

COMMONWEALTH OF KENTUCKY

BEFORE THE PUBLIC SERVICE COMMISSION OF KENTUCKY

IN THE MATTER OF:

**ELECTRONIC APPLICATION OF THE LAKE )**  
**VILLAGE WATER ASSOCIATION, INC., TO )**  
**ISSUE SECURITIES IN THE APPROXIMATE )**  
**PRINCIPAL AMOUNT OF \$2,100,000 ) Case No. 2021 - 00020**  
**FOR THE PURPOSE OF REFUNDING CERTAIN )**  
**OUTSTANDING INDEBTEDNESS OF THE )**  
**ASSOCIATION PURSUANT TO THE PROVISIONS )**  
**OF KRS 278.300 AND 807 KAR 5:001 )**

\*\*      \*\*\*      \*\*\*\*      \*\*\*\*\*      \*\*\*\*      \*\*\*      \*\*

APPLICATION

The Applicant, Lake Village Water Association, Inc. ("Lake Village"), files this Application pursuant to KRS 278.300, 807 KAR 5:001, and all other applicable laws and regulations, and requests that the Kentucky Public Service Commission (the "Commission") enter an Order authorizing Lake Village to issue certain securities in the approximate principal sum \$2,100,000 (subject to adjustment of up to 10%), for the purpose of refunding certain outstanding indebtedness. In support of this Application, and in compliance with the rules and regulations of the Commission, Lake Village states as follows:

1. Lake Village is a non-profit water association of Boyle and Mercer Counties, created and existing under the provisions of Chapter 273 of the Kentucky Revised Statutes. Lake Village's Articles of Incorporation were filed with the Kentucky Secretary of State on May 2, 1968, a copy of which is attached hereto as **Exhibit A**. Lake Village is currently in good standing with the

Kentucky Secretary of State. Lake Village is now, and has been since its inception, regulated by the Commission, and all records and proceedings of the Commission with reference to Lake Village are incorporated in this Application by reference.

2. The governing body of Lake Village is its Board of Directors, with power to make contracts in furtherance of its lawful and proper purpose as provided for in KRS Chapter 273 and all applicable law and regulations.

3. The mailing address of Lake Village is as follows:

Lake Village Water Association, Inc.  
c/o Mr. Mike D. Sanford, Executive Director  
801 Pleasant Hill Drive  
P.O. Box 303  
Burgin, Kentucky 40310  
Telephone: (859) 748-5642  
Fax: (859) 748-9114  
Email: [mike@lakevillagewater.org](mailto:mike@lakevillagewater.org)

4. A general description of Lake Village's water system property, together with a statement of the original cost, is contained in its Annual Report for 2019 which is on file with the Commission. The Annual Report is incorporated herein by reference.

5. Lake Village proposes to borrow funds from the Kentucky Rural Water Finance Corporation ("KRWFC") pursuant to an Assistance Agreement in the estimated principal amount of \$2,100,000 (subject to adjustment of up to 10%) (the "KRWFC Loan"), for the purpose of refunding the outstanding indebtedness of Lake Village designated as (i) Promissory Note No. 91-09, dated November 8, 2007, in the original principal amount of \$885,000, bearing interest at the rate of 4.50% per annum (the "2007 Note"), currently held by the United States Department of Agriculture, acting through Rural Development ("RD"); and (ii) Promissory Note No. 91-10, January 12, 2010, in the original principal amount of \$1,544,000, bearing interest at the rate of

4.00% per annum (the "2010 Note"), currently held by RD (hereinafter, the 2007 Note and the 2010 Note shall be collectively referred to as the "Prior Loans").

6. The estimated debt service for the KRWFC Loan is shown in **Exhibit B**, which is attached hereto and incorporated herein by reference. The debt service schedule and estimated interest rate are subject to change because of market conditions. The final terms and details of the KRWFC Loan may vary from the present assumptions based upon market conditions and other business judgment factors.

7. The KRWFC Loan will provide Lake Village with the funds necessary to (i) refund the Prior Loans; and (iii) pay the costs, fees and expenses incident to the issuance of the KRWFC Loan.

8. The Sources and Uses of Funds to be obtained from the issuance of the KRWFC Loan are detailed as **Exhibit C**, which is attached hereto and incorporated herein by reference.

9. It is anticipated that the proposed refinancing will generate a net present value cashflow savings of approximately \$245,416.65. These savings are shown on the Debt Service Comparison, which is attached hereto and incorporated herein by reference as **Exhibit D**.

10. The final principal amount of the KRWFC Loan may be adjusted, based upon the final interest rate as of closing of the proposed KRWFC Loan. Final financial figures will be submitted to the Commission in a timely manner. Lake Village will not issue the securities if interest rates in the financial markets shift to a point where Lake Village will not achieve any savings.

11. The Total Refunded Debt Schedule of the outstanding Prior Loans being refunded is set forth in **Exhibit E**.

12. Lake Village represents that the KRWFC Loan is in the public interest and is intended to accomplish the purpose of strengthening the financial condition of Lake Village by producing substantial debt service savings. This is a lawful object within the corporate purposes of the Lake Village's utility operations. The KRWFC Loan is necessary, appropriate for, and consistent with the proper performance by Lake Village of its service to the public and will not impair its ability to perform that service.

13. Lake Village represents that it will, as soon as reasonably possible after the closing of the KRWFC Loan, file with the Commission a statement setting forth the date of issuance of the KRWFC Loan, the price paid, the costs and expenses incurred in the issuance of the KRWFC Loan, and the final terms and interest rates of the KRWFC Loan.

14. The detailed Financial Statements for the twelve month period ending on December 31, 2019 are attached hereto and incorporated herein by reference as **Exhibit F** respectively.

15. Pursuant to 807 KAR 5:001, Section 12 - Financial Exhibit; Lake Village hereby responds as follows:

- (i) Section 12(1)(b): Lake Village states that it had less than \$5,000,000 in gross annual revenue in the immediate past calendar year and that no material changes to Lake Village's financial condition have occurred since the end of the twelve (12) month period contained in Lake Village's most recent annual report on file with the Commission.
- (ii) Section 12(2)(a), (b) and (c) Stock: Lake Village does not have any authorized, issued or outstanding stock as of the date hereof.

- (iii) Section 12(2)(d) Mortgages: Lake Village's mortgages are attached hereto as **Exhibit G** and are incorporated herein by reference.
  - (iv) Section 12(2)(e), (f) and (g) Indebtedness: The information concerning the outstanding indebtedness of Lake Village is contained in the 2019 Annual Report on file with this Commission.
  - (v) Section 12(2)(h) Dividends: Lake Village has no outstanding stock and therefore pays no dividends.
  - (vi) Section 12(2)(i) Financial Statements: See paragraph #14 above.
16. Pursuant to 807 KAR 5:001, Section 18, Lake Village hereby responds as follows:
- (i) Section 18(1)(a): Lake Village has complied with the requirements of 807 KAR 5:001, Section 14.
  - (ii) Section 18(1)(b): A general description of Lake Village's property, its field of operation and a statement of original cost of said property and the cost to Lake Village is contained in Lake Village's 2019 Annual Report on file with this Commission.
  - (iii) Section 18(1)(c): Lake Village is not issuing any stock as part of this financing. The information concerning the proposed KRWFC Loan is contained in this Application. The KRWFC Loan will be secured by and payable from the gross revenues of Lake Village's water system.
  - (iv) Section 18(1)(d): The proceeds of the KRWFC Loan are being used to refund the outstanding Prior Loans.

- (v) Section 18(1)(e): No property is being acquired with the proceeds of the KRWFC Loan.
- (vi) Section 18(1)(f): The details of the refunding of the Prior Loans are contained in this Application and the Exhibits hereto.
- (vii) Section 18(1)(g): Written notification of the proposed issuance of the KRWFC Loan is being provided to the State Local Debt Officer (see **Exhibit H** attached hereto).
- (viii) Section 18(2)(a): See paragraph #15 above.
- (ix) Section 18(2)(b): Lake Village does not have any outstanding trust deeds. Copies of Lake Village's outstanding mortgages are attached hereto as **Exhibit G** and are incorporated herein by reference.
- (x) Section 18(2)(c): No property is being acquired with the proceeds of the KRWFC Loan.

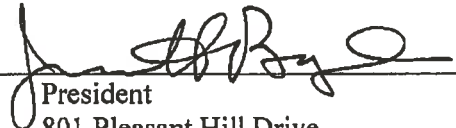
18. No rate adjustment is being requested in connection with this Application.

**WHEREFORE**, Lake Village respectfully requests that the Commission take the following actions:


1. Authorize the issuance of the securities requested in the Application;
2. Due to the volatility of the present bond market and in order to achieve substantial interest cost savings to Lake Village by taking full advantage of current low interest rates, Lake Village requests that the Commission issued its Order as soon as possible; and
3. Process this Application without a formal hearing in order to save time and expense.

Lake Village will promptly respond to any information requests by the Commission's staff.

Lake Village Water Association, Inc.

By   
President  
801 Pleasant Hill Drive  
P.O. Box 303  
Burgin, Kentucky 40310  
Phone: (859) 748-5642  
Fax: (859) 748-9114  
[mike@lakevillagewater.org](mailto:mike@lakevillagewater.org)

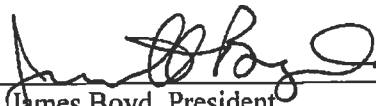
Rubin & Hays

By   
W. Randall Jones  
Kentucky Home Trust Building  
450 South Third Street  
Louisville, Kentucky 40202  
Phone: (502) 569-7525  
Fax: (502) 569-7555  
[wrjones@rubinhays.com](mailto:wrjones@rubinhays.com)  
Counsel for Lake Village Water Association, Inc.

STATE OF KENTUCKY            )  
  ) SS  
COUNTY OF MERCER         )

The affiant, James Boyd, being first duly sworn, states: That he is the President of the Lake Village Water Association, Inc., the Applicant in this case; that he has read the foregoing Application and has noted the contents thereof; that the same are true of his own knowledge and belief, except as to matters which are herein stated to be based on information or belief, and that these matters, he believes to be true and correct.

IN TESTIMONY WHEREOF, witness the signature of the undersigned on this January 21, 2021.

  
\_\_\_\_\_  
James Boyd, President

SUBSCRIBED, SWORN TO AND ACKNOWLEDGED before me by James Boyd, President of the Lake Village Water Association, Inc., on this January 21, 2021.

My Commission expires: 8/27/22.

  
\_\_\_\_\_  
NOTARY PUBLIC

607749  
\_\_\_\_\_  
NOTARY PUBLIC ID Number

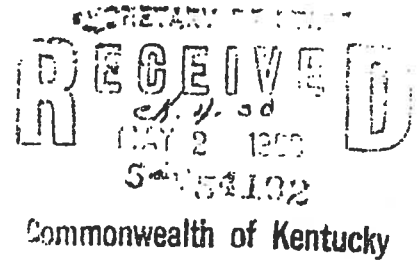




**EXHIBIT A**

Articles of Incorporation

ARTICLES OF INCORPORATION  
OF  
LAKE VILLAGE WATER  
ASSOCIATION INC.



We, whose names are hereto subscribed, acting as incorporators for the purpose of forming a nonprofit corporation under the provisions of Chapter 273 of the KRS, assuming and claiming all powers, rights, privileges and immunities granted or permitted bodies corporate under said laws, and do hereby adopt the following Articles of Incorporation:

ARTICLE I

NAME

The name of this corporation shall be LAKE VILLAGE WATER ASSOCIATION, INC.

ARTICLE II

REGISTERED OFFICE AND AGENT

The registered office of the corporation shall be at Danville, County of Boyle, State of Kentucky; the registered agent at such address is Donald D. Harkins, Farmers National Bank Building, Danville, Kentucky.

ARTICLE III

PURPOSE

The purpose of the said corporation shall be to establish, develop and operate a complete water supply and distribution system by purchase, development, or otherwise to construct reservoirs or water towers, erect pumping machinery, lay water mains, pipes and hydrants; to furnish and sell water to members of the corporation, public bodies and local businesses, for

fire protection, drinking and general farm and domestic use and collect payment for rental or sale of same and doing all things necessary, convenient and incidental thereto, and a complete sanitary and/or storm sewer collection system and treatment facilities by purchase, development, or otherwise to construct mains, submains, and laterals, treatment plant, lagoons, to furnish sewer service to members of the corporation, public bodies and local businesses, for sanitary and health protection and collect service payment for rental of same and doing all things necessary, convenient and incidental thereto.

#### ARTICLE IV

##### SEAL

This corporation shall have a seal, which seal shall contain the corporate name, Kentucky, and the words "corporate seal".

#### ARTICLE V

##### POWERS

The corporation shall have all powers provided by law.

#### ARTICLE VI

##### MEMBERSHIP

Person may become members of the corporation as provided in the By-Laws.

#### ARTICLE VII

##### DURATION

The corporation shall have perpetual duration.

ARTICLE VIII

BOARD OF DIRECTORS

1. The affairs of this corporation shall be managed by a Board of five (5) Directors to be elected by and from the members thereof and shall serve for three years and until their successors are elected. The size of the Board may not be changed except by amendment to these articles. At the first annual election, three (3) Directors shall be elected for a term of one year; one (1) Director shall be elected for a term of two years; one (1) Director shall be elected for a term of three years. Thereafter Directors shall be elected for terms of three years.

2. The Board of Directors shall fill vacancies occurring in its own membership by appointment of qualified members to hold office until the next annual meeting of the membership at which meeting a member shall be elected to fill the unexpired term.

3. A majority of the Directors must be present at a meeting to conduct the business of the corporation.

4. Until the first annual election, the following persons shall be Directors:

J. Clemens Caldwell	Danville, Kentucky
J. Wellington Cooper	Danville, Kentucky
Ross Kelly	Danville, Kentucky
H. N. Graham	Harrodsburg, Kentucky
James Campbell	Harrodsburg, Kentucky

and the following persons shall be Officers:

President	J. Clemens Caldwell	Danville, Kentucky
Vice President	James Campbell	Harrodsburg, Kentucky
Secretary	H. N. Graham	Harrodsburg, Kentucky
Treasurer	Ross Kelly	Danville, Kentucky

5. The Board of Directors shall have their annual meeting after the annual meeting of members hereinafter provided for, at a time and place to be designated by the President, and will elect from their own number a President, Vice-President, Secretary and Treasurer. However, the offices of Secretary and Treasurer may be combined into one office.

6. The Board of Directors shall have other meetings as provided in the By-Laws.

#### ARTICLE IX

##### MEETINGS

1. The annual meeting of the members of this corporation for the purpose of electing directors and transacting such other business as may properly come before it at such time, shall be held on the first Monday in March of each year at the time and place specified by the Board of Directors.

2. Special meetings of the members of this corporation may be called by the President at any time or place within the county upon giving to each of the members a notice in writing mailed to his postal address as it appears in the corporation records at least ten (10) days prior to such meeting; and such meetings shall be called by him at any time upon written demand of the majority of the Directors, or of any twenty (20) members, and in case of his neglect or refusal to call such meetings, such Directors or members shall unite in calling such meetings, which shall be the same as though called by the President. If the purpose of the meeting is to amend the articles, then the notice of meetings signed by the Secretary shall set forth the proposed amendment in substance. Articles may be amended by a two-thirds vote of the members present at such a meeting or voting by proxy.

#### ARTICLE X

##### INCORPORATORS

The names and addresses of the incorporators are:

J. Clemens Caldwell	Danville, Kentucky
Ross Kelly	Danville, Kentucky
J. Wellington Cooper	Danville, Kentucky
H. N. Graham	Harrodsburg, Kentucky
James Campbell	Route # 4 Harrodsburg, Kentucky

ARTICEL XI

BY-LAWS

The corporation may make and amend By-Laws at its plessure through its Board of Directors.

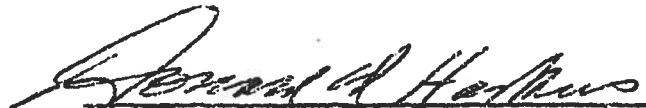
IN WITNESS WHEREOF, we have hereunto subscribed our names this the 25th day of April, 1968.

J. W. Cooper  
James H. Campbell  
Ross Kelly  
H. N. Graham  
J. Clemens Caldwell

STATE OF EKNTUCKY

COUNTY OF BOYLE

On this 25th day of April, 1968, before me Donald D. Harkins, a Notary Public in and for said County, personally appeared J. Clemens Caldwell, Ross Kelly, J. Wellington Cooper, H. N. Graham and James Campbell to me known to be the persons named in and who executed the foregoing instrument, and acknowledged that they executed the same as their voluntary act and deed.

  
\_\_\_\_\_  
Notary Public, Commonwealth at Large

My commission expires February 19, 1969.

ORIGINAL COPY  
FILED AND RECORDED

*Therese K. Begley*

MAY 2 1968

SECRETARY OF STATE OF KENTUCKY  
FRANKFORT, KENTUCKY  
BY *Therese K. Begley*  
ASSISTANT SECRETARY OF STATE

300031

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# Commonwealth of Kentucky

## Department of State



### Office of Secretary of State

ELMER BEGLEY, SECRETARY  
DOMESTIC CORPORATION DEPARTMENT  
NON-STOCK CORPORATION

I, **ELMER BEGLEY**, Secretary of the State of Kentucky, hereby certify that Articles of Incorporation of the

LAKE VILLAGE WATER ASSOCIATION, INC. (Danville, Kentucky)

has this day been filed in my office.

It appearing from said Articles of Incorporation that the said Corporation has no capital stock, and no private pecuniary profit is to be derived therefrom, the said Corporation is not required by law to pay a tax on organization; and it further appearing that the aforesaid Corporation has complied with all the requirements of the law, this certificate is issued as evidence of the fact that the said Corporation is now authorized and empowered to do business in this State under its charter, subject to the restrictions imposed by the statutes of Kentucky.



SECRETARY OF STATE

Given under my hand as Secretary of State,  
this 2nd day of May 1968

By Elmer Begley Secretary of State

Assistant Secretary of State



# **EXHIBIT B**

## Estimated Debt Service Schedule

Final

**\$2,100,000**

Lake Village Water Association  
Kentucky Rural Water Finance Corporation  
Potential Taxable Refunding

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
02/18/2021	-	-	-	-	-
02/01/2022	20,000.00	3.250%	63,335.90	83,335.90	-
08/01/2022	-	-	32,912.50	32,912.50	-
12/31/2022	-	-	-	-	116,248.40
02/01/2023	50,000.00	3.250%	32,912.50	82,912.50	-
08/01/2023	-	-	32,100.00	32,100.00	-
12/31/2023	-	-	-	-	115,012.50
02/01/2024	50,000.00	3.250%	32,100.00	82,100.00	-
08/01/2024	-	-	31,287.50	31,287.50	-
12/31/2024	-	-	-	-	113,387.50
02/01/2025	55,000.00	3.250%	31,287.50	86,287.50	-
08/01/2025	-	-	30,393.75	30,393.75	-
12/31/2025	-	-	-	-	116,681.25
02/01/2026	55,000.00	3.250%	30,393.75	85,393.75	-
08/01/2026	-	-	29,500.00	29,500.00	-
12/31/2026	-	-	-	-	114,893.75
02/01/2027	60,000.00	3.250%	29,500.00	89,500.00	-
08/01/2027	-	-	28,525.00	28,525.00	-
12/31/2027	-	-	-	-	118,025.00
02/01/2028	60,000.00	3.250%	28,525.00	88,525.00	-
08/01/2028	-	-	27,550.00	27,550.00	-
12/31/2028	-	-	-	-	116,075.00
02/01/2029	60,000.00	3.250%	27,550.00	87,550.00	-
08/01/2029	-	-	26,575.00	26,575.00	-
12/31/2029	-	-	-	-	114,125.00
02/01/2030	65,000.00	3.250%	26,575.00	91,575.00	-
08/01/2030	-	-	25,518.75	25,518.75	-
12/31/2030	-	-	-	-	117,093.75
02/01/2031	65,000.00	3.250%	25,518.75	90,518.75	-
08/01/2031	-	-	24,462.50	24,462.50	-
12/31/2031	-	-	-	-	114,981.25
02/01/2032	70,000.00	3.250%	24,462.50	94,462.50	-
08/01/2032	-	-	23,325.00	23,325.00	-
12/31/2032	-	-	-	-	117,787.50
02/01/2033	70,000.00	2.750%	23,325.00	93,325.00	-
08/01/2033	-	-	22,362.50	22,362.50	-
12/31/2033	-	-	-	-	115,687.50
02/01/2034	70,000.00	2.750%	22,362.50	92,362.50	-
08/01/2034	-	-	21,400.00	21,400.00	-
12/31/2034	-	-	-	-	113,762.50
02/01/2035	75,000.00	2.750%	21,400.00	96,400.00	-
08/01/2035	-	-	20,368.75	20,368.75	-
12/31/2035	-	-	-	-	116,768.75
02/01/2036	75,000.00	2.750%	20,368.75	95,368.75	-
08/01/2036	-	-	19,337.50	19,337.50	-
12/31/2036	-	-	-	-	114,706.25
02/01/2037	80,000.00	3.000%	19,337.50	99,337.50	-
08/01/2037	-	-	18,137.50	18,137.50	-
12/31/2037	-	-	-	-	117,475.00
02/01/2038	80,000.00	3.000%	18,137.50	98,137.50	-
08/01/2038	-	-	16,937.50	16,937.50	-
12/31/2038	-	-	-	-	115,075.00
02/01/2039	85,000.00	3.000%	16,937.50	101,937.50	-
08/01/2039	-	-	15,662.50	15,662.50	-
12/31/2039	-	-	-	-	117,600.00
02/01/2040	85,000.00	3.000%	15,662.50	100,662.50	-
08/01/2040	-	-	14,387.50	14,387.50	-

12/31/2040	-	-	-	-	115,050.00
02/01/2041	90,000.00	3.250%	14,387.50	104,387.50	-
08/01/2041	-	-	12,925.00	12,925.00	-
12/31/2041	-	-	-	-	117,312.50
02/01/2042	90,000.00	3.250%	12,925.00	102,925.00	-
08/01/2042	-	-	11,462.50	11,462.50	-
12/31/2042	-	-	-	-	114,387.50
02/01/2043	95,000.00	3.250%	11,462.50	106,462.50	-
08/01/2043	-	-	9,918.75	9,918.75	-
12/31/2043	-	-	-	-	116,381.25
02/01/2044	95,000.00	3.250%	9,918.75	104,918.75	-
08/01/2044	-	-	8,375.00	8,375.00	-
12/31/2044	-	-	-	-	113,293.75
02/01/2045	100,000.00	3.350%	8,375.00	108,375.00	-
08/01/2045	-	-	6,700.00	6,700.00	-
12/31/2045	-	-	-	-	115,075.00
02/01/2046	105,000.00	3.350%	6,700.00	111,700.00	-
08/01/2046	-	-	4,941.25	4,941.25	-
12/31/2046	-	-	-	-	116,641.25
02/01/2047	105,000.00	3.350%	4,941.25	109,941.25	-
08/01/2047	-	-	3,182.50	3,182.50	-
12/31/2047	-	-	-	-	113,123.75
02/01/2048	60,000.00	3.350%	3,182.50	63,182.50	-
08/01/2048	-	-	2,177.50	2,177.50	-
12/31/2048	-	-	-	-	65,360.00
02/01/2049	65,000.00	3.350%	2,177.50	67,177.50	-
08/01/2049	-	-	1,088.75	1,088.75	-
12/31/2049	-	-	-	-	68,266.25
02/01/2050	65,000.00	3.350%	1,088.75	66,088.75	-
12/31/2050	-	-	-	-	66,088.75
<b>Total</b>	<b>\$2,100,000.00</b>	<b>-</b>	<b>\$1,106,365.90</b>	<b>\$3,206,365.90</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$34,685.83
Average Life	16.517 Years
Average Coupon	3.1896766%
Net Interest Cost (NIC)	3.0638993%
True Interest Cost (TIC)	3.0108607%
Bond Yield for Arbitrage Purposes	2.5755158%
All Inclusive Cost (AIC)	3.1862078%

### IRS Form 8038

Net Interest Cost	2.8869008%
Weighted Average Maturity	16.300 Years

KRWFC Taxable Refunding | Lake Village Water Associ | 12/18/2020 | 4:57 PM

Raymond James

# **EXHIBIT C**

## Estimated Sources and Uses of Funds

Final

**\$2,100,000**

Lake Village Water Association  
Kentucky Rural Water Finance Corporation  
Potential Taxable Refunding

## Sources & Uses

Dated 02/18/2021 | Delivered 02/18/2021

### Sources Of Funds

Par Amount of Bonds	\$2,100,000.00
Reoffering Premium	80,376.90
<b>Total Sources</b>	<b>\$2,180,376.90</b>

### Uses Of Funds

Total Underwriter's Discount (1.750%)	36,750.00
Costs of Issuance	37,100.00
Deposit to Current Refunding Fund	2,105,341.98
Rounding Amount	1,184.92
<b>Total Uses</b>	<b>\$2,180,376.90</b>

# **EXHIBIT D**

## Debt Service Comparison

Final

**\$2,100,000**

Lake Village Water Association  
Kentucky Rural Water Finance Corporation  
Potential Taxable Refunding

## Debt Service Comparison

Date	Total P+I	Trustee	Net New D/S	Old Net D/S	Savings
12/31/2021	-	-	-	-	-
12/31/2022	116,248.40	450.00	116,698.40	128,574.90	11,876.50
12/31/2023	115,012.50	450.00	115,462.50	128,575.40	13,112.90
12/31/2024	113,387.50	450.00	113,837.50	128,574.48	14,736.98
12/31/2025	116,681.25	450.00	117,131.25	128,574.15	11,442.90
12/31/2026	114,893.75	450.00	115,343.75	128,574.19	13,230.44
12/31/2027	118,025.00	450.00	118,475.00	128,574.28	10,099.28
12/31/2028	116,075.00	450.00	116,525.00	128,573.96	12,048.96
12/31/2029	114,125.00	450.00	114,575.00	128,574.63	13,999.63
12/31/2030	117,093.75	450.00	117,543.75	128,575.51	11,031.76
12/31/2031	114,981.25	450.00	115,431.25	128,574.66	13,143.41
12/31/2032	117,787.50	450.00	118,237.50	128,574.07	10,336.57
12/31/2033	115,687.50	450.00	116,137.50	128,574.49	12,436.99
12/31/2034	113,762.50	450.00	114,212.50	128,574.43	14,361.93
12/31/2035	116,768.75	450.00	117,218.75	128,575.29	11,356.54
12/31/2036	114,706.25	450.00	115,156.25	128,575.21	13,418.96
12/31/2037	117,475.00	450.00	117,925.00	128,574.21	10,649.21
12/31/2038	115,075.00	450.00	115,525.00	128,575.09	13,050.09
12/31/2039	117,600.00	450.00	118,050.00	128,575.31	10,525.31
12/31/2040	115,050.00	450.00	115,500.00	128,574.22	13,074.22
12/31/2041	117,312.50	450.00	117,762.50	128,574.93	10,812.43
12/31/2042	114,387.50	450.00	114,837.50	128,575.19	13,737.69
12/31/2043	116,381.25	450.00	116,831.25	128,574.57	11,743.32
12/31/2044	113,293.75	450.00	113,743.75	128,574.39	14,830.64
12/31/2045	115,075.00	450.00	115,525.00	128,575.63	13,050.63
12/31/2046	116,641.25	450.00	117,091.25	128,574.93	11,483.68
12/31/2047	113,123.75	450.00	113,573.75	128,574.76	15,001.01
12/31/2048	65,360.00	450.00	65,810.00	79,719.16	13,909.16
12/31/2049	68,266.25	450.00	68,716.25	79,719.36	11,003.11
12/31/2050	66,088.75	450.00	66,538.75	79,720.16	13,181.41
12/31/2051	-	-	-	-	-
<b>TOTAL</b>	<b>\$3,206,365.90</b>	<b>\$13,500.00</b>	<b>\$3,219,865.90</b>	<b>\$3,582,101.56</b>	<b>\$362,235.66</b>

### PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	254,013.24
Effects of changes in Expenses	(8,596.60)
Net PV Cashflow Savings @ 3.186%(AIC)	245,416.65
Contingency or Rounding Amount	1,184.92
Net Present Value Benefit	\$246,601.57
Net PV Benefit / \$2,093,924 Refunded Principal	11.777%
Net PV Benefit / \$2,100,000 Refunding Principal	11.743%

### Refunding Bond Information

Refunding Dated Date	2/18/2021
Refunding Delivery Date	2/18/2021

KRWFC Taxable Refunding | Lake Village Water Associ | 12/18/2020 | 4:57 PM

Raymond James

# **EXHIBIT E**

## Prior Bonds Debt Service



Final

**\$885,000**

Lake Village Water Association

Loan closed 11/8/07

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
02/18/2021	739,988.00	4,347.43	744,335.43	-	-	-	-
01/01/2022	-	-	-	15,556.00	4.500%	33,299.46	48,855.46
01/01/2023	-	-	-	16,256.00	4.500%	32,599.44	48,855.44
01/01/2024	-	-	-	16,987.00	4.500%	31,867.92	48,854.92
01/01/2025	-	-	-	17,751.00	4.500%	31,103.51	48,854.51
01/01/2026	-	-	-	18,550.00	4.500%	30,304.71	48,854.71
01/01/2027	-	-	-	19,385.00	4.500%	29,469.96	48,854.96
01/01/2028	-	-	-	20,257.00	4.500%	28,597.64	48,854.64
01/01/2029	-	-	-	21,169.00	4.500%	27,686.07	48,855.07
01/01/2030	-	-	-	22,122.00	4.500%	26,733.47	48,855.47
01/01/2031	-	-	-	23,117.00	4.500%	25,737.98	48,854.98
01/01/2032	-	-	-	24,157.00	4.500%	24,697.71	48,854.71
01/01/2033	-	-	-	25,244.00	4.500%	23,610.65	48,854.65
01/01/2034	-	-	-	26,380.00	4.500%	22,474.67	48,854.67
01/01/2035	-	-	-	27,568.00	4.500%	21,287.57	48,855.57
01/01/2036	-	-	-	28,808.00	4.500%	20,047.01	48,855.01
01/01/2037	-	-	-	30,104.00	4.500%	18,750.65	48,854.65
01/01/2038	-	-	-	31,459.00	4.500%	17,395.97	48,854.97
01/01/2039	-	-	-	32,875.00	4.500%	15,980.31	48,855.31
01/01/2040	-	-	-	34,354.00	4.500%	14,500.94	48,854.94
01/01/2041	-	-	-	35,900.00	4.500%	12,955.01	48,855.01
01/01/2042	-	-	-	37,516.00	4.500%	11,339.51	48,855.51
01/01/2043	-	-	-	39,204.00	4.500%	9,651.29	48,855.29
01/01/2044	-	-	-	40,968.00	4.500%	7,887.11	48,855.11
01/01/2045	-	-	-	42,812.00	4.500%	6,043.55	48,855.55
01/01/2046	-	-	-	44,738.00	4.500%	4,117.01	48,855.01
01/01/2047	-	-	-	46,751.00	4.500%	2,103.80	48,854.80
<b>Total</b>	<b>\$739,988.00</b>	<b>\$4,347.43</b>	<b>\$744,335.43</b>	<b>\$739,988.00</b>	<b>-</b>	<b>\$530,242.92</b>	<b>\$1,270,230.92</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/18/2021
Average Life	15.793 Years
Average Coupon	4.5000008%
Weighted Average Maturity (Par Basis)	15.793 Years
Weighted Average Maturity (Original Price Basis)	15.793 Years

### Refunding Bond Information

Refunding Dated Date	2/18/2021
Refunding Delivery Date	2/18/2021

Final

**\$1,544,000**

Lake Village Water Association

Loan closed 1/12/10

## Debt Service To Maturity And To Call

Date	Refunded Bonds	Refunded Interest	D/S To Call	Principal	Coupon	Interest	Refunded D/S
02/18/2021	1,353,936.00	7,070.55	1,361,006.55	-	-	-	-
01/01/2022	-	-	-	25,562.00	4.000%	54,157.44	79,719.44
01/01/2023	-	-	-	26,585.00	4.000%	53,134.96	79,719.96
01/01/2024	-	-	-	27,648.00	4.000%	52,071.56	79,719.56
01/01/2025	-	-	-	28,754.00	4.000%	50,965.64	79,719.64
01/01/2026	-	-	-	29,904.00	4.000%	49,815.48	79,719.48
01/01/2027	-	-	-	31,100.00	4.000%	48,619.32	79,719.32
01/01/2028	-	-	-	32,344.00	4.000%	47,375.32	79,719.32
01/01/2029	-	-	-	33,638.00	4.000%	46,081.56	79,719.56
01/01/2030	-	-	-	34,984.00	4.000%	44,736.04	79,720.04
01/01/2031	-	-	-	36,383.00	4.000%	43,336.68	79,719.68
01/01/2032	-	-	-	37,838.00	4.000%	41,881.36	79,719.36
01/01/2033	-	-	-	39,352.00	4.000%	40,367.84	79,719.84
01/01/2034	-	-	-	40,926.00	4.000%	38,793.76	79,719.76
01/01/2035	-	-	-	42,563.00	4.000%	37,156.72	79,719.72
01/01/2036	-	-	-	44,266.00	4.000%	35,454.20	79,720.20
01/01/2037	-	-	-	46,036.00	4.000%	33,683.56	79,719.56
01/01/2038	-	-	-	47,878.00	4.000%	31,842.12	79,720.12
01/01/2039	-	-	-	49,793.00	4.000%	29,927.00	79,720.00
01/01/2040	-	-	-	51,784.00	4.000%	27,935.28	79,719.28
01/01/2041	-	-	-	53,856.00	4.000%	25,863.92	79,719.92
01/01/2042	-	-	-	56,010.00	4.000%	23,709.68	79,719.68
01/01/2043	-	-	-	58,250.00	4.000%	21,469.28	79,719.28
01/01/2044	-	-	-	60,580.00	4.000%	19,139.28	79,719.28
01/01/2045	-	-	-	63,004.00	4.000%	16,716.08	79,720.08
01/01/2046	-	-	-	65,524.00	4.000%	14,195.92	79,719.92
01/01/2047	-	-	-	68,145.00	4.000%	11,574.96	79,719.96
01/01/2048	-	-	-	70,870.00	4.000%	8,849.16	79,719.16
01/01/2049	-	-	-	73,705.00	4.000%	6,014.36	79,719.36
01/01/2050	-	-	-	76,654.00	4.000%	3,066.16	79,720.16
<b>Total</b>	<b>\$1,353,936.00</b>	<b>\$7,070.55</b>	<b>\$1,361,006.55</b>	<b>\$1,353,936.00</b>	<b>-</b>	<b>\$957,934.64</b>	<b>\$2,311,870.64</b>

### Yield Statistics

Base date for Avg. Life & Avg. Coupon Calculation	2/18/2021
Average Life	17.557 Years
Average Coupon	4.0000000%
Weighted Average Maturity (Par Basis)	17.557 Years
Weighted Average Maturity (Original Price Basis)	17.557 Years

### Refunding Bond Information

Refunding Dated Date	2/18/2021
Refunding Delivery Date	2/18/2021

# **EXHIBIT F**

## Financial Statements

**LAKE VILLAGE WATER ASSOCIATION, INC.**  
**STATEMENT OF ASSETS, LIABILITIES, AND MEMBERS' EQUITY-STATUTORY BASIS**  
**DECEMBER 31, 2019**  
**(With comparative Totals for December 31, 2018)**

<u>Assets</u>	<u>2019</u>	<u>2018</u>
<b>Current Assets:</b>		
Cash (Note 3)	\$ 9,577	\$ 4,996
Accounts Receivable, Net (Note 2 and 7)	144,994	128,132
Inventory (Note 2)	37,369	25,804
Prepaid Expenses (Note 2)	<u>21,672</u>	<u>20,241</u>
 Total Current Assets	 213,612	 179,173
<b>Restricted Assets:</b>		
Cash (Note 3)	117,307	132,759
 Property & Equipment, Net (Note 2 and 4)	 <u>5,484,197</u>	 <u>5,668,647</u>
 Total Assets	 <u>\$ 5,815,116</u>	 <u>\$ 5,980,579</u>

The accompanying notes are an integral part of the financial statements.

**LAKE VILLAGE WATER ASSOCIATION, INC.**  
**STATEMENT OF ASSETS, LIABILITIES, AND MEMBERS' EQUITY-STATUTORY BASIS**  
**DECEMBER 31, 2019**  
**(With comparative Totals for December 31, 2018)**

	2019	2018
<u>Liabilities &amp; Members' Equity</u>		
Current Liabilities:		
Current Portion - Debt (Note 5)	\$ 201,737	\$ 101,368
Cash Overdraft (Note 3)	78,688	63,655
Accounts Payable	50,454	56,505
Accounts Payable - Contractors	45,509	2,250
Due to Mercer Sanitation District	22,358	17,263
Accrued Interest	86,656	87,613
Other Current Liabilities	69,981	69,308
Total Current Liabilities	555,383	397,962
Long - Term Debt (Note 5)	3,685,810	3,798,353
Total Liabilities	4,241,193	4,196,315
Members' Equity:		
Memberships	738,368	725,318
Contributions in Aid of Construction	3,665,469	3,665,469
Retained Deficit	(2,829,914)	(2,606,523)
Total Equity	1,573,923	1,784,264
Total Liabilities & Members' Equity	\$ 5,815,116	\$ 5,980,579

The accompanying notes are an integral part of the financial statements.

**LAKE VILLAGE WATER ASSOCIATION, INC.**  
**STATEMENT OF OPERATIONS-STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	<u>2019</u>	<u>2018</u>
Operating Revenue:		
Water Sales	\$ 1,402,914	\$ 1,377,698
Management Fee Income	35,000	35,000
Other Operating Revenue	<u>31,497</u>	<u>27,665</u>
Total Operating Revenue	1,469,411	1,440,363
Operating Expenses	<u>1,234,916</u>	<u>1,304,484</u>
Net Operating Income Before Depreciation	234,495	135,879
Depreciation (Note 2)	<u>312,915</u>	<u>312,039</u>
Net Operating Income	(78,420)	(176,160)
Non-Operating Income (Expenses):		
Interest Income	1,082	920
Debt Issuance Costs	-	(1,000)
Interest Expense	<u>(146,053)</u>	<u>(146,630)</u>
Total Non-Operating Income (Expenses):	<u>(144,971)</u>	<u>(146,710)</u>
Net Income (Loss)	<u>\$ (223,391)</u>	<u>\$ (322,870)</u>

The accompanying notes are an integral part of the financial statements.

**LAKE VILLAGE WATER ASSOCIATION, INC.**  
**STATEMENT OF MEMBERS' EQUITY-STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	<u>Memberships</u>	<u>Contributions in Aid of Construction</u>	<u>Retained Deficit</u>	<u>Total</u>
Balance at January 1, 2018	\$ 715,727	\$ 3,665,469	\$ (2,283,653)	\$ 2,097,543
2018 Net Loss	-	-	(322,870)	(322,870)
Memberships	<u>9,591</u>	<u>-</u>	<u>-</u>	<u>9,591</u>
Balance at December 31, 2018	725,318	3,665,469	(2,606,523)	1,784,264
2019 Net Loss	-	-	(223,391)	(223,391)
Memberships	<u>13,050</u>	<u>-</u>	<u>-</u>	<u>13,050</u>
Balance at December 31, 2019	<u>\$ 738,368</u>	<u>\$ 3,665,469</u>	<u>\$ (2,829,914)</u>	<u>\$ 1,573,923</u>

The accompanying notes are an integral part of the financial statements.

**LAKE VILLAGE WATER ASSOCIATION, INC.**  
**STATEMENT OF OPERATING EXPENSES-STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	<u>2019</u>	<u>2018</u>
Source of Supply Expense:		
Water Purchases	\$ 520,333	\$ 564,197
Total	520,333	564,197
Transmission & Distribution Expense:		
Maintenance & Repairs	<u>57,757</u>	<u>69,453</u>
Total	57,757	69,453
Customer Accounts Expense:		
Supplies & Postage	<u>15,837</u>	<u>14,833</u>
Total	15,837	14,833
Administrative & General:		
Salaries	353,680	357,791
Insurance	36,909	34,493
Utilities	40,090	39,102
Office Supplies & Expense	25,199	33,561
Transportation Expense	12,963	14,121
Payroll Taxes	26,586	26,861
Staff Benefits	72,234	79,406
Legal Expense	4,510	4,095
Audit & Accounting	5,850	5,500
Commissioners' Fees	22,800	24,000
Engineering Fees	3,912	5,554
Miscellaneous General Expense	33,439	28,642
Other Licenses & Taxes	<u>2,817</u>	<u>2,875</u>
Total Administrative & General	<u>640,989</u>	<u>656,001</u>
Total Operating Expenses	<u>\$ 1,234,916</u>	<u>\$ 1,304,484</u>

The accompanying notes are an integral part of the financial statements.



**LAKE VILLAGE WATER ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS-STATUTORY BASIS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
**(With Comparative Totals for the Year Ended December 31, 2018)**

	2019	2018
Cash Flows From Operating Activities		
Net Income (Loss)	\$ (223,391)	\$ (322,870)
Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities:		
Depreciation	312,915	312,039
Decrease (Increase) in Accounts Receivable	(16,862)	(10,674)
Decrease (Increase) in Inventory	(11,565)	12,096
Decrease (Increase) in Prepaid Expenses	(1,431)	(272)
Increase (Decrease) in Accounts Payable	(6,051)	3,159
Increase (Decrease) in Due to Sanitation District	5,095	1,302
Increase (Decrease) in Accrued Interest	(957)	(358)
Increase (Decrease) in Other Current Liabilities	673	(1,123)
Net Cash Provided By (Used In) Operating Activities	58,426	(6,701)
Cash Flows From Investing Activities		
Construction/Acquisition of Property & Equipment	(85,206)	(154,873)
Net Cash Provided By (Used In) Investing Activities	(85,206)	(154,873)
Cash Flows From Financing Activities		
Memberships (Tap Fees)	13,050	9,591
New Borrowings on Debt	89,299	117,387
Principal Payments on Debt	(101,473)	(90,002)
Net Cash Provided By (Used In) Financing Activities	876	36,976
Net Increase (Decrease) in Cash	(25,904)	(124,598)
Cash at Beginning of Year	74,100	198,698
Cash at End of Year	\$ 48,196	\$ 74,100
Supplemental Disclosure of Cash Flow Information:		
Cash Paid During the Year for Interest	\$ 147,010	\$ 146,988
Supplemental Disclosure of Non-Cash Investing Activities:		
Property & Equipment Acquired and Included in Accounts Payable - Contractors	\$ 45,509	\$ 2,250

The accompanying notes are an integral part of the financial statements.

# **EXHIBIT G**

## Outstanding Mortgages

To  
Bill  
Stevenson  
11/13/07

Position 5

USDA  
Form RD 1927-1 KY  
(Rev. 1-97)

REAL ESTATE MORTGAGE FOR KENTUCKY

THIS MORTGAGE is made and entered into by The Lake Village Water Association, Inc.,  
a Kentucky non-stock, non-profit corporation

residing in Mercer and Boyle County, Kentucky, whose post office  
address is P.O. Box 303, Burgin, Kentucky 40310,  
herein called "Borrower," and:

WHEREAS Borrower is indebted to the United States of America, acting through the United States Department of Agriculture, herein called the "Government," as evidenced by one or more promissory notes or assumption agreements or any shared appreciation or recapture agreement, herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
11-8-2007	\$885,000.00	4.5%	11-8-2047

(The interest rate for limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in the Government regulations or the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note pursuant to the Consolidated Farm and Rural Development Act, Title V of the Housing Act of 1949 or any other statute administered by the Government;

And it is the purpose and intention of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument, this instrument shall secure payment of the note;

And this instrument also secures the recapture of any interest credit or subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §1490a, or any amounts due under any Shared Appreciation Agreement/Recapture Agreement entered into pursuant to 7 U.S.C. §2001.

NOW, THEREFORE, in consideration of the loans and (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision and (b) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby sell, convey, and assign, with general warranty, unto the Government the following property situated in the State of Kentucky,

County or Counties of Boyle and Mercer

*EXHIBIT A*

**PARCEL NO. 1:**

Beginning at an iron pin set (5/8" iron rebar with an aluminum survey cap bearing PLS #3118 typical for all set corner monuments), said point being approximately 1.10 miles from the intersection of US 127 and Adams Lane and being on the edge of a 30' Right-of-Way of Adams Lane and the Southeast Corner of Tract 10 of the I.C. James, IV, and Elizabeth James LeBlanc Subdivision Plat (Plat Cab. B, Slide 503) and being the Northeast Corner of Emily Braden (D.B. 91, Pg. 28); thence with the division line of Emily Braden (D.B. 91, Pg. 28) and Tract 10 (Plat Cab. B, Slide 109) N 88° 30' 08" W- 2325.00' to and iron pin set, said point being the Southeast Corner of the Tract being created and being on the division line of Emily Braden and being the POINT OF BEGINNING for this description; thence leaving Emily Braden (D.B. 91, Pg. 28) and with a new line to the Parent Tract of Tract 10 N 01° 29' 52" E- 250.00', to an iron pin set, said point being the Northeast Corner of the tract being created; thence with a new line to the Parent Tract, N 88° 30' 08" W- 200.00' to an iron pin set, said point being the Northwest corner of the tract being created; thence with a new line to the Parent Tract, S 09° 29' 52" W- 250.00' to an iron pin set, said point being the Southwest Corner of the tract being created and being on the division line of Emily Braden; thence with the division line of Emily Braden and the Parent Tract, S 88° 30' 08" E- 200.00' to the POINT OF BEGINNING. Containing 1.148 acres by survey.

There is also created this day, a 30' permanent access easement through the parent tract for the benefit of the property being conveyed and is more particularly described as follows:

BEGINNING at an iron pin set (5/8" iron rebar with an aluminum survey cap bearing PLS #3118 typical for all set corner monuments), said point being on the edge of a 30' Right-of-Way of Adams Lane and the Southeast corner of Tract 10 of the I.C. James IV and Elizabeth James LeBlanc Subdivision Plat (Plat Cab. B, Slide 503), and being the Northeast Corner of Emily Braden (D.B. 91, Pg. 28), and being the POINT OF BEGINNING for the description; thence with the division line of Emily Braden (D.B. 91, Pg. 28) and Tract 10 (Plat Cab. B, Slide 109) N 88° 30' 08" W- 2325.00 to an iron pin set; thence leaving Emily Braden (D.B. 91, Pg. 28) and with the East Edge of the Parcel being conveyed, N 01° 29' 52" E- 30.00' to a point on the line of the Tract being created; thence S 88° 30' 08" E- 2327.66' to a point on the Right-of-Way of Adams Lane; thence S 06° 33' 44" W- 30.12' to the POINT OF BEGINNING for the description.

Being the same real property conveyed to Lake Village Water Association, Inc., by deed of I. C. James, IV, et al. dated the 10th day of January, 2002, and of record in Deed Book 290, page 240, in the office of the Mercer County Clerk.

**PARCEL NO. 2:**

Beginning at a point in the east margin of an existing gravel drive, which point is S 02E 45' 00" W, 2,573.88 feet from KY Hwy 152; thence from this point of beginning along a new division line of Waggener S 87E 00' 00" E, 100.19 feet to an iron pin; thence continuing along the new division line of Waggener S 02E 45' 00" W, 100.44 feet to an iron pin in the line of Montgomery; thence with the line of Montgomery N 87E 00' 00" W, 100.19 feet to the corner of Waggener and Montgomery; thence N 02E 45' 00" E, 100.44 feet to the point of beginning and

containing 0.23 acres, more or less, as per survey of Howard W. Cruse, II, R.L.S. #3115, dated the 22nd day of December, 1992.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of James W. Waggener and Peggy Waggener, his wife, dated the 19th day of July, 1993, and of record in Deed Book 245, page 443, in the office of the Mercer County Clerk of December, 1992.

**PARCEL NO. 3:**

Beginning at a point in the centerline of Moores Lane, corner to J.W. Isham and the northwest corner of the property of the Grantors; thence S 87E 30' 00" W, along the north property line of Grantors a distance of 16.6 feet, more or less, across the county right-of-way, to an iron pin and being the point of beginning; thence along the west right-of-way of Moores Lane S 9E 06' 35" W, 50.33 feet to an iron pin; thence along a new division line of the Grantors N 87E 30' 00" W, 50.33 feet to an iron pin; thence continuing along a new division line of the Grantors N 9E 06' 35" E, 50.33 feet to an iron pin in the line of Isham; thence with Isham S 87E 30' 00" E, 50.33 feet to the point of beginning and contains 0.058 acres, more or less, as per survey of Howard W. Cruse, II, R.L.S. #3115, dated the 21st day of December, 1992.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of Joe Hurt and Ellen Cunningham Hurt, his wife, dated the 12th day of July, 1993, and of record in Deed Book 245, page 381, in the office of the Mercer County Clerk.

**PARCEL NO. 4:**

Beginning at a point in the centerline of Ison Road, which point is South 06<sup>5</sup> 51' 00" West 182.40 feet from the Southwest corner of the Lake Village Estates Subdivision; thence from this point of beginning, South 07<sup>5</sup> 23' 57" West along the centerline of Ison Road a distance of 208.72 feet to an iron pin; thence North 83E 09' 00" West a distance of 208.72 feet to an iron pin; thence North 07<sup>5</sup> 23' 57" East a distance of 208.72 feet to an iron pin; thence South 83<sup>5</sup> 09' 00" East a distance of 208.72 feet to the point of beginning, containing one (1) acre, more or less, as per survey of Jeff S. Ransdell, RLS #2982, dated the 1st day of August, 1990.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of William O. May et al., dated the 10th day of December, 1990, and of record in Deed Book 233, page 523, in the office of the Mercer County Clerk.

**PARCEL NO. 5:**

Beginning at the intersection of the east right-of-way line of Kentucky Highway 33 and the center line of Old Kentucky Highway 33 corner to Brown; thence with the east margin of Kentucky Highway 33 North 49E 38' W 138.9 feet to a point; thence N 62E 58' W 100 feet to a point; thence N 68E 05' W 150 feet to a point; thence N 57E 58' W 100 feet to a point in the south right-of-way line of the Southern Railway System; thence with the south right-of-way of the Southern Railway System N 63E 33' E 266.6 feet to a point in the center line of Old

Kentucky Highway 33 corner to Brown; thence with the center line of Old Kentucky Highway 33 south 30E 45' E 172.5 feet to a point; thence S 23E 10' E 234.0 feet to the point of beginning and containing 1.19 acres more or less as per survey of Charles Thomas R.L.S. #1918 dated the 19th day of November, 1979.

There is **EXCEPTED**, however, from said Parcel No. 5 those three tracts of land conveyed to the Commonwealth of Kentucky ex rel. Transportation Cabinet by deed of the Mortgagor dated the 7th day of April, 1998, and of record in Deed Book 270, page 690, in the office of the Mercer County Clerk.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of Truman C. Bridges and Joan L. Bridges, his wife, dated the 4th day of December, 1979, and of record in Deed Book 200, page 302, in the office of the Mercer County Clerk.

**PARCEL NO. 6:**

Beginning at an iron pin at the intersection of the northwest right-of-way of Kentucky Highway 33 and the south right-of-way of Cheatman Lane; thence N 56 degrees 29 minutes W 33' to an iron pin in the south right-of-way of Cheatman Lane; thence S 52 degrees 51 minutes West 85' to an iron pin, new corner to Duncan; thence 56 degrees 29 minutes E 33' to an iron pin in the northwest right-of-way line of Kentucky Highway 33; thence with the northwest right-of-way line of Kentucky Highway 33 N 52 degrees 51 minutes E 85' to the point of beginning and containing 0.055 acres, more or less, as per survey of J.B. Curlis, Jr., R.L.S. No. 2292, dated the 19th day of November, 1984.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of Harvey D. Duncan and Alice Juanita Duncan, his wife, dated the 10th day of February, 1986, and of record in Deed Book 217, page 354, in the office of the Mercer County Clerk.

**PARCEL NO. 7:**

A parcel of land 130 feet by 50 feet, located adjacent to Kentucky Highway 33, and extending Westward into the property of the Grantors, said parcel being more fully described as beginning at a point in the West right-of-way line of Kentucky Highway 33, said point being 175 feet South of a fence corner and 1160 feet, more or less, South from the intersection of Kentucky Highway 33, with Hogue Road; thence for the following calls: South 5 degrees 0 minutes West 50 feet, more or less, along the West right-of-way of Kentucky Highway 33; thence North 85 degrees 0 minutes West 130 feet, more or less; thence North 5 degrees 0 minutes East 50 feet, more or less; thence South 85 degrees 0 minutes East 130 feet, more or less, to the point of the beginning, said parcel containing .10 acres.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of James L. Campbell and Blanche Campbell, his wife, dated the 28th day of July, 1969, and of record in Deed Book 166, page 599, in the office of the Mercer County Clerk.

**PARCELS NOS. 8 & 9:**

Permanent easements with all rights to ingress and egress over the following described property in Mercer County, Kentucky, located on the West side of Highway 33:

LV143

A strip of land, 10 feet wide, lying 5 feet either side of a centerline, which centerline begins at a point designated as Station 0+00 and which point is located 20 feet West of the James L. Campbell East property line and 35 feet North of the centerline extended of Hogue Road; thence parallel to and 20 feet West of the James L. Campbell East property line, a distance of 1,195 feet, more or less, to a point in the North property line of the parcel of real estate above described, which point is designated Station 11+95 on said centerline, and which point is located 20 feet West of the Northeast property corner of the parcel of real estate above described.

LV144

A strip of land 10 feet wide lying 5 feet either side of a centerline, which centerline begins at a point in the South property line of the parcel of real estate above described, which point is designated as Station 12+45 on such centerline, and is located 20 feet West of the Southeast property corner of the parcel of real estate above described; thence parallel to and West of the James L. Campbell East property line a distance of 960 feet, more or less, to a point in the James L. Campbell South property line designated as Station 22+05 on said centerline, which point is located 20 feet West of James L. Campbell Southeast property corner.

Parcels 7 & 8 being the same property as described in the conveyance recorded in Deed Book 166, page 599, in the Office of the Clerk of Court of Mercer County, Kentucky.

**IN ADDITION:**

All right, title, and interest of the Borrower in any property, real, personal, mixed, tangible, or intangible, of every nature and kind whatsoever consisting of sites, tanks, pumping stations, pipeline, meters, and all fixed equipment and appurtenances thereto including easements, permits, franchises and licenses obtained or to be obtained from private, public, or semi-public agencies, bodies or individuals in the Counties of Mercer and Boyle, State of Kentucky, and all such properties and assets that the Borrower may hereafter acquire, with like effect as though now owned by the Borrower and as though covered and conveyed hereby by specific and apt descriptions, together with all revenues and service charges which may arise or be had from the operation of the business of the Borrower and any and all extensions and additions thereto.

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or for the debt from liability to the Government, (e) release portions of the property and subordinate its lien and (f) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government—whether once or often—in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate, or under any personal property, or other security instrument held by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to the Government, in the order prescribed above.

(19) Borrower agrees that the Government will not be bound by any present or future State laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State law. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, and curtesy.

(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, handicap, familial status, age or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, handicap, familial status, age or national origin.

(21) Borrower further agrees that the loans secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as prohibited by 7 C.F.R. part 1940, subpart G.

(22) This instrument shall be subject to the present Government regulations and to its future regulations not inconsistent with the express provisions hereof.

(23) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until some other address is designated in a notice so given, in the case of the Government to

\_\_\_\_\_ and in the case of Borrower to the address shown in the Government's Finance Office records (which normally will be the same as the post office shown above).

(24) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.



being the same (or part of the same) land conveyed\* together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements hereditaments and appurtenances thereunto belonging, the rents, issues and profits thereof and revenues and income therefrom, all improvements, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest there in all of which are herein called "the property"; All rents, profits and income from the property covered by this mortgagee are hereby assigned to the mortgagee for the purpose of discharging the debt hereby secured. Permission is hereby given to the mortgagor, so long as no default exist hereunder, to collect such rents, profits and income for use in accordance with regulations.

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured less the Government against any loss under its insurance of payment of the note by reason of any default by Borrower.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by Government regulations.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

(4) The Government, may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe, and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property. Upon termination of this mortgage, after payment in full, the mortgagee, at the mortgagor's expense, shall execute and file or record such instruments of release, satisfaction and termination in proper form pursuant to the requirements contained in KRS 382.365.

(12) Except as otherwise provided by Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold transferred, or encumbered voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or the lien or any benefits hereof.

Given under the hands and seals of Borrower this 8th day of November, 2007  
by Lake Village Water Association, Inc. (SEAL)  
Danny Noel President  
by Earl Campbell (SEAL)  
Earl Campbell, Secretary

STATE OF KENTUCKY }  
COUNTY OF Mercer } ss:

Before me, William L. Stevens, a Notary Public in and for  
the County of Mercer personally appeared Lake Village Water Association,  
Inc. by Danny Noel, President and Earl Campbell, Secretary, his wife,  
who acknowledged that they executed the foregoing instrument on the 8th  
day of November, 2007, as their free act and deed, and of the corporation

WITNESS my hand and official seal this 8th day of November, 2007

(SEAL)  
My commission expires: 3-30-08

William L. Stevens  
Notary Public

PREPARER'S STATEMENT

The form of this instrument was drafted by the Office of the General Counsel of the United States Department of Agriculture, and the material in the blank spaces in the form was inserted by or under the direction of

WILLIAM L. STEVENS ESQ.  
TALOR & STEVENS 337 West Broadway, P.O. Box 901 Danville, Ky. 40422  
(address)  
William L. Stevens  
(Signature)

RECORDER'S SIGNATURE

STATE OF KENTUCKY }  
COUNTY OF \_\_\_\_\_ } ss:

I, \_\_\_\_\_, Clerk of the County Court for the County aforesaid, do certify  
that the foregoing mortgage was on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, lodged for record  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M., whereupon the same, with the foregoing and this certificate, have been duly recorded in my office.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

Clerk of \_\_\_\_\_  
By \_\_\_\_\_  
DOCUMENT NO: 121652  
RECORDED ON: NOVEMBER 08, 2007 02:56:20PM  
TOTAL FEES: \$32.00 D.C.  
COUNTY CLERK: CHRIS HORN  
COUNTY: MERCER COUNTY  
SERIES CLERK: SHELLE WANDIVER  
BOOK M476 PAGES 365 - 372  
U.S. GOVERNMENT PRINTING OFFICE: 2005

ad WMA  
Jensen 1/13/10

USDA  
Form RD 1927-1 KY  
(Rev. 1-97)

REAL ESTATE MORTGAGE FOR KENTUCKY

THIS MORTGAGE is made and entered into by Lake Village Water Association, Inc.,  
a non-profit, non-stock Kentucky corporation

residing in Mercer County, Kentucky, whose post office  
address is P.O. Box 303, Burgin, Kentucky 40310,  
herein called "Borrower," and:

WHEREAS Borrower is indebted to the United States of America, acting through the United States Department of Agriculture, herein called the "Government," as evidenced by one or more promissory notes or assumption agreements or any shared appreciation or recapture agreement, herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
01-12-2010	1,544,000.00	4.00 %	01-12-50

(The interest rate for limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in the Government regulations or the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note pursuant to the Consolidated Farm and Rural Development Act, Title V of the Housing Act of 1949 or any other statute administered by the Government;

And it is the purpose and intention of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument, this instrument shall secure payment of the note;

And this instrument also secures the recapture of any interest credit or subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §1490a, or any amounts due under any Shared Appreciation Agreement/Recapture Agreement entered into pursuant to 7 U.S.C. §2001.

NOW, THEREFORE, in consideration of the loans and (a) at all times when the note is held by the Government, or in the event the Government should assign this instrument, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision and (b) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby sell, convey, and assign, with general warranty, unto the Government the following property situated in the State of Kentucky,-

County or Counties of Mercer and Boyle

*EXHIBIT A*

**PARCEL NO. 1:**

Beginning at an iron pin set (5/8" iron rebar with an aluminum survey cap bearing PLS #3118 typical for all set corner monuments), said point being approximately 1.10 miles from the intersection of US 127 and Adams Lane and being on the edge of a 30' Right-of-Way of Adams Lane and the Southeast Corner of Tract 10 of the I.C. James, IV, and Elizabeth James LeBlanc Subdivision Plat (Plat Cab. B, Slide 503) and being the Northeast Corner of Emily Braden (D.B. 91, Pg. 28); thence with the division line of Emily Braden (D.B. 91, Pg. 28) and Tract 10 (Plat Cab. B, Slide 109) N 88° 30' 08" W- 2325.00' to and iron pin set, said point being the Southeast Corner of the Tract being created and being on the division line of Emily Braden and being the POINT OF BEGINNING for this description; thence leaving Emily Braden (D.B. 91, Pg. 28) and with a new line to the Parent Tract of Tract 10 N 01° 29' 52" E- 250.00', to an iron pin set, said point being the Northeast Corner of the tract being created; thence with a new line to the Parent Tract, N 88° 30' 08" W- 200.00' to an iron pin set, said point being the Northwest corner of the tract being created; thence with a new line to the Parent Tract, S 09° 29' 52" W- 250.00' to an iron pin set, said point being the Southwest Corner of the tract being created and being on the division line of Emily Braden; thence with the division line of Emily Braden and the Parent Tract, S 88° 30' 08" E- 200.00' to the POINT OF BEGINNING. Containing 1.148 acres by survey.

There is also created this day, a 30' permanent access easement through the parent tract for the benefit of the property being conveyed and is more particularly described as follows:

BEGINNING at an iron pin set (5/8" iron rebar with an aluminum survey cap bearing PLS #3118 typical for all set corner monuments), said point being on the edge of a 30' Right-of-Way of Adams Lane and the Southeast corner of Tract 10 of the I.C. James IV and Elizabeth James LeBlanc Subdivision Plat (Plat Cab. B, Slide 503), and being the Northeast Corner of Emily Braden (D.B. 91, Pg. 28), and being the POINT OF BEGINNING for the description; thence with the division line of Emily Braden (D.B. 91, Pg. 28) and Tract 10 (Plat Cab. B, Slide 109) N 88° 30' 08" W- 2325.00 to an iron pin set; thence leaving Emily Braden (D.B. 91, Pg. 28) and with the East Edge of the Parcel being conveyed, N 01° 29' 52" E- 30.00' to a point on the line of the Tract being created; thence S 88° 30' 08" E- 2327.66' to a point on the Right-of-Way of Adams Lane; thence S 06° 33' 44" W- 30.12' to the POINT OF BEGINNING for the description.

Being the same real property conveyed to Lake Village Water Association, Inc., by deed of I. C. James, IV, et al. dated the 10th day of January, 2002, and of record in Deed Book 290, page 240, in the office of the Mercer County Clerk.

**PARCEL NO. 2:**

Beginning at a point in the east margin of an existing gravel drive, which point is S 02E 45' 00" W, 2,573.88 feet from KY Hwy 152; thence from this point of beginning along a new division line of Waggener S 87E 00' 00" E, 100.19 feet to an iron pin; thence continuing along the new division line of Waggener S 02E 45' 00" W, 100.44 feet to an iron pin in the line of Montgomery; thence with the line of Montgomery N 87E 00' 00" W, 100.19 feet to the corner of Waggener and Montgomery; thence N 02E 45' 00" E, 100.44 feet to the point of beginning and

containing 0.23 acres, more or less, as per survey of Howard W. Cruse, II, R.L.S. #3115, dated the 22nd day of December, 1992.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of James W. Waggener and Peggy Waggener, his wife, dated the 19th day of July, 1993, and of record in Deed Book 245, page 443, in the office of the Mercer County Clerk of December, 1992.

**PARCEL NO. 3:**

Beginning at a point in the centerline of Moores Lane, corner to J.W. Isham and the northwest corner of the property of the Grantors; thence S 87E 30' 00" W, along the north property line of Grantors a distance of 16.6 feet, more or less, across the county right-of-way, to an iron pin and being the point of beginning; thence along the west right-of-way of Moores Lane S 9E 06' 35" W, 50.33 feet to an iron pin; thence along a new division line of the Grantors N 87E 30' 00" W, 50.33 feet to an iron pin; thence continuing along a new division line of the Grantors N 9E 06' 35" E, 50.33 feet to an iron pin in the line of Isham; thence with Isham S 87E 30' 00" E, 50.33 feet to the point of beginning and contains 0.058 acres, more or less, as per survey of Howard W. Cruse, II, R.L.S. #3115, dated the 21st day of December, 1992.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of Joe Hurt and Ellen Cunningham Hurt, his wife, dated the 12th day of July, 1993, and of record in Deed Book 245, page 381, in the office of the Mercer County Clerk.

**PARCEL NO. 4:**

Beginning at a point in the centerline of Ison Road, which point is South 06<sup>E</sup> 51' 00" West 182.40 feet from the Southwest corner of the Lake Village Estates Subdivision; thence from this point of beginning, South 07<sup>E</sup> 23' 57" West along the centerline of Ison Road a distance of 208.72 feet to an iron pin; thence North 83E 09' 00" West a distance of 208.72 feet to an iron pin; thence North 07<sup>E</sup> 23' 57" East a distance of 208.72 feet to an iron pin; thence South 83<sup>E</sup> 09' 00" East a distance of 208.72 feet to the point of beginning, containing one (1) acre, more or less, as per survey of Jeff S. Ransdell, RLS #2982, dated the 1st day of August, 1990.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of William O. May et al., dated the 10th day of December, 1990, and of record in Deed Book 233, page 523, in the office of the Mercer County Clerk.

**PARCEL NO. 5:**

Beginning at the intersection of the east right-of-way line of Kentucky Highway 33 and the center line of Old Kentucky Highway 33 corner to Brown; thence with the east margin of Kentucky Highway 33 North 49E 38' W 138.9 feet to a point; thence N 62E 58' W 100 feet to a point; thence N 68E 05' W 150 feet to a point; thence N 57E 58' W 100 feet to a point in the south right-of-way line of the Southern Railway System; thence with the south right-of-way of the Southern Railway System N 63E 33' E 266.6 feet to a point in the center line of Old

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Kentucky Highway 33 corner to Brown; thence with the center line of Old Kentucky Highway 33 south 30E 45' E 172.5 feet to a point; thence S 23E 10' E 234.0 feet to the point of beginning and containing 1.19 acres more or less as per survey of Charles Thomas R.L.S. #1918 dated the 19th day of November, 1979.

There is EXCEPTED, however, from said Parcel No. 5 those three tracts of land conveyed to the Commonwealth of Kentucky ex rel. Transportation Cabinet by deed of the Mortgagor dated the 7th day of April, 1998, and of record in Deed Book 270, page 690, in the office of the Mercer County Clerk.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of Truman C. Bridges and Joan L. Bridges, his wife, dated the 4th day of December, 1979, and of record in Deed Book 200, page 302, in the office of the Mercer County Clerk.

**PARCEL NO. 6:**

Beginning at an iron pin at the intersection of the northwest right-of-way of Kentucky Highway 33 and the south right-of-way of Cheatman Lane; thence N 56 degrees 29 minutes W 33' to an iron pin in the south right-of-way of Cheatman Lane; thence S 52 degrees 51 minutes West 85' to an iron pin, new corner to Duncan; thence 56 degrees 29 minutes E 33' to an iron pin in the northwest right-of-way line of Kentucky Highway 33; thence with the northwest right-of-way line of Kentucky Highway 33 N 52 degrees 51 minutes E 85' to the point of beginning and containing 0.055 acres, more or less, as per survey of J.B. Curlis, Jr., R.L.S. No. 2292, dated the 19th day of November, 1984.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of Harvey D. Duncan and Alice Juanita Duncan, his wife, dated the 10th day of February, 1986, and of record in Deed Book 217, page 354, in the office of the Mercer County Clerk.

**PARCEL NO. 7:**

A parcel of land 130 feet by 50 feet, located adjacent to Kentucky Highway 33, and extending Westward into the property of the Grantors, said parcel being more fully described as beginning at a point in the West right-of-way line of Kentucky Highway 33, said point being 175 feet South of a fence corner and 1160 feet, more or less, South from the intersection of Kentucky Highway 33, with Hogue Road; thence for the following calls: South 5 degrees 0 minutes West 50 feet, more or less, along the West right-of-way of Kentucky Highway 33; thence North 85 degrees 0 minutes West 130 feet, more or less; thence North 5 degrees 0 minutes East 50 feet, more or less; thence South 85 degrees 0 minutes East 130 feet, more or less, to the point of the beginning, said parcel containing .10 acres.

Being the same real property conveyed to the Lake Village Water Association, Inc., a Kentucky corporation, by deed of James L. Campbell and Blanche Campbell, his wife, dated the 28th day of July, 1969, and of record in Deed Book 166, page 599, in the office of the Mercer County Clerk.

**PARCELS NOS. 8 & 9:**

Permanent easements with all rights to ingress and egress over the following described property in Mercer County, Kentucky, located on the West side of Highway 33:

**LV143**

A strip of land, 10 feet wide, lying 5 feet either side of a centerline, which centerline begins at a point designated as Station 0+00 and which point is located 20 feet West of the James L. Campbell East property line and 35 feet North of the centerline extended of Hogue Road; thence parallel to and 20 feet West of the James L. Campbell East property line, a distance of 1,195 feet, more or less, to a point in the North property line of the parcel of real estate above described, which point is designated Station 11+95 on said centerline, and which point is located 20 feet West of the Northeast property corner of the parcel of real estate above described.

**LV144**

A strip of land 10 feet wide lying 5 feet either side of a centerline, which centerline begins at a point in the South property line of the parcel of real estate above described, which point is designated as Station 12+45 on such centerline, and is located 20 feet West of the Southeast property corner of the parcel of real estate above described; thence parallel to and West of the James L. Campbell East property line a distance of 960 feet, more or less, to a point in the James L. Campbell South property line designated as Station 22+05 on said centerline, which point is located 20 feet West of James L. Campbell Southeast property corner.

Parcels 7 & 8 being the same property as described in the conveyance recorded in Deed Book 166, page 599, in the Office of the Clerk of Court of Mercer County, Kentucky.

**IN ADDITION:**

All right, title, and interest of the Borrower in any property, real, personal, mixed, tangible, or intangible, of every nature and kind whatsoever consisting of sites, tanks, pumping stations, pipeline, meters, and all fixed equipment and appurtenances thereto including easements, permits, franchises and licenses obtained or to be obtained from private, public, or semi-public agencies, bodies or individuals in the Counties of Mercer and Boyle, State of Kentucky, and all such properties and assets that the Borrower may hereafter acquire, with like effect as though now owned by the Borrower and as though covered and conveyed hereby by specific and apt descriptions, together with all revenues and service charges which may arise or be had from the operation of the business of the Borrower and any and all extensions and additions thereto.

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(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or for the debt from liability to the Government, (e) release portions of the property and subordinate its lien and (f) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government—whether once or often—in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate, or under any personal property, or other security instrument held by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to the Government, in the order prescribed above.

(19) Borrower agrees that the Government will not be bound by any present or future State laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State law. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, and curtesy.

(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, handicap, familial status, age or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, handicap, familial status, age or national origin.

(21) Borrower further agrees that the loans secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as prohibited by 7 C.F.R. part 1940, subpart G.

(22) This instrument shall be subject to the present Government regulations and to its future regulations not inconsistent with the express provisions hereof.

(23) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until some other address is designated in a notice so given, in the case of the Government to,

\_\_\_\_\_ and in the case of Borrower to the address shown in the Government's Finance Office records (which normally will be the same as the post office shown above).

(24) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.



being the same (or part of the same) land conveyed\* together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereunto belonging, the rents, issues and profits thereof and revenues and income therefrom, all improvements, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest there in all of which are herein called "the property"; All rents, profits and income from the property covered by this mortgagee are hereby assigned to the mortgagee for the purpose of discharging the debt hereby secured. Permission is hereby given to the mortgagor, so long as no default exist hereunder, to collect such rents, profits and income for use in accordance with regulations.

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured less the Government against any loss under its insurance of payment of the note by reason of any default by Borrower.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by Government regulations.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

(4) The Government, may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe, and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property. Upon termination of this mortgage, after payment in full, the mortgagee, at the mortgagor's expense, shall execute and file or record such instruments of release, satisfaction and termination in proper form pursuant to the requirements contained in KRS 382.365.

(12) Except as otherwise provided by Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold transferred, or encumbered voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or the lien or any benefits hereof.

Given under the hands and seals of Borrower this 12th day of January, XIX 2010

Jim Boyd (SEAL)  
Earl L. Campbell (SEAL)

STATE OF KENTUCKY }  
COUNTY OF Mercer } ss:

Before me, William L. Stevens, a Notary Public in and for  
the County of Mercer personally appeared Jim Boyd, Vice President  
and Earl L. Campbell, Secretary, his wife,  
who acknowledged that they executed the foregoing instrument on the 12th  
day of January, 2010, as their free act and deed.

WITNESS my hand and official seal this 12th day of January, 2010 XIX

(SEAL)  
My commission expires: 3-31-12

William L. Stevens  
Notary Public

PREPARER'S STATEMENT

The form of this instrument was drafted by the Office of the General Counsel of the United States Department of Agriculture, and the material in the blank spaces in the form was inserted by or under the direction of

William L. Stevens  
337 West Broadway, Danville, KY 40422  
(name) (address)  
(Signature)

RECORDER'S SIGNATURE

STATE OF KENTUCKY }  
COUNTY OF \_\_\_\_\_ } ss:

I, \_\_\_\_\_, Clerk of the County Court for the County aforesaid, do certify  
that the foregoing mortgage was on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, lodged for record  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M., whereupon the same, with the foregoing and this certificate, have been duly recorded in my office.

Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

DOCUMENT NO: 136935  
RECORDED BY: JANUARY 12, 2010 03:30:50PM  
TOTAL FEES: \$32.00  
COUNTY CLERK: CHRIS HORN  
COUNTY: MERCER COUNTY  
DEPUTY CLERK: CHARNAME HAZELWOOD  
BOOK M517 PAGES 224 - 231

Clerk of \_\_\_\_\_ County Court  
By \_\_\_\_\_, D.C.

REAL ESTATE MORTGAGE FOR KENTUCKY  
LAKE VILLAGE WATER ASSOCIATION, INC.

THIS MORTGAGE is made and entered into by \_\_\_\_\_

BY AND THROUGH ITS BOARD OF DIRECTORS, AS EVIDENCED BY THE SIGNATURES BY ITS  
PRESIDENT AND SECRETARY, ACTING ON ITS BEHALF

residing in BOYLE AND MERCER COUNTIES County, Kentucky, whose post office  
address is PO BOX 303, BURGIN , Kentucky 40310

herein called "Borrower," and:

WHEREAS Borrower is indebted to the United States of America, acting through the United States Department of Agriculture, herein called the "Government," as evidenced by one or more promissory notes or assumption agreements or any shared appreciation or recapture agreement, herein called "note," which has been executed by Borrower, is payable to the order of the Government, authorizes acceleration of the entire indebtedness at the option of the Government upon any default by Borrower, and is described as follows:

<u>Date of Instrument</u>	<u>Principal Amount</u>	<u>Annual Rate of Interest</u>	<u>Due Date of Final Installment</u>
07/11/2016	\$656,000.00	2.75%	07/11/2056

(The interest rate for limited resource farm ownership or limited resource operating loans secured by this instrument may be increased as provided in the Government regulations or the note.)

And the note evidences a loan to Borrower, and the Government, at any time, may assign the note pursuant to the Consolidated Farm and Rural Development Act, Title V of the Housing Act of 1949 or any other statute administered by the Government;

And it is the purpose and intention of this instrument that, among other things, at all times when the note is held by the Government, or in the event the Government should assign this instrument, this instrument shall secure payment of the note;

And this instrument also secures the recapture of any interest credit or subsidy which may be granted to the Borrower by the Government pursuant to 42 U.S.C. §1490a, or any amounts due under any Shared Appreciation Agreement/Recapture Agreement entered into pursuant to 7 U.S.C. §2001.

NOW, THEREFORE, in consideration of the loans and (s) at all times when the note is held by the Government, or in the event the Government should assign this instrument, to secure prompt payment of the note and any renewals and extensions thereof and any agreements contained therein, including any provision and (b) in any event and at all times to secure the prompt payment of all advances and expenditures made by the Government, with interest, as hereinafter described, and the performance of every covenant and agreement of Borrower contained herein or in any supplementary agreement, Borrower does hereby sell, convey, and assign, with general warranty, unto the Government the following property situated in the State of Kentucky:

THE PROPERTY MORE PARTICULARLY DESCRIBED IN DEED BOOK 499 PAGE 197 FILED IN THE  
County or Counties of BOYLE OFFICE OF THE CLERK OF  
BOYLE COUNTY, KENTUCKY.

RD 1927-1 KY (Rev. 1-97)

STATE OF KENTUCKY, COUNTY OF BOYLE, SCT.

I, Trille L. Bottom, Boyle County Clerk, do certify that the foregoing record shows a true and correct copy of Mortgage as said record appears in this office in Mortg Book 711 Pg 63

Given under my hand and seal of office this 26th day of May 2017 at Danville, Boyle County, Kentucky.

TRILLE L. BOTTOM, BOYLE COUNTY CLERK

BY Elizabeth Handley D.C.

BOYLE

M711 PG63

THE PROPERTY MORE PARTICULARLY DESCRIBED IN DEED BOOK 499, PAGE 197, and  
DEPICTED IN THE WATER EASEMENT PLAT ATTACHED AS EXHIBIT A TO DEED BOOK 499,  
PAGE 197 AS FILED OF RECORD IN THE OFFICE OF THE CLERK OF BOYLE COUNTY,  
KENTUCKY.

being the same (or part of the same) land conveyed\* to LAKE VILLAGE WATER ASSOCIATION, INC together with all rights (including the rights to mining products, gravel, oil, gas, coal or other minerals), interests, easements, hereditaments and appurtenances thereto belonging, the rents, issues and profits thereof and revenues and income therefrom, all improvements, all water, water rights, and water stock pertaining thereto, and all payments at any time owing to Borrower by virtue of any sale, lease, transfer, conveyance, or condemnation of any part thereof or interest therein all of which are herein called "the property"; All rents, profits and income from the property covered by this mortgage are hereby assigned to the mortgagee for the purpose of discharging the debt hereby secured. Permission is hereby given to the mortgagee, so long as no default exists hereunder, to collect such rents, profits and income for use in accordance with regulations.

TO HAVE AND TO HOLD the property unto the Government and its assigns forever in fee simple.

BORROWER for Borrower's self, Borrower's heirs, executors, administrators, successors and assigns WARRANTS THE TITLE to the property to the Government against all lawful claims and demands whatsoever except any liens, encumbrances, easements, reservations, or conveyances specified hereinabove, and COVENANTS AND AGREES as follows:

(1) To pay promptly when due any indebtedness to the Government hereby secured less the Government against any loss under its insurance of payment of the note by reason of any default by Borrower.

(2) To pay to the Government such fees and other charges as may now or hereafter be required by Government regulations.

(3) If required by the Government, to make additional monthly payments of 1/12 of the estimated annual taxes, assessments, insurance premiums and other charges upon the mortgaged premises.

(4) The Government, may at any time pay any other amounts required herein to be paid by Borrower and not paid by Borrower when due, as well as any costs and expenses for the preservation, protection, or enforcement of this lien, as advances for the account of Borrower. All such advances shall bear interest at the rate borne by the note which has the highest interest rate.

(5) All advances by the Government as described in this instrument, with interest, shall be immediately due and payable by Borrower to the Government without demand at the place designated in the latest note and shall be secured hereby. No such advance by the Government shall relieve Borrower from breach of Borrower's covenant to pay. Any payment made by Borrower may be applied on the note or any indebtedness to the Government secured hereby, in any order the Government determines.

(6) To use the loan evidenced by the note solely for purposes authorized by the Government.

(7) To pay when due all taxes, liens, judgments encumbrances, and assessments lawfully attaching to or assessed against the property, including all charges and assessments in connection with water, water rights and water stock pertaining to or reasonably necessary to the use of the real property described above, and promptly deliver to the Government without demand receipts evidencing such payments.

(8) To keep the property insured as required by and under insurance policies approved by the Government and, at its request, to deliver such policies to the Government.

(9) To maintain improvements in good repair and make repairs required by the Government; operate the property in a good and husbandmanlike manner; comply with such farm conservation practices and farm and home management plans as the Government from time to time may prescribe, and not to abandon the property, or cause or permit waste, lessening or impairment of the security covered hereby, or without the written consent of the Government, cut, remove, or lease any timber, gravel, oil, gas, coal, or other minerals except as may be necessary for ordinary domestic purposes.

(10) To comply with all laws, ordinances, and regulations affecting the property.

(11) To pay or reimburse the Government for expenses reasonably necessary or incidental to the protection of the lien and priority hereof and to the enforcement of or the compliance with the provisions hereof and of the note and any supplementary agreement (whether before or after default), including but not limited to costs of evidence of title to and survey of the property, costs of recording this and other instruments attorneys' fees, trustees' fees, court costs, and expenses of advertising, selling, and conveying the property. Upon termination of this mortgage, after payment in full, the mortgagee, at the mortgagor's expense, shall execute and file or record such instruments of release, satisfaction and termination in proper form pursuant to the requirements contained in KRS 382.365.

(12) Except as otherwise provided by Government regulations, neither the property nor any portion thereof or interest therein shall be leased, assigned, sold transferred, or encumbered voluntarily or otherwise, without the written consent of the Government. The Government shall have the sole and exclusive rights as mortgagee hereunder, including but not limited to the power to grant consents, partial releases, subordinations, and satisfaction, and no insured holder shall have any right, title or interest in or the lien or any benefits hereof.

BOYLE

M711 PG64

(13) At all reasonable times the Government and its agents may inspect the property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed.

(14) The Government may (a) adjust the interest rate, payment, terms or balance due on the loan, (b) increase the mortgage by an amount equal to deferred interest on the outstanding principal balance, (c) extend or defer the maturity of, and renew and reschedule the payments on, the debt evidenced by the note or any indebtedness to the Government secured by this instrument, (d) release any party who is liable under the note or for the debt from liability to the Government, (e) release portions of the property and subordinate its lien and (f) waive any other of its rights under this instrument. Any and all this can and will be done without affecting the lien or the priority of this instrument or Borrower's or any other party's liability to the Government for payment of the note or debt secured by this instrument unless the Government says otherwise in writing. HOWEVER, any forbearance by the Government—whether once or often—in exercising any right or remedy under this instrument, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

(15) If at any time it shall appear to the Government that Borrower may be able to obtain a loan from a production credit association, a Federal land bank, or other responsible cooperative or private credit source, at reasonable rates and terms for loans for similar purposes and periods of time, Borrower will, upon the Government's request, apply for and accept such loan in sufficient amount to pay the note and any indebtedness secured hereby and to pay for any stock necessary to be purchased in a cooperative lending agency in connection with such loan.

(16) Default hereunder shall constitute default under any other real estate, or under any personal property, or other security instrument held by the Government and executed or assumed by Borrower, and default under any such other security instrument shall constitute default hereunder.

(17) SHOULD DEFAULT occur in the performance or discharge of any obligation in this instrument or secured by this instrument, or should any one of the parties named as Borrower die or be declared an incompetent, or should any one of the parties named as Borrower be discharged in bankruptcy or declared an insolvent, or make an assignment for the benefit of creditors, the Government, at its option, with or without notice, may: (a) declare the entire amount unpaid under the note and any indebtedness to the Government hereby secured immediately due and payable, (b) for the account of Borrower incur and pay reasonable expenses for repair or maintenance of and take possession of, operate or rent the property, (c) upon application by it and production of this instrument, without other evidence and without notice of hearing of said application, have a receiver appointed for the property, with the usual powers of receivers in like cases, (d) foreclose this instrument as provided herein or by law, and (e) enforce any and all other rights and remedies provided herein or by present or future law.

(18) The proceeds of foreclosure sale shall be applied in the following order to the payment of: (a) costs and expenses incident to enforcing or complying with the provisions hereof, (b) any prior liens required by law or a competent court to be so paid, (c) the debt evidenced by the note and all indebtedness to the Government secured hereby, (d) inferior liens of record required by law or a competent court to be so paid, (e) at the Government's option, any other indebtedness of Borrower owing to the Government, and (f) any balance to Borrower. At foreclosure or other sale of all or any part of the property, the Government and its agents may bid and purchase as a stranger and may pay the Government's share of the purchase price by crediting such amount on any debts of Borrower owing to the Government, in the order prescribed above.

(19) Borrower agrees that the Government will not be bound by any present or future State laws, (a) providing for valuation, appraisal, homestead or exemption of the property, (b) prohibiting maintenance of an action for a deficiency judgment or limiting the amount thereof or the time within which such action may be brought, (c) prescribing any other statute of limitations, (d) allowing any right of redemption or possession following any foreclosure sale, or (e) limiting the conditions which the Government may by regulation impose, including the interest rate it may charge, as a condition of approving a transfer of the property to a new Borrower. Borrower expressly waives the benefit of any such State law. Borrower hereby relinquishes, waives, and conveys all rights, inchoate or consummate, of descent, dower, and curtesy.

(20) If any part of the loan for which this instrument is given shall be used to finance the purchase, construction or repair of property to be used as an owner-occupied dwelling (herein called "the dwelling") and if Borrower intends to sell or rent the dwelling and has obtained the Government's consent to do so (a) neither Borrower nor anyone authorized to act for Borrower will, after receipt of a bona fide offer, refuse to negotiate for the sale or rental of the dwelling or will otherwise make unavailable or deny the dwelling to anyone because of race, color, religion, sex, handicap, familial status, age or national origin, and (b) Borrower recognizes as illegal and hereby disclaims, and will not comply with or attempt to enforce any restrictive covenants on the dwelling relating to race, color, religion, sex, handicap, familial status, age or national origin.

(21) Borrower further agrees that the loans secured by this instrument will be in default should any loan proceeds be used for a purpose that will contribute to excessive erosion of highly erodible land or to the conversion of wetlands to produce an agricultural commodity, as prohibited by 7 C.F.R. part 1940, subpart G.

(22) This instrument shall be subject to the present Government regulations and to its future regulations not inconsistent with the express provisions hereof.

(23) Notices given hereunder shall be sent by certified mail, unless otherwise required by law, and addressed, unless and until some other address is designated in a notice so given, in the case of the Government to,

40065  
65 BREIGHTON BLVD, SHELBYVILLE, KY and in the case of Borrower to the address shown in the Government's Finance Office records (which normally will be the same as the post office shown above).

(24) If any provision of this instrument or application thereof to any person or circumstances is held invalid, such invalidity will not affect other provisions or applications of the instrument which can be given effect without the invalid provision or application, and to that end the provisions hereof are declared to be severable.

BOYLE

M711 PG65

Given under the hands and seals of Borrower this 11th day of JULY, 2016  
Danny Noel (SEAL)  
Earl Campbell (SEAL)

STATE OF KENTUCKY }  
COUNTY OF MERCER }

Before me, MICHAEL D. SANFORD, a Notary Public in and for  
the County of MERCER personally appeared DANNY NOEL, PRESIDENT OF THE  
BOARD OF DIRECTORS OF LAKE VILLAGE and EARL CAMPBELL, SECRETARY  
who acknowledged that they executed the foregoing instrument on the 11th  
day of JULY, 2016, as their free act and deed.

WITNESS my hand and official seal this 11th day of JULY, 2016

Michael D. Sanford  
Notary Public

(SEAL)  
My commission expires: 8/15/18

PREPARER'S STATEMENT

The form of this instrument was drafted by the Office of the General Counsel of the United States Department of Agriculture, and the material in the blank spaces in the form was inserted by or under the direction of

LYNNE PIERCE DEAN  
(name),  
PO BOX 901, DANVILLE, KENTUCKY 40423-0901  
Lynne Pierce Dean  
(Signature)

RECORDER'S SIGNATURE

STATE OF KENTUCKY }  
COUNTY OF \_\_\_\_\_ }

I, \_\_\_\_\_, Clerk of the County Court for the County aforesaid, do certify  
that the foregoing mortgage was on the \_\_\_\_\_ day of \_\_\_\_\_, lodged for record  
at \_\_\_\_\_ o'clock \_\_\_\_\_ M., whereupon the same, with the foregoing and this certificate, have been duly recorded in my office.  
Given under my hand this \_\_\_\_\_ day of \_\_\_\_\_

Clerk of \_\_\_\_\_ County Court  
By \_\_\_\_\_, D.C.

DOCUMENT NO: 9576489  
RECORDED: May 26, 2017 02:22:00 PM  
TOTAL FEES: \$20.00  
COUNTY CLERK: TRILLE L. BOTTOM  
DEPUTY CLERK: BECKY Elizabith  
COUNTY: BOYLE  
BOOK: M711 PAGES: 63 - 66 Candice S.C.

U.S. GOVERNMENT PRINTING OFFICE: 1987-451-095

BOYLE  
M711 PG66

# **EXHIBIT H**

Notification to State Local Debt Officer

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

January 22, 2021

Honorable Dennis Keene  
Commissioner and State Local Debt Officer  
100 Airport Road, Third Floor  
Frankfort, Kentucky 40601

Re: Lake Village Water Association, Inc.  
Notice of Intent to Issue Securities

Dear Commissioner Keene:

Pursuant to the regulations of the Kentucky Public Service Commission, specifically 807 KAR 5:001: Section 18(1)(g), please be advised that the Lake Village Water Association, Inc. (the "Association") hereby notifies the State Local Debt Officer that the Association intends on issuing securities in the form of a loan from the Kentucky Rural Water Finance Corporation ("KRWFC") for the purpose of refinancing certain outstanding indebtedness of the Association in order to achieve substantial interest cost savings for the Association.

We will file the appropriate documents with your office in accordance with the requirements of KRS 65.117 once the securities are issued.

Very truly yours,

Rubin & Hays

By

  
W. Randall Jones

WRJ:ilm  
Enclosures