

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of December 29, 2020 (the “First Amendment to Assistance Agreement”) by and between the Kentucky Rural Water Finance Corporation, 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 Barkley Lake Water District, 1420 Canton Road, Cadiz, Kentucky 42211 (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 Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2020I (the “Series 2020I Bonds”) in the aggregate principal amount of \$[Bond issue size], pursuant to a Supplemental Trust Indenture No. 80, dated as of December 29, 2020 by and between the Issuer and the Trustee, which Series 2020I Bonds will rank on a parity with the 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 entered into an Assistance Agreement (the “Assistance Agreement”) with the Issuer on May 29, 2008, pursuant to which the Issuer provided the Governmental Agency with a loan dated May 29, 2008, in the original principal amount of \$3,060,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2008C (the “Loan”); and

WHEREAS, the proceeds of the Series 2008C Loan were used to finance the cost to refund certain prior bonds of the District and to design and construct an elevated water storage tank, with appurtenances, for the benefit of the District’s waterworks system (the “System”); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Loan, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings 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 First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect 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.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

*“Assistance Agreement”* refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated May 29, 2008, authorizing the Series 2008C Loan.

*“First Amendment to Assistance Agreement”* refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan.

*“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. 80, dated December 29, 2020, by and between the Issuer and the Trustee.

*“Interest Payment Date”* shall mean the 1<sup>st</sup> day of each month, commencing February 1, 2021 and continuing through and including January 1, 2037 or until the Loan has been paid in full.

“*Loan*” refers to the loan in the amount of \$3,060,000, dated May 29, 2008, to the Barkley Lake Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2008C, as amended herein.

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

**Section 2. Authorization of Loan; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly the Act, the Governmental Agency hereby authorizes this borrowing of \$1,535,000 from the Program, for the purpose of providing funds to re-amortize the Loan.

The Loan is payable on the Interest Payment Date in such principal and interest amounts as 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.

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 3. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency’s Loan as evidenced in the

attached **Exhibit A**, which debt service schedule will amortize 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.

**Section 4. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$1,535,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on December 29, 2020	1,809,033.33
Plus net costs associated with amending the debt service on the Loan	(164,478.18)
Credit for current balance in Governmental Agency's Sinking Fund	(110,134.06)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	<u>578.91</u>
<b>Revised principal amount of the Loan</b>	<b>\$1,535,000.00</b>

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Barkley Lake Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By John M. Dix  
President

Attest:

By [Signature]  
Secretary/Treasurer

BARKLEY LAKE WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

IN WITNESS WHEREOF, the Kentucky Rural Water Finance Corporation has caused this First Amendment to Assistance Agreement to be signed in its name by its President and attested by its Secretary/Treasurer and the Barkley Lake Water District has caused this First Amendment to Assistance Agreement to be signed in corporate name and by its officer thereunder duly authorized, all as of the day and year first above written.

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

BARKLEY LAKE WATER DISTRICT

By  \_\_\_\_\_  
Chairman

Attest:

By  \_\_\_\_\_  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2020 I  
Sinking Fund Payment Schedule**

**Borrower: Barkley Lake Water District  
Closing Date: 12/29/20**

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
		-	-
2/21-7/21	10,833.33	5,282.02	16,115.36
8/21-1/22	10,833.33	5,514.17	16,347.50
2/22-7/22	11,666.67	4,950.83	16,617.50
8/22-1/23	11,666.67	4,950.83	16,617.50
2/23-7/23	12,083.33	4,344.17	16,427.50
8/23-1/24	12,083.33	4,344.17	16,427.50
2/24-7/24	13,333.33	3,715.83	17,049.17
8/24-1/25	13,333.33	3,715.83	17,049.17
2/25-7/25	13,750.00	3,022.50	16,772.50
8/25-1/26	13,750.00	3,022.50	16,772.50
2/26-7/26	14,583.33	2,307.50	16,890.83
8/26-1/27	14,583.33	2,307.50	16,890.83
2/27-7/27	4,166.67	1,549.17	5,715.83
8/27-1/28	4,166.67	1,549.17	5,715.83
2/28-7/28	4,583.33	1,332.50	5,915.83
8/28-1/29	4,583.33	1,332.50	5,915.83
2/29-7/29	5,000.00	1,094.17	6,094.17
8/29-1/30	5,000.00	1,094.17	6,094.17
2/30-7/30	5,416.67	834.17	6,250.83
8/30-2/31	5,416.67	834.17	6,250.83
2/31-7/31	5,000.00	715.00	5,715.00
8/31-1/32	5,000.00	715.00	5,715.00
2/32-7/32	5,416.67	605.00	6,021.67
8/32-1/33	5,416.67	605.00	6,021.67
2/33-7/33	5,416.67	485.83	5,902.50
8/33-1/34	5,416.67	485.83	5,902.50
2/34-7/34	5,416.67	366.67	5,783.33
8/34-1/35	5,416.67	366.67	5,783.33
2/35-7/35	5,833.33	247.50	6,080.83
8/35-1/36	5,833.33	247.50	6,080.83
2/36-7/36	5,416.67	119.17	5,535.83
2/36-7/37	5,416.67	119.17	5,535.83
	<u>1,535,000.00</u>	<u>373,057.13</u>	<u>1,908,057.13</u>