to add to the conditions, limitations and restrictions on the issuance of bonds, other conditions, limitations and restrictions thereafter to be observed;

(d) to add to the covenants and agreements of the Governmental Agency in this Assistance Agreement, other covenants and agreements thereafter to be incurred by the Governmental Agency or to surrender any right or power herein reserved to or conferred upon the Governmental Agency;

(e) to effect the issuance of additional parity bonds; and/or

(f) to modify the terms and conditions of this Assistance Agreement at the request of the Issuer in order to assist the Issuer in operating the Program or to maintain any rating the Issuer may have on its Program obligations.

Section 20. No Remedy Exclusive.

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

Section 21. Waivers.

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

Section 22. Agreement to Pay Attorneys' Fees and Expenses.

In the event that either party hereto shall become in default under any of the provisions hereof and the non-defaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefore to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

Section 23. Signatures of Officers.

If any of the officers whose signatures or facsimile signatures appear on this Assistance Agreement or any other document evidencing the Loan cease to be such officers before delivery of the Loan, such signatures shall nevertheless be valid for all purposes the same as if such officers had remained in office until delivery, as provided by KRS 58.040 and KRS 61.390.

Section 24. Severability Clause.

If any section, paragraph, clause or provision of this Assistance Agreement shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Assistance Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Martin County Water District has caused this Assistance Agreement to be signed in corporate name and by its Chairman and attested by its Secretary all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By Russell D. Cole
President

Attest:

[Signature]
Secretary/Treasurer

MARTIN COUNTY WATER DISTRICT

By _____
Chairman

Attest:

Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Martin County Water District has caused this Assistance Agreement to be signed in corporate name and by its Chairman and attested by its Secretary all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

Secretary/Treasurer

MARTIN COUNTY WATER DISTRICT

By  _____
Chairman

Attest:



Secretary

EXHIBIT A

Debt Service Schedule

\$1,110,000

Kentucky Rural Water Finance Corporation

Public Projects Refundign Revenue Bonds, Series 2022 B

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
04/20/2022	-	-	-	-	-
08/01/2022	-	-	10,121.04	10,121.04	-
12/31/2022	-	-	-	-	10,121.04
02/01/2023	-	-	18,037.50	18,037.50	-
08/01/2023	-	-	18,037.50	18,037.50	-
12/31/2023	-	-	-	-	36,075.00
02/01/2024	1,110,000.00	3.250%	18,037.50	1,128,037.50	-
12/31/2024	-	-	-	-	1,128,037.50
Total	\$1,110,000.00	-	\$64,233.54	\$1,174,233.54	-

Yield Statistics

Bond Year Dollars	\$1,976.42
Average Life	1.781 Years
Average Coupon	3.2499999%
Net Interest Cost (NIC)	3.1226280%
True Interest Cost (TIC)	3.1198535%
Bond Yield for Arbitrage Purposes	2.8838002%
All Inclusive Cost (AIC)	5.5864428%

IRS Form 8038

Net Interest Cost	2.8756993%
Weighted Average Maturity	1.781 Years

**EXHIBIT B
REQUISITION CERTIFICATE**

Request No. _____

Dated _____

To: Regions Bank
Corporate Trust Department
150 Fourth Avenue North, Suite 900, Nashville Tennessee 37219
Fax Number: (615) 770-4350

From: Martin County Water District ("Governmental Agency")
Contact Person: Mr. James Anthony Sneed
VP, Director of Operations
Alliance Water Resources Inc.
206 S. Keene St.
Columbia, MO 65201

Re: Loan in the amount of \$1,110,000, dated April 20, 2022, to the Martin County Water District from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Taxable Series 2022B.

Ladies and Gentlemen:

1. That _____ (the "Payee") is due the sum of \$ _____, which represents an amount duly earned by and payable to said Payee, its successors or assigns, for labor, materials, work and/or services detailed in the attached Exhibits and furnished under an existing contract with the above identified Governmental Agency, relating to the "Project" (as described in the Assistance Agreement between the Governmental Agency and the Kentucky Rural Water Finance Corporation) financed by the issuance of the above-identified Loan, and that if such sum is for materials and/or supplies furnished, such materials and/or supplies have been received, and if for services, such services have been performed;

2. That the Payee has expended or is expending concurrently with the delivery of this Certificate, the amount set out above on account of the cost of the Project, and that no Requisition Certificate with respect to such expenditure has previously been delivered to Regions Bank, Nashville, Tennessee, as Trustee;

3. That the undersigned are presently the persons who have been duly designated to execute this Requisition Certificate in connection with such Project, and that the authority of the undersigned to do so has not been canceled, revoked, rescinded, changed or altered in any manner.

Respectfully submitted,

MARTIN COUNTY WATER DISTRICT

By: Alliance Water Resources, Inc.,
as Manager

By _____

Title _____

Approved:

Kentucky Rural Water Association, Inc.
Program Administrator

By _____

Title _____

REQUISITION CERTIFICATE

Request No. 1

Dated 4/27/2022

To: Regions Bank
Corporate Trust Department
150 Fourth Avenue North, Suite 900, Nashville Tennessee 37219
Fax Number: (615) 770-4350

From: Martin County Water District ("Governmental Agency")
Contact Person: Mr. James Anthony Sneed
VP, Director of Operations
Alliance Water Resources Inc.
206 S. Keene St.
Columbia, MO 65201

Re: Loan in the amount of \$1,110,000, dated April 20, 2022, to the Martin County Water District from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Taxable Series 2022B.

Ladies and Gentlemen:

We would like to have a check sent to the address below _____

We would like to have funds wired to the account listed below X

Contact Person: Cassandra Moore

Address: 387 E. Main St. Suite 140
Inez, KY 41224

Bank Name: First State Bank

ABA#: 042212050

Account#: 041343

Ref: KRWAF/MCW Assistance Agreement

1. That Martin County Water District (the "Payee") is due the sum of \$ 1,000,000.00, which represents an amount duly earned by and payable to said Payee, its successors or assigns, for labor, materials, work and/or services detailed in the attached Exhibits and furnished under an existing contract with the above identified Governmental Agency, relating to the "Project" (as described in the Assistance Agreement between the Governmental Agency and the Kentucky Rural Water Finance Corporation) financed by the issuance of the

above-identified Loan, and that if such sum is for materials and/or supplies furnished, such materials and/or supplies have been received, and if for services, such services have been performed;

2. That the Payee has expended or is expending concurrently with the delivery of this Certificate, the amount set out above on account of the cost of the Project, and that no Requisition Certificate with respect to such expenditure has previously been delivered to Regions Bank, Nashville, Tennessee, as Trustee; and

3. That the undersigned are presently the persons who have been duly designated to execute this Requisition Certificate in connection with such Project, and that the authority of the undersigned to do so has not been canceled, revoked, rescinded, changed or altered in any manner.

Respectfully submitted,

MARTIN COUNTY WATER DISTRICT

By: Alliance Water Resources, Inc.,
as Manager

By James A. Sneed

Title VP, Director of Operations

Approved:

Kentucky Rural Water Association, Inc.
Program Administrator

By 

Title Executive Director

Vendor Balance

Period: 03/01/22..03/31/22

Martin County Water District

Amounts in \$

Only includes vendors with entries in the period

Group Totals: Vendor Posting Group

No.	Name	Ending Balance 03/31/22
DOMESTIC		
V00006	BRIAN CUMBO	-31,934.10
V00010	ALLIANCE WATER RESOURCES, INC.	-345,675.07
V00012	XYLEM	-58,739.10
V00013	ALL PUMPS SALES & SERVICES	-8,411.90
V00014	CI THORNBURG	-36,345.26
V00015	CI THORNBURG-VFD#2	-12,071.32
V00016	EVANS HARDWARE	-30,362.72
V00017	EVANS HARDWARE #2	-18,820.64
V00018	LINDA SUMPTER, CPA	-151,942.35
V00020	SERVICE PUMPS & SUPPLY	-21,282.99
V00021	SOLES ELECTRIC COMPANY	-13,300.00
V00022	UNITED RENTALS	-56,722.94
V00023	ZIP ZONE EXPRESS	-256,726.95
Total in \$		-1,042,335.34

Martin County Water District, Inez KY
List of Bills for Consideration
26-Apr-22

<u>Vendor</u>	<u>Description</u>	<u>Amount</u>
PAST DUE ACCOUNTS		3/31/2022
<u>(Based on cash availability)</u>		
1 CI Thornburg VFD # 2	VFD	\$ 12,071.32
2 Xylem	Pump rental	\$ 16,242.50
3 Service Pump & Supply	Pump service	\$ 16,935.04
4 Cumbo Law Office	Legal service	\$ 5,197.26
5 Evans Hardware #2	Parts & supplies	\$ 18,820.64
6 United Rentals	Pump Rental	\$ 56,722.94
7 Linda Sumpter CPA	Accounting Fees	\$ 4,942.35
8 Zip Zone	Fuel	\$ 81,278.39
TOTAL		\$ 212,210.44
 DSS Account		
<u>(Based on cash availability)</u>		
1 Evans Hardware	Parts & supplies	\$ 30,362.72
2 CI Thornburg	Parts & supplies	\$ 36,345.26
3 Linda Sumpter CPA	Accounting fees	\$ 147,000.00
4 Zip Zone	Fuel	\$ 175,448.56
5 Xylem	Pump Rental	\$ 42,496.60
6 Service Pump & Supply	Pump Service	\$ 4,347.95
7 All Pumps Sales & Services	Pump Service	\$ 8,411.90
8 Cumbo Law Office	Legal Services	\$ 26,736.84
9 Soles Electric	Pump Service	\$ 13,300.00
10 Alliance Water Resources	Management	\$ 345,675.07
TOTAL		\$ 830,124.90
 Total Past Due Accounts		 \$ 1,042,335.34

**CERTIFICATE OF OFFICERS OF
MARTIN COUNTY WATER DISTRICT**



Re: Loan in the amount of \$1,110,000, dated April 20, 2022, to the Martin County Water District from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Taxable Series 2022B.

The undersigned officials of the Martin County Water District (the "Borrower") under the Assistance Agreement (the "Agreement") between the Borrower and the Kentucky Rural Water Finance Corporation ("KRWFC"), dated the date hereof, do hereby certify as follows:

1. That they are the duly elected or appointed, qualified, and acting incumbents of their respective offices of the Borrower, as set forth after their signatures hereto, and as such are familiar with the books, records, and affairs of the Borrower.

2. That the Borrower is a body politic and corporate, validly organized, existing and in good standing under and by virtue of the laws of the Commonwealth of Kentucky with all requisite power and authority to operate a water system (the "System") and to carry on its business as now being conducted.

3. That the below-named persons were on the date or dates of the execution of the Agreement and are on the date of this Certificate the duly elected or appointed and qualified incumbents of the respective offices of the Borrower set forth opposite their names and that the signatures set forth opposite their names are their genuine signatures:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Jimmy Don Kerr	Chairman	
B.J. Slone	Secretary	

4. That included in the transcript of which this Certificate forms a part is a true, correct, and complete copy of the resolution duly adopted by the Governing Body of the Borrower on March 15, 2022 (the "Resolution"), authorizing the appropriate officials of the Borrower to execute the Agreement. The Resolution was duly adopted in accordance with all applicable laws.

5. The Resolution duly authorized the Agreement to finance the cost of the Borrower's operations, maintenance of and improvements to the System (the "Project").

6. The Agreement has been duly authorized, executed and delivered by the Borrower and constitutes a legal, valid, and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms.

7. The representations and warranties of the Borrower made in the Agreement are true and correct in all material respects on and as of the date hereof as if made on and as of the date hereof; the Resolution has not been amended or supplemented and is in full force and effect; and the Agreement has been entered into and is in full force and effect.

8. That we are familiar with the provisions of the Agreement, and we hereby certify that at the time of or immediately after the issuance, sale, and delivery of the Loan, the proceeds of the Loan authorized by the Agreement were applied or will be applied as itemized in the Distribution of Loan Proceeds Schedule attached hereto as **Exhibit A**, and this certification constitutes the instruction to and authorization of the Trustee to make such payments and deposits specified in said **Exhibit A**.

9. The Borrower is not in default under or in violation of (i) any provisions of applicable law, (ii) the Agreement, or (iii) any indenture, mortgage, lien, agreement, contract, deed, lease, loan agreement, note, bond, order, judgment, decree or other instrument or restriction of any kind or character to which it is a party or by which it or its properties are or may be bound, or to which it or any of its assets is subject, which default would have a material adverse effect on the condition, financial or otherwise, of the Borrower or on the ability of the Borrower to perform its obligations under the Agreement. Neither the execution and delivery of the Agreement nor compliance by the Borrower with the terms, conditions and provisions of the Agreement will conflict with or result in a breach of, or constitute a default under, any of the foregoing.

10. Since the date of the financial information provided to KRWFC, there have not been any material adverse changes in the business, properties, condition (financial or otherwise) or results of operations of the Borrower, whether or not arising from transactions in the ordinary course of business, and since such date, except in the ordinary course of business, the Borrower has not entered into any transaction or incurred any liability material to the financial position of the Borrower.

11. There is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, or public board or body, pending or, to the best of our knowledge, threatened against or affecting the Borrower wherein an unfavorable decision, ruling or finding would materially adversely affect the business, properties, condition (financial or otherwise) or the results of operations of the Borrower or the ability of the Borrower to perform its obligations under the Agreement.

12. All authorizations, consents, and approvals of, notices to, registrations or filings with, or other actions in respect of or by, any governmental body, agency or other instrumentality or court required in connection with the execution, delivery, and performance by the Borrower of the Agreement have been duly obtained, given, or taken (and copies thereof have been provided to KRWFC).

13. Any certificate signed by any official of the Borrower and delivered to KRWFC will be deemed to be a representation by the Borrower to KRWFC as to the statements made therein.

WITNESS our hands this April 20, 2022.

MARTIN COUNTY WATER DISTRICT

By  Chairman

Attest:


By  Secretary

EXHIBIT A

DISTRIBUTION OF LOAN PROCEEDS SCHEDULE

Re: Loan in the amount of \$1,110,000, dated April 20, 2022, to the Martin County Water District from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Taxable Series 2022B.

SOURCES OF FUNDS

Par Amount of Loan	\$1,110,000.00
Plus Original Issue Premium	<u>7,037.40</u>
Total Sources	\$1,117,037.40

USES OF FUNDS

Deposit to the Borrower's Governmental Agency Account for the Project	\$1,003,283.86
Deposit to capitalized interest into the Sinking Fund	64,233.54
Deposit to Governmental Agency Account for Costs of Issuance	45,000.00
Underwriter's Discount	<u>4,520.00</u>
Total Uses	\$1,117,037.40

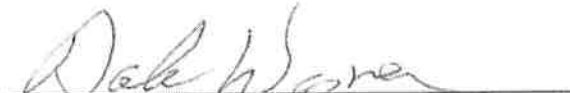
ACCEPTANCE OF ELECTION AS OFFICERS

OF

ALLIANCE WATER RESOURCES, INC.

The undersigned, having this day been elected as officers of Alliance Water Resources, Inc., a Missouri corporation, do hereby accept said election and agree to perform the duties and assume the responsibilities as noted in the Corporate Bylaws and Employment Agreement, if applicable, for said position in good faith.

Dated and executed this 25th day of March 2022.


Dale Wagner, Chairman of the Board


Tim Geraghty, President


Ann Perkins, Vice President/Secretary/Treasurer


Tony Sneed, Vice President

Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410

Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT
NICHOLAS J. LOCOCO

April 18, 2022

VIA ELECTRONIC MAIL (lisa.dale@ky.gov)
Ms. Lisa Dale
Local Government Advisor
Department for Local Government
Office of Financial Management and Administration
100 Airport Road, 3rd Floor
Frankfort, Kentucky 40601

Re: Loan in the amount of \$1,110,000, dated April 20, 2022, to the Martin County Water District from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Taxable Series 2022B.

Dear Ms. Dale:

Enclosed is a copy of our proposed approving Legal Opinion, a Local Debt Notification Bond Summary Form, and the Schedule of Principal Maturities and Interest Rates in connection with the above transaction. The Loan proceeds were derived from a public competitive sale on April 7, 2022, by the financial advisor, Raymond James & Associates, Inc. of Lexington, Kentucky, at a price of \$1,112,517.40 (100.227% of par). Regions Bank, Nashville, Tennessee, is acting as Trustee and Paying Agent.

The Loan is dated and the closing is scheduled for April 20, 2022. The Loan (i) matures on February 1, 2024 and (ii) bears interest at the fixed rates set forth in the enclosed Schedule.

We would appreciate your furnishing us your letter that the Association has complied with the requirements of KRS 65.117 in the issuance of this Loan.

Sincerely,

Rubin & Hays

By 
Christian L. Juckett

cc: Mr. Robert Brown (RobertO.Brown@ky.gov)
Enclosures

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410

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CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT
NICHOLAS J. LOCOCO

April 20, 2022

Kentucky Rural Water Finance Corporation
1151 Old Porter Pike
Bowling Green, Kentucky 42103

Regions Bank
Corporate Trust Department
150 Fourth Avenue North, Suite 1500
Nashville, Tennessee 37219

Re: Loan in the amount of \$1,110,000, dated April 20, 2022, to the Martin County Water District from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Taxable Series 2022B.

We have examined a certified copy of the transcript of proceedings of the Martin County Water District, a political subdivision of the Commonwealth of Kentucky (the "Borrower") relating to the authorization and issuance of its Assistance Agreement, dated as of April 20, 2022 (the "Assistance Agreement") by and between the Borrower and the Kentucky Rural Water Finance Corporation, representing a loan in the aggregate principal amount of \$1,110,000 (the "Loan").

The Loan has been authorized and issued pursuant to the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), including particularly Chapters 58 and 74 of the Kentucky Revised Statutes (the "Act"), in accordance with the Assistance Agreement.

We have examined such portions of the Constitution, statutes and laws of the United States, the Constitution, statutes and laws of the Commonwealth, and such applicable court decisions, regulations, rulings, and opinions as we have deemed necessary or relevant for the purposes of the opinions set forth below.

We have also made such investigation as we have deemed necessary for the purposes of such opinions and relied upon certificates of officials of the Commonwealth and the Borrower as to certain factual matters.

Based upon the foregoing, it is our opinion, under the law existing on the date of this opinion, that:

1. The Borrower is a political subdivision of the Commonwealth, duly organized and validly existing under the laws of the Commonwealth and has the legal right and authority to borrow the Loan.

2. The Assistance Agreement has been duly authorized, executed and delivered by the Borrower and is a valid and binding obligation of the Borrower enforceable in accordance with its terms.

3. The Loan has been duly authorized by the Borrower and is a valid and binding limited and special obligation of the Borrower enforceable in accordance with its terms.

4. The Loan is payable as to principal, premium, if any, and interest from and is secured by a pledge of and a lien on the revenues of the Borrower's System, as defined in the Assistance Agreement.

Our opinion set forth above is subject to the qualification that the enforceability of the Assistance Agreement, the Loan and agreements relating thereto may be limited by bankruptcy, reorganization, moratorium, insolvency, or other similar laws relating to or affecting the enforcement of creditors' rights, and to the exercise of judicial discretion in accordance with general equitable principles.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

**LOCAL DEBT NOTIFICATION
BOND SUMMARY FORM**

Please complete this form and return to the State Local Debt Officer. Include all corresponding bond information and the **principal payment schedule**. Completion of this form along with the payment schedule will insure timely entry into the State Local Debt Report. Thank you in advance for your assistance.

Name of Entity Issuing Bond: Martin County Water District, Roy F. Collier Community Center, 387 Main Street, Suite 140, Inez, Kentucky 41224

County (Please specify the **County or Counties** in which the **Entity** is located. This is strictly for our filing purposes.) Martin

Type of Bond: (please circle one or fill in the blank if type not listed) _____

Bond Anticipation Notes	General Obligation	Industrial Revenue
Lease Revenue	Public Corporation	Refunding
Refunding Revenue	Revenue	Special Assessment

Purpose of the Bond: finance its operations, maintenance of and improvements to the District's water system.

IF REFUNDING AND IMPROVEMENT— Please state the name, date and principal amount of original issue(s) being refunded: N/A

Is the COUNTY (in which the Entity is located) Obligated? No.

Date the Bond was Issued: April 20, 2022

Bond Series: Taxable Series 2022B.

Principal Amount: \$1,110,000

Type of Interest (Fixed or Variable): Fixed.

Interest Rate: Please see Schedule attached hereto.

Date of Initial Payment: August 1, 2022

AOC Percent (if applicable): N/A

Date of Maturity: February 1, 2024

Call Date: The loan is not subject to optional redemption prior to maturity.

Retirement Method: Revenues of the water system.

Who is the Financial Advisor (if applicable): Raymond James & Associates, Inc., Lexington, Ky.

Who is Trustee/Paying Agent: Regions Bank, Nashville, Tennessee.

Who is Bond Counsel: Rubin & Hays, Louisville, Kentucky.

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2022 B

Borrower: Martin County Water District
 Closing Date: 04/20/22

Borrower Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Capitalized Interest	Trustee Fees	Total	Fiscal Total
04/20/22							
08/01/22			10,121.04	(10,121.04)			
02/01/23			18,037.50	(18,037.50)	450.00		
08/01/23			18,037.50	(18,037.50)			450.00
02/01/24	1,110,000.00	3.250%	18,037.50	(18,037.50)	450.00	1,110,000.00	1,110,450.00
Totals	<u>1,110,000.00</u>		<u>64,233.54</u>	<u>(64,233.54)</u>	<u>900.00</u>	<u>1,110,000.00</u>	

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT
NICHOLAS J. LOGGEO

April 20, 2022

Kentucky Rural Water Finance Corporation
1151 Old Porter Pike
Bowling Green, Kentucky 42103

Regions Bank
Corporate Trust Department
150 Fourth Avenue North, Suite 1500
Nashville, Tennessee 37219

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Our opinion set forth above is subject to the qualification that the enforceability of the Assistance Agreement, the Loan and agreements relating thereto may be limited by bankruptcy, reorganization, moratorium, insolvency, or other similar laws relating to or affecting the enforcement of creditors' rights, and to the exercise of judicial discretion in accordance with general equitable principles.

This opinion is given as of the date hereof and we assume no obligation to update or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

A handwritten signature in cursive script, appearing to read "Ruben & Associates". The signature is written in dark ink and is positioned on the right side of the page.

**KENTUCKY RURAL WATER FINANCE CORPORATION
FLEXIBLE TERM FINANCE PROGRAM**

Distribution List

Re: Loan in the amount of \$1,110,000, dated April 20, 2022, to the Martin County Water District from the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Taxable Series 2022B.

Kentucky Rural Water Finance Corporation

Mr. Gary Larimore, Executive Director
Mr. Andy Lange, Assistant Director
1151 Old Porter Pike
Bowling Green, Kentucky 42103
Phone: (270) 843-2291
Fax: (270) 796-8623
g.larimore@krwa.org
a.lange@krwa.org

KRWFC Counsel

Damon R. Talley
Stoll Keenon Ogden PLLC
PO Box 150
112 N Lincoln Blvd.
Hodgenville, KY 42748
Phone: (270) 358-3187
Fax: (270) 358-9560
damon.talley@skofirm.com

Trustee/Administrator

Mr. Daniel Olson (615) 770-4357
Ms. Inna Christiansen (615) 770-4352
Regions Bank
Corporate Trust Department
150 Fourth Avenue North, Suite 1500
Nashville, TN 37219
Facsimile: (615) 770-4350
daniel.olson@regions.com
inna.christiansen@regions.com

Borrower

Mr. Craig Miller
Martin County Water District
387 Main Street, Suite 140
Inez, KY 41224
Phone: (606) 548-2250
cmiller@alliancewater.com

Financial Advisor

Mr. Bob Pennington (859) 232-8211
Ms. Kristen Millard (859) 232-8249
Raymond James & Associates, Inc.
489 East Main Street
Lexington, Kentucky 40507
Toll-free: (800) 937-0161
Fax: (859) 232-8255
bob.pennington@raymondjames.com
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Bond Counsel

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Mr. Randy Jones
Mr. Christian Juckett
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