

MARTIN COUNTY UTILITY BOARD

387 East Main Street Suite 140
INEZ, KY 41224

606-298-3885 OFFICE

606-298-4913 Fax

April 1, 2021

Linda Bridwell, P.E.
Executive Director
Public Service Commission
211 Sower Blvd
RE: ARF Application - Water & Sewer Rates Martin County Water District

Dear Ms. Bridwell:

Enclosed for filing are the original and five (5) copies of Martin County Water District's ARF Application for an adjustment to its water rates and charges. The ARF Application is being filed pursuant to 807 KAR 5:076. The ARF Application uses calendar year 2020 as the Test Year, with appropriate adjustments to normalize revenues and expenses.

We respectfully request an expedited rate review based on the unsustainable financial situation that has been reported on by multiple state agencies over the past several years. **We further request an emergency rate be approved while the Commission completes its review of our rate application.**

The previous requests were not granted in part based on a lack of verifiable financial data. The District has worked diligently over the past year to correct that situation.

A copy of the ARF Application has been provided to the Office of Rate Intervention in the Attorney General's Office.

My email address is cmiller@alliancewater.com

Sincerely,

Craig Miller

Craig C. Miller

Division Manager

Alliance Water Resources, Inc.

Cc: Office of the Attorney General, Rate Intervention Case No. 2008-00017

SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY

APPLICATION FOR RATE ADJUSTMENT
BEFORE THE PUBLIC SERVICE COMMISSION

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

Martin County Water District
(Name of Utility)

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

Inez, KY 41224
(Business Mailing Address - City, State, and Zip)

606-298-3885
(Telephone Number)

BASIC INFORMATION

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

Craig Miller - Division Manager
(Name)

387 East Main Street, Suite 140
(Address - Number and Street or P.O. Box)

Inez, KY 41224
(Address - City, State, Zip)

606-298-3885
(Telephone Number)

cmiller@alliancewater.com
(Email Address)

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

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

YES NO N/A

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

YES NO N/A

8. Applicant proposes to charge the rates that are set forth in the attachment entitled "Current and Proposed Rates." **(Attach completed "Current and Proposed Rates" Attachment.)**
9. Applicant proposes to use its annual report for the immediate past year as the test period to determine the reasonableness of its proposed rates. This annual report is for the 12 months ending December 31, 2020.
10. Applicant has reason to believe that some of the revenue and expense items set forth in its most recent annual report have or will change and proposes to adjust the test period amount of these items to reflect these changes. A statement of the test period amount, expected changes, and reasons for each expected change is set forth in the attachment "Statement of Adjusted Operations." **(Attach a completed copy of appropriate "Statement of Adjusted Operations" Attachment and any invoices, letters, contracts, receipts or other documents that support the expected change in costs.)**
11. Based upon test period operations, and considering any known and measurable adjustments, Applicant requires additional revenues of \$ 250,000 and total revenues from service rates of \$ 250,000. The manner in which these amounts were calculated is set forth in "Revenue Requirement Calculation" Attachment. **(Attach a completed "Revenue Requirement Calculation" Attachment.)**
12. As of the **date of the filing of this application**, Applicant had 3400 customers.
13. A billing analysis of Applicant's current and proposed rates is attached to this application. **(Attach a completed "Billing Analysis" Attachment.)**
14. Applicant's depreciation schedule of utility plant in service is attached. **(Attach a schedule that shows per account group: the asset's original cost, accumulated depreciation balance as of the end of the test period, the useful lives assigned to each asset and resulting depreciation expense.)**
15. a. Applicant has outstanding evidences of indebtedness, such as mortgage agreements, promissory notes, or bonds.
- b. Applicant has attached to this application a copy of each outstanding evidence of indebtedness (e.g., mortgage agreement, promissory note, bond resolution).
- c. Applicant has attached an amortization schedule for each outstanding evidence of indebtedness.

YES NO N/A

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

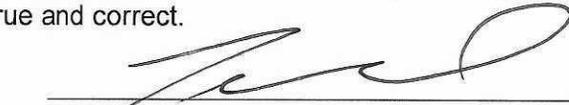
By submitting this application, the Applicant consents to the procedures set forth in 807 KAR 5:076 and waives any right to place its proposed rates into effect earlier than six months from the date on which the application is accepted by the Public Service Commission for filing.

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

Signed 
 Officer of the Company/Authorized Representative
 Title Chairman
 Date 3/29/2021

COMMONWEALTH OF KENTUCKY
 COUNTY OF Martin

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


 Notary Public
 My commission expires July 12 2023

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

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

LIST OF ATTACHMENTS
Martin County Water District

1. Customer Notice of Proposed Rate Adjustment
2. Current and Proposed Rates
3. Reasons for Rate Increase
4. Statement of Adjusted Operations & Revenue Requirements with attachments:
 - a. ARF Form1 RRDC (with & without depreciation)
 - b. Rate Impact From 2021 Budget Submittal
 - c. References/Executive Summary Overview
 - d. Cash Needs -Budget Summary 2019-2022
 - e. 2020 Audit
 - f. 2020 Monthly Cash Snapshot
 - g. Table A - Depreciation Expense Adjustment
 - h. Table B - Debt Service Schedule
 - i. Water Loss Discussion & Strategy
 - j. Affordability Discussion
5. Current Billing Analysis
6. Proposed Billing Analysis
7. Depreciation Schedule
8. Outstanding Debt Instruments
 - a. KIA Loan Agreement
 - b. KRWFC Bond Agreement
 - c. KACO Lease
9. Amortization Schedules
 - a. KIA Loan
 - b. KRWFC Bond
 - c. KACo Lease
10. Statements of Disclosure of Related Party Transactions
11. Board Resolution

ATTACHMENT 1

CUSTOMER NOTICE

Notice is hereby given that the Martin County Water District expects to file an application on or about April 1, 2021 with the Kentucky Public Service Commission seeking approval of a proposed adjustment to its water rates. The proposed rates shall not become effective until the Public Service Commission has issued an order approving these rates.

MONTHLY WATER RATES

Minimum Bills Based on Meter Size

Meter Size	Gals. Incl'd	Minimum Bills			Percent
	in Minimum	Current	Proposed	Increase	Increase
5/8 x 3/4 inch	2,000	\$33.32	\$37.32	\$4.00	12.0%
1 inch	5,000	\$58.59	\$68.59	\$10.00	17.1%
1 1/2 inch	10,000	\$100.70	\$120.70	\$20.00	19.9%
2 inch	20,000	\$184.93	\$224.93	\$40.00	21.6%
3 inch	30,000	\$269.17	\$329.17	\$60.00	22.3%
4 inch	50,000	\$437.63	\$537.63	\$100.00	22.9%

Rates for Water Usage in Addition to Minimum

Charge per 1,000 Gals.	Current	Proposed \$/1000	Increase	Percent
<u>Increase</u>				
All usage above minimum	\$8.43	\$9.36	\$0.93	11.0%

If the Public Service Commission approves the proposed rates, then the monthly bill for a residential customer using an average of 4,000 gallons per month will increase from \$50.18 to \$56.04. This is an increase of \$5.86 or 11.7%.

The rates contained in this notice are the rates proposed by Martin County Water District. However, the Public Service Commission may order rates to be charged that differ from these proposed rates. Such action may result in rates for consumers other than the rates shown in this notice.

Martin County Water District has available for inspection at its office the application which it submitted to the Public Service Commission. A person may examine this application at Martin County Water District's office located at 387 East Main Street, Suite 140, Inez, KY 41224. You may contact the office at 606-298-3885.

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

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

ATTACHMENT 2

CURRENT AND PROPOSED RATES

Martin County Water District

Current Rates

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. incl'd. in Minimum</u>	<u>Minimum Monthly Bill</u>
5/8 x 3/4 inch	2,000	\$ 33.32
1 inch	5,000	58.59
1-1/2 inch	10,000	100.70
2 inch	20,000	184.93
3 inch	30,000	269.17
4 inch	50,000	437.63

Rates for Water Usage in Addition to Minimum

<u>Gallons per Month</u>	<u>Charge per 1,000 gals.</u>
All usage above minimum	\$ 8.43

Proposed Rates

Minimum Bills Based on Meter Size

<u>Meter Size</u>	<u>Gals. incl'd. in Minimum</u>	<u>Minimum Monthly Bill</u>
5/8 x 3/4 inch	2,000	\$ 37.32
1 inch	5,000	68.59
1-1/2 inch	10,000	120.70
2 inch	20,000	224.93
3 inch	30,000	329.17
4 inch	50,000	537.63

Rates for Water Usage in Addition to Minimum

<u>Gallons per Month</u>	<u>Charge per 1,000 gals.</u>
All usage above minimum	\$ 9.36

ATTACHMENT 3

Reasons for Rate Increase

Martin County Water District (the "District") is requesting an increase in its general water rates for its residential customers of 12% on the base fee and 11% on the per 1,000 gallons usage rate. This increase, combined with the stepped increase on the commercial base rates, will generate an estimated \$250,000 in additional annual revenue. The District needs the rate increase for the following reasons:

1. The District currently has a monthly average cash flow shortage of \$50,000, this means 1) the debt service surcharge is not available to pay down vendor debt and 2) **the aging of payables continues.**
2. To enable the District to meet the legal requirements set forth in its existing debt instruments. Specifically, the 1.2 Debt Coverage Ratio required by the KRWFC Bond Agreement.
3. To begin the process of restoring the District to a sound financial condition.
4. To enable the District to enhance its financial capacity so it can continue to operate its system in compliance with the federal Safe Drinking Water Act, as amended in 1996, and KRS Chapter 151.
5. To enable the District to replace defective infrastructure. The revenue generated from the proposed rate increase will allow for funds to replace defective mains and service lines from operating funds. There is a critical need for generators. Additionally, 11 of the 13 booster stations are currently operating with only one of the two pumps functioning properly. Based on the outstanding debt and lack of revenue to meet normal operations, the issuance of new debt at this time is not feasible.
6. To return the District to good standing with its Creditors. The District has had insufficient rates for several years and has accumulated a large balance of past due accounts payable. **The proposed rate increase would allow for the DSS (debt service surcharge) to be used as intended.** Currently, the DSS is used to cover the normal daily operational shortfalls in revenue.
7. To allow the District to continue its leak detection and repair program. Current revenue shortfalls force the district to operate without the system functioning as designed, this is a drain on resources that should be dedicated to the Water Loss Program.
8. The PSC has been hesitant to issue the full rate request submitted by earlier parties including the May 22nd PSC staff recommendation of a 23.7% increase for two primary reasons: 1) lack of proper management and 2) lack of audits and good financial data. Both issues have been addressed.

ATTACHMENT 4

SCHEDULE OF ADJUSTED OPERATIONS

Martin County Water District

TYE 12/31/2020

<u>Operating Revenues</u>	Test Year	Adjustment	Ref.	Pro Forma
Sales of Water				
Metered Water Sales	\$ 2,146,384.00			\$ 2,146,384.00
Total Sales of Water	<u>\$ 2,146,384.00</u>			<u>\$ 2,146,384.00</u>
Other Water Revenues				
Forfeited Discounts	\$ 13,416.00			\$ 13,416.00
Miscellaneous Service Revenues	\$ 43,016.00	\$ (22,872.00)	A	\$ 20,144.00
Other Water Revenues	\$ 300,616.00	\$ (107,436.00)	B	\$ 193,180.00
Total Other Water Revenues	<u>\$ 357,048.00</u>	<u>\$ (130,308.00)</u>		<u>\$ 226,740.00</u>
<u>Total Operating Revenues</u>	<u>\$ 2,503,432.00</u>			<u>\$ 2,373,124.00</u>
<u>Operating Expenses</u>				
Operation and Maintenance Expenses				
Employee Pensions and Benefits	\$ 119,701.00	\$ (119,701.00)	C	\$ -
Purchased Power	\$ 320,969.00			\$ 320,969.00
Materials and Supplies	\$ 6,511.00			\$ 6,511.00
Contractual Services	\$ 2,017,014.00		E	\$ 2,017,014.00
Water Testing	\$ 6,831.00		D	\$ 6,831.00
Rents	\$ 9,053.00			\$ 9,053.00
Insurance	\$ 48,400.00			\$ 48,400.00
Regulatory Commission Expenses	\$ 5,983.00			\$ 5,983.00
Bad Debt Expense	\$ 118,530.00			\$ 118,530.00
Miscellaneous Expenses	<u>\$ 8,132.00</u>			<u>\$ 8,132.00</u>
Total Operation and Maintenance Expenses	\$ 2,661,124.00	\$ (119,701.00)		\$ 2,541,423.00
Depreciation Expense	\$ 786,741.00			\$ 786,741.00
<u>Total Operating Expenses</u>	<u>\$ 3,447,865.00</u>	<u>\$ (119,701.00)</u>		<u>\$ 3,328,164.00</u>
<u>NET UTILITY OPERATING INCOME</u>	<u>\$ (944,433.00)</u>	<u>\$ (250,009.00)</u>		<u>\$ (955,040.00)</u>

REVENUE REQUIREMENTS

Pro Forma Operating Expenses	\$ 3,328,164.00	
Plus: Avg. Annual Principal and Interest Payments	F \$ 207,376.00	
Additional Working Capital	F \$ 42,491.00	
Total Revenue Requirement	<u>\$ 3,578,031.00</u>	
Less: Other Operating Revenue	\$ (226,740.00)	
Revenue Required From Retail Rates	\$ 3,351,291.00	
Less: Revenue from Sales at Present Rates	\$ (2,146,384.00)	
Required Revenue Increase	<u>\$ 1,431,647.00</u>	
Percent Increase	<table border="1"><tr><td style="text-align: center;">43%</td></tr></table>	43%
43%		

REFERENCES

- A)** The revenue from connection fees was reported with Miscellaneous Service Revenues. To provide more detail the amount for connection fees (\$22,872) was adjusted, leaving \$20,144.00 in Miscellaneous Service Revenues.

- B)** During the test year a Management Infrastructure Surcharge in the amount of (\$193,180) and a Debt Service Surcharge in the amount of (\$107,436) was reported to Other Water Revenues.

- C)** In 2020 a one-time payment to the Kentucky Retirement System in the amount of (\$119,701) was paid and reported on the Employee Pensions and Benefits.

- D)** The Contractual Services was reported as (\$2,017,014). That amount is calculated using the Management and Operations Contracts (\$1,985,039), legal services in the amount of (\$6,975), and accounting expenses for (\$25,000).

- E)** The amount reported for Water Testing consist of Outside Services for Pace Analytical Services in the amount of (\$6,831) for the testing of the Districts water quality and regulatory compliance.

- F)** AVG. Annual Principal and Interest based on a 3-year average. Additional Working Capital taken from 2021 Budget projected year end unrestricted cash reserves.

ATTACHMENT 4(a)

MARTIN COUNTY WATER DISTRICT (WITH DEPRECIATION)**REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD**

(This method is used commonly by non-profits that have long-term debts outstanding.)

FROM TEST YR AUDIT FYE2020

Pro forma Operating Expenses	\$3,208,463.00
Plus: Average Annual Debt Principal and Interest Payments*	207,376.00
Debt Coverage Requirement**	41,475.00
Total Revenue Requirement	3,457,314.00
Less: Other Operating Revenue	-56,432.00
<u>MIS FEE</u> Non-operating Revenue	-193,180.00
Interest Income	-386.00
Revenue Required from Rates	3,207,316.00
Less: Revenue from Sales at Present Rates	-2,146,384.00
Required Revenue Increase	\$1,060,932.00

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	49.43%
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* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

** This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.

MARTIN COUNTY WATER DISTRICT (NO DEPRECIATION)**REVENUE REQUIREMENT CALCULATION - DEBT COVERAGE METHOD**

(This method is used commonly by non-profits that have long-term debts outstanding.)

FROM TEST YR AUDIT FYE2020

Pro forma Operating Expenses	\$2,421,722.00
Plus: Average Annual Debt Principal and Interest Payments*	207,376.00
Debt Coverage Requirement**	41,475.00
Total Revenue Requirement	2,670,573.00
Less: Other Operating Revenue	-56,432.00
<u>MIS&DSS</u> Non-operating Revenue	-193,180.00
Interest Income	-386.00
Revenue Required from Rates	2,420,575.00
Less: Revenue from Sales at Present Rates	-2,146,384.00
Required Revenue Increase	\$274,191.00

Required Revenue Increase stated as a Percentage of Revenue at Present Rates	12.77%
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* This should be a 3 year average calculated using the debt principal and interest payments for the three years following the test year.

** This amount is calculated by multiplying the average annual debt principal and interest payments by the debt service requirement of the utility's lending agency.

ATTACHMENT 4(b)

Martin County Water District (Impact of Proposed Increase)

	Base	\$/1000	AVG Use (1,000 gals)	Total	
Water					
DSS	\$ 2.63			\$ 2.63	
MIS	\$ 4.72			\$ 4.72	6000 Gallon User
Current	\$ 33.32	\$ 8.43	4.00	\$ 57.53	\$ 74.39
Increase	\$ 37.32	\$ 9.36	4.00	\$ 63.38	\$ 82.10
Difference	12.00%	11.00%		\$ 5.85	\$ 7.71
Additional Revenue	Residential Customer Count		3,177	\$ 223,200.77	
% Increase For Avg User				10.18%	10.36%

MCUD Connection Fees			Commercial Customers	
	<i>Residential</i>	<i>Larger Sized Taps</i>		
Water			<1"	197
Current	\$1,000	Actual Cost	1"	19
No increase			1.5"	2
Difference			2"	16
			3"	4
			4"	1
			Government	
			<1"	22
			1"	5
			1.5"	3
			2"	9
			Non Residential	278
			Total Customer Count	3,455

Meter Size	Minimum Usage	Minimum Bill	Increase to Minimum	New Base Bill	
5/8 x 3/4"	2000	\$33.32	\$4.00	\$37.32	\$13,584.00
1"	5000	\$58.59	\$10.00	\$68.59	\$240.00
1.5"	10000	\$100.70	\$20.00	\$120.70	\$100.00
2"	20000	\$184.93	\$40.00	\$224.93	\$1,000.00
3"	30000	\$269.17	\$60.00	\$329.17	\$240.00
4"	50000	\$437.63	\$100.00	\$537.63	\$100.00
Base Bill Additional Annual Revenue Estimate:					\$183,168.00
Usage Additional Annual Revenue Estimate					\$67,666.43
Total Additional Annual Revenue Estimate					\$250,834.43

ATTACHMENT 4(c)

EXECUTIVE SUMMARY

Background

Over the past decade the PSC has received multiple reports outlining the issues concerning the Martin County Water District (The District). These concerns and the lack of progress towards correcting the issues has caused the PSC to be hesitant in approving the full rate requests that have been submitted by the District, with assistance from the Kentucky Rural Water Association & Bluewater Kentucky.

The primary issues repeated in multiple reports were: 1) A lack of competent management, 2) The need for good financial data, 3) Water loss, and 4) Certified Operators to run the system.

In 2020, Alliance Water Resources, Inc. (AWR) began Operations & Management of the Martin County Water District & the Martin County Sanitation District. In the past year, a new billing software meeting industry standard was installed, all prior audits were completed, and staffing adjustments were made for improved record keeping.

Water loss has not yet begun to decline, but an AWWA modeled standard process has been implemented, along with GIS / Asset Management. The water loss strategy is discussed in more detail in attachment 4g. In addition, The District now has properly certified Operators in Water Treatment, Water Distribution, Wastewater Treatment and Collection Systems. The District continues to train and certify the local staff.

Approach

Using several methods including the PSC's "Revenue Requirement Calculation -Debt Coverage Method" the required revenue increase is approximately 49%. The supporting data can be found in the SAO, as well as attachments 4a, and 4d.

The District, being aware of two very significant issues water loss and affordability (discussed in more detail in attachments 4g and 4h) and in line with the language in the Nov 15, 2019 Order (...***For ratemaking purposes, current expenses related to depreciation are suspended and the revenue utilized for payment of Alliance Contract services until further Order from the Commission...***) is submitting a request based on calculations that exclude depreciation. Both methods are included in the submittal for comparison. It should be noted that funds for depreciation or replacement/repair of assets are addressed in three ways. First the budget is submitted with the proper debt coverage ratio, this should generate some cash reserves (estimated at \$42,000 in 2021 and \$55,000 in 2022). Second the AWR contract has \$125,000 dedicated for repair of the system. Finally, there are several multimillion dollar projects underway using various grant and AML funds that will replace aging infrastructure.

Requested Increase

The PSC form using debt coverage and excluding depreciation indicates a rate increase requirement of 12.8%. (Attachment 4a)

The District is requesting an **emergency and immediate increase** of 12% on the base meter fee and 11% on the per 1,000-gallon usage rate as shown in attachment 2. This will increase the average users' monthly bill (4,000 gal) by \$5.86. It is the District's belief that a delayed or reduced rate approval will exacerbate the situation and hinder efforts to develop a sustainable system for the community.

ATTACHMENT 4(d)

Martin County Water District

Fiscal Year Budget-Actuals & FYE2022 Estimate

Statement of Revenues and Expenditures
(in Dollars)

Cash Needs Basis

	<u>Actual</u> <u>2019</u>	<u>Budget</u> <u>2020</u>	<u>Actual</u> <u>2020</u>	<u>Budget</u> <u>2021</u>	<u>Budget Est</u> <u>2022</u>	<u>Notes</u>
<u>Revenue Source</u>						
Water Sales	\$ 2,220,203	\$ 2,177,390	\$ 2,204,780	\$ 2,425,375	\$ 2,450,000	
All Other Revenue, Connection Fees	<u>308,885</u>	<u>300,844</u>	<u>268,646</u>	<u>267,027</u>	<u>300,000</u>	
Total Revenue	\$ 2,529,088	\$ 2,478,234	\$ 2,473,426	\$ 2,692,402	\$ 2,750,000	
<u>Expenditures</u>						
All General & Operating Expenses	\$ 2,424,794	\$ 2,453,450	\$ 2,477,000	\$ 2,437,429	\$ 2,485,000	
Interest Expense(s)	<u>93,472</u>	<u>85,521</u>	<u>85,496</u>	<u>80,458</u>	<u>85,000</u>	
Total Operating Expenditures	\$ 2,518,266	\$ 2,538,971	\$ 2,562,496	\$ 2,517,886	\$ 2,570,000	
Net Revenue B4 Principal Payments	\$ 10,822	\$ (60,737)	\$ (89,070)	\$ 174,516	\$ 180,000	
<u>Debt Service Coverage Calculation</u>						
Net Revenue B4 Principal	\$ 10,822	\$ (60,737)	\$ (89,070)	\$ 174,516	\$ 180,000	
Plus Above Interest Expense	<u>93,472</u>	<u>85,521</u>	<u>85,496</u>	<u>80,458</u>	<u>85,000</u>	
Net Revenues Available for Coverage	\$ 104,294	\$ 24,784	\$ (3,574)	\$ 254,973	\$ 265,000	
P&I Debt Service	\$ 208,111	\$ 215,995	\$ 215,995	\$ 210,110	\$ 207,375	
Net Revenue after Oper & Debt Exp.	\$ (103,817)	\$ (191,211)	\$ (219,569)	\$ 42,491	\$ 54,890	
Debt Service Coverage (Required Coverage 1.2)	0.50	0.11	-0.02	1.21	1.28	
Projected YE Unrestricted Cash Reserves	\$ 104,294	\$ -	\$ -	\$ 42,491	\$ 54,890	Before Capital
Projected CI Funded Outside Sources	\$ 142,500	\$ 104,500		\$ 5,859,518	\$ 5,859,518	
Projected CI Funded from Operations or Unfunded	\$ 125,000	\$ 275,000		\$ 1,293,606	\$ 1,293,606	
Total Capital Improvements (CI)				\$ 7,153,124	\$ 7,153,124	

ATTACHMENT 4(e)

Martin County Water District

Inez, Kentucky

Annual Financial Report

Year Ended December 31, 2020

Martin County Water District

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December 31, 2020

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Financial Section



Independent Auditor's Report

The Board of Directors
Martin County Water District
Inez, Kentucky

We were engaged to audit the accompanying financial statements of the business-type activities of the Martin County Water District, as of and for the year ended December 31, 2020, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Martin County Water District, as of December 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Independent Auditor's Report (Concluded)

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of the District's proportionate share of the net pension liability, and schedule of contributions information on pages 3 through 7 and 21 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021, on our consideration of Martin County Water District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Martin County Water District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Martin County Water District's internal control over financial reporting and compliance.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

March 22, 2021
Hannibal, Missouri

**MARTIN COUNTY WATER DISTRICT OF
INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

As management of the Martin County Water District of Inez, Kentucky (the District), we offer readers of the District's audited financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended December 31, 2020.

OVERVIEW OF THE AUDITED FINANCIAL STATEMENTS

The financial statements presented in this report consist of the *statement of net position*, the *statement of revenues, expenses, and changes in net position*, and the *statement of cash flows*. The statement of net position provides information about the nature and amounts of investments in resources (assets) and the obligations to creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the District. The current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement reports the revenues and expenses during the period indicated and can be used to determine whether the District has successfully recovered all its costs through user fees and other charges. The primary purpose of the statement of cash flows is to provide information about the District's cash receipts and cash payments. This statement reports cash receipts, cash payments, and net changes in cash resulting from activities related to operations, capital and related financing, noncapital financing, and investing activities.

STATEMENT OF NET POSITION

The District's total net position in 2020 decreased by \$419,612 and ended the year at \$13,749,196.

Net position is comprised of Assets, Deferred outflows of resources related to pensions, Liabilities, and Deferred inflows of resources related to pensions.

Total assets decreased \$376,422 or 2.0% primarily due to decreases in capital assets of \$461,000, offset by an increase in current assets of \$67,000 and restricted assets of \$17,000. The decrease in capital assets is due to depreciation expense of \$787,000 exceeding net asset additions of \$115,000. The District inventoried capital assets and removed any assets no longer in service. Additional information regarding capital assets is discussed in the capital assets section below. The increase in current assets is due to increases in accounts receivable of \$226,000 and cash of \$106,000, offset by a decrease in unbilled revenue of \$255,000. The District's billing software was replaced, and the District now collects and deposits sewer payments. The increase in cash mainly represents the District's payable to Martin County Sanitation. The increase in restricted assets is mainly due to increases in debt service reserves for the principal payments and customer deposits. Restricted cash is discussed in detail in the restricted assets section.

Deferred outflows consist of the net difference between projected and actual earnings on pension plan investments and decreased by \$151,000. Differences between expected and actual experience and changes in assumptions decreased by \$151,000. Footnote 10 (page 16) of the audited financial statements provides additional information.

**MARTIN COUNTY WATER DISTRICT OF
INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

Total liabilities decreased by \$496,000 or 9.5% primarily due to decreases in net pension liability of \$659,000 and in long-term debt of \$132,000 related to principal payments made, offset by an increase in current liabilities of \$295,000. Current liabilities increased mainly due to monies owed to Martin County Sanitation for sewer payments collected, two months of invoices due to Alliance Water Resources, and an increase in current portion of long term debt offset by decreases in payroll tax liabilities, accrued interest, and customer deposits payable.

Net pension liability decreased \$659,000 due to the changes in actuarial assumptions and actual returns on plan investments. See Footnote 10 (page 16) of the audited financial statements for more information.

A summary of financial position follows:

	For The Years Ended December 31			2020	
	2020	2019	2018	Change	Percent Change
Assets:					
Current assets	\$ 576,181	\$ 508,754	\$ 634,963	67,427	13.3%
Restricted assets	295,343	278,256	302,647	17,087	6.1
Capital assets	17,926,113	18,387,049	19,137,558	(460,936)	-2.5
Total assets	18,797,637	19,174,059	20,075,168	(376,422)	-2.0
Deferred Outflows:					
Deferred outflows of resources related to pensions	\$ 134,959	\$ 286,346	\$ 261,494	(151,387)	-52.9
Total deferred outflows of resources	134,959	286,346	261,494	(151,387)	-52.9
Liabilities:					
Current liabilities	1,501,086	1,206,149	1,416,790	294,937	24.5
Long term debt, net	2,120,916	2,252,962	2,378,335	(132,046)	-5.9
Net pension liability	1,080,845	1,739,483	1,459,298	(658,638)	-37.9
Total liabilities	4,702,847	5,198,594	5,254,423	(495,747)	-9.5
Deferred Inflows:					
Deferred inflows of resources related to pensions	\$ 480,553	\$ 93,003	\$ 151,042	387,550	416.7
Total deferred inflows of resources	480,553	93,003	151,042	387,550	416.7
Net Position:					
Net investment in capital assets	15,673,916	16,009,467	16,641,216	(335,551)	-2.1
Restricted for customer deposits	166,222	157,928	152,790	8,294	5.3
Restricted for debt service	129,028	120,239	141,558	8,789	7.3
Restricted for capital projects	93	89	8,299	4	4.5
Unrestricted	(2,220,063)	(2,118,915)	(2,012,666)	(101,148)	4.8
Total net position	\$ 13,749,196	\$14,168,808	\$ 14,931,197	(419,612)	-3.0%

**MARTIN COUNTY WATER DISTRICT OF
INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

Total operating revenues decreased by \$11,000 or 0.4% and totaled \$2,518,000 for the year. Water revenue decreased \$74,000 or 3.3% from the prior year. 2020 water revenue includes a full year of the water increase approved in November of 2019, but staff found a significant amount of inaccurate meter reads when the meter read audits were performed in January and February 2020. 2020's decreased water revenue includes corrections to overstated revenue and gallons recorded in 2019 and before. Connection fees of \$23,000 are below projections and were impacted by the effects of the pandemic. Likewise, late charge fees were low as pandemic-related directives limited the ability of the District to charge these fees. The classification of the various categories of operating revenues may not be consistent with prior years, however district records preclude current management (Alliance Water Resources) from accurately restating prior year activity.

Net operating loss in 2020 was \$691,000. Net operating loss increased by \$5,000 or 0.7% from 2019 mainly due to revenue shortfall of \$11,000. Operating expenses decreased in 2020.

Non-operating income (expense) in 2020 consists of \$80,000 of interest expense, \$450 of bond trustee fees, \$5,200 of loss on disposal of assets and \$390 of interest income.

Capital contributions increased \$314,000 due to grants received from ARC and AML for The Lovely Water Line Replacement Project and Raw Water Intake Improvements (Pump Purchase Only).

A summary statement of revenues, expenses and changes in net position follows:

**MARTIN COUNTY WATER DISTRICT OF
INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

	For The Years Ended December 31			2020	
	2020	2019	2018	Change	Percent Change
Operating Revenues:					
Water sales	\$ 2,146,384	\$ 2,220,203	\$ 2,013,260	(73,819)	-3.3%
Connection fees	22,872	-	-	22,872	N/M
Late charge fees	13,416	76,437	70,747	(63,021)	(82.4)
Debt service surcharge	107,436	152,709	150,162	(45,273)	(29.6)
Water surcharge (MIS)	193,180	12,244	-	180,936	1477.8
Other fees	20,144	67,495	47,867	(47,351)	(70.2)
Misc income	14,311	-	-	14,311	N/M
Total operating revenues	<u>2,517,743</u>	<u>2,529,088</u>	<u>2,282,036</u>	<u>(11,345)</u>	<u>(0.4)</u>
Operating Expenses:					
Operating expenses	2,421,722	2,424,794	2,646,105	(3,072)	(0.1)
Depreciation	786,741	790,294	780,131	(3,553)	(0.4)
Total operating expenses	<u>3,208,463</u>	<u>3,215,088</u>	<u>3,426,236</u>	<u>(6,625)</u>	<u>(0.2)</u>
Net Operating Income	<u>(690,720)</u>	<u>(686,000)</u>	<u>(1,144,200)</u>	<u>(4,720)</u>	<u>0.7</u>
Non-operating Income (Expense)					
Interest expense	(80,217)	(93,472)	(108,055)	(13,255)	14.2
Bond trustee fees	(450)	-	-	450	N/M
Gain (loss) on disposal of assets	(5,237)	-	-	(5,237)	N/M
Interest income	386	83	898	303	(365.1)
Total Non-operating income (expenses)	<u>(85,518)</u>	<u>(93,389)</u>	<u>(107,157)</u>	<u>(7,871)</u>	<u>(8.4)</u>
Change in net position before contributions	<u>(776,238)</u>	<u>(779,389)</u>	<u>(1,251,357)</u>	<u>3,151</u>	<u>(0.4)</u>
Capital grants and contributions	<u>331,046</u>	<u>17,000</u>	<u>76,350</u>	<u>314,046</u>	<u>1847.3</u>
Change in net position	<u>(445,192)</u>	<u>(762,389)</u>	<u>(1,175,007)</u>	<u>317,197</u>	<u>(41.6)</u>
Net Position - Beginning	14,168,808	14,931,197	16,106,204	(762,389)	(5.1)
Prior Period Adjustment	<u>25,580</u>	<u>-</u>	<u>-</u>	<u>25,580</u>	<u>N/M</u>
Net Position - Ending	<u>\$ 13,749,196</u>	<u>\$ 14,168,808</u>	<u>\$ 14,931,197</u>	<u>(419,612)</u>	<u>-3.00%</u>

STATEMENT OF CASH FLOWS

The District's rate structure is designed to collect sufficient revenues to pay debt service and recover operating and maintenance expenses. The District successfully accomplished that objective during 2020 with the help of the debt service surcharge and the management infrastructure surcharge. The net cash provided by operating activities by itself would not have been sufficient to pay debt service.

**MARTIN COUNTY WATER DISTRICT OF
INEZ, KENTUCKY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2020**

RESTRICTED ASSETS

Restricted assets were \$295,343 in 2020 compared to \$278,256 in 2019. The District's debt covenants specify the manner in which monies on deposit in the various restricted funds must be used. Restricted assets consist of various accounts for customer meter deposits, debt service and capital projects.

CAPITAL ASSETS

Capital assets, net of accumulated depreciation was \$17,926,113 on December 31, 2020 compared to \$18,387,049 on December 31, 2019 which represents a decrease of \$460,936 or 2.5%. Capital asset additions in 2020 were \$331,042 which consisted of the ARC Water System improvements. Additions were offset by the retirement of numerous items (including pumps, equipment, computer hardware and software, and vehicles which remained in the district records) and depreciation expense of \$786,741.

LONG-TERM DEBT

The District paid principal payments of \$125,000 during the fiscal year. As of December 31, 2020, the District had total long-term debt outstanding of \$2,234,080 of which \$131,281 is due in the next year.

OVERALL ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

The District's overall financial position in 2020 declined as shown by the net position decrease of \$419,612. The District continually strives to improve its financial position as reflected in the District entering a management contract with Alliance Water Resources.

REQUEST FOR INFORMATION

This report is designed to provide our customers, debt holders, and other interested parties with a general overview of the financial position of the District and to indicate accountability for the revenues received. Questions about this report or requests for additional information should be directed to the District Clerk (606-298-3885) at the District's office, 387 East Main Street, Inez, KY 41224.

Basic Financial Statements

Martin County Water DistrictStatement of Net Position
Year Ended December 31, 2020

	<u>2020</u>
ASSETS	
Current Assets	
Cash and cash equivalents	\$ 153,191
Accounts receivable (net)	347,314
Unbilled revenue	62,058
Prepaid expenses	9,050
Accrued interest receivable	2
Inventory	4,566
Total Current Assets	<u>576,181</u>
Restricted Assets	
Cash - Customer deposits	166,222
Cash - Debt service	129,028
Cash - Grants	93
Total Restricted Assets	<u>295,343</u>
Capital Assets	
Water supply & distr. system	27,316,475
Buildings	500,264
Equipment & Furniture	6,398,523
Vehicles & Trailers	307,474
Construction in progress	331,042
Land	214,714
Less: Accumulated depreciation	<u>(17,142,379)</u>
Total Capital Assets	<u>17,926,113</u>
TOTAL ASSETS	<u>18,797,637</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	<u>134,959</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>134,959</u>

The accompanying notes to financial statements are an integral part of this statement.

Martin County Water DistrictStatement of Net Position
Year Ended December 31, 2020

	<u>2020</u>
LIABILITIES	
Current Liabilities	
Accounts payable	1,257,086
Accrued interest	29,378
Sales tax payable	8,896
Customer deposits	74,445
Current portion of long-term debt	131,281
Total Current Liabilities	<u>1,501,086</u>
Long-Term Liabilities	
Long-term portion of debt (net)	2,120,916
Net pension liability	1,080,845
TOTAL LIABILITIES	<u>4,702,847</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	480,553
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>480,553</u>
NET POSITION	
Net investment in capital assets	15,673,916
Restricted for customer deposits	166,222
Restricted for debt service	129,028
Restricted for capital projects	93
Unrestricted	(2,220,063)
TOTAL NET POSITION	<u>\$ 13,749,196</u>

The accompanying notes to financial statements are an integral part of this statement.

Martin County Water District
Statement of Revenues and Expenses and Changes in Net Position
Year Ended December 31, 2020

	2020
Operating Revenues	
Water sales	\$ 2,146,384
Connection fees	22,872
Late charge fees	13,416
Debt service surcharge	107,436
MIS Water surcharge	193,180
Other fees	20,144
Miscellaneous income	14,311
Total Operating Revenues	2,517,743
Operating Expenses	
Management & operations contract	1,985,039
Employee benefits	(119,701)
Utilities	320,969
Insurance	48,400
Repairs and maintenance	6,511
Outside services	6,831
Legal	6,975
Accounting	25,000
Bad debt	118,530
Dues & subscriptions	3,700
Office Expense	3,339
Rental	9,053
Regulatory assessment fees	5,983
Depreciation	786,741
Miscellaneous	1,093
Total Operating Expenses	3,208,463
Operating Income	(690,720)
Non-operating Income (Expenses)	
Interest expense	(80,217)
Bond trustee fees	(450)
Gain (loss) on disposal of assets	(5,237)
Interest income	386
Total Non-operating Income (Expenses)	(85,518)
Change in Net Position Before Contributions	(776,238)
Capital grants and contributions	331,046
Change in Net Position	(445,192)
Net Position - Beginning	14,168,808
Prior Period Adjustment	25,580
Net Position - Ending	\$ 13,749,196

The accompanying notes to financial statements are an integral part of this statement.

Martin County Water DistrictStatement of Cash Flows
Year Ended December 31, 2020

	<u>2020</u>
Cash Flows From Operating Activities	
Cash received from customers	\$ 2,561,255
Cash payments for goods and services	(2,129,876)
Cash payments for employees and benefits	(97,689)
Net Cash Provided by Operating Activities	<u>333,690</u>
Cash Flows From Capital and Related Financing Activities	
Payments for capital assets	(331,042)
Principal repayments	(124,620)
Interest and other charges paid	(86,523)
Capital grants	331,046
Net Cash Provided By Capital and Related Financing Activities	<u>(211,139)</u>
Cash Flows From Investing Activities	
Interest received	386
Net Cash Provided By Investing Activities	<u>386</u>
Net Increase (Decrease) In Cash and Cash Equivalents	122,937
Cash and Cash Equivalents - Beginning of Year	<u>325,597</u>
Cash and Cash Equivalents - End of Year	<u>\$ 448,534</u>
Reconciliation of Cash and Cash Equivalents	
Cash and cash equivalents	\$ 153,191
Restricted cash and cash equivalents	
Cash - Customer deposits	166,222
Cash - Debt service	129,028
Cash - Grants	93
Total Cash and Cash Equivalents	<u>\$ 448,534</u>
Reconciliation Of Operating Income To Net Cash Provided By Operating Activities	
Operating income	\$ (690,720)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	786,741
Change in assets and liabilities:	
Accounts receivable	(225,607)
Unbilled receivables	255,491
Inventory	3,811
Prepaid expenses	4,730
Accounts payable	406,905
Customer deposits	13,628
Payroll liabilities	(97,689)
Sales tax payable	1,101
Other accrued liabilities	(5,000)
Net pension obligation	(119,701)
Net Cash Provided By Operating Activities	<u>\$ 333,690</u>

The accompanying notes to financial statements are an integral part of this statement.

**Notes to the
Financial Statements**

1) Summary of Significant Accounting Policies

The Martin County Water District (the District) was authorized by action of the Martin County Fiscal Court. The Martin County Water District Side A was formed December 1, 1962. On August 31, 1996 the Fiscal Court, with approval of the Kentucky Public Service Commission, merged Section A and B. The District is a Special Purpose Government Entity (SPGE) recognized by the Kentucky department of Local Government. The District is governed by the Martin county Utility Board, which is comprised of Commissioners appointed by the Martin County Fiscal Court. The District provides potable water directly to residential and commercial customers in the Martin County area.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization's governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization's resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt, or the levying of taxes. The District has no component units.

The District's annual financial report includes all accounts of the Martin County Water District. The accounting policies of the District conform to generally accepted accounting principles. The following is a summary of such significant policies:

A) Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of the District constitute the equivalent of enterprise funds, and therefore, only these funds are presented. These funds consist of a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenses.

B) Capital Assets and Long-Term Liabilities

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their estimated fair value on the date donated.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net position) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Cost of water/sewer system	5 - 50 years
Building	5 - 50 years
Office furniture and equipment	5 - 10 years
Vehicles	5 years

1) Significant Accounting Policies (Concluded)

C) Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

D) Budgets and Budgetary Accounting

The District's Board of Commissioners receives and approves an annual budget from management each calendar year fulfilling the requirement to prepare an annual budget as required by all SPGE's for the Kentucky Department of Local Government.

E) Restricted Assets

Restricted cash and cash equivalents represent amounts held in trust at the bank and are set aside for customer security deposits, bond sinking, reserves and depreciation funds as required by the bond ordinance and for grant purposes. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

F) Inventory

Inventory is priced at the lower of cost or market on a first-in, first-out (FIFO) basis or market value.

G) Cash and Cash Equivalents

The District considers all cash and cash equivalents to include all demand deposits as well as short-term investments with a maturity of less than three months from the date acquired by the District.

H) Reserves for net position

The amount restricted in net position is the amount that has been set aside for payments of long-term debt. The restricted amount equals the restricted cash and cash equivalents as reported in the statement of net position.

I) Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the County Employees' Retirement System (CERS) and additions to/deductions from CERS fiduciary net position have been determined on the same basis as they are reported by CERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value.

2) Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3) Accounts Receivable

Accounts receivable are presented, when considered necessary, net of an allowance for doubtful accounts.

4) Long-Term Debt

KIA

The District obtained a loan in the amount of \$1,329,826 from the Kentucky Infrastructure Authority (KIA) to provide water to customers in the Martin County area. Payments accrue monthly, with a maturity date of June 2027 and interest rate of 3.00%. The collateral for the loan is service revenue.

KACO

The District purchased vehicles and equipment by obtaining \$200,000 of funding from the Kentucky Association of Counties (KACO). Payments accrue monthly, with a maturity date of 2025 and interest rate of 1.85%. The collateral for the loan is service revenue.

KRW Bond Refunding

The District initiated improvements of its water system by obtaining funding from the United States Department of Agriculture (USDA) Division of Rural Development (RD). The RD loans were refunded on May 12, 2015 from the Kentucky Rural Water Finance Corporation Public Projects.

Series 2015E Current Refunding

RD loans of \$2,008,100 were refunded on May 12, 2015 by \$2,010,000 par amount public project fund bond from the Kentucky Rural Water Finance Corporation. The new debt bears interest from 2.10 – 4.10% maturing on February 1, 2044. The premium on the refunding, totaling \$22,363 is presented as an increase in the face amount of the long-term debt payable and is being amortized using the straight-line method over the term of the debt. Amortization for the year ended December 31, 2020 amounted to \$765.

The District is obligated to make payments in amounts sufficient to satisfy the new debt service. The collateral for the loan is service revenue.

4) Long-Term Debt (Continued)

The following is a summary of outstanding debt as of December 31, 2020:

	<u>2020</u>
Series 2015 E Revenue Bonds	
\$2,010,000 Revenue Bonds due in yearly installments of \$30,000 to \$55,000 from January 2016 through June 2045, interest rates at 2.10% to 4.10%.	\$ 1,765,000
Kentucky Infrastructure Authority Loan	
\$1,329,826.43 loan due in monthly installments of \$5,620.58 from 1991 through June 2027, interest rate is 3.00%.	397,858
Kentucky Association of Counties Equipment Lease	
\$200,000 variable rate lease due in annual installments of \$5,000 to \$15,000 from March 20, 2006 through 2025, base rental interest of 4.25%.	<u>71,222</u>
Total Debt Payable	2,234,080
Add: Unamortized Premium	18,117
Less: Current Portion	<u>(131,281)</u>
Long-Term Portion of Debt Payable	<u><u>\$ 2,120,916</u></u>

The following is a summary of bond principal requirements as of December 31:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	131,281	78,829	210,110
2022	132,993	74,382	207,375
2023	134,757	69,887	204,644
2024	141,574	65,221	206,795
2025	139,669	60,782	200,451
2026-2030	468,806	251,544	720,350
2031-2035	430,000	176,418	606,418
2036-2040	390,000	93,276	483,276
2041-2045	265,000	27,774	292,774
Totals	<u>\$ 2,234,080</u>	<u>\$ 898,113</u>	<u>\$ 3,132,193</u>

The changes in long-term debt for the year ended December 31, 2020 are as follows:

	<u>2020</u>
Balance, Beginning	\$ 2,358,700
Additions	-
Retirements	<u>(124,620)</u>
Balance, Ending	<u><u>\$ 2,234,080</u></u>

5) Cash and Investments

The carrying amount of the District's deposits was \$448,534 at year end December 31, 2020, and the bank balances totaled \$447,184. As of December 31, 2020, \$250,000 was covered by federal depository insurance and \$95,987 was collateralized with securities held by the financial institution in the District's name and \$101,197 was deposited in institutional liquidity funds.

The institutional liquidity funds are invested in U.S. Government Agency money market funds. Due to the nature and liquidity of the government agency money market funds, they are considered cash on the Statement of Net Position and Statement of Cash Flows.

6) Litigation

At December 31, 2020, there were no claims or lawsuits pending against the District.

7) Concentration of Credit Risk

The District provides virtually all of its services to the residents of Martin County Water District and derives the majority of its revenues from water service to those residents. Further, the District is subject to regulation by state statutes and the Environmental Protection Agency.

8) Capital Assets

Capital assets during the year ended December 31, 2020 consisted of the following:

	Balance at January 1	Additions	Deductions	Balance at December 31
Water Supply & Distribution System	\$ 27,328,169	\$ -	\$ (11,694)	\$ 27,316,475
Buildings	500,264	-	-	500,264
Equipment & Furniture	6,563,220	-	(164,697)	6,398,523
Vehicles & Trailers	346,665	-	(39,191)	307,474
	<u>34,738,318</u>	<u>-</u>	<u>(215,582)</u>	<u>34,522,736</u>
Accumulated Depreciation	(16,565,983)	(786,741)	210,345	(17,142,379)
Construction in Progress	-	331,042	-	331,042
Land	214,714	-	-	214,714
Total Capital Assets	<u>\$ 18,387,049</u>	<u>\$ (455,699)</u>	<u>\$ (5,237)</u>	<u>\$ 17,926,113</u>

Depreciation expense for the year ended December 31, 2020 amounted to \$786,741.

9) Related Party Transactions

There were no related party transactions during the year ended December 31, 2020.

10) Pension Plan:

Plan Description:

Employees whose positions do not require a degree beyond a high school diploma are covered by the CERS, a cost-sharing multiple-employer defined benefit pension plan administered by the Kentucky General Assembly. The plan covers substantially all regular full-time members employed in non-hazardous duty positions of each county and school board, and any additional eligible local agencies electing to participate in the plan. The plan provides for retirement, disability and death benefits to plan members. CERS issues a publicly available financial report included in Kentucky Retirement Systems Annual Report that includes financial statements and the required supplementary information for CERS. That report may be obtained by writing to Kentucky Retirement Systems, Perimeter Park West, 1260 Louisville Road, Frankfort, Kentucky, 40601, or by calling (502) 564-4646 or at <https://kyret.ky.gov>.

Benefits Provided:

Benefits under the plan will vary based on final compensation, years of service and other factors as fully described in the plan documents.

Contributions:

Funding for CERS is provided by members, who contribute 5.00% (6.00% for employees hired after September 1, 2008) of their salary through payroll deductions, and by employers of members. For the year ending December 31, 2020 employers were required to contribute 19.30% of the member's salary. During the year ended December 31, 2020, the District contributed \$69,664 to the CERS pension plan. The contribution requirements of CERS are established and may be amended by the CERS Board of Trustees.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2020, the District reported a \$1,080,845 liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was based on an actuarial valuation as of June 30, 2019. An expected total pension liability as of June 30, 2019 was determined using standard roll-forward techniques. The District's proportion of the net pension liability was based on contributions to CERS during the fiscal year ended December 31, 2020. At December 31, 2020 the District's proportion was .014092%.

For the year ended December 31, 2020, the District recognized pension expense of \$(50,037) related to CERS. At December 31, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26,953	\$ -
Changes in assumptions	42,205	-
Net difference between projected and actual earnings on pension plan investments	46,851	19,804
Changes in proportion and differences between District contributions and proportionate share of contributions	18,950	460,749
Total	<u>\$ 134,959</u>	<u>\$ 480,553</u>

10) Pension Plan (Continued)

Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed five year period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions are amortized over the average service life of all members. These will be recognized in pension expense as follows:

<u>Year Ended</u>	
2021	\$ (161,805)
2022	(178,039)
2023	(16,613)
2024	10,863
2025	-
	<u>\$ (345,594)</u>

Actuarial Methods and Assumptions for Determining the Total Pension Liability and Net Pension Liability

The total pension liability, net pension liability, and sensitivity information as of June 30, 2020 were based on an actuarial valuation date of June 30, 2019. The total pension liability was rolled-forward from the valuation date (June 30, 2019) to the plan's fiscal year ending June 30, 2020, using generally accepted actuarial principles. There have been no changes in actuarial assumptions since June 30, 2019.

The following actuarial methods and assumptions were used to determine the actuarially determined contributions effective for fiscal year ending June 30, 2020:

Valuation Date	June 30, 2018
Experience Study	July 1, 2013 - June 30, 2018
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Remaining Amortization Period	25 years, Closed
Payroll Growth Rate	2.00%
Asset Valuation Method	20% of the difference between the market value of assets and the expected actuarial value of assets is recognized
Inflation	2.30%
Salary Increase	3.30% to 11.55%
Investment Rate of Return	6.25%

The mortality table used for active members is RP-2000 Combined Mortality Table projected with Scale BB to 2013 (multiplied by 50% for males and 30% for females). For healthy retired members and beneficiaries, the mortality table used is the RP-2000 Combined Mortality Table projected with Scale BB to 2013 (set-back for one year for females). For disabled members, the RP-2000 Combined Disability Mortality Table projected with Scale BB to 2013 (set-back four years for males) is used for the period after disability retirement.

10) Pension Plan (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return was determined by using a building-block method in which best-estimate ranges of expected future real rate of returns are developed for each asset class. The ranges are combined by weighting the expected future real rate of return by the target asset allocation percentage. The target allocation and best estimates of arithmetic real rate of return for each major asset class are summarized in the tables below.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Growth	62.50%	
US Equity	18.75%	4.50%
Non-US Equity	18.75%	5.25%
Private Equity	10.00%	6.65%
Specialty Credit/High Yield	15.00%	3.90%
Liquidity	14.50%	
Core Bonds	13.50%	-0.25%
Cash	1.00%	-0.75%
Diversifying Strategies	23.00%	
Real Estate	5.00%	5.30%
Opportunistic	3.00%	2.25%
Real Return	15.00%	3.95%
Expected Real Return	100.00%	3.96%
Long Term Inflation Assumption		2.30%
Expected Nominal Return for Portfolio		6.26%

Discount Rate:

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return of 7.50%. The long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate:

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 6.25%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.25%) or 1-percentage-point higher (7.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	5.25%	6.25%	7.25%
CERS			
District's proportionate share of net pension liability	\$ 1,332,917	\$ 1,080,845	\$ 872,120

10) Pension Plan (Concluded)

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the separately issued CERS financial report which is publicly available at <https://kyret.ky.gov>.

Payables to the Pension Plan:

There are no payables to CERS at December 31, 2020.

11) Grants

In August 2018, the District received a grant from the Appalachian Regional Commissioner (ARC) in the amount of \$1,200,000. The District intends to use the proceeds from this grant to improve the Martin County Water System. As of December 31, 2020, the District has used \$424,396 of these funds.

12) Commitments

The District has a full service operating agreement with Alliance Water Resources, Inc. through December 31, 2024, which provides for the operation of the water system. The amount to be paid under the basic agreement for operating the water system is \$2,022,079 for the year ending December 31, 2021 with the compensation for the balance of the contract to be negotiated on an annual basis.

13) Contingencies

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the District's financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the District is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for the next fiscal year.

14) Subsequent Events

Subsequent events have been considered through March 22, 2021, the date the financial statements were available to be issued.

Required Supplementary Information

Martin County Water District

Required Supplementary Information
 Schedule of the District's Proportionate Share of the Net Pension Liability
 December 31, 2020

	Reporting Fiscal Year (Measurement Date) 2020 (2019)	Reporting Fiscal Year (Measurement Date) 2019 (2018)	Reporting Fiscal Year (Measurement Date) 2018 (2017)	Reporting Fiscal Year (Measurement Date) 2017 (2016)	Reporting Fiscal Year (Measurement Date) 2016 (2015)	Reporting Fiscal Year (Measurement Date) 2015 (2014)
County Employee's Retirement System:						
District's proportion of the net pension liability	0.01%	0.02%	0.02%	0.03%	0.02%	0.02%
District's proportionate share of the net pension liability	\$ 1,080,845	\$ 1,739,483	\$ 1,459,298	\$ 1,255,723	\$ 1,065,280	\$ 750,000
State's proportionate share of the net pension liability associated with the District	-	-	-	-	-	-
Total	\$ 1,080,845	\$ 1,739,483	\$ 1,459,298	\$ 1,255,723	\$ 1,065,280	\$ 750,000
District's covered-employee payroll	\$ -	\$ 599,725	\$ 588,225	\$ 693,688	\$ 593,711	\$ 559,494
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	311.44%	290.05%	248.08%	181.02%	179.26%	134.05%
Plan fiduciary net position as a percentage of the total pension liability	47.81%	50.45%	53.54%	59.00%	59.97%	66.80%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Martin County Water District
 Required Supplementary Information
 Schedule of Contributions
 December 31, 2020

County Employee's Retirement System:	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 69,664	\$ 101,193	\$ 85,993	\$ 82,452	\$ 84,846	\$ 104,892	\$ 97,385
Contributions in relation to the contractually required contribution	69,664	101,193	85,993	82,452	84,846	104,892	97,385
Contribution deficiency (excess)	<u>\$ -</u>						
District's covered-employee payroll	\$ -	\$ 599,725	\$ 588,225	\$ 574,250	\$ 693,688	\$ 593,711	\$ 559,494
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	N/A	16.23%	14.58%	14.36%	12.23%	17.67%	17.41%

Note: Schedule is intended to show information for the last 10 fiscal years. Additional years will be displayed as they become available.

Compliance Section



**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Board of Directors
Martin County Water District
Inez, Kentucky

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Martin County Water District (District), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Martin County Water District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Martin County Water District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Martin County Water District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and responses as items 2020-001, and 2020-002.

**Independent Auditor's Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards* (Concluded)**

District's Response to Findings

Martin County Water District's response to the findings identified in our audit is described in the accompanying schedule of findings and responses. Martin County Water District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wade Stables P.C.

Wade Stables P.C.
Certified Public Accountants

March 22, 2021
Hannibal, Missouri

Compliance Findings

2020-001 - Payments Remitted in Accordance with State Statutes

Criteria:

Per KRS Statute 65.140, purchases must be paid within 30 days of receipt of an invoice for cities, counties and special purpose government entities.

Condition:

The District was not paying bills according to KRS 65.140.

Cause:

The District did not have the funds available to meet their financial obligations.

Effect:

The District's ability to do business with vendors including those who provide parts and services for maintenance and repairs on the water system has been affected and could greatly impact the public who depend on the District's ability to provide a clean and safe water supply.

Recommendation:

Procedures should be implemented to ensure financial obligations are fulfilled timely.

Views of Responsible Officials:

Management will work with vendors to make payment plans where necessary and work toward making payments within 30 days as required.

2020-002 – Debt Service Requirements

Criteria:

Per loan agreement, the District has covenanted to maintain a depreciation and replacement reserve special account and to fund it until such account is equal to five percent (5%) of the original principal amount of the loan, \$66,491, in order to ensure loan obligations can be paid.

Condition:

The District is not in compliance with loan covenants.

Cause:

The District did not deposit the required amount into a depreciation and replacement reserve special account during 2020.

Effect:

The District could be deemed in default due to failure of compliance.

Recommendation:

Procedures should be put in place to immediately fund the full reserve requirement of \$66,491.

Views of Responsible Officials:

Management will make a plan to fully fund depreciation and replacement reserve account per loan covenant.

ATTACHMENT 4(f)

Martin County Water District

Net Income on a Cash Basis (Snapshot) EXCLUDES DEPRECIATION (format Revised 28 July 20)

	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
REVENUE												
Customer Count	3,388	3,369	3,386	3,370	3,390	3,424	3,463	3,481	3,490	3,496	3,501	3,501
Payments Received	\$234,262	\$207,152	\$195,082	\$199,144	\$221,999	\$195,535	\$207,448	\$237,043	\$188,022	\$213,095	\$178,105	\$201,732
EXPENSES												
Operations Account	\$286,613	\$249,774	\$223,121	\$223,319	\$221,129	\$227,410	\$236,598	\$228,784	\$239,610	\$247,224	\$233,190	\$232,012
Transfers for debt serv funding	\$19,150	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800	\$17,800
Payment Plans	\$6,625	\$6,500	\$6,500	\$5,500	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DSS EXP / (FUNDING)	(\$8,978)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
MIS EXP / (FUNDING)												
Sub total	\$303,410	\$274,074	\$247,421	\$246,619	\$238,929	\$245,210	\$254,398	\$246,584	\$257,410	\$265,024	\$250,990	\$249,812
NET INCOME												
Cash Basis	-\$69,148	-\$66,922	-\$52,339	-\$47,475	-\$16,930	-\$49,675	-\$46,950	-\$9,541	-\$69,388	-\$51,929	-\$72,885	-\$48,080

Monthly Avg = -\$50,105

Notes:

- 1: **Payments Received** are those received for the full month
- 2: **Expenses** are those planned and presented in the Board Packet for the referenced month
- 3: **Payment Plans** are payments towards outstanding debt not funded by DSS **Current balance= \$277,383 (Some fin charges forgiven & Prestonburg City decreased)**
- 4: **Operations Account Includes** the estimated DSS and MIS transfers (See list of Bills in Board Packet)
- 5: **MIS EXP** estimated funds applied to AWR Invoice (An Operations Account Expense) estimated DSS and MIS transfers
- 6: MIS fund beginning balance January 2020-of \$12,244 applied to AWR fee in June
- 7: Balance of debt -payments to be funded with unused DSS= **\$502,572**
- 8: **Based on the requirements there will be deposits and subsequent withdrawals in DSS/MIS accounts with a likely sum of zero monthly**

ATTACHMENT 4(g)

WATER LOSS DISCUSSION & STRATEGY

Water loss is a well-documented issue in Martin County. This is an obvious drain on the District resources and is outlined in detail in the 2018 rate filing which used 2016 as the test year. Water loss continued to range between 60% and 70% in test year 2020.

The Kentucky Public Service Commission (PSC) allows only the expenses associated with 15 percent water loss to be included in the rate base. If the current rate application includes only the expenses associated with a 15 percent water loss, the District would not have adequate revenue to cover associated chemical and power expenses and the District would continue to suffer financially (approximately \$206,000 in annual expense not recovered through the rates).

Water Produced TY 2020	Avg Water Loss	Acceptable Water loss for Rate Setting	Chemical & Power Costs/1,000 gals	Unrecovered Expense Based on 15% Criteria
642,773,000	65%	15%	\$0.64	\$205,687

The District is working hard on improving water loss. A systematic approach is being deployed, but progress will take time. The certainty is that a lack of adequate funds to operate the system cause an unreasonable amount of time and effort being used to operate a system that has been maintained below acceptable standards. The next step is to fund the system adequately. An application was made in the 2018 District Rate submittal to use the alternative of 39%.

Water Produced TY 2020	Avg Water Loss	Acceptable Water loss for Rate Setting	Chemical & Power Costs/1,000 gals	Unrecovered Expense Based on 39% Criteria
642,773,000	65%	39%	\$0.64	\$106,957

The PSC Revenue Requirement Calculation with Depreciation would require a \$1,060,932 or 49.43% increase in revenue from rates. (Attachment 4a)

The District is requesting that no reduction to this Rate Adjustment Request be made based on the 15% water loss requirement. Considering the above and the fact that the District has submitted a request without using the normally included depreciation expenses. Depreciation and asset replacement will be addressed for the immediate future as discussed in the Executive Summary.

The Outline of the Water Loss Program being currently implemented in the District is attached for review as well as the FYE 2020 Production Cost worksheet.

DATE CREATED	PROCESS NAME
1 JAN 2020	Water Loss Control Program
VERSION NO.	CREATED BY
1	JAS
PROCEDURE NO.	PROCESS OWNER
P AWR 09-01	Director of Operations
DATE OF LAST UPDATE	LAST UPDATED BY
1 JULY 2020	JAS

I. INTRODUCTION

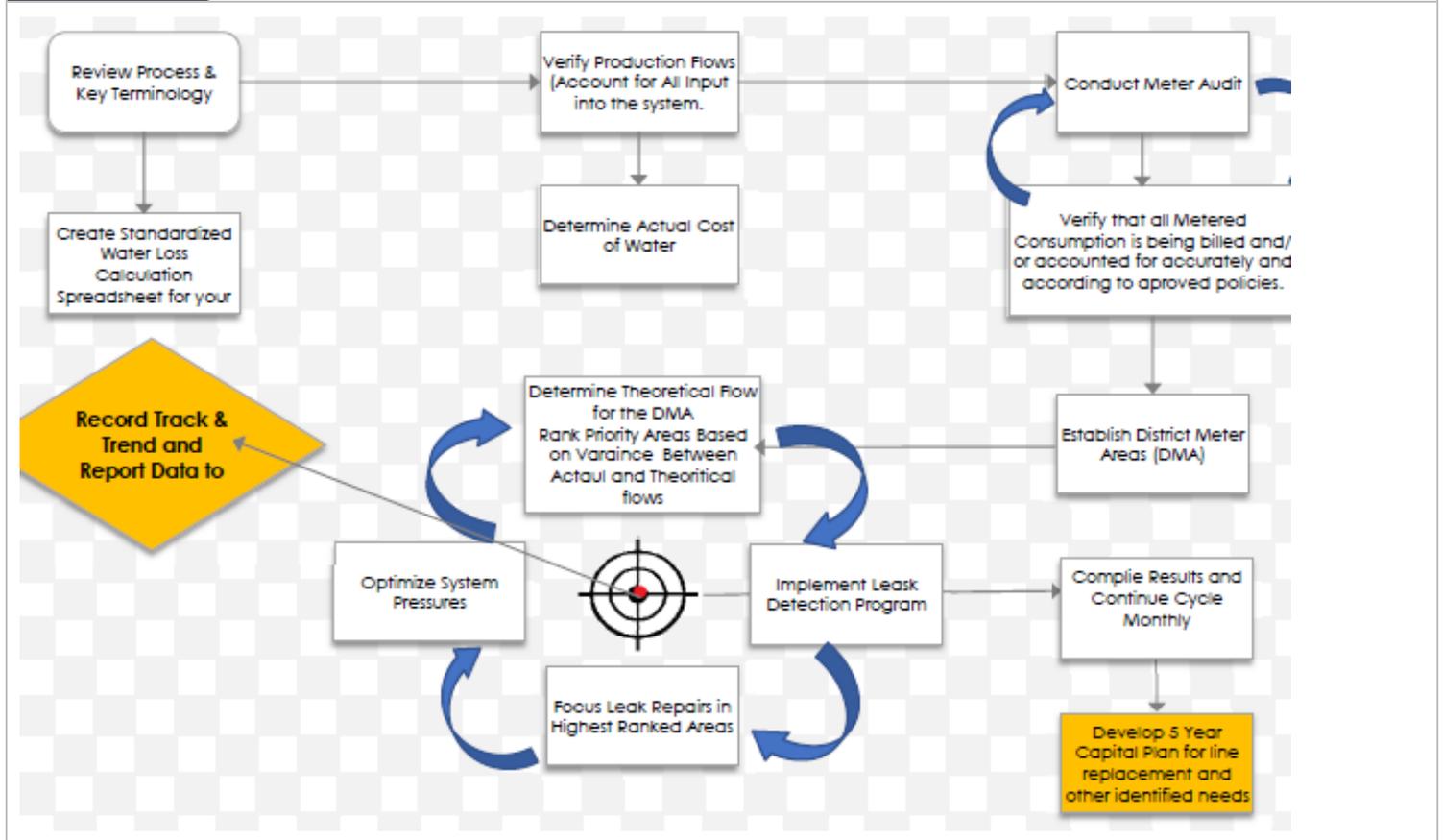
PURPOSE	The Purpose of the Water Loss Control Program is to outline the methods used in the AWWA M36 manual in such a manner as to make them easy to follow and readily available for all AWR staff and partner communities. The program is designed to be implemented at the division level under the supervision of the Local Manager and guidance of the Division Manager.
SCOPE	The water loss program has four primary areas that are meant to be addressed and improved using a standardized Water Loss Control Program: <ol style="list-style-type: none"> 1. Limiting unnecessary or wasteful source water withdrawals. 2. Optimizing revenue recovery and promoting equity among ratepayers/ 3. Minimizing distribution system disruptions, optimizing supply efficiency, and generating reliable performance data. 4. Improve system integrity by reducing the potential for contamination in the water distribution system.
DOCUMENT MANAGEMENT	This is document is the controlled by the Director of Operations or the Assigned Division Manager (ADM) identified as the Owner of the Process. All changes to the Program must be approved by the ADM or DO after being reviewed at a DM meeting.
ROLES AND RESPONSIBILITIES	
ROLE	RESPONSIBILITY
Director of Operations	Ensure that the PROCESS is current and that the attached files are accessible and relevant. Review the Process/ Program on a Semi -Annual Basis- make sure that feedback is vetted and incorporated into the program and associated documents when appropriate.
Division Manager	Responsible for ensuring that each location (with a distribution system) under their supervision has implemented and working on the AWR Water Loss Control Program
Local Manager	The Local Manger is responsible for carrying out the objectives of the Program as well as developing guides, forms, sop's etc. that are unique to his/her location.
Director of Safety & Regulatory Compliance	The Director of Safety & Compliance will ask to see information on Core Processes when he is conducting routine audits – any findings of note will be shared with DoO and the appropriate DM.

II. PROCESS

OVERVIEW	
STEP	ACTIVITY
1.	Review & Understand Key Terminology (TABLE: T AWR 09-01)
2.	Verify Production Flow (GUIDE: G AWR 09-02)
3.	Verify Metered Revenue & Non-Revenue Flows- (GUIDE AWR 09-03)
4.	Determine Actual Cost of Water (Production Cost Calculator, (SPREADSHEET: SS AWR 09-01))
5.	Create Standardized Water Loss Calculation Spreadsheet for your Division (USE AWR TEMPLATE: ES AWR 09-02)
6.	Establish District Meter Areas (DMA) (GUIDE AWR 09-05)
7.	Determine Theoretical Flow for the DMA (SPREADSHEET: (SS AWR 09-01))
8.	Implement Leak Detection Program
9.	Optimize System Pressures
10.	Develop 5 Year Capital Plan for line replacement and other identified needs
11.	Record, Track, Trend and Report Data to Governing Body

FLOW

[FLOW CHART for AWR WATER LOSS CONTROL PROGRAM](#)



III. MEASUREMENTS

MEASUREMENT CONVENTIONS	
$\% \text{ Of Non-Revenue Water} = \text{Water Sold} \div \text{Total of all Water Produced and/ or Purchased}$	
$\% \text{ of Unaccounted} = \text{Water Sold} + \text{Accounted for Non-Revenue Water} \div \text{Total Water Produced and/or Purchased}$	
Infrastructure Leakage Index- Performance Indicator for leakage management in distribution systems, G AWR 09-04	

IV. REFERENCES

MATERIAL TYPE	NAME	LOCATION / LINK
MANUAL	Water Audits and Loss Control Programs (AWWA M36)	RM AWR 09-01
FLOW CHART	AWR Water Loss Control Program	FC AWR 09-02
GUIDE	Verifying Production Flow guide	G AWR 09-02
SPREADSHEET	Production Cost Calculator	SS AWR 09-01
SPREADSHEET	Water Loss Calculation Template	SS AWR 09-02
TABLE	Key Water Loss Terms	T AWR 09-01
SPREADSHEET	Meter Audit Template	SS AWR 09-03
GUIDE	Verify Metered Consumption	G AWR 09-03
GUIDE	Understanding the Infrastructure Leak Index (ILI)	G AWR 09-04
SPREADSHEET	District Metered Area Tracker	SS AWR 09-04
GUIDE	Keys for Establishing District Metered Areas	G AWR 09-05
GUIDE	WSUP Non- Revenue Water Guide	G AWR 09-06
GUIDE	EPA Water Loss Guide (An Introduction)	G AWR 09-07
GUIDE	Leak Detection Program Keys	G AWR 09-08

V. CHANGE HISTORY

VERSION	DATE	DESCRIPTION OF CHANGE IMPLEMENTED	COMPLETED BY
1	31 MAR 2020	Initial Codification of Program & Director Review	DoO



WATER TREATMENT PRODUCTION COSTS

Basic Costs of Water Production Only

DIV # 7

Year: 2020

System Name: Martin County Water District

PWSID: KY0800273

Total Gallons Treated: 642,773,000

MG Produced per FTE: 142.8

Number of FTE: 4.5

Man-Hours Cost

# of Manhours assigned to	Total Wages	Total Fringe	Annual Costs
9360	\$144,144	\$43,243	\$187,387

This report does not include analytical and other water system operational or maintenance costs. For determining customer and wholesale rates consider a cost of service study.

Total Annual Man-Hours Cost	\$187,387
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Labor Costs /1,000 Gals	\$0.29
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Chemical Cost

Chemical Name	Units (lbs or gals)	Cost per Unit	AVG Monthly Cost	Chemical Name	Units (lbs or gals)	Cost per Unit	AVG Monthly Cost
DELPAC			\$3,413	PHOSPHATE			\$21
POLYMER			\$268	CAUSTIC			\$474
HYPOCHLORIT			\$1,864	COPPER SULFATE			\$699
FLUORIDE			\$826	CARBON			\$749
SODIUM PERM			\$1,149				\$0

Total Annual Chemical Cost:	\$113,575
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Energy Cost & Consumption (Annual)		
Treatment Facility:	Cost	KWH
WTP	\$107,155.11	765393.6429
Other Associated	\$187,513.18	1375572
	Cost	BTU (MM)
Gas for heating (BTU):	\$0.00	0
Total Energy Cost Annual:		\$294,668
Total Energy Consumption (KWH)		2140966
MG PROD/ KWH CONSUMED		300.2

Total Electrical Cost:	\$294,668
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Total Heating Cost:	\$0
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Total Labor	\$187,387
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TOTAL COSTS	\$595,630
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Production Cost Per Thousand Gallons: \$0.93

ATTACHMENT 4(h)

AFFORDABILITY DISCUSSION & STRATEGY

Affordability is a major concern for the District as it is for many communities across the state and nation. The issues are complex and typically stem from years of deferring infrastructure replacement and upgrades to avoid rate increases. This is often politically expedient, but ultimately has severe impact on end users when decades of inattention must be addressed.

In 2019 the AWWA published a study stating that basic water and sewer services cost an average of 12.5% of the disposable income for those in the 20th percentile of household income. The District leadership is concerned that any rate increase will have negative impacts on these individuals but neglecting to adequately fund the system will be devastating to the future of the community.

Strategies to Address Affordability and Future Needs:

The District Staff will continue to work with state agencies and the MCCC group to take advantage of opportunities to assist those in need with accessing available federal and state funding, as well as seeking all grants both state and federal that become available for District infrastructure.

The District leadership and AWR are working towards holding the AWR management fee the same in 2022, while increasing the amount of the repair and chemical cap by \$40,000 while offsetting the increase with a reduction in AWR expenses.

The District leadership is in the process of seeking a loan to pay off the outstanding vendor debt and work to negotiate a reduction in those debts when funds are available.

AWR absorbed \$65,689 in District Expenses in 2020. AWR will continue to work with the District to control O&M costs.

The District being aware of the affordability issue is not requesting an increase which would include funding depreciation. However, we believe the rate request is reasonable and addresses the current operations and maintenance fund deficiency. Funding depreciation and a replacement fund will be a priority in the future. It is the hope of the District that all parties recognize that systems are now in place which include the involvement of State and Private entities to make real progress in Martin County and continuing to inadequately fund the District will have devastating impacts on that progress, and ultimately the citizens of Martin County.

ATTACHMENT 5

BILLING ANALYSIS WITH CURRENT USAGE & RATES

Martin County Water District

SUMMARY

Meter Size	Gallons Sold	Revenue
5/8 inch	147,182,958	\$2,057,913.18
1 inch	3,207,200	\$36,717.80
1-1/2 inch	291,940	\$6,635.80
2 inch	7,280,310	\$94,940.02
3 inch	2,312,400	\$21,640.16
4 inch	5,144,000	\$48,615.48
Totals	165,418,808	\$2,266,462.44

Actual Test Period Billed Revenue \$2,266,462.44

Billed revenue based on Incode billing software. Due to accuracy concerns with BillXpress, sheet is based on 6 months during the test period which is when INCODE was initiated. Total annual calculated through annualizing the 6 months.

ATTACHMENT 6

BILLING ANALYSIS WITH USAGE & PROPOSED RATES

Martin County Water District

SUMMARY

Meter Size	Gallons Sold	Revenue
5/8 inch	147,182,958	\$2,298,194.40
1 inch	3,207,200	\$41,794.06
1-1/2 inch	291,940	\$7,901.32
2 inch	7,280,310	\$111,410.96
3 inch	2,312,400	\$25,482.14
4 inch	5,144,000	\$54,599.40
Totals	165,418,808	\$2,539,382.28

Test Period Proposed Revenue \$2,539,382.28

Billed revenue based on Incode billing software. Due to accuracy concerns with BillXpress, sheet is based on 6 months during the test period which is when INCODE was initiated. Total annual calculated through annualizing the 6 months.

Actual Test Period Billed Revenue \$2,266,462.44

Proposed Test Period Billed Revenue \$2,539,382.28

Increased Revenue \$272,919.84

ATTACHMENT 7

Tax Group Summary 1/01/20 - 12/31/20

FYE: 12/31/2020

Group	Cost Beginning	Cost Acquisitions	Cost Disposals	Cost Ending	Depreciation Prior	Depreciation Additions	Depreciation Reductions	Depreciation Ending
303 - Land - Land rights	214,713.83	0.00	0.00	214,713.83	0.00	0.00	0.00	0.00
304 - Structures	500,263.89	0.00	0.00	500,263.89	158,053.62	9,229.15	0.00	167,282.77
305 - collecting & impo	288,202.65	0.00	0.00	288,202.65	73,287.58	824.49	0.00	74,112.07
306 - Lakes, rivers, & ir	2,173,720.33	0.00	8,246.00	2,165,474.33	771,141.84	43,474.42	4,580.76	810,035.50
310 - Power generation	15,000.00	0.00	0.00	15,000.00	13,500.00	1,500.00	0.00	15,000.00
311 - Pumping Equipme	423,755.46	0.00	5,614.32	418,141.14	365,998.05	22,008.56	5,614.32	382,392.29
320 - Water treat	4,929,868.17	0.00	0.00	4,929,868.17	1,854,149.08	94,591.04	0.00	1,948,740.12
330 - Dist Reservoir & S	4,073,521.12	0.00	0.00	4,073,521.12	1,343,462.15	81,056.89	0.00	1,424,519.04
331 - Transmit & dist	20,275,958.60	0.00	3,447.07	20,272,511.53	10,278,219.27	498,093.20	1,875.38	10,774,437.09
334 - Meters & meter in	513,796.82	0.00	0.00	513,796.82	268,618.29	13,748.22	0.00	282,366.51
335 - Hydrants	2,969.00	0.00	0.00	2,969.00	2,377.32	89.16	0.00	2,466.48
339 - Other plant & mis	887,576.68	0.00	1,365.00	886,211.68	831,982.89	7,743.62	1,365.00	838,361.51
340 - office furn & equi	184,349.04	0.00	114,339.33	70,009.71	178,112.09	1,819.60	114,339.33	65,592.36
341 - Transportation Eq	346,665.05	0.00	39,191.40	307,473.65	320,707.97	9,819.00	39,191.40	291,335.57
343 - Tools	30,931.10	0.00	26,481.00	4,450.10	29,720.42	279.39	26,481.00	3,518.81
344 - Lab equipment	14,402.81	0.00	0.00	14,402.81	14,402.81	0.00	0.00	14,402.81
345 - Power operate eq	52,129.25	0.00	0.00	52,129.25	44,363.14	1,276.62	0.00	45,639.76
346 - Communications c	25,207.88	0.00	16,896.88	8,311.00	17,886.28	1,187.29	16,896.88	2,176.69
Grand Total	34,953,031.68	0.00	215,581.00	34,737,450.68	16,565,982.80	786,740.65	210,344.07	17,142,379.38

Tax Asset Detail 1/01/20 - 12/31/20

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 303 - Land - Land rights												
1		Land	1/01/70	19,950.00	0.00	0.00	0.00	0.00	0.00	19,950.00	Land	0.00
2		Land	1/01/73	1,000.00	0.00	0.00	0.00	0.00	0.00	1,000.00	Land	0.00
3		Land - intake - Mills	1/01/94	8,364.00	0.00	0.00	0.00	0.00	0.00	8,364.00	Land	0.00
4		Land	1/01/95	614.00	0.00	0.00	0.00	0.00	0.00	614.00	Land	0.00
5		Land reservoir	11/30/96	14,200.00	0.00	0.00	0.00	0.00	0.00	14,200.00	Land	0.00
6		Land reservoir	8/28/96	6,000.00	0.00	0.00	0.00	0.00	0.00	6,000.00	Land	0.00
7		Land - reservoir legal costs	12/31/96	10,019.00	0.00	0.00	0.00	0.00	0.00	10,019.00	Land	0.00
8		Land - Don Mills	7/16/99	3,500.00	0.00	0.00	0.00	0.00	0.00	3,500.00	Land	0.00
9		Land	1/01/70	350.00	0.00	0.00	0.00	0.00	0.00	350.00	Land	0.00
10		Land - Lonnie Crum	7/08/97	50,000.00	0.00	0.00	0.00	0.00	0.00	50,000.00	Land	0.00
11		Land	1/01/70	4,500.00	0.00	0.00	0.00	0.00	0.00	4,500.00	Land	0.00
12		Land - Spears	1/01/85	3,000.00	0.00	0.00	0.00	0.00	0.00	3,000.00	Land	0.00
13		Land	10/12/01	1,500.00	0.00	0.00	0.00	0.00	0.00	1,500.00	Land	0.00
14		Land	9/25/01	3,000.00	0.00	0.00	0.00	0.00	0.00	3,000.00	Land	0.00
333		Land	1/01/77	500.00	0.00	0.00	0.00	0.00	0.00	500.00	Land	0.00
334		Right of Ways	1/01/77	1,652.00	0.00	0.00	0.00	0.00	0.00	1,652.00	Land	0.00
335		Right of way Murphy	6/28/84	2,186.42	0.00	0.00	0.00	0.00	0.00	2,186.42	Land	0.00
336		Right of way	12/24/94	20,129.46	0.00	0.00	0.00	0.00	0.00	20,129.46	Land	0.00
337		Right of way	6/30/96	3,192.50	0.00	0.00	0.00	0.00	0.00	3,192.50	Land	0.00
338		Land from Coleman oil	7/01/98	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	Land	0.00
339		Land from Don Mills	7/16/99	3,500.00	0.00	0.00	0.00	0.00	0.00	3,500.00	Land	0.00
340		Right of way (Bown property)	5/16/00	700.00	0.00	0.00	0.00	0.00	0.00	700.00	Land	0.00
347		Easement - Grover Murphy	5/29/02	1,500.00	0.00	0.00	0.00	0.00	0.00	1,500.00	Land	0.00
348		Land - Kermit Bowen	5/14/02	6,000.00	0.00	0.00	0.00	0.00	0.00	6,000.00	Land	0.00
369		Land survey - Buffalo Horn tank	8/12/03	3,167.13	0.00	0.00	0.00	0.00	0.00	3,167.13	Land	0.00
386		Easement - Buck Creek (Effie Allen)	11/02/04	6,517.15	0.00	0.00	0.00	0.00	0.00	6,517.15	Land	0.00
502		Clear well tank site	10/17/06	8,019.00	0.00	0.00	0.00	0.00	0.00	8,019.00	Land	0.00
523		John & Icle Copley property	9/20/07	18,575.17	0.00	0.00	0.00	0.00	0.00	18,575.17	Land	0.00
555		Land - James W Copley	6/26/08	3,078.00	0.00	0.00	0.00	0.00	0.00	3,078.00	Land	0.00
632		Land - raw water intake - D Mills	3/08/13	5,000.00	0.00	0.00	0.00	0.00	0.00	5,000.00	Land	0.00
303 - Land - Land rights				214,713.83	0.00c	0.00	0.00	0.00	0.00	214,713.83		

Group: 304 - Structures

94		Improvements	1/01/70	31,986.00	0.00	0.00	31,672.44	313.56	31,986.00	0.00	S/L	50.00
100		Blacktop	1/01/87	650.00	0.00	0.00	650.00	0.00	650.00	0.00	S/L	10.00
104		Paving Parking Lot	1/01/90	5,350.00	0.00	0.00	5,350.00	0.00	5,350.00	0.00	S/L	10.00
191		New office	1/01/93	15,731.00	0.00	0.00	15,731.00	0.00	15,731.00	0.00	S/L	25.00
240		Septic Tank	1/01/87	767.00	0.00	0.00	767.00	0.00	767.00	0.00	S/L	50.00
361		Plant electrical system improvement	12/01/02	11,547.22	0.00	0.00	3,945.88	230.94	4,176.82	7,370.40	S/L	50.00
387		Warehouse	9/27/04	11,878.62	0.00	0.00	3,628.14	237.57	3,865.71	8,012.91	S/L	50.00
428		Structure improvements	1/06/05	2,500.00	0.00	0.00	750.00	50.00	800.00	1,700.00	S/L	50.00
429		Structure improvement - engineerir	12/21/05	12,125.00	0.00	0.00	3,389.00	242.50	3,631.50	8,493.50	S/L	50.00
481		Engineering	3/27/06	45,050.00	0.00	0.00	12,389.00	901.00	13,290.00	31,760.00	S/L	50.00
503		Grant administration	6/26/06	1,625.00	0.00	0.00	433.00	32.50	465.50	1,159.50	S/L	50.00
504		Grant administration	9/18/06	2,125.00	0.00	0.00	558.00	42.50	600.50	1,524.50	S/L	50.00
505		Engineering and design	11/28/06	84,013.48	0.00	0.00	21,980.54	1,680.27	23,660.81	60,352.67	S/L	50.00
576		Improvements 09	9/17/09	2,400.00	0.00	0.00	492.00	48.00	540.00	1,860.00	S/L	50.00

Tax Asset Detail 1/01/20 - 12/31/20

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 304 - Structures (continued)												
577		40 East & West pumping stations	9/02/09	272,515.57	0.00	0.00	56,317.62	5,450.31	61,767.93	210,747.64	S/L	50.00
		304 - Structures		<u>500,263.89</u>	<u>0.00c</u>	<u>0.00</u>	<u>158,053.62</u>	<u>9,229.15</u>	<u>167,282.77</u>	<u>332,981.12</u>		
Group: 305 - collecting & impoun												
15		Landfill dam	1/01/70	210,488.00	0.00	0.00	0.00	0.00	0.00	210,488.00	Land	0.00
16		Concrete Spillway	1/01/70	72,180.00	0.00	0.00	71,466.20	713.80	72,180.00	0.00	S/L	50.00
370		Reservoir dam improvements	8/01/03	5,534.65	0.00	0.00	1,821.38	110.69	1,932.07	3,602.58	S/L	50.00
		305 - collecting & impoun		<u>288,202.65</u>	<u>0.00c</u>	<u>0.00</u>	<u>73,287.58</u>	<u>824.49</u>	<u>74,112.07</u>	<u>214,090.58</u>		
Group: 306 - Lakes, rivers, & in												
17		River project	1/01/88	752,546.00	0.00	0.00	583,362.84	15,050.92	598,413.76	154,132.24	S/L	50.00
18		River pump modifications	1/01/91	9,822.00	0.00	0.00	6,723.88	196.44	6,920.32	2,901.68	S/L	50.00
19		River pump modifications	1/01/92	3,950.00	0.00	0.00	2,590.00	79.00	2,669.00	1,281.00	S/L	50.00
20	d	Myers submersible pump	6/30/96	8,246.00	0.00	0.00	4,415.84	164.92	4,580.76	3,665.24	S/L	50.00
388		Turkey pumping station	8/18/04	10,297.97	0.00	0.00	3,158.92	205.96	3,364.88	6,933.09	S/L	50.00
430		Tug fork intake	4/13/05	3,075.86	0.00	0.00	913.04	61.52	974.56	2,101.30	S/L	50.00
431		Tug Fork intake	10/07/05	17,256.50	0.00	0.00	4,916.26	345.13	5,261.39	11,995.11	S/L	50.00
432		Tug fork intake	12/21/05	32,319.30	0.00	0.00	9,044.78	646.39	9,691.17	22,628.13	S/L	50.00
482		Raw water intake	2/23/06	17,585.28	0.00	0.00	4,868.42	351.71	5,220.13	12,365.15	S/L	50.00
483		Raw water intake	3/15/06	888.00	0.00	0.00	248.52	17.76	266.28	621.72	S/L	50.00
524		PR valves	1/01/07	9,095.76	0.00	0.00	2,365.84	181.92	2,547.76	6,548.00	S/L	50.00
525		Raw water intake	1/31/07	4,228.00	0.00	0.00	1,097.12	84.56	1,181.68	3,046.32	S/L	50.00
526		Raw water intake pump service	4/17/07	6,731.05	0.00	0.00	1,709.24	134.62	1,843.86	4,887.19	S/L	50.00
527		Raw water intake	6/08/07	5,604.50	0.00	0.00	1,409.18	112.09	1,521.27	4,083.23	S/L	50.00
608		System air compressor	1/26/11	4,557.14	0.00	0.00	812.28	91.14	903.42	3,653.72	S/L	50.00
622		Raw water intake pumps & rehab	10/01/12	135,199.34	0.00	0.00	19,603.98	2,703.99	22,307.97	112,891.37	S/L	50.00
644		Pump and deep well rehab	8/01/14	1,132,350.00	0.00	0.00	122,671.00	22,647.00	145,318.00	987,032.00	S/L	50.00
657		Pit ladder	12/15/16	19,967.63	0.00	0.00	1,230.70	399.35	1,630.05	18,337.58	S/L	50.00
		306 - Lakes, rivers, & in		<u>2,173,720.33</u>	<u>0.00c</u>	<u>0.00</u>	<u>771,141.84</u>	<u>43,474.42</u>	<u>814,616.26</u>	<u>1,359,104.07</u>		
		*Less: Dispositions and Transfers		<u>8,246.00</u>	<u>0.00</u>	<u>0.00</u>	<u>4,415.84</u>	<u>0.00</u>	<u>4,580.76</u>	<u>3,665.24</u>		
		Net 306 - Lakes, rivers, & in		<u>2,165,474.33</u>	<u>0.00c</u>	<u>0.00</u>	<u>766,726.00</u>	<u>43,474.42</u>	<u>810,035.50</u>	<u>1,355,438.83</u>		
Group: 310 - Power generation eq												
645		Generator	7/10/15	15,000.00	0.00	0.00	13,500.00	1,500.00	15,000.00	0.00	S/L	5.00
		310 - Power generation eq		<u>15,000.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>13,500.00</u>	<u>1,500.00</u>	<u>15,000.00</u>	<u>0.00</u>		
Group: 311 - Pumping Equipment												
350		2 High service pumps	11/15/02	11,547.20	0.00	0.00	11,547.20	0.00	11,547.20	0.00	S/L	5.00
351		Pump South Eastern lab	1/15/02	12,591.54	0.00	0.00	12,591.54	0.00	12,591.54	0.00	S/L	5.00
352	d	Pump - South Eastern lab	8/21/02	3,000.00	0.00	0.00	3,000.00	0.00	3,000.00	0.00	S/L	5.00
371		Flowserve pump overhaul	10/23/03	8,568.37	0.00	0.00	8,568.37	0.00	8,568.37	0.00	S/L	5.00
372		RPM Pump overhaul	2/28/03	5,240.00	0.00	0.00	5,240.00	0.00	5,240.00	0.00	S/L	5.00

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 311 - Pumping Equipment (continued)												
373		Otto Brown station pump overhaul	7/17/03	14,677.80	0.00	0.00	14,677.80	0.00	14,677.80	0.00	S/L	5.00
374		Peter Cave pump station	8/11/03	1,282.45	0.00	0.00	1,282.45	0.00	1,282.45	0.00	S/L	5.00
389		Pump - Turkey pumping station	8/16/04	14,281.21	0.00	0.00	14,281.21	0.00	14,281.21	0.00	S/L	5.00
390		Pump Turkey pumping station	8/18/04	2,267.50	0.00	0.00	2,267.50	0.00	2,267.50	0.00	S/L	5.00
433		Sludge & slurry pump	2/21/05	11,048.81	0.00	0.00	11,048.81	0.00	11,048.81	0.00	S/L	5.00
434		Pumps	9/05/05	4,387.36	0.00	0.00	4,387.36	0.00	4,387.36	0.00	S/L	5.00
435	d	Pump	12/07/05	1,190.00	0.00	0.00	1,190.00	0.00	1,190.00	0.00	S/L	5.00
484	d	Pump	1/01/06	1,240.00	0.00	0.00	1,240.00	0.00	1,240.00	0.00	S/L	5.00
506		Pump	11/01/06	7,398.17	0.00	0.00	7,398.17	0.00	7,398.17	0.00	S/L	5.00
528	d	Pump	6/11/07	184.32	0.00	0.00	184.32	0.00	184.32	0.00	S/L	5.00
529		Pump - Moodys of Dayton	1/04/07	29,000.00	0.00	0.00	29,000.00	0.00	29,000.00	0.00	S/L	5.00
530		Pump - Wascon	4/19/07	11,691.00	0.00	0.00	11,691.00	0.00	11,691.00	0.00	S/L	5.00
556			10/15/08	33,324.00	0.00	0.00	33,324.00	0.00	33,324.00	0.00	S/L	5.00
578		40 East & West pumps	3/24/09	35,600.00	0.00	0.00	35,600.00	0.00	35,600.00	0.00	S/L	5.00
579			11/17/09	668.49	0.00	0.00	668.49	0.00	668.49	0.00	S/L	5.00
580		50 HP pump	11/18/09	3,409.00	0.00	0.00	3,409.00	0.00	3,409.00	0.00	S/L	5.00
581		Goodwin pump GSP300-HV 6	11/25/09	4,426.35	0.00	0.00	4,426.35	0.00	4,426.35	0.00	S/L	5.00
582		River pump install	12/04/09	2,579.20	0.00	0.00	2,579.20	0.00	2,579.20	0.00	S/L	5.00
600		NI - 10 Deep well pump	1/19/10	39,698.25	0.00	0.00	39,698.25	0.00	39,698.25	0.00	S/L	5.00
609		MI10-1200-4 Deep well pump	8/19/11	44,479.00	0.00	0.00	44,479.00	0.00	44,479.00	0.00	S/L	5.00
610		Pump	12/11/11	1,648.50	0.00	0.00	1,648.50	0.00	1,648.50	0.00	S/L	5.00
633		Pumping equip - Replace pump	6/17/13	1,428.00	0.00	0.00	1,428.00	0.00	1,428.00	0.00	S/L	5.00
638		Pump	8/14/13	2,030.16	0.00	0.00	2,030.16	0.00	2,030.16	0.00	S/L	5.00
643		Stenner pump	6/23/14	580.99	0.00	0.00	580.99	0.00	580.99	0.00	S/L	5.00
648		Auuaboost pump	12/18/15	1,299.99	0.00	0.00	1,040.00	259.99	1,299.99	0.00	S/L	5.00
658		Davella pump - Soles electric	3/10/16	5,687.30	0.00	0.00	4,359.92	1,137.46	5,497.38	189.92	S/L	5.00
659		Pump - soles electric	3/23/16	19,315.63	0.00	0.00	14,486.26	3,863.13	18,349.39	966.24	S/L	5.00
660		Vertical pump - CI Throburg	5/02/16	1,658.50	0.00	0.00	1,216.40	331.70	1,548.10	110.40	S/L	5.00
661		5HP pump - Albert Crush	7/16/16	2,209.88	0.00	0.00	1,509.96	441.98	1,951.94	257.94	S/L	5.00
662		Pump - soles electric	9/09/16	19,800.00	0.00	0.00	13,200.00	3,960.00	17,160.00	2,640.00	S/L	5.00
673		Toshiba ASI VFD 100hp	8/01/17	5,660.00	0.00	0.00	684.00	283.00	967.00	4,693.00	S/L	20.00
677		Pump VFD (CI)	5/10/18	14,652.49	0.00	0.00	5,553.70	2,930.50	8,484.20	6,168.29	S/L	5.00
678		Soles pump rehab	1/27/18	14,000.00	0.00	0.00	5,366.67	2,800.00	8,166.67	5,833.33	S/L	5.00
679		Soles pumping (pump rehab)	7/17/18	7,784.00	0.00	0.00	2,205.47	1,556.80	3,762.27	4,021.73	S/L	5.00
683		VFD Install - Raw Water VFD Proj	5/10/18	7,260.00	0.00	0.00	2,420.00	1,452.00	3,872.00	3,388.00	S/L	5.00
684		Altivar VFD	6/26/18	14,960.00	0.00	0.00	4,488.00	2,992.00	7,480.00	7,480.00	S/L	5.00
		311 - Pumping Equipment		423,755.46	0.00c	0.00	365,998.05	22,008.56	388,006.61	35,748.85		
		*Less: Dispositions and Transfers		5,614.32	0.00	0.00	5,614.32	0.00	5,614.32	0.00		
		Net 311 - Pumping Equipment		418,141.14	0.00c	0.00	360,383.73	22,008.56	382,392.29	35,748.85		
Group: 320 - Water treat												
23		Treatment equipment	1/01/70	203,291.00	0.00	0.00	203,291.00	0.00	203,291.00	0.00	S/L	50.00
24		Treatment plant equipment	1/01/88	1,055,302.00	0.00	0.00	970,877.08	21,106.04	991,983.12	63,318.88	S/L	50.00
25		Chlorinator	1/01/95	5,871.00	0.00	0.00	3,588.84	117.42	3,706.26	2,164.74	S/L	50.00
354		Backwash equipment	12/01/02	5,773.61	0.00	0.00	2,989.92	174.96	3,164.88	2,608.73	S/L	33.00
355		Sludge basin/chemical feeders & eq	12/01/02	34,641.66	0.00	0.00	11,838.66	692.83	12,531.49	22,110.17	S/L	50.00
375		AWS plant equipment overhaul	6/02/03	5,640.54	0.00	0.00	1,873.62	112.81	1,986.43	3,654.11	S/L	50.00

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 320 - Water treat (continued)												
391		Water chamber model mlt - 1	10/13/04	1,997.00	0.00	0.00	609.88	39.94	649.82	1,347.18	S/L	50.00
436		Bearing for clarifier	6/06/05	17,764.00	0.00	0.00	5,177.56	355.28	5,532.84	12,231.16	S/L	50.00
486		Engineering	5/09/06	30,125.00	0.00	0.00	8,229.00	602.50	8,831.50	21,293.50	S/L	50.00
487		Grant administration	5/09/06	5,000.00	0.00	0.00	1,367.00	100.00	1,467.00	3,533.00	S/L	50.00
531		Auto switch chlorinator	6/19/07	12,328.00	0.00	0.00	3,086.12	246.56	3,332.68	8,995.32	S/L	50.00
557		Clarifier Improvements	1/02/08	40,878.00	0.00	0.00	9,815.12	817.56	10,632.68	30,245.32	S/L	50.00
601		Water treatment clarifier	10/22/10	3,386,415.79	0.00	0.00	620,840.64	67,728.32	688,568.96	2,697,846.83	S/L	50.00
611		Water treatment equipment	9/12/11	259.98	0.00	0.00	42.40	5.20	47.60	212.38	S/L	50.00
612		Fuser	10/27/11	4,042.50	0.00	0.00	660.70	80.85	741.55	3,300.95	S/L	50.00
613		Submersible pump	10/27/11	1,709.80	0.00	0.00	278.40	34.20	312.60	1,397.20	S/L	50.00
634		Dechlorinator	5/02/13	1,930.29	0.00	0.00	259.22	38.61	297.83	1,632.46	S/L	50.00
646		Clarifier rehab	9/29/15	64,449.00	0.00	0.00	5,477.96	1,288.98	6,766.94	57,682.06	S/L	50.00
663		Rehab filter 6	5/11/16	52,449.00	0.00	0.00	3,845.96	1,048.98	4,894.94	47,554.06	S/L	50.00
		320 - Water treat		<u>4,929,868.17</u>	<u>0.00c</u>	<u>0.00</u>	<u>1,854,149.08</u>	<u>94,591.04</u>	<u>1,948,740.12</u>	<u>2,981,128.05</u>		
Group: 330 - Dist Reservoir & St												
26		Storage tanks	1/01/70	49,723.00	0.00	0.00	49,216.92	506.08	49,723.00	0.00	S/L	50.00
27		Storage tanks	1/01/81	200,601.00	0.00	0.00	156,486.04	4,012.02	160,498.06	40,102.94	S/L	50.00
78		Water storage facilities & tanks	12/01/01	600,058.25	0.00	0.00	217,018.34	12,001.17	229,019.51	371,038.74	S/L	50.00
341		Water tank #1	1/01/77	71,915.00	0.00	0.00	61,841.60	1,438.30	63,279.90	8,635.10	S/L	50.00
342		Water tank #4	1/01/77	66,524.00	0.00	0.00	57,202.96	1,330.48	58,533.44	7,990.56	S/L	50.00
343		Refurbish watertanks	12/07/90	10,653.00	0.00	0.00	8,374.84	287.92	8,662.76	1,990.24	S/L	37.00
344		Water tank (extension)	12/15/94	331,001.00	0.00	0.00	166,052.04	6,620.02	172,672.06	158,328.94	S/L	50.00
346		Storage tank	1/01/88	136,440.75	0.00	0.00	95,598.64	2,728.82	98,327.46	38,113.29	S/L	50.00
356		Engineering - airport tank	3/20/02	38,682.00	0.00	0.00	13,737.28	773.64	14,510.92	24,171.08	S/L	50.00
357		Engineering - Eden tank	3/20/02	30,650.00	0.00	0.00	10,881.00	613.00	11,494.00	19,156.00	S/L	50.00
358		Airport tank - KY glass line	7/31/02	29,930.17	0.00	0.00	10,431.20	598.60	11,029.80	18,900.37	S/L	50.00
376		Inez tanll improvements - TDM	7/17/03	1,716.03	0.00	0.00	558.64	34.32	592.96	1,123.07	S/L	50.00
377		Turkey Hill tank improvements	7/17/03	1,066.22	0.00	0.00	345.64	21.32	366.96	699.26	S/L	50.00
378		Buffalo Horn tank improvements	8/12/03	20,433.22	0.00	0.00	6,713.32	408.66	7,121.98	13,311.24	S/L	50.00
379		Lick Branch improvements	8/13/03	18,743.20	0.00	0.00	6,155.72	374.86	6,530.58	12,212.62	S/L	50.00
380		Airport project engineering	11/26/03	1,204.00	0.00	0.00	386.16	24.08	410.24	793.76	S/L	50.00
381		Twin tanks improvements	12/08/03	25,000.00	0.00	0.00	8,042.00	500.00	8,542.00	16,458.00	S/L	50.00
392		Twin tanks	6/01/04	34,767.50	0.00	0.00	10,831.70	695.35	11,527.05	23,240.45	S/L	50.00
393		Buffalo horn tank	6/01/04	2,080.70	0.00	0.00	653.22	41.61	694.83	1,385.87	S/L	50.00
488		Fence 292 tank site	2/03/06	2,700.00	0.00	0.00	752.00	54.00	806.00	1,894.00	S/L	50.00
558		Clearwell tanks	10/23/08	1,417,982.15	0.00	0.00	316,686.28	28,359.64	345,045.92	1,072,936.23	S/L	50.00
614		Buck Creek storage tank	11/29/11	592,044.96	0.00	0.00	95,714.80	11,840.90	107,555.70	484,489.26	S/L	50.00
635		Trace fork	8/15/13	387,585.40	0.00	0.00	49,741.42	7,751.71	57,493.13	330,092.27	S/L	50.00
686		70 gal. fixed diaphragm tank	12/26/18	2,019.57	0.00	0.00	40.39	40.39	80.78	1,938.79	S/L	50.00
		330 - Dist Reservoir & St		<u>4,073,521.12</u>	<u>0.00c</u>	<u>0.00</u>	<u>1,343,462.15</u>	<u>81,056.89</u>	<u>1,424,519.04</u>	<u>2,649,002.08</u>		
Group: 331 - Transmit & dist												
22		Concrete testing	1/01/88	171.00	0.00	0.00	98.84	3.42	102.26	68.74	S/L	50.00
28		Mains	1/01/88	437,342.25	0.00	0.00	385,730.60	13,252.80	398,983.40	38,358.85	S/L	33.00
29		Glass lined tanks	6/30/97	162,716.81	0.00	0.00	73,215.68	3,254.34	76,470.02	86,246.79	S/L	50.00

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 331 - Transmit & dist (continued)												
30		Asphalt tank site	11/11/97	7,156.08	0.00	0.00	7,156.08	0.00	7,156.08	0.00	S/L	10.00
31		Security fence	11/11/97	3,695.00	0.00	0.00	3,695.00	0.00	3,695.00	0.00	S/L	20.00
32		Pumps	6/30/97	5,561.74	0.00	0.00	5,561.74	0.00	5,561.74	0.00	S/L	10.00
33		Pump Improvements	9/21/99	782.00	0.00	0.00	782.00	0.00	782.00	0.00	S/L	10.00
34		Water lines	1/01/70	423,124.00	0.00	0.00	423,124.00	0.00	423,124.00	0.00	S/L	33.30
35		Water lines & meters	1/01/72	4,063.00	0.00	0.00	4,063.00	0.00	4,063.00	0.00	S/L	33.30
36		Lines & meters	1/01/72	8,101.00	0.00	0.00	8,101.00	0.00	8,101.00	0.00	S/L	33.30
37		Lines & meters	1/01/74	11,170.00	0.00	0.00	11,170.00	0.00	11,170.00	0.00	S/L	33.30
38		Lines & meters	1/01/75	27,025.00	0.00	0.00	27,025.00	0.00	27,025.00	0.00	S/L	33.30
39		Lines	1/01/75	4,142.00	0.00	0.00	4,142.00	0.00	4,142.00	0.00	S/L	33.30
40		Lines & meters	1/01/75	2,229.00	0.00	0.00	2,229.00	0.00	2,229.00	0.00	S/L	33.30
41		Lines & meters	1/01/76	35,173.00	0.00	0.00	35,173.00	0.00	35,173.00	0.00	S/L	33.30
42		Lines & meters	1/01/76	25,785.00	0.00	0.00	25,785.00	0.00	25,785.00	0.00	S/L	33.30
43		Lines	1/01/78	36,176.00	0.00	0.00	36,176.00	0.00	36,176.00	0.00	S/L	33.30
44		Lines & meters	1/01/79	25,097.00	0.00	0.00	25,097.00	0.00	25,097.00	0.00	S/L	33.30
45		Lines & meters	1/01/80	20,882.00	0.00	0.00	20,882.00	0.00	20,882.00	0.00	S/L	33.30
46		Lines & meters	1/01/81	21,855.00	0.00	0.00	21,855.00	0.00	21,855.00	0.00	S/L	33.30
47		Lines	1/01/82	20,113.00	0.00	0.00	20,113.00	0.00	20,113.00	0.00	S/L	33.30
48		Meters	1/01/82	1,252.00	0.00	0.00	1,252.00	0.00	1,252.00	0.00	S/L	33.30
49		Lines	1/01/83	20,883.00	0.00	0.00	20,883.00	0.00	20,883.00	0.00	S/L	33.30
50		Meters	1/01/82	1,751.00	0.00	0.00	1,751.00	0.00	1,751.00	0.00	S/L	33.30
51		Lines	1/01/84	16,235.00	0.00	0.00	16,235.00	0.00	16,235.00	0.00	S/L	33.30
52		Line pump - Copley Hollow	1/01/86	429.18	0.00	0.00	429.18	0.00	429.18	0.00	S/L	10.00
53		Lines and meters	1/01/85	10,401.00	0.00	0.00	10,401.00	0.00	10,401.00	0.00	S/L	33.30
54		Lines and meters	1/01/86	2,736.00	0.00	0.00	2,736.00	0.00	2,736.00	0.00	S/L	33.30
55		Lines and meters	1/01/87	27,175.00	0.00	0.00	26,512.14	662.86	27,175.00	0.00	S/L	33.30
56		Lines and meters	1/01/88	28,611.00	0.00	0.00	27,052.38	859.19	27,911.57	699.43	S/L	33.30
57		Lines and meters	1/01/89	17,698.00	0.00	0.00	16,196.94	531.47	16,728.41	969.59	S/L	33.30
58		Auxier KY 3 Project	1/01/90	110,795.00	0.00	0.00	98,126.36	3,327.18	101,453.54	9,341.46	S/L	33.30
59		Rockcastle Creek Project lines-mete	1/01/90	18,541.00	0.00	0.00	16,425.58	556.79	16,982.37	1,558.63	S/L	33.30
60		Hydrants	1/01/90	23,810.00	0.00	0.00	21,087.04	715.02	21,802.06	2,007.94	S/L	33.30
61		Lines and meters	1/01/91	42,591.00	0.00	0.00	36,445.02	1,279.01	37,724.03	4,866.97	S/L	33.30
62		Lines, meters, & hydrants	1/01/92	21,305.00	0.00	0.00	17,595.58	639.79	18,235.37	3,069.63	S/L	33.30
63		Auxier KY 3 Project lines meters	1/01/92	7,276.00	0.00	0.00	6,001.00	218.50	6,219.50	1,056.50	S/L	33.30
64		Hydrants	1/01/93	34,990.00	0.00	0.00	27,828.50	1,050.75	28,879.25	6,110.75	S/L	33.30
65		Lines and meters	1/01/94	32,224.00	0.00	0.00	24,679.38	967.69	25,647.07	6,576.93	S/L	33.30
66		Industry Development Project	1/01/94	751,768.00	0.00	0.00	575,631.24	22,575.62	598,206.86	153,561.14	S/L	33.30
67		Lines and meters	1/01/95	25,760.00	0.00	0.00	19,084.14	773.57	19,857.71	5,902.29	S/L	33.30
68		Lines, meters, and taps	6/30/96	40,734.00	0.00	0.00	28,741.48	1,223.24	29,964.72	10,769.28	S/L	33.30
69		Waterlines	6/30/97	702,277.00	0.00	0.00	474,504.80	21,089.40	495,594.20	206,682.80	S/L	33.30
70		Waterlines	6/30/97	855,203.90	0.00	0.00	574,641.60	25,681.80	600,323.40	254,880.50	S/L	33.30
73		Lines and meters	7/20/99	4,655.50	0.00	0.00	2,857.60	139.80	2,997.40	1,658.10	S/L	33.30
75		Line relocation - Elk Creek	10/31/00	35,642.00	0.00	0.00	20,509.66	1,070.33	21,579.99	14,062.01	S/L	33.30
77		Main lines and extensions	8/31/01	1,715,331.00	0.00	0.00	628,501.24	34,306.62	663,267.86	1,052,063.14	S/L	50.00
79		Raw water intake & pump station	6/30/01	1,665,131.00	0.00	0.00	616,104.24	33,302.62	649,406.86	1,015,724.14	S/L	50.00
80		Raw water transmission main projec	6/30/01	817,966.00	0.00	0.00	302,642.64	16,359.32	319,001.96	498,964.04	S/L	50.00
81		Engineering fees for construction pr	6/30/01	305,900.00	0.00	0.00	113,183.00	6,118.00	119,301.00	186,599.00	S/L	50.00
82		Engineering fees for construction pr	8/31/01	334,796.00	0.00	0.00	122,759.84	6,695.92	129,455.76	205,340.24	S/L	50.00
83		Construction legal fees	12/01/01	18,249.49	0.00	0.00	6,599.98	364.99	6,964.97	11,284.52	S/L	50.00

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 331 - Transmit & dist (continued)												
85		Meters	9/30/00	7,106.00	0.00	0.00	4,101.78	213.39	4,315.17	2,790.83	S/L	33.30
88		Water extension & tank	12/01/01	258,218.43	0.00	0.00	93,382.74	5,164.37	98,547.11	159,671.32	S/L	50.00
90		Transmitter	5/15/01	1,248.62	0.00	0.00	1,248.62	0.00	1,248.62	0.00	S/L	10.00
97		Pump motor	1/01/84	3,543.00	0.00	0.00	3,543.00	0.00	3,543.00	0.00	S/L	33.00
98		Pump Motor Improvements	1/01/84	3,737.00	0.00	0.00	3,737.00	0.00	3,737.00	0.00	S/L	33.00
99		Pump motor improvements	1/01/84	9,579.00	0.00	0.00	9,579.00	0.00	9,579.00	0.00	S/L	33.00
101		Survey fence	1/01/88	185.00	0.00	0.00	185.00	0.00	185.00	0.00	S/L	33.00
102		Fencing	1/01/89	7,864.00	0.00	0.00	7,864.00	0.00	7,864.00	0.00	S/L	33.00
103		Pump and pole	1/01/81	11,423.00	0.00	0.00	11,423.00	0.00	11,423.00	0.00	S/L	33.00
154		Water lines	1/01/97	1,240,628.00	0.00	0.00	1,240,628.00	0.00	1,240,628.00	0.00	S/L	33.00
161		Waterlines extension	12/15/94	2,128,815.00	0.00	0.00	1,440,827.10	64,509.55	1,505,336.65	623,478.35	S/L	33.00
353	d	2 Chart recorders	11/15/02	3,343.50	0.00	0.00	1,728.64	101.32	1,829.96	1,513.54	S/L	33.00
359		Distribution equipment	12/15/02	46,188.87	0.00	0.00	23,916.32	1,399.66	25,315.98	20,872.89	S/L	33.00
382		Line improvements	4/01/03	51,721.30	0.00	0.00	26,247.62	1,567.31	27,814.93	23,906.37	S/L	33.00
394		Telemetry	5/28/14	318,951.75	0.00	0.00	150,613.40	9,665.20	160,278.60	158,673.15	S/L	33.00
395		KY RT 40 line relocation	6/01/04	82,543.90	0.00	0.00	38,974.66	2,501.33	41,475.99	41,067.91	S/L	33.00
396		Line relocation	6/01/04	12,098.86	0.00	0.00	5,718.26	366.63	6,084.89	6,013.97	S/L	33.00
397		Pressure recorder	9/14/04	1,847.75	0.00	0.00	858.98	55.99	914.97	932.78	S/L	33.00
398		Capital improvements - AWS	9/16/04	124,247.95	0.00	0.00	57,416.18	3,765.09	61,181.27	63,066.68	S/L	33.00
399		Side Hollow - line extension	11/22/04	15,500.00	0.00	0.00	7,088.40	469.70	7,558.10	7,941.90	S/L	33.00
400		Eastern line extension	11/22/04	11,256.00	0.00	0.00	5,143.18	341.09	5,484.27	5,771.73	S/L	33.00
401		Eastern & Side Hollow line extensic	11/22/04	24,744.00	0.00	0.00	11,311.64	749.82	12,061.46	12,682.54	S/L	33.00
402		Line extension design	11/22/04	6,625.00	0.00	0.00	3,031.52	200.76	3,232.28	3,392.72	S/L	33.00
403		Meathouse line extension	11/22/04	8,925.00	0.00	0.00	4,073.90	270.45	4,344.35	4,580.65	S/L	33.00
437		Trans & Dist engineering	1/01/05	10,854.60	0.00	0.00	4,934.86	328.93	5,263.79	5,590.81	S/L	33.00
438		Trans & dist - Grand Admin	1/06/05	4,050.00	0.00	0.00	1,844.46	122.73	1,967.19	2,082.81	S/L	33.00
439		Mains construction	1/10/05	120,342.20	0.00	0.00	54,704.46	3,646.73	58,351.19	61,991.01	S/L	33.00
440		Trans & Dist Engineering	1/24/05	6,179.40	0.00	0.00	2,790.50	187.25	2,977.75	3,201.65	S/L	33.00
441		Mains construction	1/24/05	29,250.00	0.00	0.00	13,216.72	886.36	14,103.08	15,146.92	S/L	33.00
442		Trans mains	3/15/05	10,453.51	0.00	0.00	4,701.54	316.77	5,018.31	5,435.20	S/L	33.00
443		Trans & dist engineering	5/09/05	19,502.00	0.00	0.00	8,667.94	590.97	9,258.91	10,243.09	S/L	33.00
444		Trans mains	5/13/05	1,255.00	0.00	0.00	557.06	38.03	595.09	659.91	S/L	33.00
445		Trans & dist mains grant admin	5/26/05	1,050.00	0.00	0.00	466.64	31.82	498.46	551.54	S/L	33.00
446		Mains construction & materials	6/27/05	70,229.51	0.00	0.00	30,856.34	2,128.17	32,984.51	37,245.00	S/L	33.00
447		PRV	6/30/05	2,158.00	0.00	0.00	943.78	65.39	1,009.17	1,148.83	S/L	33.00
448		Telemetry	7/18/05	69,587.78	0.00	0.00	30,404.44	2,108.72	32,513.16	37,074.62	S/L	33.00
449		Trans & dist materials	7/30/05	2,510.89	0.00	0.00	1,096.18	76.09	1,172.27	1,338.62	S/L	33.00
450		Mains construction & materials	10/04/05	387,950.30	0.00	0.00	167,523.14	11,756.07	179,279.21	208,671.09	S/L	33.00
451		Trans & dist engineering	10/04/05	53,476.00	0.00	0.00	23,085.96	1,620.48	24,706.44	28,769.56	S/L	33.00
452		Mains construction	10/04/05	9,590.00	0.00	0.00	4,146.22	290.61	4,436.83	5,153.17	S/L	33.00
453		Trans & dist engineering	11/10/05	6,625.00	0.00	0.00	2,846.52	200.76	3,047.28	3,577.72	S/L	33.00
454		Mains construction	11/28/05	39,519.24	0.00	0.00	16,871.10	1,197.55	18,068.65	21,450.59	S/L	33.00
455		Trans & dist engineering	12/01/05	81,122.00	0.00	0.00	34,617.48	2,458.24	37,075.72	44,046.28	S/L	33.00
456		Trans & dist grant administration	12/01/05	4,625.00	0.00	0.00	1,972.30	140.15	2,112.45	2,512.55	S/L	33.00
457		Trans & dist engineering	12/01/05	3,975.00	0.00	0.00	1,690.90	120.45	1,811.35	2,163.65	S/L	33.00
458		Mains construction & materials	12/08/05	265,574.30	0.00	0.00	113,342.42	8,047.71	121,390.13	144,184.17	S/L	33.00
459		Trans & dist engineering	12/08/05	11,879.50	0.00	0.00	5,069.96	359.98	5,429.94	6,449.56	S/L	33.00
460		Mains Construction	12/16/05	6,597.50	0.00	0.00	2,799.84	199.92	2,999.76	3,597.74	S/L	33.00
461		Trans & Dist Grant Administration	12/31/05	3,000.00	0.00	0.00	1,273.82	90.91	1,364.73	1,635.27	S/L	33.00

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 331 - Transmit & dist (continued)												
462		Trans & Dist Mains Construction	12/31/05	1,750.00	0.00	0.00	742.06	53.03	795.09	954.91	S/L	33.00
489	d		1/01/06	103.57	0.00	0.00	42.28	3.14	45.42	58.15	S/L	33.00
490		Mains	1/12/06	166,706.80	0.00	0.00	70,727.44	5,051.72	75,779.16	90,927.64	S/L	33.00
491		Engineering	2/06/06	1,000.00	0.00	0.00	418.60	30.30	448.90	551.10	S/L	33.00
492		Mains	3/07/06	132,835.95	0.00	0.00	55,679.66	4,025.33	59,704.99	73,130.96	S/L	33.00
493		Grant Administration	3/07/06	3,450.00	0.00	0.00	1,451.10	104.55	1,555.65	1,894.35	S/L	33.00
494		Engineering	3/29/06	30,886.70	0.00	0.00	12,869.92	935.96	13,805.88	17,080.82	S/L	33.00
495		Telemetry	3/29/06	48,881.97	0.00	0.00	20,364.54	1,481.27	21,845.81	27,036.16	S/L	33.00
498		KY 40 Contract 20 Mains	7/05/06	165,891.23	0.00	0.00	67,865.02	5,027.01	72,892.03	92,999.20	S/L	33.00
499		Mains	7/24/06	11,835.00	0.00	0.00	4,815.28	358.64	5,173.92	6,661.08	S/L	33.00
500		Grant Administration	9/19/06	4,500.00	0.00	0.00	1,802.72	136.36	1,939.08	2,560.92	S/L	33.00
507		Meters	1/01/06	2,016.00	0.00	0.00	854.18	61.09	915.27	1,100.73	S/L	33.00
508		Engineering and Design	5/17/06	17,901.55	0.00	0.00	7,362.94	542.47	7,905.41	9,996.14	S/L	33.00
509		Waterline Construction	6/26/06	24,130.76	0.00	0.00	9,869.48	731.24	10,600.72	13,530.04	S/L	33.00
510		Engineering and Design	6/30/06	3,992.07	0.00	0.00	1,632.94	120.97	1,753.91	2,238.16	S/L	33.00
511		Waterline Construction	8/05/06	70,005.00	0.00	0.00	28,457.72	2,121.36	30,579.08	39,425.92	S/L	33.00
512		Engineering and Design	8/10/06	72,983.07	0.00	0.00	29,677.22	2,211.61	31,888.83	41,094.24	S/L	33.00
513		Waterline Construction	10/02/06	69,534.33	0.00	0.00	27,918.20	2,107.10	30,025.30	39,509.03	S/L	33.00
514		Grant Administration	11/01/06	4,300.00	0.00	0.00	1,712.60	130.30	1,842.90	2,457.10	S/L	33.00
515		Waterline Construction	11/15/06	55,715.09	0.00	0.00	22,225.68	1,688.34	23,914.02	31,801.07	S/L	33.00
516		Engineering and Design	11/28/06	62,000.00	0.00	0.00	24,583.58	1,878.79	26,462.37	35,537.63	S/L	33.00
517		Maintenance	12/18/06	11,691.00	0.00	0.00	4,602.54	354.27	4,956.81	6,734.19	S/L	33.00
518		Grant Administration	9/18/06	3,000.00	0.00	0.00	1,205.82	90.91	1,296.73	1,703.27	S/L	33.00
532		Repair Booster Pump	1/01/07	2,765.00	0.00	0.00	1,091.58	83.79	1,175.37	1,589.63	S/L	33.00
533		Creek Crossing	1/01/07	390.00	0.00	0.00	155.64	11.82	167.46	222.54	S/L	33.00
534		Tri State Directional Boring	1/18/07	49,100.00	0.00	0.00	19,219.76	1,487.88	20,707.64	28,392.36	S/L	33.00
535		Tri State Directional Boring	3/02/07	3,000.00	0.00	0.00	1,167.82	90.91	1,258.73	1,741.27	S/L	33.00
536		G&W Const	3/20/07	6,850.80	0.00	0.00	2,651.20	207.60	2,858.80	3,992.00	S/L	33.00
537		O'Brien & Gere & Kinder	4/19/07	16,617.80	0.00	0.00	6,383.14	503.57	6,886.71	9,731.09	S/L	33.00
538		Consolidated - Pipes	5/02/07	1,927.08	0.00	0.00	735.80	58.40	794.20	1,132.88	S/L	33.00
539		G&W Construction	6/05/07	7,486.84	0.00	0.00	2,855.74	226.87	3,082.61	4,404.23	S/L	33.00
540		O'Brien & Gere	6/05/07	4,583.28	0.00	0.00	1,748.78	138.89	1,887.67	2,695.61	S/L	33.00
541		Kinder Const	7/31/07	23,500.00	0.00	0.00	8,841.24	712.12	9,553.36	13,946.64	S/L	33.00
542		Line Replacement	8/23/07	3,900.00	0.00	0.00	1,455.36	118.18	1,573.54	2,326.46	S/L	33.00
543		Line Replacement Eng & Const	8/27/07	21,767.88	0.00	0.00	8,139.26	659.63	8,798.89	12,968.99	S/L	33.00
544		O'Brien & Gere Line Extensions	10/24/07	6,025.89	0.00	0.00	2,225.20	182.60	2,407.80	3,618.09	S/L	33.00
545		Tri State - Line Extensions	11/06/07	205,331.00	0.00	0.00	75,701.30	6,222.15	81,923.45	123,407.55	S/L	33.00
546		O'Brien & Gere - Engineering	12/13/07	46,000.00	0.00	0.00	16,843.88	1,393.94	18,237.82	27,762.18	S/L	33.00
547		Kinder Const - Line Ext	12/20/07	311,437.55	0.00	0.00	113,245.00	9,437.50	122,682.50	188,755.05	S/L	33.00
548		O'Brien & Gere - Engineering	12/27/07	47,840.00	0.00	0.00	17,399.40	1,449.70	18,849.10	28,990.90	S/L	33.00
559		Water Line Upgrade KY645	2/12/08	80,092.78	0.00	0.00	28,922.10	2,427.05	31,349.15	48,743.63	S/L	33.00
560		Water Mains - Master Meters	5/16/08	86,410.28	0.00	0.00	30,325.98	2,618.49	32,944.47	53,465.81	S/L	33.00
561		Water Line Extension 292	10/07/08	88,957.45	0.00	0.00	30,329.36	2,695.68	33,025.04	55,932.41	S/L	33.00
562		Water Line Upgrades - O&G	2/21/08	26,930.00	0.00	0.00	9,656.12	816.06	10,472.18	16,457.82	S/L	33.00
563		Water Line Replacement - BSAD	11/21/08	16,250.00	0.00	0.00	5,453.84	492.42	5,946.26	10,303.74	S/L	33.00
564		Water Line Extension	4/28/08	3,710.45	0.00	0.00	1,307.88	112.44	1,420.32	2,290.13	S/L	33.00
565		Water Line Extension - Little Laure	8/25/08	1,000.00	0.00	0.00	340.60	30.30	370.90	629.10	S/L	33.00
566		Water Line Extension - Modern Co	10/13/08	2,579.20	0.00	0.00	878.32	78.16	956.48	1,622.72	S/L	33.00
583		Eng Serives - Trace Fork	3/02/08	19,500.00	0.00	0.00	6,401.82	590.91	6,992.73	12,507.27	S/L	33.00

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Group: 331 - Transmit & dist (continued)												
584		Grant Admin - Big Sandy Add	5/13/09	1,625.00	0.00	0.00	523.48	49.24	572.72	1,052.28	S/L	33.00
585		Eng Services 292 Water Lines	5/13/09	16,000.00	0.00	0.00	5,172.70	484.85	5,657.55	10,342.45	S/L	33.00
586		Grant Admin - Leak Detection	8/20/09	1,625.00	0.00	0.00	506.48	49.24	555.72	1,069.28	S/L	33.00
587		Eng Services 292 Water Lines	8/24/09	4,000.00	0.00	0.00	1,250.42	121.21	1,371.63	2,628.37	S/L	33.00
588		Eng Services - 292 Water Lines	9/28/09	3,279.93	0.00	0.00	1,015.78	99.39	1,115.17	2,164.76	S/L	33.00
589		Wascon Auabooost	12/07/09	1,925.00	0.00	0.00	585.66	58.33	643.99	1,281.01	S/L	33.00
602		Waterline Extensions	3/19/10	4,500.00	0.00	0.00	1,326.72	136.36	1,463.08	3,036.92	S/L	33.00
615		Laura Line Water Line	9/26/11	4,206.77	0.00	0.00	1,048.96	127.48	1,176.44	3,030.33	S/L	33.00
616		Water Line	12/30/11	6,000.00	0.00	0.00	1,455.64	181.82	1,637.46	4,362.54	S/L	33.00
617		Water System Improvements	11/01/11	1,498,827.61	0.00	0.00	370,922.04	45,419.02	416,341.06	1,082,486.55	S/L	33.00
623		Line Extension USRC	6/25/12	4,000.00	0.00	0.00	908.42	121.21	1,029.63	2,970.37	S/L	33.00
624		Line Extension Alpha Branch	6/25/12	40,912.32	0.00	0.00	9,299.54	1,239.77	10,539.31	30,373.01	S/L	33.00
625		Line Extension	10/24/12	11,000.00	0.00	0.00	2,387.66	333.33	2,720.99	8,279.01	S/L	33.00
626		Grant MCFC - Line Extensions	12/01/12	1,667,455.40	0.00	0.00	357,913.90	50,528.95	408,442.85	1,259,012.55	S/L	33.00
636		Laura Lane Line Relocation	5/01/13	2,074.32	0.00	0.00	419.72	62.86	482.58	1,591.74	S/L	33.00
637		Line Relocation 2013	6/01/13	15,000.00	0.00	0.00	2,994.10	454.55	3,448.65	11,551.35	S/L	33.00
641		Water Line Cont. 2013	1/31/13	152,405.57	0.00	0.00	31,941.70	4,618.35	36,560.05	115,845.52	S/L	33.00
664		Line Extension	7/29/16	112,095.86	0.00	0.00	11,605.68	3,396.84	15,002.52	97,093.34	S/L	33.00
665		Line Relocation	12/29/16	11,500.00	0.00	0.00	1,044.96	348.48	1,393.44	10,106.56	S/L	33.00
680		KY Engineering (DOT Line Reloca	10/31/18	76,350.00	0.00	0.00	2,699.25	2,313.64	5,012.89	71,337.11	S/L	33.00
685		Kermit Meter Vault	5/13/18	13,923.00	0.00	0.00	703.18	421.91	1,125.09	12,797.91	S/L	33.00
694		Pressure Reducing Valve	6/10/19	2,014.84	0.00	0.00	35.62	61.06	96.68	1,918.16	S/L	33.00
		331 - Transmit & dist		20,275,958.60	0.00c	0.00	10,278,219.27	498,093.20	10,776,312.47	9,499,646.13		
		*Less: Dispositions and Transfers		3,447.07	0.00	0.00	1,770.92	0.00	1,875.38	1,571.69		
		Net 331 - Transmit & dist		20,272,511.53	0.00c	0.00	10,276,448.35	498,093.20	10,774,437.09	9,498,074.44		
Group: 334 - Meters & meter inst												
71		Meters	6/30/97	62,030.37	0.00	0.00	42,205.42	1,879.71	44,085.13	17,945.24	S/L	33.00
72		Meters	9/30/98	26,052.50	0.00	0.00	16,738.94	789.47	17,528.41	8,524.09	S/L	33.00
74		Meter replacements	12/01/99	7,482.00	0.00	0.00	4,552.46	226.73	4,779.19	2,702.81	S/L	33.00
84		Meter replacements	12/01/01	12,332.82	0.00	0.00	6,762.44	373.72	7,136.16	5,196.66	S/L	33.00
86		Meters	12/01/01	15,555.00	0.00	0.00	8,513.72	471.36	8,985.08	6,569.92	S/L	33.00
89		Meter replacements	12/01/01	17,677.84	0.00	0.00	9,692.38	535.69	10,228.07	7,449.77	S/L	33.00
272		Meters	1/01/77	19,189.00	0.00	0.00	19,189.00	0.00	19,189.00	0.00	S/L	33.00
275		4" Meter (Kermit) Line	9/19/80	1,629.00	0.00	0.00	1,629.00	0.00	1,629.00	0.00	S/L	33.00
276		Meter Installation	1/01/80	5,321.00	0.00	0.00	5,321.00	0.00	5,321.00	0.00	S/L	33.00
277		5/8 x 3/4 Meters	1/01/81	231.00	0.00	0.00	231.00	0.00	231.00	0.00	S/L	33.00
278		Meter Installation	1/01/81	4,070.00	0.00	0.00	4,070.00	0.00	4,070.00	0.00	S/L	33.00
279		Meters	1/01/82	2,650.00	0.00	0.00	2,650.00	0.00	2,650.00	0.00	S/L	33.00
280		Meter Installation	1/01/82	6,555.00	0.00	0.00	6,555.00	0.00	6,555.00	0.00	S/L	33.00
281		Installation of Meters	1/01/83	4,385.00	0.00	0.00	4,385.00	0.00	4,385.00	0.00	S/L	33.00
282		Installation of Meters	1/01/83	120.00	0.00	0.00	120.00	0.00	120.00	0.00	S/L	33.00
283		Meters	1/01/83	3,044.00	0.00	0.00	3,044.00	0.00	3,044.00	0.00	S/L	33.00
284		Meters	1/01/84	1,196.65	0.00	0.00	1,196.65	0.00	1,196.65	0.00	S/L	33.00
285		Installation	1/01/84	3,660.00	0.00	0.00	3,660.00	0.00	3,660.00	0.00	S/L	33.00
286		Meters	1/01/85	2,721.00	0.00	0.00	2,721.00	0.00	2,721.00	0.00	S/L	33.00
289		Meter Installation	1/01/86	2,285.00	0.00	0.00	2,285.00	0.00	2,285.00	0.00	S/L	33.00

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 334 - Meters & meter inst (continued)												
290		Meters	2/01/87	175.00	0.00	0.00	167.60	5.30	172.90	2.10	S/L	33.00
291		Meter Installation	2/01/87	1,772.00	0.00	0.00	1,748.40	23.60	1,772.00	0.00	S/L	33.00
292		Meter Installation	1/01/88	3,910.00	0.00	0.00	3,722.96	118.48	3,841.44	68.56	S/L	33.00
295		Meter Installation	1/01/91	4,145.00	0.00	0.00	3,649.22	125.61	3,774.83	370.17	S/L	33.00
299		27 Meters	6/30/98	10,798.32	0.00	0.00	7,018.44	327.22	7,345.66	3,452.66	S/L	33.00
301		Replacement Meters	12/01/99	4,987.00	0.00	0.00	3,029.24	151.12	3,180.36	1,806.64	S/L	33.00
303		Meters	1/01/79	1,987.00	0.00	0.00	1,987.00	0.00	1,987.00	0.00	S/L	33.00
404		1,000 Water Meters	10/15/04	31,000.00	0.00	0.00	14,320.78	939.39	15,260.17	15,739.83	S/L	33.00
463		2 inch meter	1/11/05	2,258.29	0.00	0.00	1,020.86	68.43	1,089.29	1,169.00	S/L	33.00
464		Meter installations	12/01/05	1,505.00	0.00	0.00	647.22	45.61	692.83	812.17	S/L	33.00
549		CI - Meters	2/16/07	1,008.00	0.00	0.00	396.10	30.55	426.65	581.35	S/L	33.00
550		CI - Meters	4/19/07	80,818.02	0.00	0.00	31,021.06	2,449.03	33,470.09	47,347.93	S/L	33.00
551		Vanguard - Master Meters	12/21/07	134,789.72	0.00	0.00	49,019.08	4,084.54	53,103.62	81,686.10	S/L	33.00
618		Water meters	11/23/11	3,622.64	0.00	0.00	888.56	109.78	998.34	2,624.30	S/L	33.00
627		Water Meter - Chelsey Assoc	1/26/12	2,985.65	0.00	0.00	713.94	90.47	804.41	2,181.24	S/L	33.00
647		40 Radio read meters & software	7/08/15	19,520.00	0.00	0.00	2,663.04	591.52	3,254.56	16,265.44	S/L	33.00
649		Hach Meter	8/10/15	1,033.00	0.00	0.00	137.60	31.30	168.90	864.10	S/L	33.00
666		16" Rosemount Meter	3/10/16	6,895.00	0.00	0.00	800.88	208.94	1,009.82	5,885.18	S/L	33.00
674		100 used water meters	11/16/17	1,200.00	0.00	0.00	71.58	34.29	105.87	1,094.13	S/L	35.00
681		E Laurel water meters	1/15/18	1,200.00	0.00	0.00	72.72	36.36	109.08	1,090.92	S/L	33.00
334 - Meters & meter inst				513,796.82	0.00c	0.00	268,618.29	13,748.22	282,366.51	231,430.31		
Group: 335 - Hydrants												
345		Hydrants	1/01/93	2,969.00	0.00	0.00	2,377.32	89.16	2,466.48	502.52	S/L	33.30
335 - Hydrants				2,969.00	0.00c	0.00	2,377.32	89.16	2,466.48	502.52		
Group: 339 - Other plant & misc.												
91		Turbidimeter	12/15/01	12,592.00	0.00	0.00	12,592.00	0.00	12,592.00	0.00	S/L	5.00
92		Water treatment equipment (plant b	1/01/70	216,852.00	0.00	0.00	216,852.00	0.00	216,852.00	0.00	S/L	5.00
93		Improvements	1/01/70	27,562.00	0.00	0.00	27,562.00	0.00	27,562.00	0.00	S/L	5.00
95		Improvement	1/01/80	230,095.00	0.00	0.00	230,095.00	0.00	230,095.00	0.00	S/L	5.00
96		Improvements	1/01/81	6,645.00	0.00	0.00	6,645.00	0.00	6,645.00	0.00	S/L	5.00
105		Turbidity Machine	3/10/98	1,525.74	0.00	0.00	1,525.74	0.00	1,525.74	0.00	S/L	5.00
136		DC water pump	1/01/78	325.00	0.00	0.00	325.00	0.00	325.00	0.00	S/L	5.00
137		3 HP water pump	1/01/79	329.00	0.00	0.00	329.00	0.00	329.00	0.00	S/L	5.00
139		Pipe pusher	11/07/80	1,631.00	0.00	0.00	1,631.00	0.00	1,631.00	0.00	S/L	5.00
140		Meter testing kit	1/01/81	299.39	0.00	0.00	299.39	0.00	299.39	0.00	S/L	5.00
142	d	Wayne Water Pump	1/01/82	323.00	0.00	0.00	323.00	0.00	323.00	0.00	S/L	5.00
143	d	Gas pump	5/16/85	323.00	0.00	0.00	323.00	0.00	323.00	0.00	S/L	5.00
145		Meter test bence	3/05/86	3,595.46	0.00	0.00	3,595.46	0.00	3,595.46	0.00	S/L	10.00
151		Backhoe	7/10/92	9,350.00	0.00	0.00	9,350.00	0.00	9,350.00	0.00	S/L	10.00
155		Water lines	1/01/79	4,389.01	0.00	0.00	3,558.56	87.78	3,646.34	742.67	S/L	50.00
156		Water lines	1/01/80	3,328.92	0.00	0.00	2,636.16	66.58	2,702.74	626.18	S/L	50.00
157		Water lines	1/01/81	6,366.45	0.00	0.00	4,833.66	127.33	4,960.99	1,405.46	S/L	50.00
158		Water lines	1/01/83	16,091.46	0.00	0.00	11,749.66	321.83	12,071.49	4,019.97	S/L	50.00
159		Bone hollow	1/01/88	585.00	0.00	0.00	373.40	11.70	385.10	199.90	S/L	50.00

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 339 - Other plant & misc. (continued)												
160		Water lines sammons	10/17/88	700.00	0.00	0.00	422.00	14.00	436.00	264.00	S/L	50.00
162		Waterlines extension	1/01/95	19,865.79	0.00	0.00	10,189.64	397.32	10,586.96	9,278.83	S/L	50.00
163		Waterlines addition	6/30/96	5,211.90	0.00	0.00	2,446.48	104.24	2,550.72	2,661.18	S/L	50.00
164		Pump	2/16/99	7,349.33	0.00	0.00	3,061.98	146.99	3,208.97	4,140.36	S/L	50.00
165		Hydrolics	1/01/77	423.28	0.00	0.00	423.28	0.00	423.28	0.00	S/L	33.00
166		Hydrolics	2/16/78	416.38	0.00	0.00	416.38	0.00	416.38	0.00	S/L	33.00
167		Hydrant	6/30/88	984.00	0.00	0.00	941.64	29.82	971.46	12.54	S/L	33.00
168		Hydrant-Bone Hollow	10/06/88	935.00	0.00	0.00	879.66	28.33	907.99	27.01	S/L	33.00
169		Hydrant	2/16/90	90.00	0.00	0.00	85.46	2.73	88.19	1.81	S/L	33.00
170		Hydrant - Pigeon Roost	2/15/91	120.00	0.00	0.00	111.28	3.64	114.92	5.08	S/L	33.00
223		Stone settings	1/01/89	876.00	0.00	0.00	876.00	0.00	876.00	0.00	S/L	20.00
226	d	Suction hose	1/01/89	594.00	0.00	0.00	594.00	0.00	594.00	0.00	S/L	5.00
231		Utility marker posts	1/01/90	593.00	0.00	0.00	593.00	0.00	593.00	0.00	S/L	10.00
234		Chlorine gas mark	1/01/91	210.00	0.00	0.00	210.00	0.00	210.00	0.00	S/L	5.00
235		Bench model	1/01/91	703.00	0.00	0.00	703.00	0.00	703.00	0.00	S/L	10.00
242		Testing bench	1/01/88	4,216.00	0.00	0.00	4,216.00	0.00	4,216.00	0.00	S/L	20.00
243	d	Reservior sign	1/01/88	125.00	0.00	0.00	125.00	0.00	125.00	0.00	S/L	20.00
244		Border	1/01/92	5,498.00	0.00	0.00	5,498.00	0.00	5,498.00	0.00	S/L	10.00
250		Cabinet	1/01/93	194.00	0.00	0.00	194.00	0.00	194.00	0.00	S/L	20.00
251		Chemical tank	1/01/93	797.00	0.00	0.00	797.00	0.00	797.00	0.00	S/L	20.00
257		Laboratory turbine	1/01/94	1,388.00	0.00	0.00	1,388.00	0.00	1,388.00	0.00	S/L	10.00
259		Water quality lab	1/01/95	2,964.00	0.00	0.00	2,964.00	0.00	2,964.00	0.00	S/L	10.00
260		Metering pumps	10/08/96	3,901.00	0.00	0.00	3,901.00	0.00	3,901.00	0.00	S/L	10.00
261		Chlorine analyser	6/30/96	2,539.00	0.00	0.00	2,539.00	0.00	2,539.00	0.00	S/L	10.00
262		Lab strinner	6/30/96	2,218.00	0.00	0.00	2,218.00	0.00	2,218.00	0.00	S/L	10.00
264		SCBA air apparat	7/08/97	2,624.00	0.00	0.00	2,624.00	0.00	2,624.00	0.00	S/L	7.00
265		Equipment	10/14/97	1,957.00	0.00	0.00	1,957.00	0.00	1,957.00	0.00	S/L	10.00
267		Backhoe	12/09/97	47,393.00	0.00	0.00	47,393.00	0.00	47,393.00	0.00	S/L	10.00
269		Fencing	4/03/98	1,250.00	0.00	0.00	1,250.00	0.00	1,250.00	0.00	S/L	10.00
270		Paving	11/17/98	2,350.00	0.00	0.00	2,350.00	0.00	2,350.00	0.00	S/L	10.00
271		Gate & fencing	6/22/99	335.00	0.00	0.00	335.00	0.00	335.00	0.00	S/L	10.00
273		Meters	1/01/78	950.00	0.00	0.00	950.00	0.00	950.00	0.00	S/L	33.00
274		Cost of setting meters	1/01/78	2,806.00	0.00	0.00	2,806.00	0.00	2,806.00	0.00	S/L	33.00
287		Installation	1/01/85	4,800.00	0.00	0.00	4,800.00	0.00	4,800.00	0.00	S/L	33.00
288		Meters	1/01/86	759.00	0.00	0.00	759.00	0.00	759.00	0.00	S/L	33.00
293		Meter installation	1/01/89	1,647.50	0.00	0.00	1,523.84	49.92	1,573.76	73.74	S/L	33.00
294		Meter installation	6/30/90	1,680.00	0.00	0.00	1,502.82	50.91	1,553.73	126.27	S/L	33.00
296		Meter installation	6/30/92	3,360.00	0.00	0.00	2,802.64	101.82	2,904.46	455.54	S/L	33.00
297		Meter installations	6/30/93	4,420.00	0.00	0.00	3,549.88	133.94	3,683.82	736.18	S/L	33.00
298		LMI meters	12/15/94	59,814.60	0.00	0.00	45,471.12	1,812.56	47,283.68	12,530.92	S/L	33.00
300		Master meters	2/16/99	2,614.00	0.00	0.00	1,628.00	78.50	1,706.50	907.50	S/L	33.30
302		Meters	1/01/80	893.00	0.00	0.00	893.00	0.00	893.00	0.00	S/L	33.00
304		Meter replacements	12/01/01	5,427.79	0.00	0.00	2,966.96	164.48	3,131.44	2,296.35	S/L	33.00
305		Meters	9/30/00	4,712.00	0.00	0.00	2,732.00	141.50	2,873.50	1,838.50	S/L	33.30
306		Booster station	1/01/77	28,818.00	0.00	0.00	24,786.72	576.36	25,363.08	3,454.92	S/L	50.00
307		Pump	4/27/84	1,807.00	0.00	0.00	1,287.28	36.14	1,323.42	483.58	S/L	50.00
308		Pump	4/27/84	1,649.00	0.00	0.00	1,176.96	32.98	1,209.94	439.06	S/L	50.00
309		Leasehold Improvements	1/01/81	6,478.00	0.00	0.00	6,478.00	0.00	6,478.00	0.00	S/L	7.00
383		Unit air conditioner - lab	4/01/03	970.21	0.00	0.00	970.21	0.00	970.21	0.00	S/L	5.00

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Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 339 - Other plant & misc. (continued)												
465		Trencher & trailer	2/23/05	416.15	0.00	0.00	416.15	0.00	416.15	0.00	S/L	5.00
466		Leak detector	7/01/05	2,360.84	0.00	0.00	2,360.84	0.00	2,360.84	0.00	S/L	5.00
480		Dehumidifier	8/10/05	2,699.24	0.00	0.00	2,699.24	0.00	2,699.24	0.00	S/L	5.00
519		Concrete saw	6/02/06	969.95	0.00	0.00	969.95	0.00	969.95	0.00	S/L	5.00
520		3000 Redmax	6/02/06	449.00	0.00	0.00	449.00	0.00	449.00	0.00	S/L	5.00
552		Kinetrol 120 Vac	10/24/07	208.98	0.00	0.00	208.98	0.00	208.98	0.00	S/L	5.00
567		Portable submersable pump	6/18/08	613.74	0.00	0.00	613.74	0.00	613.74	0.00	S/L	5.00
590		DF26BDT90S4-KSMH	3/02/09	1,106.57	0.00	0.00	1,106.57	0.00	1,106.57	0.00	S/L	5.00
591		Raw water air compressor	4/14/09	1,149.00	0.00	0.00	1,149.00	0.00	1,149.00	0.00	S/L	5.00
603		Kubota Excavator	11/23/10	42,000.00	0.00	0.00	42,000.00	0.00	42,000.00	0.00	S/L	5.00
628		Microcom - Telemetry	9/25/12	8,290.92	0.00	0.00	8,290.92	0.00	8,290.92	0.00	S/L	5.00
639		Leak detection equip	7/17/13	7,064.00	0.00	0.00	7,064.00	0.00	7,064.00	0.00	S/L	5.00
650		Modulating actuatar	3/03/15	5,220.00	0.00	0.00	5,046.00	174.00	5,220.00	0.00	S/L	5.00
651		2.5" hole hammer	4/15/15	4,200.00	0.00	0.00	3,990.00	210.00	4,200.00	0.00	S/L	5.00
652		Air compressor	8/18/15	6,000.00	0.00	0.00	5,200.00	800.00	6,000.00	0.00	S/L	5.00
655		CICRO-COM equipment	12/21/15	1,264.00	0.00	0.00	1,011.60	252.40	1,264.00	0.00	S/L	5.00
667		Fire equipment	2/22/16	4,000.00	0.00	0.00	3,067.00	800.00	3,867.00	133.00	S/L	5.00
668		Fire equipment	11/29/16	725.00	0.00	0.00	447.00	145.00	592.00	133.00	S/L	5.00
675		Mapping software	1/01/17	3,725.00	0.00	0.00	2,235.00	745.00	2,980.00	745.00	S/L	5.00
676		Samsun tablet cover & SD cards	2/28/17	479.08	0.00	0.00	271.64	95.82	367.46	111.62	S/L	5.00
		339 - Other plant & misc.		887,576.68	0.00c	0.00	831,982.89	7,743.62	839,726.51	47,850.17		
		*Less: Dispositions and Transfers		1,365.00	0.00	0.00	1,365.00	0.00	1,365.00	0.00		
		Net 339 - Other plant & misc.		886,211.68	0.00c	0.00	830,617.89	7,743.62	838,361.51	47,850.17		
Group: 340 - office furn & equip												
21		Equip improvements	10/22/99	2,975.48	0.00	0.00	2,975.48	0.00	2,975.48	0.00	S/L	5.00
87		Utility station	1/01/01	18,000.00	0.00	0.00	18,000.00	0.00	18,000.00	0.00	S/L	5.00
106	d	Brown chair	1/01/98	277.00	0.00	0.00	277.00	0.00	277.00	0.00	S/L	10.00
107	d	Cleaner air wagon	1/01/89	140.00	0.00	0.00	140.00	0.00	140.00	0.00	S/L	10.00
108		File cabinet	1/01/90	442.00	0.00	0.00	442.00	0.00	442.00	0.00	S/L	20.00
109	d	Billing software	1/01/89	1,500.00	0.00	0.00	1,500.00	0.00	1,500.00	0.00	S/L	5.00
110		Bulletin Board	1/01/91	320.00	0.00	0.00	320.00	0.00	320.00	0.00	S/L	10.00
111		File cabinet	1/01/89	169.00	0.00	0.00	169.00	0.00	169.00	0.00	S/L	20.00
112	d	Answering Machine	1/01/90	130.00	0.00	0.00	130.00	0.00	130.00	0.00	S/L	10.00
113	d	Shredder	1/01/90	235.00	0.00	0.00	235.00	0.00	235.00	0.00	S/L	10.00
114	d	Time clock	1/01/90	280.00	0.00	0.00	280.00	0.00	280.00	0.00	S/L	10.00
115	d	Office equipment	1/01/71	472.00	0.00	0.00	472.00	0.00	472.00	0.00	S/L	10.00
116	d	Calculator	1/01/73	221.00	0.00	0.00	221.00	0.00	221.00	0.00	S/L	10.00
117	d	Office Equipment	1/01/78	498.00	0.00	0.00	498.00	0.00	498.00	0.00	S/L	10.00
118	d	Office Equipment	1/01/79	748.00	0.00	0.00	748.00	0.00	748.00	0.00	S/L	5.00
119	d	Office Equipment	1/01/80	206.00	0.00	0.00	206.00	0.00	206.00	0.00	S/L	5.00
120	d	Carpeting	1/01/80	568.00	0.00	0.00	568.00	0.00	568.00	0.00	S/L	5.00
121	d	Ceiling	1/01/80	157.00	0.00	0.00	157.00	0.00	157.00	0.00	S/L	5.00
122	d	Paneling	1/01/80	270.00	0.00	0.00	270.00	0.00	270.00	0.00	S/L	5.00
123		Filing cabinets	1/01/81	489.00	0.00	0.00	489.00	0.00	489.00	0.00	S/L	10.00
124		Desk	1/01/81	470.00	0.00	0.00	470.00	0.00	470.00	0.00	S/L	10.00
125	d	Typewriter	1/01/82	828.00	0.00	0.00	828.00	0.00	828.00	0.00	S/L	5.00

Tax Asset Detail 1/01/20 - 12/31/20

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 340 - office furn & equip (continued)												
126		Executive filing cabinet	4/24/92	458.00	0.00	0.00	458.00	0.00	458.00	0.00	S/L	8.00
127	d	IBM Wheelwriter Typewriter	5/08/92	947.00	0.00	0.00	947.00	0.00	947.00	0.00	S/L	8.00
128	d	Pan Panafax	11/06/92	695.00	0.00	0.00	695.00	0.00	695.00	0.00	S/L	8.00
129	d	Equipment	6/30/96	499.19	0.00	0.00	499.19	0.00	499.19	0.00	S/L	8.00
130	d	Air conditioner	8/17/99	644.38	0.00	0.00	644.38	0.00	644.38	0.00	S/L	7.00
131		Office furniture	2/15/00	4,014.60	0.00	0.00	4,014.60	0.00	4,014.60	0.00	S/L	10.00
153	d	Equipment	6/30/96	7,023.00	0.00	0.00	7,023.00	0.00	7,023.00	0.00	S/L	5.00
174	d	Calculator	1/01/85	189.00	0.00	0.00	189.00	0.00	189.00	0.00	S/L	5.00
175	d	Sharp Calculator	1/01/86	159.00	0.00	0.00	159.00	0.00	159.00	0.00	S/L	5.00
176	d	Rainbow vaccum	1/01/86	630.00	0.00	0.00	630.00	0.00	630.00	0.00	S/L	10.00
177	d	Typewriter	1/01/97	795.00	0.00	0.00	795.00	0.00	795.00	0.00	S/L	5.00
178	d	Time clock	1/01/87	260.00	0.00	0.00	260.00	0.00	260.00	0.00	S/L	5.00
179		Desk	1/01/87	624.00	0.00	0.00	624.00	0.00	624.00	0.00	S/L	20.00
180	d	Maxplan II Phone	1/01/88	662.00	0.00	0.00	662.00	0.00	662.00	0.00	S/L	10.00
181		File cabinets	1/01/88	188.00	0.00	0.00	188.00	0.00	188.00	0.00	S/L	20.00
182		File cabinets	1/01/88	169.00	0.00	0.00	169.00	0.00	169.00	0.00	S/L	20.00
183	d	Sharp calculators	1/01/88	189.00	0.00	0.00	189.00	0.00	189.00	0.00	S/L	5.00
184	d	Computer printer	1/01/92	2,037.00	0.00	0.00	2,037.00	0.00	2,037.00	0.00	S/L	5.00
185	d	Phone	1/01/92	180.00	0.00	0.00	180.00	0.00	180.00	0.00	S/L	10.00
186	d	Calculator	1/01/92	199.00	0.00	0.00	199.00	0.00	199.00	0.00	S/L	5.00
187		Computer work station	1/01/92	530.00	0.00	0.00	530.00	0.00	530.00	0.00	S/L	5.00
188	d	Copier	1/01/92	1,595.00	0.00	0.00	1,595.00	0.00	1,595.00	0.00	S/L	5.00
189	d	Calculators	1/01/92	298.00	0.00	0.00	298.00	0.00	298.00	0.00	S/L	5.00
190	d	Mon chair	1/01/92	544.00	0.00	0.00	544.00	0.00	544.00	0.00	S/L	10.00
192		Stack chairs	1/01/93	278.00	0.00	0.00	278.00	0.00	278.00	0.00	S/L	10.00
193	d	Printer	1/01/93	499.00	0.00	0.00	499.00	0.00	499.00	0.00	S/L	5.00
194		File cabinet	1/01/93	356.00	0.00	0.00	356.00	0.00	356.00	0.00	S/L	20.00
195		Table	1/01/93	126.00	0.00	0.00	126.00	0.00	126.00	0.00	S/L	20.00
196	d	Paging system	1/01/94	165.00	0.00	0.00	165.00	0.00	165.00	0.00	S/L	20.00
197	d	Monroe Calculator	1/01/94	249.00	0.00	0.00	249.00	0.00	249.00	0.00	S/L	5.00
198	d	Monroe calculator	1/01/94	149.00	0.00	0.00	149.00	0.00	149.00	0.00	S/L	5.00
199	d	7.5 Heater	1/01/95	492.00	0.00	0.00	492.00	0.00	492.00	0.00	S/L	5.00
200	d	Time clock	1/01/95	248.00	0.00	0.00	248.00	0.00	248.00	0.00	S/L	5.00
201	d	Compuer and 2 printers	11/12/96	2,488.00	0.00	0.00	2,488.00	0.00	2,488.00	0.00	S/L	5.00
202	d	Battery back up	11/12/96	302.00	0.00	0.00	302.00	0.00	302.00	0.00	S/L	5.00
203	d	Copier	12/15/98	2,995.00	0.00	0.00	2,995.00	0.00	2,995.00	0.00	S/L	7.00
204	d	Fax machine	10/01/98	222.57	0.00	0.00	222.57	0.00	222.57	0.00	S/L	7.00
205		Stack chairs	5/19/99	480.00	0.00	0.00	480.00	0.00	480.00	0.00	S/L	10.00
206	d	Computers	9/21/99	3,412.00	0.00	0.00	3,412.00	0.00	3,412.00	0.00	S/L	5.00
207		Carpet	11/16/99	611.35	0.00	0.00	611.35	0.00	611.35	0.00	S/L	10.00
208		File cabinet	1/01/88	414.00	0.00	0.00	414.00	0.00	414.00	0.00	S/L	20.00
209	d	Computer	5/05/00	1,618.00	0.00	0.00	1,618.00	0.00	1,618.00	0.00	S/L	7.00
210	d	Computer	3/21/01	10,703.00	0.00	0.00	10,703.00	0.00	10,703.00	0.00	S/L	10.00
224	d	First aid cabinet	1/01/89	139.00	0.00	0.00	139.00	0.00	139.00	0.00	S/L	5.00
229		Water manual	1/01/91	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	5.00
248	d	Eye wash station	1/01/92	685.00	0.00	0.00	685.00	0.00	685.00	0.00	S/L	5.00
254		Ariel prints	1/01/94	3,350.00	0.00	0.00	3,350.00	0.00	3,350.00	0.00	S/L	5.00
256	d	Panafax systems	1/01/94	595.00	0.00	0.00	595.00	0.00	595.00	0.00	S/L	5.00
263	d	Radio system	8/12/97	1,964.00	0.00	0.00	1,964.00	0.00	1,964.00	0.00	S/L	5.00

Tax Asset Detail 1/01/20 - 12/31/20

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 340 - office furn & equip (continued)												
266		Safe	11/11/97	714.00	0.00	0.00	714.00	0.00	714.00	0.00	S/L	5.00
268		Water dispenser	12/09/97	757.00	0.00	0.00	757.00	0.00	757.00	0.00	S/L	5.00
310	d	File cabinet	1/01/79	172.43	0.00	0.00	172.43	0.00	172.43	0.00	S/L	5.00
311	d	IMB typewriter	1/01/79	880.00	0.00	0.00	880.00	0.00	880.00	0.00	S/L	5.00
312	d	2 office chairs	7/25/80	181.00	0.00	0.00	181.00	0.00	181.00	0.00	S/L	5.00
313	d	Desk organizer	1/01/81	147.00	0.00	0.00	147.00	0.00	147.00	0.00	S/L	5.00
314	d	Calculator	1/01/81	209.00	0.00	0.00	209.00	0.00	209.00	0.00	S/L	5.00
315	d	Visible card file	1/01/81	269.00	0.00	0.00	269.00	0.00	269.00	0.00	S/L	5.00
316	d	Visible card cabinet	1/01/82	237.00	0.00	0.00	237.00	0.00	237.00	0.00	S/L	5.00
317		4 Dr file cabinet	1/01/82	211.00	0.00	0.00	211.00	0.00	211.00	0.00	S/L	5.00
318		Credenza & Desk	1/01/82	1,204.00	0.00	0.00	1,204.00	0.00	1,204.00	0.00	S/L	5.00
319	d	Sweeper	1/01/82	294.00	0.00	0.00	294.00	0.00	294.00	0.00	S/L	5.00
320	d	Office furniture	1/01/82	315.00	0.00	0.00	315.00	0.00	315.00	0.00	S/L	5.00
321	d	Drafting stool	1/01/82	108.00	0.00	0.00	108.00	0.00	108.00	0.00	S/L	5.00
322	d	Chairs	1/01/82	160.00	0.00	0.00	160.00	0.00	160.00	0.00	S/L	5.00
323	d	Purchase of computer	1/01/83	3,386.00	0.00	0.00	3,386.00	0.00	3,386.00	0.00	S/L	5.00
324	d	Purchase of software	1/01/83	1,000.00	0.00	0.00	1,000.00	0.00	1,000.00	0.00	S/L	5.00
325	d	Purchase of furniture	1/01/83	474.00	0.00	0.00	474.00	0.00	474.00	0.00	S/L	5.00
326		Office carpet	2/28/85	450.00	0.00	0.00	450.00	0.00	450.00	0.00	S/L	5.00
327	d	Air conditioner	4/24/85	803.00	0.00	0.00	803.00	0.00	803.00	0.00	S/L	5.00
328	d	Chair	12/24/86	326.00	0.00	0.00	326.00	0.00	326.00	0.00	S/L	8.00
329	d	NP15V Cannon copier	4/14/86	1,903.00	0.00	0.00	1,903.00	0.00	1,903.00	0.00	S/L	8.00
330	d	IBM PC 640 KB processor	11/11/86	5,479.00	0.00	0.00	5,479.00	0.00	5,479.00	0.00	S/L	8.00
331		File cabinet	1/02/86	405.00	0.00	0.00	405.00	0.00	405.00	0.00	S/L	8.00
332	d	Computer software install	12/18/86	495.00	0.00	0.00	495.00	0.00	495.00	0.00	S/L	8.00
349		Carpet	4/16/02	431.57	0.00	0.00	431.57	0.00	431.57	0.00	S/L	5.00
362		Office Equipment	12/01/02	5,773.61	0.00	0.00	5,773.61	0.00	5,773.61	0.00	S/L	5.00
384	d	Imsoftech Billing Software	4/01/03	8,799.01	0.00	0.00	8,799.01	0.00	8,799.01	0.00	S/L	5.00
385	d	Dell Computer - Billing	5/12/03	1,324.02	0.00	0.00	1,324.02	0.00	1,324.02	0.00	S/L	5.00
405	d	Office Jet Printer 7110	9/08/04	399.99	0.00	0.00	399.99	0.00	399.99	0.00	S/L	5.00
406		Executive Chair	9/08/04	259.98	0.00	0.00	259.98	0.00	259.98	0.00	S/L	5.00
407		File Cabinet	9/10/04	639.96	0.00	0.00	639.96	0.00	639.96	0.00	S/L	5.00
408		File Cabinet	9/10/04	179.99	0.00	0.00	179.99	0.00	179.99	0.00	S/L	5.00
409		Executive Chair	9/21/04	129.99	0.00	0.00	129.99	0.00	129.99	0.00	S/L	5.00
410		Folding Chairs	9/21/04	49.98	0.00	0.00	49.98	0.00	49.98	0.00	S/L	5.00
411		Cash Box	9/21/04	9.99	0.00	0.00	9.99	0.00	9.99	0.00	S/L	5.00
412	d	Time Recorder	9/23/04	339.99	0.00	0.00	339.99	0.00	339.99	0.00	S/L	5.00
413		Work Table	9/24/04	159.98	0.00	0.00	159.98	0.00	159.98	0.00	S/L	5.00
414	d	Corner Connector	9/24/04	69.98	0.00	0.00	69.98	0.00	69.98	0.00	S/L	5.00
415		Work Table	9/24/04	149.98	0.00	0.00	149.98	0.00	149.98	0.00	S/L	5.00
416		Corner Work Table	9/24/04	199.98	0.00	0.00	199.98	0.00	199.98	0.00	S/L	5.00
417		Storage Bins	9/28/04	460.51	0.00	0.00	460.51	0.00	460.51	0.00	S/L	5.00
418	d	Poweredge 400SC Server	9/29/04	2,699.00	0.00	0.00	2,699.00	0.00	2,699.00	0.00	S/L	5.00
419	d	Monitor	9/29/04	179.00	0.00	0.00	179.00	0.00	179.00	0.00	S/L	5.00
420	d	Memory Upgrade - Gateway	9/29/04	279.94	0.00	0.00	279.94	0.00	279.94	0.00	S/L	5.00
421	d	Windows XP Pro	9/29/04	278.00	0.00	0.00	278.00	0.00	278.00	0.00	S/L	5.00
422	d	Dell 3000 Computer System	9/29/04	1,473.00	0.00	0.00	1,473.00	0.00	1,473.00	0.00	S/L	5.00
423		Shelf	10/06/04	158.33	0.00	0.00	158.33	0.00	158.33	0.00	S/L	5.00
424		Pallet Truck	10/06/04	346.48	0.00	0.00	346.48	0.00	346.48	0.00	S/L	5.00

Tax Asset Detail 1/01/20 - 12/31/20

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 340 - office furn & equip (continued)												
425	d	Kodak Digital Camera	10/13/04	129.99	0.00	0.00	129.99	0.00	129.99	0.00	S/L	5.00
467	d	Cannon Copier	7/22/05	7,378.42	0.00	0.00	7,378.42	0.00	7,378.42	0.00	S/L	5.00
468	d	Dell Notebook & Projector	10/12/05	2,850.50	0.00	0.00	2,850.50	0.00	2,850.50	0.00	S/L	5.00
501	d	Nikon Camera	9/19/06	241.60	0.00	0.00	241.60	0.00	241.60	0.00	S/L	5.00
553	d	Tech 2001 - Billing Program	4/19/07	17,869.82	0.00	0.00	17,869.82	0.00	17,869.82	0.00	S/L	5.00
568	d	Samsung Copier	1/14/08	1,249.50	0.00	0.00	1,249.50	0.00	1,249.50	0.00	S/L	5.00
569		Software for Masters Meters	8/02/08	3,869.95	0.00	0.00	3,869.95	0.00	3,869.95	0.00	S/L	5.00
570	d	Laser Jet Printer	10/22/08	938.00	0.00	0.00	938.00	0.00	938.00	0.00	S/L	5.00
592		Table	1/26/09	335.00	0.00	0.00	335.00	0.00	335.00	0.00	S/L	5.00
593		Time clock system	2/09/09	890.40	0.00	0.00	890.40	0.00	890.40	0.00	S/L	5.00
594		6 chairs	3/04/09	588.00	0.00	0.00	588.00	0.00	588.00	0.00	S/L	5.00
595		Office equipment	5/19/09	445.20	0.00	0.00	445.20	0.00	445.20	0.00	S/L	5.00
604		Acer computer	1/22/10	639.00	0.00	0.00	639.00	0.00	639.00	0.00	S/L	5.00
605		Dell computer 230 slim tower	8/13/10	739.00	0.00	0.00	739.00	0.00	739.00	0.00	S/L	5.00
606		Fuji FI 5110 sheet feed scanner	10/13/10	1,458.00	0.00	0.00	1,458.00	0.00	1,458.00	0.00	S/L	5.00
619		Toshiba notebook	9/17/11	805.59	0.00	0.00	805.59	0.00	805.59	0.00	S/L	5.00
620		Toshiba notebook	9/17/11	634.94	0.00	0.00	634.94	0.00	634.94	0.00	S/L	5.00
629		Dell poweredge server	2/28/12	1,868.50	0.00	0.00	1,868.50	0.00	1,868.50	0.00	S/L	5.00
630		Acroprint time clock	11/16/12	482.37	0.00	0.00	482.37	0.00	482.37	0.00	S/L	5.00
669		Copier	3/07/16	2,045.00	0.00	0.00	1,568.00	409.00	1,977.00	68.00	S/L	5.00
695		Computers	1/31/19	2,499.00	0.00	0.00	458.15	499.80	957.95	1,541.05	S/L	5.00
696		Computers	1/31/19	4,554.00	0.00	0.00	834.90	910.80	1,745.70	2,808.30	S/L	5.00
		340 - office furn & equip		184,349.04	0.00c	0.00	178,112.09	1,819.60	179,931.69	4,417.35		
		*Less: Dispositions and Transfers		114,339.33	0.00	0.00	114,339.33	0.00	114,339.33	0.00		
		Net 340 - office furn & equip		<u>70,009.71</u>	<u>0.00c</u>	<u>0.00</u>	<u>63,772.76</u>	<u>1,819.60</u>	<u>65,592.36</u>	<u>4,417.35</u>		

Group: 341 - Transportation Equi

132	d	89 S10 Pickup GMC	6/21/89	9,584.00	0.00	0.00	9,584.00	0.00	9,584.00	0.00	S/L	5.00
133		Equipment	1/27/96	5,022.00	0.00	0.00	5,022.00	0.00	5,022.00	0.00	S/L	10.00
134		96 Ford Truck	3/31/96	14,837.00	0.00	0.00	14,837.00	0.00	14,837.00	0.00	S/L	5.00
135		Equipment	6/30/96	3,682.00	0.00	0.00	3,682.00	0.00	3,682.00	0.00	S/L	5.00
211		Ford pickup	1/01/78	4,581.00	0.00	0.00	4,581.00	0.00	4,581.00	0.00	S/L	3.00
212		Hoist	1/01/81	2,109.00	0.00	0.00	2,109.00	0.00	2,109.00	0.00	S/L	5.00
213	d	83 Pickup	1/01/88	8,288.00	0.00	0.00	8,288.00	0.00	8,288.00	0.00	S/L	3.00
214	d	86 Pickup	1/01/86	8,986.00	0.00	0.00	8,986.00	0.00	8,986.00	0.00	S/L	3.00
215		Vehicle radios	1/01/88	344.00	0.00	0.00	344.00	0.00	344.00	0.00	S/L	5.00
217	d	90 Pickup	1/01/91	10,680.00	0.00	0.00	10,680.00	0.00	10,680.00	0.00	S/L	3.00
218		Tool box	1/01/91	285.00	0.00	0.00	285.00	0.00	285.00	0.00	S/L	3.00
219		Tanker truck	1/01/92	27,201.00	0.00	0.00	27,201.00	0.00	27,201.00	0.00	S/L	5.00
220		Ford pickup	1/01/92	21,992.00	0.00	0.00	21,992.00	0.00	21,992.00	0.00	S/L	5.00
221		Truck tank	1/01/93	3,378.00	0.00	0.00	3,378.00	0.00	3,378.00	0.00	S/L	5.00
469		2005 Chevrolet 2500 HD pick up	7/08/05	23,893.00	0.00	0.00	23,893.00	0.00	23,893.00	0.00	S/L	5.00
470		2005 Chevrolet 2500 HD pick up	7/08/15	16,610.63	0.00	0.00	16,610.63	0.00	16,610.63	0.00	S/L	5.00
471		2005 Chevrolet pick up 1500	7/19/05	19,147.80	0.00	0.00	19,147.80	0.00	19,147.80	0.00	S/L	5.00
472		2005 Chevrolet 1500 extended cab	7/19/05	25,676.25	0.00	0.00	25,676.25	0.00	25,676.25	0.00	S/L	5.00
473		5x8 Box trailer	9/07/05	1,688.60	0.00	0.00	1,688.60	0.00	1,688.60	0.00	S/L	5.00
571		2009 F-350	9/22/08	52,853.00	0.00	0.00	52,853.00	0.00	52,853.00	0.00	S/L	5.00

Tax Asset Detail 1/01/20 - 12/31/20

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 341 - Transportation Equi (continued)												
575		08 Ford Ranger extended cab	9/24/08	23,743.51	0.00	0.00	23,743.51	0.00	23,743.51	0.00	S/L	5.00
596		Truck light bars	7/22/09	1,211.01	0.00	0.00	1,211.01	0.00	1,211.01	0.00	S/L	5.00
597		Trailer	7/24/09	2,700.00	0.00	0.00	2,700.00	0.00	2,700.00	0.00	S/L	5.00
598		Trailer	8/04/07	2,700.00	0.00	0.00	2,700.00	0.00	2,700.00	0.00	S/L	5.00
599		Trailer	11/05/09	3,963.85	0.00	0.00	3,963.85	0.00	3,963.85	0.00	S/L	5.00
621	d	Trailer 6x16	11/03/11	1,653.40	0.00	0.00	1,653.40	0.00	1,653.40	0.00	S/L	5.00
631		Trailer axles	3/19/12	760.00	0.00	0.00	760.00	0.00	760.00	0.00	S/L	5.00
670		2004 Chevy Blazer	4/06/16	3,500.00	0.00	0.00	2,625.00	700.00	3,325.00	175.00	S/L	5.00
671		1994 F-350 Dump truck	4/07/16	5,500.00	0.00	0.00	4,125.00	1,100.00	5,225.00	275.00	S/L	5.00
672		Ford F-150 Ext cab - white	6/21/16	18,000.00	0.00	0.00	12,600.00	3,600.00	16,200.00	1,800.00	S/L	5.00
682		Ford truck (R Hill)	6/04/18	5,000.00	0.00	0.00	1,583.33	1,000.00	2,583.33	2,416.67	S/L	5.00
687		Goose Neck Trailer	1/25/19	8,400.00	0.00	0.00	1,540.00	1,680.00	3,220.00	5,180.00	S/L	5.00
688		2010 Ford F250	10/04/19	6,000.00	0.00	0.00	300.00	1,200.00	1,500.00	4,500.00	S/L	5.00
691		Transmission Rebuild - Ford dump	2/04/19	1,400.00	0.00	0.00	256.67	280.00	536.67	863.33	S/L	5.00
693		Transmission	7/24/19	1,295.00	0.00	0.00	107.92	259.00	366.92	928.08	S/L	5.00
		341 - Transportation Equi		346,665.05	0.00c	0.00	320,707.97	9,819.00	330,526.97	16,138.08		
		*Less: Dispositions and Transfers		39,191.40	0.00	0.00	39,191.40	0.00	39,191.40	0.00		
		Net 341 - Transportation Equi		307,473.65	0.00c	0.00	281,516.57	9,819.00	291,335.57	16,138.08		

Group: 343 - Tools

76	d	Airpack	6/20/00	1,755.00	0.00	0.00	1,755.00	0.00	1,755.00	0.00	S/L	5.00
138	d	Metal detector	8/21/80	420.00	0.00	0.00	420.00	0.00	420.00	0.00	S/L	5.00
141	d	Kerosene heater	1/01/81	250.00	0.00	0.00	250.00	0.00	250.00	0.00	S/L	5.00
144	d	Weed eater	7/10/85	241.00	0.00	0.00	241.00	0.00	241.00	0.00	S/L	5.00
146	d	Generator	1/16/86	625.00	0.00	0.00	625.00	0.00	625.00	0.00	S/L	5.00
147	d	Pipesetter	9/04/86	228.00	0.00	0.00	228.00	0.00	228.00	0.00	S/L	5.00
148	d	Woodcutter	7/07/88	261.00	0.00	0.00	261.00	0.00	261.00	0.00	S/L	5.00
149	d	Pipe & tapping machien	4/12/88	171.00	0.00	0.00	171.00	0.00	171.00	0.00	S/L	5.00
150	d	Homelite concrete saw	7/02/92	265.00	0.00	0.00	265.00	0.00	265.00	0.00	S/L	5.00
152	d	Detector	12/11/92	1,348.00	0.00	0.00	1,348.00	0.00	1,348.00	0.00	S/L	5.00
225	d	Sand blaster	1/01/89	502.00	0.00	0.00	502.00	0.00	502.00	0.00	S/L	5.00
227	d	Sears mower	1/01/90	1,267.00	0.00	0.00	1,267.00	0.00	1,267.00	0.00	S/L	5.00
228	d	Weed eater	1/01/90	297.00	0.00	0.00	297.00	0.00	297.00	0.00	S/L	5.00
230	d	Caution sign	1/01/91	162.00	0.00	0.00	162.00	0.00	162.00	0.00	S/L	5.00
232	d	Magnetic locator	1/01/91	452.00	0.00	0.00	452.00	0.00	452.00	0.00	S/L	5.00
233	d	Mower	1/01/91	399.00	0.00	0.00	399.00	0.00	399.00	0.00	S/L	5.00
236	d	Fuel tank	1/01/83	4,019.00	0.00	0.00	4,019.00	0.00	4,019.00	0.00	S/L	5.00
237	d	Pipe wrenches	7/10/85	525.00	0.00	0.00	525.00	0.00	525.00	0.00	S/L	5.00
238	d	Signs	1/01/87	423.00	0.00	0.00	423.00	0.00	423.00	0.00	S/L	5.00
239	d	Waders	1/01/87	269.00	0.00	0.00	269.00	0.00	269.00	0.00	S/L	5.00
241	d	Lawn mower	1/01/88	149.00	0.00	0.00	149.00	0.00	149.00	0.00	S/L	5.00
245	d	Compressor	1/01/92	8,546.00	0.00	0.00	8,546.00	0.00	8,546.00	0.00	S/L	5.00
246	d	Leak detector	1/01/92	1,300.00	0.00	0.00	1,300.00	0.00	1,300.00	0.00	S/L	5.00
247	d	Beacon	1/01/92	162.00	0.00	0.00	162.00	0.00	162.00	0.00	S/L	5.00
249	d	Safety equipment	1/01/93	918.00	0.00	0.00	918.00	0.00	918.00	0.00	S/L	5.00
252	d	Battery charger	1/01/93	300.00	0.00	0.00	300.00	0.00	300.00	0.00	S/L	5.00
253	d	Battery equipment	1/01/93	338.00	0.00	0.00	338.00	0.00	338.00	0.00	S/L	5.00

Tax Asset Detail 1/01/20 - 12/31/20

FYE: 12/31/2020

Asset	d t	Property Description	Date In Service	Tax Cost	Sec 179 Exp Current = c	Tax Bonus Amt	Tax Prior Depreciation	Tax Current Depreciation	Tax End Depr	Tax Net Book Value	Tax Method	Tax Period
Group: 343 - Tools (continued)												
255	d	Drill machines	1/01/94	715.00	0.00	0.00	715.00	0.00	715.00	0.00	S/L	5.00
258	d	Bench	1/01/95	699.00	0.00	0.00	699.00	0.00	699.00	0.00	S/L	5.00
474		Tapping tool	1/05/05	2,128.17	0.00	0.00	2,128.17	0.00	2,128.17	0.00	S/L	5.00
640		Small tools 2013	8/08/13	399.99	0.00	0.00	399.99	0.00	399.99	0.00	S/L	5.00
690		Stihl Saw	4/17/19	1,396.94	0.00	0.00	186.26	279.39	465.65	931.29	S/L	5.00
		343 - Tools		<u>30,931.10</u>	<u>0.00c</u>	<u>0.00</u>	<u>29,720.42</u>	<u>279.39</u>	<u>29,999.81</u>	<u>931.29</u>		
		*Less: Dispositions and Transfers		<u>26,481.00</u>	<u>0.00</u>	<u>0.00</u>	<u>26,481.00</u>	<u>0.00</u>	<u>26,481.00</u>	<u>0.00</u>		
		Net 343 - Tools		<u>4,450.10</u>	<u>0.00c</u>	<u>0.00</u>	<u>3,239.42</u>	<u>279.39</u>	<u>3,518.81</u>	<u>931.29</u>		
Group: 344 - Lab equipment												
363		Lab equipment	4/16/02	6,048.20	0.00	0.00	6,048.20	0.00	6,048.20	0.00	S/L	5.00
364		Lab equipment	5/29/02	4,005.22	0.00	0.00	4,005.22	0.00	4,005.22	0.00	S/L	5.00
365		Lab equipment - so East lab	9/03/02	1,839.89	0.00	0.00	1,839.89	0.00	1,839.89	0.00	S/L	5.00
475		Lab testing equipment	7/15/05	2,509.50	0.00	0.00	2,509.50	0.00	2,509.50	0.00	S/L	5.00
		344 - Lab equipment		<u>14,402.81</u>	<u>0.00c</u>	<u>0.00</u>	<u>14,402.81</u>	<u>0.00</u>	<u>14,402.81</u>	<u>0.00</u>		
Group: 345 - Power operate equip												
476		Inverter	7/06/05	1,827.91	0.00	0.00	1,827.91	0.00	1,827.91	0.00	S/L	7.00
477		Kuboto Excuvator & Trailer	7/18/05	41,365.00	0.00	0.00	41,365.00	0.00	41,365.00	0.00	S/L	7.00
689		Equipment - Holbrook Impl	1/18/19	8,936.34	0.00	0.00	1,170.23	1,276.62	2,446.85	6,489.49	S/L	7.00
		345 - Power operate equip		<u>52,129.25</u>	<u>0.00c</u>	<u>0.00</u>	<u>44,363.14</u>	<u>1,276.62</u>	<u>45,639.76</u>	<u>6,489.49</u>		
Group: 346 - Communications equi												
427	d	Phone system	9/13/04	1,341.00	0.00	0.00	1,341.00	0.00	1,341.00	0.00	S/L	7.00
478	d	Radios	7/22/05	4,207.37	0.00	0.00	4,207.37	0.00	4,207.37	0.00	S/L	7.00
479	d	Radios	10/11/05	550.20	0.00	0.00	550.20	0.00	550.20	0.00	S/L	7.00
521	d	Telephone system	11/07/06	4,251.00	0.00	0.00	4,251.00	0.00	4,251.00	0.00	S/L	7.00
522	d	Radio	11/08/06	253.00	0.00	0.00	253.00	0.00	253.00	0.00	S/L	7.00
572	d	Cell phones	2/15/08	1,546.14	0.00	0.00	1,546.14	0.00	1,546.14	0.00	S/L	7.00
573	d	CM 200 Radios (8)	5/21/08	3,740.17	0.00	0.00	3,740.17	0.00	3,740.17	0.00	S/L	7.00
574	d	Kenwood TK - 8160 HK radio	9/17/08	1,008.00	0.00	0.00	1,008.00	0.00	1,008.00	0.00	S/L	7.00
692		Radios	3/06/19	8,311.00	0.00	0.00	989.40	1,187.29	2,176.69	6,134.31	S/L	7.00
		346 - Communications equi		<u>25,207.88</u>	<u>0.00c</u>	<u>0.00</u>	<u>17,886.28</u>	<u>1,187.29</u>	<u>19,073.57</u>	<u>6,134.31</u>		
		*Less: Dispositions and Transfers		<u>16,896.88</u>	<u>0.00</u>	<u>0.00</u>	<u>16,896.88</u>	<u>0.00</u>	<u>16,896.88</u>	<u>0.00</u>		
		Net 346 - Communications equi		<u>8,311.00</u>	<u>0.00c</u>	<u>0.00</u>	<u>989.40</u>	<u>1,187.29</u>	<u>2,176.69</u>	<u>6,134.31</u>		
		Grand Total		<u>34,953,031.68</u>	<u>0.00c</u>	<u>0.00</u>	<u>16,565,982.80</u>	<u>786,740.65</u>	<u>17,352,723.45</u>	<u>17,600,308.23</u>		
		Less: Dispositions and Transfers		<u>215,581.00</u>	<u>0.00</u>	<u>0.00</u>	<u>210,074.69</u>	<u>0.00</u>	<u>210,344.07</u>	<u>5,236.93</u>		
		Net Grand Total		<u>34,737,450.68</u>	<u>0.00c</u>	<u>0.00</u>	<u>16,355,908.11</u>	<u>786,740.65</u>	<u>17,142,379.38</u>	<u>17,595,071.30</u>		

ATTACHMENT 8

ATTACHMENT 8(a)

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND B2

PROJECT NUMBER B293-03

BORROWER: Martin County Water District #2

BORROWER'S ADDRESS Post Office Box 308
Warfield, Kentucky 41267

DATE OF ASSISTANCE AGREEMENT: May 1, 1993

ASSISTANCE AGREEMENT

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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "Assistance Agreement") by and between the KENTUCKY INFRASTRUCTURE AUTHORITY, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of the Kentucky (the "Authority") and the Governmental Agency identified on the cover of this Assistance Agreement (the "Governmental Agency"):

W I T N E S S E T H

WHEREAS, the General Assembly of the Commonwealth of Kentucky, being the duly and legally constituted legislature of Kentucky at its 1988 Regular Session, enacted House Bill 217 amending Chapter 224A of the Kentucky Revised Statutes (the "Act"), creating the "Kentucky Infrastructure Authority" to serve the public purposes identified in the Act; and

WHEREAS, the Authority has established its Program as hereinafter defined, for the purpose of providing financial assistance to Governmental Agencies, as defined in the Act, in connection with the acquisition and construction of Projects, as defined in the Act, in order to preserve, protect, upgrade, conserve, develop, utilize and manage the resources of the Commonwealth of Kentucky (the "Commonwealth") for the protection and preservation of the health, safety, convenience, and welfare of the Commonwealth and its citizens, and in that respect to assist and cooperate with Governmental Agencies in achieving such purposes; and

WHEREAS, the Authority has issued, and will issue from time to time, its revenue bonds pursuant to a General Trust Indenture dated as of September 1, 1989 (the "Indenture") between the Authority and First Kentucky Trust Company (the "Trustee") in order to provide funding for its Program; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable to acquire, construct, and finance the Project, as hereinafter defined, and the Authority has determined that the Project is a Project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Authority; and

WHEREAS, the Governmental Agency desires to enter into this Assistance Agreement with the Authority for the purpose of securing from the Authority the repayable Loan hereinafter identified; and

WHEREAS, the Authority is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained to levy, collect, and enforce and remit adequate Service Charges, as hereinafter defined, for the services provided by the Governmental Agency's System, as hereinafter defined, and to apply the necessary portion of said Service Charges to the repayment of the Loan and the interest thereon, as hereinafter specifically provided; and

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

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

ARTICLE I

DEFINITIONS

All of the terms utilized in this Assistance Agreement will have the same definitions and meaning as ascribed to them in the Act and the Indenture, which Act and Indenture are hereby incorporated in this Assistance Agreement by reference, the same as if set forth hereby verbatim; provided, however, that those definitions utilized in the Act and the Indenture having general application are hereby modified in certain instances to apply specifically to the Governmental Agency and its Project.

"Act" shall mean Chapter 224A of the Kentucky Revised Statutes, as amended.

"Administrative Fee" means the charge of the Authority for the servicing of the Loan, which is the annual percentage charged against the unpaid principal balance of the Loan as identified in the Project Specifics.

"Assistance Agreement" shall mean this agreement made and entered into by and between a Governmental Agency and the Authority, as authorized by the Act, providing for a Loan to the Governmental Agency by the Authority, and for the repayment thereof to the Authority by the Governmental Agency.

"Authority" shall mean the Kentucky Infrastructure Authority created by the Act, a body corporate and politic, constituting a public corporation and a governmental agency and instrumentality of the Commonwealth of Kentucky, or such other designation as may be effected by future amendments to the Act.

"Bond" or "Bonds" or "Revenue Bonds" shall mean any Kentucky Infrastructure Authority Bond or Bonds, or the issue of such Bonds, as the case may be, authenticated and delivered under the Indenture.

"Business Day" shall mean any day other than a Saturday, Sunday or other legal holiday on which the general offices of the Commonwealth are closed.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and shall include the Regulations of the United States Department of the Treasury promulgated thereunder.

"Commonwealth" shall mean the Commonwealth of Kentucky.

"Construction" shall mean construction as defined in the Act.

"Debt Obligations" shall mean those outstanding obligations of the Governmental Agency identified in the Project Specifics outstanding as of the date of this Assistance Agreement or issued in the future in accordance with the terms hereof, payable from the income and revenues of the System.

"Engineers" means the firm of consulting engineers employed by the Governmental Agency in connection with the Project identified in the Project Specifics.

"Governmental Agency" shall mean any agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to finance, acquire, construct, and operate a Project, including specifically but not by way of limitation, incorporated cities, counties, sanitation districts, water districts, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another pursuant to any regional or area compact, or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such described powers; and for the purposes of this Assistance Agreement shall mean the Governmental Agency identified in the Project Specifics.

"Indenture" shall mean the General Trust Indenture dated as of September 1, 1989 between the Authority and the Trustee.

"Loan" shall mean the loan effected under this Assistance Agreement from the Authority to the Governmental Agency in the principal amount set forth in the Project Specifics, for the purpose of defraying the costs incidental to the Construction of the Project.

"Loan Rate" means the rate of interest identified in the Schedule of Payments.

"Person" shall mean any individual, firm, partnership, association, corporation or Governmental Agency.

"Program" shall mean the program authorized by KRS 224A.112 and the Indenture as the "infrastructure revolving fund" for financing Projects through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

"Project" shall mean, when used generally, an infrastructure project as defined in the Act, and when used in specific reference to the Governmental Agency, the Project described in the Project Specifics.

"Project Specifics" means those specific details of the Project identified in Exhibit A hereto, all of which are incorporated by reference in this Assistance Agreement.

"Requisition for Funds" means the form attached hereto as Exhibit B to be utilized by the Governmental Agency in obtaining disbursements of the Loan from the Authority as construction of the Project progresses.

"Schedule of Payments" means the principal and interest requirements of the Loan as set forth in Exhibit F hereto, to be established and agreed to upon or prior to the completion of the Project.

"Schedule of Service Charges" shall mean those general charges to be imposed by the Governmental Agency for services provided by the System, as set forth in Exhibit C hereto, and such other revenues identified in Exhibit C from which the Loan is to be repaid, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority prior to the disbursement of any portion of the Loan hereunder.

"Service Charges" shall mean any monthly, quarterly, semi-annual, or annual charges, surcharges or improvement benefit assessments to be imposed by a Governmental Agency, or by the Authority, in respect of the Project which Service Charges arises by reason of the existence of, and requirement of, any Assistance Agreement and for the purposes of this Assistance Agreement said Service Charge shall be no less than those set forth in the Schedule of Service Charges.

"System" shall mean the utility system owned and operated by the Governmental Agency of which the Project shall become a part and from the earnings of which (represented by the Service Charges) the Governmental Agency shall repay the Authority the Loan hereunder.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of Authority. The Authority represents and warrants for the benefit of the Governmental Agency as follows:

(A) The Authority is a body corporate and politic constituting a governmental agency and instrumentality of the Commonwealth, has all necessary power and Authority to enter into, and perform its obligations under, this Assistance Agreement, and has duly authorized the execution and delivery of this Assistance Agreement.

(B) Neither the execution and delivery hereof, nor the fulfillment of or compliance with the terms and conditions hereof, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(C) To the knowledge of the Authority, there is no litigation or proceeding pending or threatened against the Authority or any other person affecting the right of the Authority to execute or deliver this Assistance Agreement or to comply with its obligations under this Assistance Agreement. Neither the execution and delivery of this Assistance Agreement by the Authority, nor compliance by the Authority with its obligations under this Assistance Agreement, require the approval of any regulatory body, or any other entity, which approval has not been obtained.

(D) The authorization, execution and delivery of this Assistance Agreement and all actions of the Authority with respect thereto, are in compliance with the Act and any regulations issued thereunder.

Section 2.2. Representations and Warranties of the Governmental Agency. The Governmental Agency hereby represents and warrants for the benefit of the Authority as follows:

(A) The Governmental Agency is a duly organized and validly existing Governmental Agency, as described in the Act, with full power to own its properties, conduct its affairs, enter into this Assistance Agreement and consummate the transactions contemplated hereby.

(B) The negotiation, execution and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby have been duly authorized by all requisite action of the governing body of the Governmental Agency.

(C) This Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability hereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

(D) There is no controversy or litigation of any nature pending or threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its governing body to take any of the actions which have been taken in the authorization or delivery of this Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Governmental Agency or its governing body.

(F) Attached hereto as Exhibit D is a true, accurate and complete copy of the resolution or ordinance of the governing body of the Governmental Agency approving and authorizing the execution and delivery of this Assistance Agreement. Such resolution or ordinance was duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout;

such resolution or ordinance is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

(G) All actions taken by the Governmental Agency in connection with this Assistance Agreement and the Loan described herein and the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, KRS 61.805 to 61.850.

(H) The Governmental Agency has all licenses, permits and other governmental approvals (including but not limited to all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate and maintain the Project, to charge and collect the Service Charges and to enter into this Assistance Agreement, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project, and has full right, power and authority to perform the acts and things as provided for in this Assistance Agreement.

(I) Legal counsel to the Governmental Agency has duly executed and delivered the opinion of legal counsel substantially in the form set forth in Exhibit E hereto.

ARTICLE III

AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1. Determination of Eligibility. Pursuant to the terms of the Act and the Indenture, the Authority has determined that the Governmental Agency's Project is a Project under the Act and the Governmental Agency is entitled to financial assistance from the Authority in connection with financing the Construction of the Project.

Section 3.2. Principal Amount of Loan Established; Loan Payments; Disbursement of Funds. The principal amount of the Loan shall be the Loan Amount as identified in the Project Specifics, subject to such adjustments as may be set forth in the Schedule of Payments. Principal payments shall be made semiannually in the amounts and on the dates to be established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the Repayment Term set forth in the Project Specifics, commencing with the Amortization Commencement Date set forth in the Project Specifics.

The Loan shall bear interest, payable on the Interest Payment Dates set forth in the Project Specifics, at the Loan Rate identified in the Project Specifics, and after the Amortization Commencement Date, in the amounts (based on such Loan Rate) and on the dates set forth in the Schedule of Payments; provided that, should an Event of Default occur, such payments of interest shall be made on the first day of each month during the continuation of such Event of Default.

The Authority shall advance the proceeds of the Loan as Construction of the Project progresses upon the submission by the Governmental Agency of a Requisition for Funds in substantially the same form as Exhibit B hereto. Each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement; subject to the requirements set forth in Article IV hereof.

Payments of principal and interest on the Loan shall be made at the principal office of the Authority or the Trustee, as designated by the Authority.

Section 3.3. Governmental Agency's Right to Repay Loan. The Governmental Agency shall have the right to prepay and retire the entire amount of the Loan at any time without penalty upon written notice to the Authority no less than five (5) Business Days in advance of said prepayment.

Notwithstanding the foregoing, upon the determination by the Authority that it intends to issue revenue bonds secured by a pledge of the payments on the Loan, the Authority shall

advise the Governmental Agency (i) of its intention to proceed with the authorization of such bonds (ii) of the limitation on prepayments after such bonds are issued and (iii) that the Governmental Agency has thirty (30) days from its receipt of said notice to exercise its option to prepay the Loan. Upon the expiration of said thirty day period the Governmental Agency's right to prepay the Loan shall be limited to the terms described in such notice.

Section 3.4. Subordination of Loan. The Authority hereby agrees that the security interest and source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Governmental Agency payable from the revenues of the System outstanding at the time this Assistance Agreement is executed as identified in the Project Specifics; provided, however, the Authority shall receive notice of any additional financings in accordance with Section 5.5(D) hereof.

ARTICLE IV

CONDITIONS PRECEDENT TO DISBURSEMENT;
REQUISITION FOR FUNDS

Section 4.1. Covenants of Governmental Agency and Conditions of Loan. By the execution of this Assistance Agreement, the Governmental Agency agrees that prior to any requests for the disbursement of all or a portion of the Loan made hereunder, the Governmental Agency shall supply the Authority, if requested, appropriate documentation, satisfactory to the Authority, in its sole discretion, indicating the following:

(A) That the Authority and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority, and their respective duly authorized agents, shall have the right at all reasonable times, subject to prior notice to the Governmental Agency, to enter upon the Project and to examine and inspect same.

(B) All real estate and interest in real estate and all personal property constituting the Project and the Project sites heretofore or hereafter acquired shall at all times be and remain the property of the Governmental Agency and constitute a part of the System.

(C) In the event the Governmental Agency is required to provide financing for the Project from sources other than the Authority (as described in the Project Specifics) the Authority shall have the right to receive such reasonable proofs as it may require of the ability of the Governmental Agency to finance the costs of Construction of the Project over and above the Loan, prior to the disbursement by the Authority of any portion of the Loan.

(D) The Governmental Agency shall do all things necessary to acquire all proposed and necessary sites, easements and rights of way necessary or required in respect of the Project and demonstrate its ability to construct the Project in accordance with the plans, design and specifications prepared for the Governmental Agency by the Engineers.

(E) Actual construction and installation incident to the Project shall be performed by either the lump-sum (fixed price) or unit price contract method, and adequate legal methods of obtaining public, competitive bidding will be employed prior to the awarding of the construction contract for the Project in accordance with Kentucky law.

(F) Unless construction of the Project has already been initiated as of the date of this Assistance Agreement, pursuant to due compliance with state law and applicable regulations, the Project will not be advertised or placed on the market for construction bidding by the Governmental Agency until the final plans, designs and specifications therefor have been approved by such state and federal agencies and authorities as may be legally required, and until written notification of such approvals has been received by the Governmental Agency and furnished to the Authority.

(G) Duly authorized representatives of the Authority and such other agencies of the Commonwealth as may be charged with responsibility will have reasonable access to the construction work whenever it is in preparation or progress, and the Governmental Agency will assure that the contractor or contractors will provide facilities for such access and inspection.

(H) The construction contract or contracts shall require the contractor to comply with all provisions of federal and state law legally applicable to such work, and any amendments or modifications thereto, together with all other applicable provisions of law, to cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and to be responsible for the submission of any statements required of subcontractors thereunder.

(I) A work progress schedule utilizing a method of standard acceptance in the engineering community shall be prepared prior to the institution of construction in connection with each construction contract, or, if construction has already been initiated as of the date of this Assistance Agreement, at the earliest practicable date, to indicate the proposed schedule as to completion of the Project, and same shall be maintained monthly thereafter to indicate the actual construction progress of the Project.

(J) Prior to the award of the construction contract and prior to the commencement of construction, the Governmental Agency will arrange and conduct a conference as to the Project said conference to include representatives of the Authority, the Governmental Agency, and any other participating federal or state agency, the Engineers, and all construction contractors. A written brief of said conference summarizing the construction schedule, fund requirements schedule, payment authorizations, responsible parties for approval of all facets of the construction work and payment therefor, and other pertinent matters shall be prepared and distributed to each agency involved, and all construction contractors and Engineers.

Provided, however, that in the event construction shall have been initiated as of the date of this Assistance Agreement, this provision may be waived.

(K) All construction contracts will be so prepared that federal participation costs, if any, and state participation costs may be readily segregated from local participation costs, if any, and from each other, and in such manner that all materials and equipment furnished to the Governmental Agency may be readily itemized.

(L) Any change or changes in a construction contract will be promptly submitted to the Authority and any state or federal agencies.

(M) The Construction, including the letting of contracts in connection therewith, will conform in all respects to applicable requirements of federal, state and local laws, ordinances, rules and regulations.

(N) The Governmental Agency will proceed expeditiously with and complete the Project in accordance with the approved surveys, plans specifications and designs or amendments thereto, prepared by the Engineers to the Governmental Agency and approved by state and federal agencies, but only to the extent such approvals may be required.

(O) If requested, the Governmental Agency will erect at the Project sites, signs satisfactory to the Authority noting the participation of the Authority in the financing of the Project.

(P) Except as otherwise provided in this Assistance Agreement, the Governmental Agency shall have the sole and exclusive charge of all details of the Construction.

(Q) The Governmental Agency shall keep complete and accurate records of the costs of acquiring the Project sites and the costs of Construction. The Governmental Agency shall permit the Authority, acting by and through its duly authorized representatives, and the duly authorized representatives of state and/or federal agencies to inspect all books, documents, papers and records relating to the Project at any and all reasonable times for the purpose of audit and examination, and the Governmental Agency shall submit to the Authority such documents and information as such public bodies may reasonably require in connection with the administration of any federal or state grants.

(R) The Governmental Agency shall require that any bid for any portion of the Construction of the Project be accompanied by a bid bond, certified check or other negotiable

instrument payable to the Governmental Agency, as assurance that the bidder will, upon acceptance of such bid, execute the necessary contractual documents within the required time.

(S) The Governmental Agency shall require that each construction contractor or contractors furnish a performance and payment bond in an amount at least equal to one hundred percent (100%) of the contract price or the portion of the Project covered by the particular contract as security for the faithful performance of such contract.

(T) The Governmental Agency shall require that each of its contractors and all subcontractors maintain during the life of the construction contract, worker's compensation insurance, public liability insurance, property damage insurance and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until the Project facilities are completed and accepted by the Governmental Agency, the contractor, shall maintain builders risk insurance (fire and extended coverage) on a one hundred percent (100%) basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Governmental Agency, the prime contractor, and all subcontractors, as their interests may appear.

(U) The Governmental Agency shall provide and maintain competent and adequate resident engineering services covering the supervision and inspection of the development and construction of the Project, and bearing the responsibility of assuring that Construction conforms to the approved plans, specifications and designs prepared by the Engineers. Such resident engineer shall certify to the Authority, any involved state or federal agencies, and the Governmental Agency at the completion of construction that construction is in accordance with the approved plans, specifications and designs, or, approved amendments thereto.

(V) The Governmental Agency shall demonstrate to the satisfaction of the Authority the legal capability of the Governmental Agency to enact, adopt, levy, charge, collect, enforce and remit to the Authority the Service Charges of the Governmental Agency described in the Schedule of Service Charges attached to and made a part of this Assistance Agreement as Exhibit C and submit proof satisfactory to the Authority that the Service Charges are in full force and effect as of the submission of the initial Requisition for Funds.

Section 4.2. Disbursements of Loan; Requisition for Funds. The Governmental Agency may submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) a Requisition for Funds during the first ten days of each month (or such other designated period as is acceptable

to the Authority), in substantially the same form as that attached to this Assistance Agreement as Exhibit B and made a part hereof, accompanied by, to the extent requested by the Authority, the following documentation:

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

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

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

(D) The contractor's estimate of work performed during the preceding month pursuant to construction contracts for the Project and payment thereunder due, together with the Engineer's and Governmental Agency's approval thereof for payment by the Authority directly to the contractor.

Upon the Authority's receipt of the Requisition for Funds, and such additional documentation as it may require, the Authority may direct the Trustee to remit the amount requested to the Governmental Agency as a draw upon the Loan.

ARTICLE V

CERTAIN COVENANTS OF THE GOVERNMENTAL AGENCY; PAYMENTS TO BE MADE BY GOVERNMENTAL AGENCY TO THE AUTHORITY

Section 5.1. Imposition of Service Charges. The Governmental Agency hereby irrevocably covenants and agrees to comply with all of the terms, conditions and requirements of this Assistance Agreement, pursuant to which the Loan is to be made by the Authority to the Governmental Agency as specified herein and in the Act and the Indenture. The Governmental Agency hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose Service Charges upon all persons, firms and entities to whom or which services are provided by the System, such Service Charges to be no less than as set forth in Exhibit C annexed hereto. If so required, such Service Charges shall be in addition to all other rates, rentals and service charges of a similar nature of the Governmental Agency now or hereafter authorized by law, and now or hereafter being levied and collected by the Governmental Agency and shall be levied and collected solely for the purpose of repaying to the Authority all sums received from the Authority as representing the Loan in respect of the Project.

Section 5.2. Governmental Agency's Obligation to Repay Loan. The obligation of the Governmental Agency to repay to the Authority the amount of the Loan from the Service Charges shall not be revocable, and in the event that services supplied by the Project shall cease, or be suspended for any reason, the Governmental Agency shall continue to be obligated to repay the Loan from the Services Charges. In the event the Governmental Agency defaults in the payment of any Service Charges to the Authority, the amount of such default shall bear interest at the per annum rate equal to the Default Rate set forth in the Project Specifics, from the date of the default until the date of the payment thereof.

Section 5.3. Covenant to Adjust Service Charges. In the event, for any reason, the Schedule of Service Charges shall prove to be insufficient to provide to the Authority the minimum sums set forth in the Schedule of Payments, the Governmental Agency hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and state, immediately adjust and increase such Schedule of Service Charges, or immediately commence proceedings for a rate adjustment and increase with all applicable regulatory authorities, so as to provide funds sufficient to pay to the Authority the minimum sums set forth in the Schedule of Payments.

Section 5.4. Adequacy of Service Charges. The Service Charges herein covenanted to be imposed by the Governmental Agency shall be fixed at such rate or rates (and it is represented that the Schedule set forth in Exhibit C hereto so qualifies), as shall be at least adequate to make the payments at the times and in the amounts set forth in the Schedule of Payments, subject to necessary governmental and regulatory approvals.

The Service Charges imposed by the Governmental Agency shall be paid by the users of the System and accordingly the Project not less frequently than the Service Charge Payment period set forth in the Project Specifics, and shall be remitted to the Authority by the Governmental Agency with a report showing collections and any delinquencies. A report of all collections and delinquencies shall be made at least semi-annually on or before each Payment Date identified in the Schedule of Payments.

Section 5.5. Covenant to Establish Maintenance and Replacement Reserve. The Governmental Agency shall establish a special account identified as a "Maintenance and Replacement Reserve". On or before each payment date identified in the Schedule of Payments, the Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to ten percent (10%) of the amount of such Loan payment until the amount on deposit in such fund is equal to five percent (5%) of the original principal amount of the Loan (the "Required Balance"). Amounts in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the Project or for the costs of replacing worn or obsolete portions of the Project. If amounts are withdrawn from such fund, the Governmental Agency shall again make the periodic deposits hereinabove required until the Required Balance is reinstated.

Section 5.6. Covenant to Charge Sufficient Rates; Reports; Inspection. The Governmental Agency hereby irrevocably covenants and agrees with the Authority:

(A) That, as aforesaid, it will at all times impose, prescribed, charge and collect the Service Charges set forth in Exhibit C hereto for the services of the Project as shall result in net revenues to the Governmental Agency at least adequate to provide for the payments to the Authority required by this Assistance Agreement.

(B) That it will furnish to the Authority not less than annually reports of the operations and income and revenues of the Project, and will permit authorized agents of the Authority to inspect all records, accounts and data of the Project at all reasonable times.

(C) That it will collect, account for and promptly remit to the Authority those specific revenues, funds, income and proceeds derived from Service Charges incident to this Assistance Agreement.

(D) That it will notify the Authority in writing of its intention to issue bonds or notes payable from the revenues of the System not less than thirty (30) days prior to the sale of said obligations.

Section 5.7. Segregation of Funds. The Governmental Agency shall at all times account for the income and revenues of the System and distinguish same from all other revenues, moneys and funds of the Governmental Agency, if any.

Section 5.8. Mandatory Sewer Connection. In the event that the Project consists of sanitary sewer facilities, the Governmental Agency hereby irrevocably covenants and agrees with the Authority that it will, to the maximum extent permitted by Kentucky law, and by means of ordinance, or other appropriate legislative order or action, mandatorily require the connection to and use of, the sanitary sewers constituting the Project by all persons owning, renting or occupying premises generating pollutants where such sanitary sewers are reasonably available to such premises, and to exhaust, at the expense of the Governmental Agency, all remedies for the collection of Service Charges, including, either directly or indirectly, pursuant to authority granted by Sections 96.930 to 96.943, inclusive, of the Kentucky Revised Statutes, and the Act, causing termination of water services to any premises where the bill for sewer services is delinquent and foreclosure and decretal sale in respect of improvement benefit assessments which are delinquent.

Section 5.9. Termination of Water Services to Delinquent Users. In the event the Project consists of water facilities the Governmental Agency covenants and agrees that it shall, pursuant to applicable provisions of law, to the maximum extent authorized by law, enforce and collect the Service Charges imposed upon users of the Project and facilities constituting the System, and will promptly cause water service to be discontinued to any premises where any billing for such facilities and services shall not be paid in a timely manner.

ARTICLE VI

OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

Section 6.1. Further Assurance. At any time and all times the Governmental Agency shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning and confirming all and singular the rights, assets and revenues herein pledged or assigned, or intended so to be, or which the Governmental Agency may hereafter become bound to pledge or assign.

Section 6.2. Completion of Project. The Governmental Agency hereby covenants and agrees to proceed expeditiously with and promptly complete the Project in accordance with the plans, designs and specifications prepared by the Engineers for the Governmental Agency.

Section 6.3. Establishment of Completion Date. The completion date for the Project shall be evidenced to the Authority by a certificate signed by the Engineer and an authorized representative of the Governmental Agency stating that, except for amounts retained by the Authority for costs of the Project not then due and payable, (i) the Construction has been completed and all labor, services, materials, supplies, machinery and equipment used in such Construction have been paid for, (ii) all other facilities necessary in connection with the Project have been acquired, constructed, equipped and installed and all costs and expenses incurred in connection therewith have been paid, (iii) the Project and all other facilities in connection therewith have been acquired, constructed, equipped and installed to his satisfaction.

Section 6.4. Commitment to Operate. The Governmental Agency hereby covenants and agrees to commence operation of the Project immediately on completion of construction and not to discontinue operations or dispose of such Project without the approval of the Authority.

Section 6.5. Continue to Operate. The Governmental Agency hereby covenants and agrees to continuously operate and maintain the Project in accordance with applicable provisions of federal and state law and to maintain adequate records relating to said operation; said records to be made available to the Authority upon its request at all reasonable times.

Section 6.6. Tax Covenant. In the event the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the

funds for the Loan, the Governmental Agency shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority in order to accomplish the foregoing. The Governmental Agency shall not permit (i) the proceeds of the Loan to be used directly or indirectly in any trade or business, (ii) its payments hereunder to be secured directly or indirectly by property to be used in a trade or business, (iii) any management agreement for the operation of the System or (iv) any federal guarantee of its obligations hereunder without the prior written consent of the Authority. The Governmental Agency will not acquire or pledge any obligations which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

Section 6.7. Accounts and Reports. The Governmental Agency shall at all times keep, or cause to be kept, proper books of record and account in which complete and accurate entries shall be made of all its transactions relating to the System, which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.8. Financial Statements. Within ninety (90) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principals on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity.

Section 6.9. General Compliance With All Duties. The Governmental Agency shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of the this Assistance Agreement and any other Debt Obligations.

Section 6.10. System Not to Be Disposed Of. The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not sell, mortgage, or in any manner dispose of, or surrender

control or otherwise dispose of any of the facilities of the System or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 6.11. General. The Governmental Agency shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Governmental Agency under the provisions of the Act and this Assistance Agreement in accordance with the terms of such provisions including the Additional Covenants and Agreements, if any, set forth in Exhibit G hereto.

ARTICLE VII

MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

Section 7.1. Maintain System. The Governmental Agency agrees that during the entire term of this Assistance Agreement, it will keep the Project, including all appurtenances thereto, and the equipment and machinery therein, in good and sound repair and good operating condition at its own cost so that the completed Project will continue to provide the services for which the System is designed.

Section 7.2. Additions and Improvements. The Governmental Agency shall have the privilege of making additions, modifications and improvements to the sites of the Project, and to the Project itself from time to time provided that said additions, modifications and improvements do not impair the operation or objectives of the Project. The Cost of such additions, modifications and improvements shall be paid by the Governmental Agency, and the same shall be the property of the Governmental Agency and shall be included under the terms of this Assistance Agreement as part of the site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Governmental Agency from entering into one or more supplementary Assistance Agreements providing for an additional Loan or Loans in respect of additional Projects undertaken by the Governmental Agency.

Section 7.3. Compliance with State and Federal Standards. The Governmental Agency agrees that it will at all times provide operation and maintenance of the Project to comply with the water quality standards, if any, established by any state or federal agency. The Governmental Agency agrees that qualified operating personnel properly certified by the Commonwealth will be retained to operate the Project during the entire term of this Assistance Agreement.

Section 7.4. Access to Records. The Governmental Agency agrees that it will permit the Authority and any state or federal agency and their respective agents to have access to the records of the Governmental Agency pertaining to the operation and maintenance of the Project at any reasonable time following completion of construction of the Project, and commencement of operations thereof.

Section 7.5. Covenant to Insure - Casualty. The Governmental Agency agrees to insure the Project facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political

subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

Section 7.6. Authority as Named Insured. Any insurance policy issued pursuant to Section 7.5 hereof, shall be so written or endorsed as to make losses, if any, payable to the Governmental Agency, and to the Authority, as their interests may appear.

Section 7.7. Covenant to Insure - Liability. The Governmental Agency agrees that it will carry public liability insurance with reference to the Project with one or more reputable insurance companies duly qualified to do business in the Commonwealth, insuring against such risks (including but not limited to personal injury, death and property damage) and in such amounts as are set forth in the Project Specifics, and naming the Authority as an additional insured.

Section 7.8. Covenant Regarding Worker's Compensation. Throughout the entire term of this Assistance Agreement, the Governmental Agency shall maintain worker's compensation coverage, or cause the same to be maintained.

Section 7.9. Application of Casualty Insurance Proceeds. If, prior to the completion of the term of this Assistance Agreement, the Project shall be damaged or partially or totally destroyed by fire, windstorm or other casualty, there shall be no abatement or reduction in the amount payable by the Governmental Agency pursuant to the terms of this Assistance Agreement, and the Governmental Agency will (1) promptly repair, rebuild or restore the Project damaged or destroyed; and (2) apply for such purpose so much as may be necessary of any net proceeds of insurance resulting from claims for such losses, as well as any additional moneys of the Governmental Agency necessary therefor. All net proceeds of insurance resulting from claims for such losses shall be paid to the Governmental Agency, and shall be promptly applied as herein provided.

Section 7.10. Eminent Domain. In the event that title to, or the temporary use of, the Project, or any part thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any Person acting under governmental authority, there shall be no abatement or reduction in the minimum amounts payable by the Governmental Agency to the Authority pursuant to the terms of this Assistance Agreement, and any and all net proceeds received from any award made in such eminent domain proceedings shall be paid to and held by the Governmental Agency in a separate condemnation award account and shall be applied by the Governmental Agency in either or both of the following ways, as shall be determined by the Governmental Agency in its sole discretion:

(A) The restoration of the improvements located on the Project sites to substantially the same condition as prior to the exercise of said power of eminent domain; or

(B) The acquisition of additional property, if necessary, and the acquisition of additional facilities by construction or otherwise, equivalent to the Project facilities, which property and facilities shall be deemed to be a part of the Project sites and a part of the Project facilities and to be substituted for Project facilities so taken by eminent domain, without the payment of any amount other than herein provided, to the same extent as if such property and facilities were specifically described herein.

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section 7.10, shall be paid to the Governmental Agency upon delivery to the Authority of a certificate signed by an authorized officer of the Governmental Agency to the effect that the Governmental Agency has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of such certificate by an authorized officer of the Authority. In no event will the Governmental Agency voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the written consent of the Authority.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1. Events of Default Defined. The following will be "Events of Default" under this Assistance Agreement and the term "Event of Default" or "Default" will mean, whenever it is used in this Assistance Agreement, any one or more of the following events:

(A) Failure by the Governmental Agency to pay any payments at the times specified herein.

(B) Failure by the Governmental Agency to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in subsection (A) of this Section, for a period of thirty (30) days after written notice specifying such failure and requesting that it be remedied will have been given to the Governmental Agency by the Authority unless the Authority agrees in writing to an extension of such time prior to its expiration; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority will not unreasonably withhold its consent to an extension of such time if corrective action is instituted by the Governmental Agency within the applicable period and diligently pursued until such failure is corrected.

(C) The dissolution or liquidation of the Governmental Agency, or the voluntary initiation by the Governmental Agency of any proceeding under any federal or state law relating to bankruptcy, insolvency, arrangement, reorganization, readjustment of debt or any other form of debtor relief, or the initiation against the Governmental Agency of any such proceeding which will remain undismissed for sixty (60) days, or the entry by the Governmental Agency into an agreement of composition with creditors or the failure generally by the Governmental Agency to pay its debts as they become due.

(D) A default by the Governmental Agency under the provisions of any agreements relating to its Debt Obligations.

Section 8.2. Remedies on Default. Whenever any Event of Default referred to in Section 8.1 has occurred and is continuing, the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare all payments due hereunder, as set forth in the Schedule of Payments to be immediately due and payable.

(B) Exercise all the rights and remedies of the Authority set forth in the Act.

(C) Take whatever action at law or in equity may appear necessary or desirable to enforce its rights under this Assistance Agreement.

Section 8.3. Appointment of Receiver. Upon the occurrence of an Event of Default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Authority under this Assistance Agreement, the Authority shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the System and all receipts therefrom, pending such proceedings, with such power as the court making such appointment shall confer; provided, however, that the Authority may, with or without action under this Section, pursue any available remedy to enforce the payment obligations hereunder, or to remedy any Event of Default.

Section 8.4. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 8.5. Consent to Powers of Authority Under Act. The Governmental Agency hereby acknowledges to the Authority its understanding of the provisions of the Act, vesting in the Authority certain powers, rights and privileges in respect of the Project upon the occurrence of an Event of Default, and the Governmental Agency hereby covenants and agrees that if the Authority should in the future have recourse to said rights and powers, the Governmental Agency shall take no action of any nature whatsoever calculated to inhibit, nullify, void, delay or render nugatory such actions of the Authority in the due and prompt implementation of this Assistance Agreement.

Section 8.6. Waivers. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

Section 8.7. Agreement to Pay Attorneys' Fees and Expenses. In the event that either party hereto will default under any of the provisions hereof and the nondefaulting party employs attorneys or incurs other expenses for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it will pay on demand therefor to the nondefaulting party the fees of such attorneys and such other expenses so incurred by the nondefaulting party.

ARTICLE IX

MISCELLANEOUS PROVISIONS

Section 9.1. Approval not to be Unreasonably Withheld. Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld and shall be deemed to have been given on the thirtieth (30th) day following the submission of any matter requiring approval to the Authority, unless disapproved in writing prior to such thirtieth (30th) day. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of the Authority granting, authorizing or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

Section 9.2. Approval. This Agreement is made subject to, and conditioned upon, the approval of this Assistance Agreement by the Secretary of the Finance and Administration Cabinet.

Section 9.3. Effective Date. This Assistance Agreement shall become effective as of the date first set forth hereinabove and shall continue to full force and effect until the date the obligations of the Governmental Agency pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 9.4. Binding Effect. This Assistance Agreement shall be binding upon, and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, nor assignable by either parties without the written consent of the other party.

Section 9.5. Severability. In the event that any provision of this Assistance Agreement will be held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

Section 9.6. Execution in Counterparts. This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 9.7. Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

Section 9.8. Venue. The parties hereto agree that in the event of a default by the Governmental Agency pursuant to the provisions of Article 8 of this Agreement, the Authority shall, to the extent permitted under the laws of the Commonwealth, have the right to file any necessary actions with respect thereto in Franklin Circuit Court.

Section 9.9. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Assistance Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the day and year above written.

ATTEST:

KENTUCKY INFRASTRUCTURE
AUTHORITY

Marilyn Eaton Thomas By William Penner
Title Secretary/Treasurer Title Executive Director

ATTEST:

GOVERNMENTAL AGENCY:
MARTIN COUNTY WATER DISTRICT #2

By: Betty Keiner
Title: Secretary

By: Norman J. Vandyke
Title: Chairman

APPROVED:

[Signature]
SECRETARY/FINANCE AND
ADMINISTRATION CABINET OF THE
COMMONWEALTH OF KENTUCKY

EXAMINED:

Peck, Shaffer + Williams
LEGAL COUNSEL TO THE KENTUCKY
INFRASTRUCTURE AUTHORITY

**EXHIBIT A
PROJECT SPECIFICS
B291-03**

NAME: Martin County Water District #2
CONTACT PERSON: Norman J. Vogeler, Chairman
ADDRESS: Martin County Water District #2
 Post Office Box 308
 Warfield, Kentucky 41267
 or
 John B. Callahan,
 Judge/Executive, Martin County
 Post Office Box 309
 Inez, Kentucky 41224
 606-298-2810
 or
 Roger Racktenwald, Executive Director
 Big Sandy Area Development District

ENGINEER: **NAME:** Proctor, Davis & Ray
ADDRESS: 800 Corporate Drive
 Lexington, Kentucky 41224
CONTACT: Mark Fisher
TELEPHONE: 606-223-8000

**LIABILITY INSURANCE
COVERAGE:**

Death or Personal Injury (per person)	<u>500,000</u>
Death or Personal Injury (per occurrence)	<u>500,000</u>
Property Damage on System	<u>500,000</u>

ADMINISTRATIVE FEE: .20%

DEFAULT RATE: 10%

PROJECT COST

BREAKDOWN:

Acquisition	\$ 25,094
Construction (water lines)	1,606,000
Construction (storage tanks)	331,000
LMI Hookups	92,750
Engineering Design	117,988
Engineering Inspection	61,848
Geo-Tech/Surveying	47,536
Legal	15,000
Planning	7,500
Administration	40,000
Interest during construction	40,000
Contingencies	96,850
TOTAL	<u>\$2,481,566</u>

SERVICE CHARGE

PAYMENT PERIOD: Monthly

PAYMENT DATES: The December 1 or June 1 succeeding the project completion date which is at least three months, but no more than nine months, after the project completion date.

LOAN RATE: 3.0%
LOAN AMOUNT: \$1,250,992

FINAL LOAN TERM
 (APPROXIMATELY): 20 Years
 ESTIMATED ANNUAL
 DEBT SERVICE: \$ 83,634 annual debt service
 2,502 administrative fee
 8,363 coverage for maintenance
 \$ 94,499 Total

OTHER FINANCING SOURCES:

CDBG	\$ 750,000
Zeigler Coal Company	\$ 100,000
Martin County Coal Company	\$ 100,000
Martiki Coal Company	\$ 100,000
Martin County Water District	\$ 34,000
Martin County Water District ADF Funds FY 93	\$ 34,252
Martin County Water District ADF Funds FY 94	\$ 57,372
Tap Fee Revenue	\$ 54,950

DEBT OBLIGATIONS

CURRENTLY OUTSTANDING:

As of June 30, 1990

Bond Payable

General Electric Credit Corp. Matures 2015	\$ 468,000
---	------------

Note Payable

General Motor Corp. 48 month note	\$ 14,783
--------------------------------------	-----------

PROJECT DESCRIPTION

The Martin County Fiscal Court and Martin County Water District #2 proposes to construct 38.6 miles of water line and construct two (2) 100,000 gallon storage tanks to serve a potential 528 new customers as well as upgrading the service to 75 existing customers.

EXHIBIT B

REQUEST FOR PAYMENT WITH RESPECT TO
ASSISTANCE AGREEMENT DATED _____

Request No. _____

Dated _____

ORIGINAL SENT TO: Kentucky Infrastructure Authority
Room 075, Capitol Annex
Frankfort, Kentucky 40601

COPY SENT TO: Ms. Nancy Sanders
Director, Community Programs
Department for Local Government
1024 Capitol Center Drive
Frankfort, Kentucky 40601

FROM: _____ ("Governmental Agency")

Gentlemen:

The above identified Governmental Agency has entered into an Assistance Agreement with the Kentucky Infrastructure Authority (the "Authority") for the acquisition and construction of facilities described in the Assistance Agreement as the "Project."

Pursuant to the Assistance Agreement, we hereby certify that we have incurred the following expenses in connection with the Project and that the Authority's funding share of these expenses is in the amount so denoted in this request totaling \$_____.

Documentation supporting the expenses incurred and identified per this request are attached.

ELIGIBLE PROJECT EXPENSES INCURRED

<u>Contractor</u>	<u>Expenses this Request</u>	<u>Expenses to Date</u>
-------------------	--------------------------------------	---------------------------------

Total

ALLOCATION OF FUNDING FOR EXPENSES

<u>Funding Source</u>	<u>Portion of Expenses this Request</u>	<u>Portion of Expenses Total to Date</u>
-----------------------	---	--

Totals

The Governmental Agency certifies it has also paid Project expenses or has submitted requisitions to the applicable funding sources for Project expenses, which have not been identified in any previous Request or Payment, as follows:

<u>Funding Source</u>	<u>Amount of Payment or Requisition</u>	<u>Date of Payment or Requisition</u>
-----------------------	---	---------------------------------------

Respectfully submitted,

Governmental Agency

By _____

Title _____

Certificate of Consulting Engineers as to
Payment Request

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request in connection with the "Eligible Project" and that all expenses represented in this request were duly incurred for the Construction of the "Project," that the Authority's funding share of these expenses is accurately represented and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

Firm Name

EXHIBIT C

SCHEDULE OF SERVICE CHARGES

Form for filing rate Schedules

For Warfie
Community, Town or City

P.S.C. NO. 2

4th revised SHEET NO. 1

CANCELLING P.S.C. NO. 2

3rd revised SHEET NO. 1

Martin County Water District No. 2
Name of Issuing Corporation

CLASSIFICATION OF SERVICE

		RATE PER UNIT
First 2,000 gallons	\$13.00 (Minimum Bill)	
Next 18,000 gallons	4.40 per 1,000 gallons	
Next 20,000 gallons	3.40 per 1,000 gallons	
Over 40,000 gallons	2.35 per 1,000 gallons	
A \$3.00 minimum surcharge will be added to the new customers only to be served by the extension of new water lines. The surcharge will be in effect until \$2,427,512.80 is collected from the new customers only that are served by the new extensions of water lines.		
<u>Peter Cave/Wolf Creek Collieries</u>		
First 100,000 gallons	\$301.20 (Minimum Bill)	
Over 100,000 gallons	2.35 per 1,000 gallons	
<u>Pigeon Roost School</u>		
First 60,000 gallons	\$207.20 (Minimum Bill)	
Over 60,000 gallons	2.35 per 1,000 gallons	
<u>Warfield School</u>		
First 75,000 gallons	\$242.45 (Minimum Bill)	
Over 75,000 gallons	2.35 per 1,000 gallons	
<u>Dempsey Housing</u>		
First 80,000 gallons	\$254.20 (Minimum Bill)	
Next 80,000 gallons	2.35 per 1,000 gallons	

DATE OF ISSUE July 22, 1992
ISSUED BY *Norman J. Vandy*
Name of Officer

DATE EFFECTIVE August 31, 1992
TITLE Chairman

Issued by authority of an Order of the Public Service Commission of Kentucky
in Case No. _____ dated _____

EXHIBIT D

RESOLUTION _____

RESOLUTION OF THE MARTIN COUNTY WATER DISTRICT #2
APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT
BETWEEN THE MARTIN COUNTY WATER DISTRICT #2 AND THE
KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners, ("governing authority") of the Martin County Water District #2, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Governmental Agency's Water System (the "Project") and

WHEREAS, the Governmental Agency has made application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency is required to enter into an Assistance Agreement with the Authority;

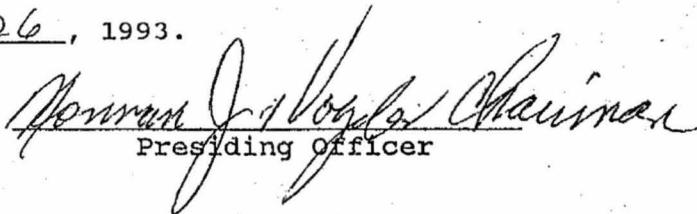
NOW, THEREFORE, BE IT RESOLVED by the Martin County Water District #2, as follows:

SECTION 1. That the governing authority hereby approves and authorizes of the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the Project.

SECTION 2. That any officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on May 26, 1993.


Presiding Officer

Attest:

Betty Keenan

Title: Sec.

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Recording Officer of the Martin County Water District #2; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said District at a meeting duly held on May 26, 1993; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 26
day of May, 1993.

Betty Keenan

Recording Officer

EXHIBIT E

Kennis Maynard
Martin County Attorney

P.O. Box 615
Court House
Inez, Kentucky 41224

Phone: 298-2815
298-7731

May 26, 1993

Kentucky Infrastructure Authority
075 Capitol Annex
Frankfort, Kentucky

RE: Assistance Agreement by and Between Kentucky
Infrastructure Authority and Martin County Water
District #2 dated as of May 1, 1993.

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Martin County Water District #2, hereinafter referred to as the "Governmental Agency". I am familiar with the organization and existence of the Governmental Agency and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the infrastructure project (the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Governmental Agency is being authorized, executed and delivered.

I have reviewed the form of Assistance Agreement by and between the Authority and the Governmental Agency, the resolution or ordinance of the governing authority authorizing the execution and delivery of said Assistance Agreement and the plans, designs and specifications prepared by the Engineers for the Governmental Agency with respect to the Project.

Based upon my review I am of the opinion that:

1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The Assistance Agreement has been duly executed and delivered by the Governmental Agency and is a valid and binding obligation of the Governmental Agency enforceable in accordance with its terms, except to the extent that the enforceability

thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

3) The Governmental Agency has all necessary power and authority (i) to enter into, perform and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by its in connection with the construction of the Project.

4) The Service Charges, as defined in the Assistance Agreement, are in full force and effect and have been duly and lawfully adopted by the Governmental Agency.

5) The execution and delivery of the Assistance Agreement and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance or regulation, or any agreement, indenture, mortgage, lease, note or other obligation or instrument, binding upon the Governmental Agency, or any of its properties or assets. The Governmental Agency has obtained each and every authorization, consent, permit, approval or license of, or filing or registration with, any court or governmental department, commission, board, bureau, agency or instrumentality, or any specifically granted exemption from any of the foregoing, that is necessary to the valid execution, delivery or performance by the Governmental Agency of the Assistance Agreement and the imposition of the Service Charges.

6) To the best of my knowledge after due inquiry there is not action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questions (i) the valid existence of the Governmental Agency, (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the construction of the project, (v) the validity or enforceability of the Service Charges or (vi) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement.

7) None of the proceedings or authority heretofore had or taken by the Governmental Agency for the authorization, execution or delivery of the Assistance Agreement has or have been repealed, rescinded, or revoked.

8) All proceedings and actions of the Governmental Agency with respect to which the Assistance Agreement is to be delivered were had or taken at meetings properly convened and held in substantial compliance with the applicable provisions of Sections 61.805 to 61.850 of the Kentucky Revised Statutes.

Very Truly yours,

Kennis Maynard

Kennis Maynard

It is understood and agreed by the parties to this Assistance Agreement that this Exhibit F is an integral part of the Assistance Agreement between the Governmental Agency and the Kentucky Infrastructure Authority.

IN WITNESS WHEREOF, the parties have caused this Exhibit F to Assistance Agreement to be executed by their respective duly authorized officers as of the date of said Assistance Agreement.

KENTUCKY INFRASTRUCTURE AUTHORITY

By _____

Title _____

Governmental Agency

By _____

Title _____

ATTEST:

Title _____

EXHIBIT G

ADDITIONAL COVENANTS AND AGREEMENTS

1. The Governmental Agency understands and agrees that no funds will be disbursed by the Authority under this Assistance Agreement until the Authority has evidence that the Governmental Agency has obtained the thrid tank site from Wolf Creek Collieries, free of any mortgages.

Peck, Shaffer & Williams, L.L.P. RECEIVED
Attorneys at Law

118 West 5th
Covington, Kentucky 41011

FAX (606) 431-0673

(606) 431-7000

1-800-927-2663

December 19, 1996

JOHN W. FISCHER III
JOHN WELD PECK
THOMAS A. LUEBBERS
G. BUCK NIEHOFF
MARK D. BLOCHER (ALSO D.C.)
R. PATRICK RILEY
ROBERT T. BRUNS (ALSO PA.)
DENNIS G. SCHWALLJE
DOLORIS F. LEARMONTH
ROGER L. PETERMAN (KY. ONLY)
ABBOT A. THAYER
MARY W. SULLIVAN
CHRISTOPHER BREWER (PA. ONLY)
TODD L. COOPER
GLENDON B. PRATT
WAYNE D. GERHOLD (PA. ONLY)
EDWARD CAVEZZA
THOMAS A. WILSON (ALSO MI.)
CAROL DUANE OLSON (ALSO N.Y.)
JOHN C. MERCHANT (ALSO KY.)
DIRK M. BEDARFF (KY. ONLY)
JOHN E. PENOE (ALSO KY.)
CHRISTOPHER M. ALEXANDER
DAVID B. MALONE (ALSO KY.)
SUJYOT S. PATEL
MARY S. DUFFEY
LISA A. CHIESA (PA. ONLY)
BRENDA A. WEHMER

OF COUNSEL
JUDSON J. ALLGOOD
SHIRLEY L. MAYS

HIRAM D. PECK (1844-1914)
FRANK HOLMES SHAFFER (1867, 1929)
JOHN WELD PECK (1874-1963)
FLOYD C. WILLIAMS (1894-1963)
FRANK T. FISCHER (1912-1984)
FRANK T. SHAFFER, JR. (1896-1986)
JOHN M. ANDERSON (1938-1993)

ALL ATTORNEYS ADMITTED IN OHIO UNLESS NOTED

CINCINNATI OFFICE

SUITE 2200

425 WALNUT STREET
CINCINNATI, OHIO 45202

(613) 621-3304

COLUMBUS OFFICE

SUITE 800

86 EAST BROAD STREET
COLUMBUS, OHIO 43215

(614) 224-5205

PITTSBURGH OFFICE

TWO GATEWAY CENTER

17 NORTH

PITTSBURGH, PENNSYLVANIA 15222

(412) 471-7800

TO: Addressees on attached distribution list

Re: First Supplemental Assistance Agreement by and between Kentucky
Infrastructure Authority and Martin County Water District, B293-02

Ladies and Gentlemen:

Enclosed for your files are the documents which were signed in connection with the above-captioned agreements. Please keep the Supplemental Assistance Agreement documents with the bound transcripts of the original Assistance Agreement for future reference.

If you should have any questions concerning the transcript, please contact the undersigned.

Very truly yours,

PECK, SHAFFER & WILLIAMS, L.L.P.

Per

Stacey S. Sanning
Stacey S. Sanning, Esq.,
Paralegal

SSS/sss

Encls.

DISTRIBUTION LIST

The Honorable Kelly E. Callahan
Judge/Executive, Martin County
Box 309
Inez, Kentucky 41224

Art Francis
Kentucky Infrastructure Authority
702 Capitol Avenue
Room 075 Capitol Annex
Frankfort, Kentucky 40601-3453

Linda Amos Wickliffe
National City Bank, Kentucky
Corporate Trust Department
101 South Fifth Street, 3rd Floor
Louisville, Kentucky 40202

Dirk M. Bedarff, Esq.
Peck, Shaffer & Williams, L.L.P.
118 W. Fifth Street
Covington, Kentucky 41011

KENTUCKY INFRASTRUCTURE AUTHORITY

FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT

FUND C

PROJECT NUMBER: B293-02

BORROWER: Martin County Water District

BORROWER'S ADDRESS: HC 69, Box 875
Inez, Kentucky 41224

DATE OF ASSISTANCE AGREEMENT: May 1, 1993

DATE OF FIRST SUPPLEMENTAL
ASSISTANCE AGREEMENT: November 1, 1996

FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT

This First Supplemental Assistance Agreement made and entered into as of the date set forth on the cover page hereof (the "First Supplemental Agreement") by and between the Kentucky Infrastructure Authority, a body corporate and politic, constituting a public corporation and governmental agency and instrumentality of the Commonwealth of Kentucky (the "Authority") and the governmental agency identified on the cover of this First Supplemental Agreement (the "Governmental Agency"):

WITNESSETH:

WHEREAS, the Authority and the Governmental Agency have heretofore entered into an Assistance Agreement dated as of the date set forth on the cover page hereof (the "Assistance Agreement") for the purpose of providing financial assistance to the Governmental Agency in connection with the acquisition and construction of the Project, as defined in the Assistance Agreement; and

WHEREAS, the Authority and the Governmental Agency desire to amend certain provisions of the Assistance Agreement;

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL COVENANTS CONTAINED HEREIN AND IN THE ASSISTANCE AGREEMENT, AND OTHER GOOD AND VALUABLE CONSIDERATION, THE PARTIES HERETO COVENANT, AGREE AND BIND THEMSELVES AS FOLLOWS:

ARTICLE I

RELATION TO ASSISTANCE AGREEMENT

This First Supplemental Agreement is supplemental to the Assistance Agreement and shall be read and construed with the Assistance Agreement as though it were part of the same instrument. The provisions of the Assistance Agreement are hereby ratified and affirmed except as amended hereby. All capitalized terms used herein shall have the same meanings as provided in the Assistance Agreement, as amended by this First Supplemental Agreement.

ARTICLE II

AMENDMENT TO ASSISTANCE AGREEMENT

Section 1.1. Exhibit A attached to the Assistance Agreement is hereby amended by replacing said Exhibit A in its entirety with the Exhibit A attached hereto.

ARTICLE III

EFFECT OF FIRST SUPPLEMENTAL AGREEMENT

Section 2.1. From and after the time of taking effect of this First Supplemental Agreement, the Assistance Agreement shall be, and be deemed to be, modified and amended in accordance herewith, and the respective rights, duties and obligations under the Assistance Agreement of the Authority and the Governmental Agency thereunder shall be determined, exercised and enforced thereunder subject in all respects to the provisions of this First Supplemental Agreement, and all provisions hereof shall be deemed to be part of the terms and conditions of the Assistance Agreement for any and all purposes.

ARTICLE IV

EFFECTIVE DATE: MISCELLANEOUS PROVISIONS

Section 3.1. Time of taking effect. This First Supplemental Agreement shall be effective as of the day and year written on the cover page hereof.

Section 3.2. Invalidity of any provision. In case any one or more of the provisions contained herein shall be adjudicated by any court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be effected or impaired thereby.

Section 3.3. Execution in counterparts. This First Supplemental Agreement may be simultaneously executed and delivered in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original, but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Supplemental Agreement to be executed by their respective duly authorized officers as of the day and year stated on the cover page hereof.

KENTUCKY INFRASTRUCTURE AUTHORITY

By: *Gordon G. Gynell*
Title: Executive Director

Attest:

Marilyn Eaton Thomas
Title: Secretary/Treasurer

GOVERNMENTAL AGENCY:
MARTIN COUNTY WATER DISTRICT

By: *[Signature]*
Title: Chair

Attest:

[Signature]
Title: Secretary

Approved:

John P. McHugh
Secretary/Finance and
Administration Cabinet of the
Commonwealth of Kentucky

EXAMINED:

Beck, Shaffer + Williams, L.L.P.
Legal Counsel to the
Kentucky Infrastructure
Authority

**EXHIBIT A
AMENDED PROJECT SPECIFICS
B293-02**

NAME: Martin County Water District

CONTACT PERSONS: John Crum, Chairman
Martin County Water District
HC 69, Box 875
Inez, Kentucky 41224
(606) 298-3885

Libby Ratcliff, Project Administrator
Big Sandy Area Development District
100 Resource Drive
Prestonsburg, Kentucky 41653
(606) 886-2374

ENGINEER: Proctor, Davis & Ray
800 Corporate Drive
Lexington, Kentucky 41224
(606) 223-8000

**LIABILITY INSURANCE
COVERAGE:**

Death or Personal Injury (per person)	<u>500,000</u>
Death or Personal Injury (per occurrence)	<u>1,000,000</u>
Property Damage on System	<u>1,000,000</u>

ADMINISTRATIVE FEE: 0.20%
DEFAULT RATE: 10%

**PROJECT COST
BREAKDOWN:**

Aquisition	\$25,020.50
Construction	
Water Lines	2,120,641.50
LMI Hookups	100,915.36
Engineering	
Design	117,988.00
Inspection	68,802.64
Legal	162.00
Geo-Technical/Surveying	47,536.00
Planning	7,500.00
Capitalized Interest	<u>40,000.00</u>
TOTAL	\$ 2,528,556.00

PAYMENT DATES:	June/December 1
LOAN RATE:	3.00%
LOAN AMOUNT:	\$1,337,992
FINAL LOAN TERM:	30 years

ESTIMATED ANNUAL PRINCIPAL & INTEREST:	\$67,952
ADMINISTRATIVE FEE:	2,676
MAINTENANCE COVERAGE:	6,795

EST. ANNUAL DEBT SERVICE:	\$77,423
----------------------------------	-----------------

OTHER FINANCING SOURCES:

CDBG	\$750,000
Zeigler Coal Company	100,000
Martin Coal Company	100,000
Martini Coal Company	100,000
Tap Fees	54,950
Local Funds	125,624

**DEBT OBLIGATIONS
CURRENTLY OUTSTANDING:****PROJECT DESCRIPTION:**

The Martin County Water District has constructed 38.6 miles of water line and two 100,000 gallon storage tanks to serve new customers and upgrade the service of existing customers.

MARTIN COUNTY WATER DISTRICT NO. 1

HC 69 - BOX 875

INEZ, KENTUCKY 41224

Nov. 22, 1996

Special Water District Meeting

Members present: John Crum, Nita Collier, and Herman Fletcher. Motion by Nita Collier and seconded by Herman Fletcher that the Water Company adopt the following resolution.

RESOLUTION

RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE MARTIN COUNTY WATER DISTRICT APPROVING AND AUTHORIZING A FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT BETWEEN THE MARTIN COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY.

WHEREAS, the Board of Commissioners ("governing authority") of the Martin County, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements to the Governmental Agency's Water System (the "Project"); and

WHEREAS, the Governmental Agency made an application to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to construct the Project; and

WHEREAS, in order to obtain such monies, the Governmental Agency entered into an Assistance Agreement dated as of May 1, 1993 with the Authority; and

WHEREAS, since the date of the Assistance Agreement the cost of the Project has been modified and the Authority has agreed to provide additional monies for the Project; and

WHEREAS, since the date of the Assistance Agreement the Authority has agreed to extend the term of the loan to a period of thirty (30) years; and

WHEREAS, in order to receive such additional monies for the Project and to extend the term of the loan it is necessary for the Governmental Agency to enter into a First Supplemental Assistance Agreement with the Authority.

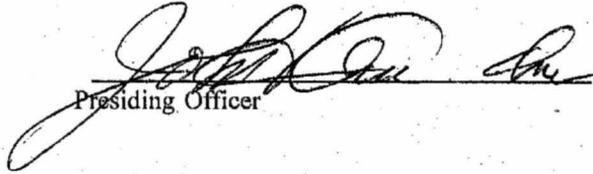
NOW, THEREFORE, BE IT RESOLVED by the governing authority of the Martin County Water District as follows:

SECTION 1. That the governing authority hereby approves and authorizes the First Supplemental Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing and to extend the term of the Loan to the Governmental Agency for the Project.

SECTION 2. That any Officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect such financing.

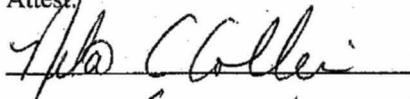
SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on 11/22, 1996.



Presiding Officer

Attest:

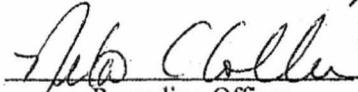


Title: Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Martin County Water District; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said District at a meeting duly held on _____, 1996; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 22 day of December, 1996.


Recording Officer

KENTUCKY INFRASTRUCTURE AUTHORITY
MAY 5, 1993

A meeting of the Kentucky Infrastructure Authority (KIA) was called to order by Chairman W. Patrick Mulloy, II, at 10:30 a.m., May 5, 1993, in Room 285 of the Capitol Annex, Frankfort, Kentucky.

Other members present: Commissioner Bruce Ferguson, Department of Local Government; Secretary Gene Strong, Economic Development Cabinet; Mr. Donald Hawkins, Hodgenville; Ms. Lanola Lawson, Harlan; Mr. Sam McNamara, Frankfort.

Guests present: Ms. Carol Cobb and Mr. Tom Caulkins representatives of the Nicholasville Public Utilities; Mr. McKenzie Moss, Hopkinsville Water and Sewer Commission; and Mr. Len Hale, engineer for the Hopkinsville project.

Chairman Mulloy introduced Secretary Gene Strong, the new Secretary of the Economic Development Cabinet.

Chairman Mulloy, noting the press had been notified and a quorum was present, called the meeting to order.

Chairman Mulloy called for a motion to approve the minutes of the KIA Full Board meeting on March 3, 1993 and the Executive Committee meeting on March 17, 1993. Commissioner Ferguson moved to approve the minutes, Mr. McNamara seconded and motion carried.

RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF
THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE
CAPITAL EXPENDITURE BY GOVERNMENTAL AGENCIES PURSUANT TO
LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO
SUCH GOVERNMENTAL AGENCIES

Marilyn Eaton-Thomas, KIA, presented the resolution which enables the Authority to make expenditures to governmental agencies from cash-on-hand when necessary and reimburse the cash from the issuance of bond proceeds. The projects covered under this resolution are listed in the May 5, 1993, board book as Attachment A. Mr. Hawkins moved to approve the resolution, Ms. Lawson seconded and motion carried.

A RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
ESTABLISHING AND APPROVING THE FUND A, FUND B AND FUND E
"INDEX RATE" FOR THE PERIOD APRIL 1, 1993 THROUGH
JUNE 30, 1993

Ms. Eaton-Thomas noted that index rates for the above mentioned funds are established on a quarterly basis. Fund A - median family income equal to or above the statewide average is 2.9 percent and below statewide average is .9 percent. Fund B - median family income equal to or above the statewide average is 3.9 percent and below median statewide average is 1.9 percent. The single rate offered for Fund E is 2.9 percent. Commissioner Ferguson moved to approve the resolution, Commissioner Strong seconded and motion carried.

**A RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
APPROVING THE FILING OF AN APPLICATION WITH THE UNITED
STATES ENVIRONMENTAL PROTECTION AGENCY FOR THE FEDERAL
FISCAL YEAR 1993 CAPITALIZATION GRANT TO THE WASTEWATER
REVOLVING FUND**

Ms. Eaton-Thomas stated that Fund A is partially financed by EPA and KIA must submit an application annually to receive financing. This resolution allows KIA to move forward and submit an application to EPA in the amount of \$24.7 million. Ms. Lawson moved to approve the resolution; Mr. Hawkins seconded and motion carried.

**A RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
AUTHORIZING ISSUANCE OF A FEDERAL ASSISTED WASTEWATER
REVOLVING LOAN (FUND A) OF \$10,349,200 TO THE
NICHOLASVILLE PUBLIC UTILITIES, JESSAMINE COUNTY, FOR A
NEW WASTEWATER TREATMENT PLANT AND NEW SEWER LINES**

Bill Gatewood, Division of Water, and Debby Milton, KIA, presented the resolution. The city is under a court order to comply with water quality standards. Nicholasville Public Utilities proposes to build a new wastewater treatment plant which will satisfy the agreed order. This project is 100% funded by KIA. Two options for funding were presented to the board: (1) assuming .9% interest NPU proposes a 9% rate increase for three years, and (2) assuming 2.9% interest NPU proposes a 9% rate increase for four years. KIA recommended the higher rate along with the conditions noted in the 5/5/93 board book. Mr. McNamara moved to approve the resolution, Ms. Lawson seconded and motion carried.

**A RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY
AUTHORIZING ISSUANCE OF AN INFRASTRUCTURE REVOLVING LOAN
(FUND B) OF \$5,000,000 TO THE CITY OF HOPKINSVILLE,
CHRISTIAN COUNTY, FOR A NEW WATER TREATMENT PLANT AND
OTHER IMPROVEMENTS**

Glenn Oldham, Department of Local Government, and Lynn Travis, KIA, presented the resolution. The project consists of construction of a water treatment plant, raw water intake and pump station, sludge handling and storage facilities and addition of chlorination booster for distribution system. The project was recommended with the conditions noted in the 5/5/93 board book. Commissioner Ferguson moved to approve the resolution, Mr. McNamara seconded and motion carried.

**REAPPROVAL OF A WATER RESOURCES LOAN (FUND B2) OF
\$1,250,992 TO THE MARTIN COUNTY WATER DISTRICT #2, MARTIN
COUNTY, FOR WATERLINES AND TWO STORAGE TANKS**

Mr. Oldham and Ms. Travis presented the resolution. This project was originally approved in September 1991. The District proposes to extend water lines and construct water storage facilities. The

District has exhausted the period of time allowed under the original conditional approval due to numerous problems encountered. Approval was recommended based on the conditions noted in the 5/5/93 board book. Mr. McNamara moved to reapprove the loan, Mr. Hawkins seconded and motion carried.

The following two (2) reapprovals were presented by Mr. Oldham and Ms. Travis.

REAPPROVAL OF A WATER RESOURCES LOAN (FUND B2) OF \$862,200 AND A WATER RESOURCES GRANT (FUND B1) OF \$1,400,000 TO THE BEAVER-ELKHORN WATER DISTRICT (PHASE II), FLOYD COUNTY, FOR EXPANSION OF THE WATER TREATMENT PLANT

REAPPROVAL OF A WATER RESOURCES LOAN (FUND B2) OF \$2,786,325 AND A WATER RESOURCES GRANT (FUND B1) OF \$600,000 TO THE BEAVER-ELKHORN WATER DISTRICT (PHASE III), FLOYD COUNTY, FOR WATERLINE EXTENSIONS

Phase I of this project was approved on 1/29/93 and will supply needed water storage capacity and adequate pressure to the Right Beaver water system. The Beaver-Elkhorn Water Treatment Plant is under a tap ban sanction by the Division of Water. Phase II will expand the capacity of the plant which will lift the tap ban, permit growth of the utility's distribution line extensions and provide a reserve treatment capacity. Phase III of the project will extend the Left Beaver water system from where it stops in Phase I to serve the Abner Fork/Weeksbury areas. The project also includes extending and upgrading the water system to serve other areas. Ms. Travis noted that KIA recommends the project based on the conditions for Phase II and Phase III noted in the 5/5/93 board book.

Mr. Hawkins moved to approve both of the above resolutions, Secretary Strong seconded and motion carried.

RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A GOVERNMENTAL AGENCIES PROGRAM LOAN (FUND C) OF \$248,000 TO THE CITY OF WURLAND, GREENUP COUNTY, FOR A DISCHARGE DIFFUSER SYSTEM

Marcie Close, KIA, presented the resolution. The city proposes to construct a river bed effluent discharge diffuser system for the city's wastewater treatment plant. The Division of Water has required the city to install a discharge line and diffuser into the Ohio River by August 1, 1993. This project would bring the city into compliance. KIA recommended the project for approval. Mr. McNamara moved to approve the resolution, Ms. Lawson seconded and motion carried.

The following two (2) amendments were presented by Betty Beshoar, Division of Waste Management and John Covington, KIA.

AMENDMENT TO A SOLID WASTE REVOLVING GRANT (FUND E),
CRITTENDEN COUNTY

AMENDMENT TO A SOLID WASTE REVOLVING GRANT AND LOAN
(FUND E), NELSON COUNTY

Crittenden County has requested a change in their grant application. The original project was for a regional tire shredder, 3 phase power, and other expenses. Due to closure of the local landfill, the regional tire shredder is no longer possible. The new project is for cost associated with acquisition of a convenience/drop off center which is to be co-housed with the county road department. Due to problems with selecting a site for the transfer station, two options were presented for board approval: (1) the county has an option to purchase a site, however the location has had underground storage tanks that have been removed and an environmental inspection of the premises has to be made before purchase, and (2) a second site is available for the transfer station but is not as desirable as the above mentioned site. Both options with conditions noted in the 5/5/93 board book were presented to the Board for approval so that the county would quickly move forward should site clearance be received. One concern noted by Secretary Strong was the liability of the state regarding the site requiring environmental inspection. A condition was added to the 5/5/93 board book stating that the Authority would be "held harmless" on the proposed site to be purchased by Crittenden County.

Nelson County originally requested grant funds for a recycling facility and loan funds for landfill acquisition. The new project is for recycling equipment and construction of a leachate collection line at the landfill. KIA recommended the approval of this project amendment.

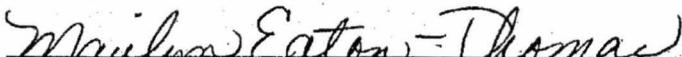
Secretary Strong moved to approve the above amendments, Mr. McNamara seconded and motion carried.

FINANCIAL STATUS REPORT ON FUND A, FUND B, FUND B1,
FUND B2, FUND C, FUND D AND FUND E

Ms. Eaton-Thomas noted that financial status reports were included in the board book for information purposes.

There being no further business to bring before the board, Chairman Mulloy declared the meeting adjourned.

Submitted by:


Marilyn Eaton-Thomas, Secretary/Treasurer
Kentucky Infrastructure Authority

T. Craig Justice
Operations Manager
HC 69 BOX 875
Inez, Ky 41224

Martin County Water District

B293-02
RECEIVED A/A
Nov 17 1 10 PM '97

KENTUCKY
INFRASTRUCTURE
AUTHORITY
Telephone 606 296 3898
Fax 606 296 4913

NOVEMBER 12, 1997

KENTUCKY INFRASTRUCTURE AUTHORITY
FINANCE AND ADMINISTRATION CABINET
702 CAPITOL AVENUE
SUITE 261, CAPITOL ANNEX
FRANKFORT, KY 40601-3453

RE: MARTIN COUNTY WATER DISTRICT LOAN AGREEMENT B293-02
EXHIBIT F; COMPLETION CERTIFICATE

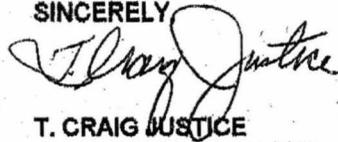
DEAR MARILYN:

PLEASE FIND ENCLOSED THE EXECUTED COMPLETION CERTIFICATE AND EXHIBIT F AS REQUESTED BY YOUR LETTER DATED OCTOBER 28, 1997. THIS WAS TAKEN BEFORE THE MARTIN COUNTY WATER DISTRICT AT ITS REGULAR MONTHLY MEETING HELD ON NOVEMBER 11, 1997.

IF I CAN BE OF ANY FURTHER ASSISTANCE TO YOU REGARDING THIS OR ANY OTHER MATTER, PLEASE DO NOT HESITATE TO CONTACT ME. BY THE WAY, THE FIRST PRINCIPLE AND INTEREST PAYMENT WERE APPROVED ALSO AT THE MEETING AND A "CHECK IS IN THE MAIL".

ONCE AGAIN, THANK YOU FOR YOUR ASSISTANCE IN THE PAST REGARDING THIS PROJECT, THE CITIZENS OF THE SOUTHWESTERN AREA OF MARTIN COUNTY ARE GRATEFUL FOR THE WATER.

SINCERELY

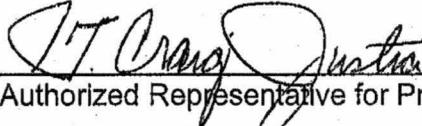


T. CRAIG JUSTICE
OPERATIONS MANAGER

CERTIFICATE OF COMPLETION

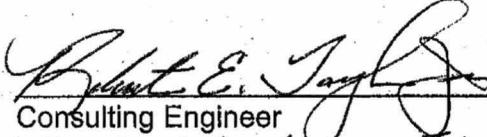
Per Section 6.3 of the Assistance Agreement between the Kentucky Infrastructure Authority (the "Authority") and the **Martin County Water District** (loan recipient) that pertains to the project covered by the Water Resources Loan Program (Fund B2) loan number **B293-02**, this certificate signed by the consulting engineer and the authorized representative of the Governmental Agency confirms that the following activities are complete. (The "Project" as described on Exhibit A of the Assistance Agreement.)

1. The project construction has been completed and I certify that payment has been made for all labor, services, materials, supplies, machinery and equipment included in the above referenced loan agreement.
2. All other facilities necessary in connection with the project have been acquired, constructed, equipped and installed and all costs and expenses incurred in connection therewith have been paid.
3. The project and all other facilities in connection therewith have been acquired, constructed, equipped and installed to my satisfaction.



Authorized Representative for Project

Nov. 11, 1997
Date



Consulting Engineer
PDR ENGINEERS, INC.

11-11-97
Date

FUND B2

EXHIBIT F

TO ASSISTANCE AGREEMENT BETWEEN
MARTIN COUNTY WATER DISTRICT
AND
THE KENTUCKY INFRASTRUCTURE AUTHORITY

Total Loan To Be Repaid By Governmental Agency To Kentucky Infrastructure Authority \$ 1,329,826.42

Principal And Interest Payable On Each June 1 And December 1

It is understood and agreed by the parties to this Assistance Agreement that this Exhibit F is an integral part of the Assistance Agreement between the Governmental Agency and the Kentucky Infrastructure Authority.

IN WITNESS WHEREOF, the parties have caused this Exhibit F to Assistance Agreement to be executed by their respective duly authorized officers as of the date of said Assistance Agreement.

KENTUCKY INFRASTRUCTURE AUTHORITY

By: Maulyn Eaton Thomas

Title: Secretary/Treasurer

Date: _____

MARTIN COUNTY WATER DISTRICT

By: C. Craig Justice

Title: OPERATIONS MANAGER

Date: 11-11-97

ATTEST:

By: _____

Title: _____

Martin County Water District

Trans Dt Through

	Disbursed	Repayment	Principal	Interest	Serv Fees	Penalties	Escrow #1	Escrow #2	Othr/Spec	Balance \$	Accrd Int
07/22/02 06/01/02	0.00	34966.55	15803.32	17965.53	1197.70	0.00	0.00	0.00	0.001181899.25	0.00	
12/02/02 12/01/02	0.00	34950.75	16040.36	17728.49	1181.90	0.00	0.00	0.00	0.001165858.89	0.00	
This year	0.00	69917.30	31843.68	35694.02	2379.60	0.00	0.00	0.00	0.001165858.89	0.00	
Loan totals	1329826.43	516800.06	163967.54	337748.88	15083.64	0.00	0.00	0.00	0.001165858.89	0.00	

0157 Martin County Water District

B293-02

Trans Dt Through

Trans Dt Through		Disbursed	Repayment	Principal	Interest	Serv Fees	Penalties	Escrow #1	Escrow #2	Othr/Spec	Balance	\$	Accrd Int
07/15/93	07/15/93	52628.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	52628.75		0.00
08/16/93	08/16/93	170431.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	223060.44		0.00
09/15/93	09/15/93	145009.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	368070.13		0.00
10/15/93	10/15/93	246361.53	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	614431.66		0.00
11/15/93	11/15/93	91885.37	0.00	0.00	- 0.00	0.00	0.00	0.00	0.00	0.00	706317.03		0.00
12/01/93	12/01/93	0.00	3969.56	0.00	3969.56	0.00	0.00	0.00	0.00	0.00	706317.03		-3969.56
*** Notes: INTEREST ONLY PAYMENT													
12/15/93	12/15/93	105338.26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	811655.29		0.00
01/15/94	01/15/94	70459.80	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	882115.09		0.00
02/15/94	02/15/94	82092.70	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	964207.79		0.00
03/15/94	03/15/94	41439.66	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1005647.45		0.00
04/15/94	04/15/94	75521.35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1081168.80		0.00
05/15/94	05/15/94	40998.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	122167.11		0.00
06/01/94	06/01/94	14207.12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1136374.23		0.00
06/01/94	06/01/94	0.00	14207.12	0.00	14207.12	0.00	0.00	0.00	0.00	0.00	1136374.23		-14207.12
*** Notes: INTEREST ONLY PAYMENT													
06/15/94	06/15/94	5380.76	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1141754.99		0.00
09/15/94	09/15/94	58900.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1200655.40		0.00
12/01/94	12/01/94	0.00	17597.11	0.00	17597.11	0.00	0.00	0.00	0.00	0.00	1200655.40		-17597.11
Notes: INTEREST ONLY PAYMENT													
01/01/94	12/01/94	17597.11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1218252.51		0.00
02/15/95	02/15/95	20503.07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1238755.58		0.00
05/15/95	05/15/95	12236.21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1250991.79		0.00
06/05/95	06/01/95	0.00	18402.35	0.00	18402.35	0.00	0.00	0.00	0.00	0.00	1250991.79		-18402.35
*** Notes: INTEREST ONLY PAYMENT													
12/05/95	12/01/95	0.00	20084.38	0.00	18833.39	1250.99	0.00	0.00	0.00	0.00	1250991.79		-18833.39
*** Notes: INTEREST ONLY PAYMENT													
06/04/96	06/01/96	0.00	18816.29	0.00	18816.29	0.00	0.00	0.00	0.00	0.00	1250991.79		-18816.29
*** Notes: INTEREST ONLY PAYMENT													
01/14/97	12/01/96	0.00	18816.28	0.00	18816.28	0.00	0.00	0.00	0.00	0.00	1250991.79		-18816.28
*** Notes: INTEREST ONLY PAYMENT													
01/21/97	01/21/97	78834.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1329826.43		0.00
06/01/97	06/01/97	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1329826.43		130204.39
*** Notes: TO ACCRUE INTEREST THROUGH 6/1/97													
06/23/97	06/01/97	0.00	19562.29	0.00	19562.29	0.00	0.00	0.00	0.00	0.00	1329826.43		-19562.29
*** Notes: INTEREST ONLY PAYMENT													
11/24/97	12/01/97	0.00	35153.33	13821.45	20002.05	1329.83	0.00	0.00	0.00	0.00	1316004.98		0.00
*** Notes: RECORD FIRST P&I PAYMENT													
06/18/98	06/01/98	0.00	35084.86	14028.79	19740.07	1316.00	0.00	0.00	0.00	0.00	1301976.19		0.00
11/23/98	12/01/98	0.00	35070.83	14239.21	19529.64	1301.98	0.00	0.00	0.00	0.00	1287736.98		0.00
05/25/99	06/01/99	0.00	35056.59	14452.80	19316.05	1287.74	0.00	0.00	0.00	0.00	1273284.18		0.00
11/22/99	12/01/99	0.00	35042.14	14669.60	19099.26	1273.28	0.00	0.00	0.00	0.00	1258614.58		0.00
05/25/00	06/01/00	0.00	35027.47	14889.63	18879.22	1258.62	0.00	0.00	0.00	0.00	1243724.95		0.00
11/28/00	12/01/00	0.00	35012.58	15112.98	18655.88	1243.72	0.00	0.00	0.00	0.00	1228611.97		0.00
05/23/01	06/01/01	0.00	34997.46	15339.64	18429.21	1228.61	0.00	0.00	0.00	0.00	1213272.33		0.00
10/01	12/01/01	0.00	34982.12	15569.76	18199.09	1213.27	0.00	0.00	0.00	0.00	1197702.57		0.00

ATTACHMENT 8(b)

ASSISTANCE AGREEMENT

BETWEEN

KENTUCKY RURAL WATER FINANCE CORPORATION

AND

MARTIN COUNTY WATER DISTRICT

DATED

MAY 12, 2015

IN THE AMOUNT OF \$2,010,000

This document was prepared by:

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

By



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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of May 12, 2015 (the "Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Martin County Water District, 387 East Main Street, Suite 140, Inez, Kentucky 41224 (the "Governmental Agency"):

WITNESSETH

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2015E (the "Series 2015E Bonds") in the aggregate principal amount of \$8,910,000.00, pursuant to a Supplemental Trust Indenture No. 63, dated as of May 12, 2015 by and between the Issuer and the Trustee, which Series 2015E Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency has outstanding its: (i) Martin County Water District No. 1 Waterworks Revenue Bonds, Series 1996, dated December 5, 1996, in the original principal amount of \$554,000; (ii) Martin County Water District No. 1 Waterworks Revenue Bonds, Series 2000, dated July 12, 2000, in the original principal amount of \$600,000; (iii) Martin County Water District Waterworks Revenue Bonds, Series 2007A, dated June 26, 2008, in the original principal amount of \$910,000; and (iv) Martin County Water District Waterworks Revenue Bonds, Series 2007B, dated June 26, 2008, in the original principal amount of \$241,000 (collectively, the "Refunded Bonds"), which bonds were issued by the Governmental Agency to make improvements and extensions to the Governmental Agency's waterworks system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to refund certain outstanding indebtedness of said Governmental Agency (the "Project"), in order to effect substantial debt service savings, and the Issuer has

determined that the Project is a project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Issuer; and

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

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

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the "Loan") in the amount of \$2,010,000 [the "Obligations"], for the purpose of providing funds for the Project, and to reaffirm the conditions and restrictions under which similar bonds or obligations may be subsequently issued ranking on a parity therewith; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes the Governmental Agency is authorized to enter into this Assistance Agreement and to borrow the Obligations to provide such funds for the purpose aforesaid; and

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

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

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

Section 1. Definitions.

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

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

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

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

"*Bond Legislation of 1996*" or "*1996 Bond Legislation*" refer to the Resolution authorizing the Series 1996 Bonds, duly adopted by the Governing Body of the Governmental Agency on July 9, 1996.

"*Bond Legislation of 2000*" or "*2000 Bond Legislation*" refer to the Resolution authorizing the Series 2000 Bonds, duly adopted by the Governing Body of the Governmental Agency on March 21, 2000.

"*Bond Legislation of 2007*" or "*2007 Bond Legislation*" refer to the Resolution authorizing the Series 2007A Bonds and Series 2007B Bonds, duly adopted by the Governing Body of the Governmental Agency on August 17, 2007.

"*Bondowner*", "*Owner*", "*Bondholder*" means and contemplates, unless the context otherwise indicates, the registered owner of one or more of the Bonds at the time issued and outstanding hereunder.

"*Bonds*" refers to the Obligations and any additional Parity Bonds.

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

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

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

"*Engineer*" or "*Independent Consulting Engineer*" refers to an Independent Consulting Engineer or firm of Engineers of excellent national reputation or of recognized excellent reputation in Kentucky in the fields of waterworks and sewer engineering.

"*Fiscal Year*" refers to the annual accounting period of the Governmental Agency,

beginning on January 1, and ending on December 31, of each year.

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

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

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

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

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

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 63, dated May 12, 2015, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1st day of each month, commencing June 1, 2015 and continuing through and including January 1, 2045 or until the Loan has been paid in full.

"*Issuer*" refers to the Kentucky Rural Water Finance Corporation, Bowling Green, Kentucky.

"*KIA Loan*" refers to the outstanding Kentucky Infrastructure Authority Loan, dated 1991, in the original authorized principal amount of \$2,481,566.

"*Obligations*" refers to the Loan authorized by this Assistance Agreement in the principal amount of \$2,010,000, maturing January 1, 2045.

"*Operation and Maintenance Fund*" refers to the Martin County Water District Waterworks Operation and Maintenance Fund, created in Section 7 hereof and which fund will continue to be maintained for the benefit of all of the Bonds.

"*Outstanding Bonds*" refers collectively to the outstanding Obligations and any outstanding Parity Bonds, and does not refer to any bonds that have been defeased.

"*Parity Bonds*" means bonds issued in the future, which will, pursuant to the provisions of this Assistance Agreement, rank on a basis of parity with the Obligations and shall not be deemed to include, nor to prohibit the issuance of, bonds ranking inferior in security to the Obligations.

"Permitted Investments" refers to investments of funds on deposit in the various funds created herein and includes:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

"*Program Administrator*" refers to the Kentucky Rural Water Association, Inc., Bowling Green, Kentucky.

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

"*Project*" refers to financing the cost to currently refund the Refunded Bonds, with the proceeds of the Obligations.

"*Refunded Bonds*" refers to the outstanding Series 1996 Bonds, Series 2002 Bonds, Series 2007A Bonds, and Series 2007B Bonds.

"*Revenue Fund*" refers to the Martin County Water District Waterworks Revenue Fund, created Section 7 hereof and which fund will continue to be maintained for the benefit of all of the Bonds.

"*Series 1996 Bonds*" refers to the outstanding Martin County Water District No. 1 Waterworks Revenue Bonds, Series 1996, dated December 5, 1996, in the original principal amount of \$554,000.

"*Series 2002 Bonds*" refers to the outstanding Martin County Water District No. 1 Waterworks Revenue Bonds, Series 2000, dated July 12, 2000, in the original principal amount of \$600,000.

"*Series 2007A Bonds*" refers to the outstanding Martin County Water District Waterworks Revenue Bonds, Series 2007A, dated June 26, 2008, in the original principal amount of \$910,000.

"*Series 2007B Bonds*" refers to the outstanding Martin County Water District Waterworks Revenue Bonds, Series 2007B, dated June 26, 2008, in the original principal amount of \$241,000.

"*Sinking Fund*" refers to the Martin County Water District Waterworks Sinking Fund, created in Section 7 hereof and which fund will continue to be maintained for the benefit of all of the Bonds.

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

"*Treasurer*" refers to the Treasurer of the Governing Body.

"*Trustee*" refers to Regions Bank, Nashville, Tennessee.

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

Section 2. Reaffirmation of Declaration of Waterworks System.

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

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

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes the borrowing of \$2,010,000 from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in Exhibit A attached hereto.

The principal of, redemption price, if any, and interest on the Obligations shall be payable in lawful money of the United States of America on the Interest Payment Date to the Trustee for the Program. Such payment shall be made by the Governmental Agency from funds on deposit in the Sinking Fund pursuant to the ACH Debit Direct Payment Method (the "ACH Debit Direct Payment Method") as described and detailed in the ACH Debit Direct Payment Authorization Form (the "ACH Authorization Form") in a form as provided by the Trustee to the Governmental Agency. The ACH Authorization Form shall be completed, signed and forwarded to the Trustee prior to the Governmental Agency receiving any of the proceeds of the Loan.

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

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

Section 4. Redemption.

(a) *Optional Redemption.* Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2026 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2025 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

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

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

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

Section 5. Obligations Payable Out of Gross Revenues.

All of the Obligations together with the interest thereon and such additional bonds ranking on a parity therewith heretofore issued and outstanding and that may be hereafter issued and outstanding from time to time under the conditions and restrictions hereinafter set forth, shall be payable out of the Sinking Fund as hereinafter more specifically provided and shall be a valid claim of the holder thereof only against said fund and the fixed portion or amount of the gross income and revenues of the System of said Governmental Agency pledged to said fund.

Section 6. Flow of Funds.

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

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

B. Sinking Fund. There shall be transferred from the Revenue Fund and deposited into the Sinking Fund on or before the 20th day of each month, for payment of interest on and principal of the Obligations and the KIA Loan, a sum equal to the total of the following:

- (1) A sum equal to one-sixth (1/6) of the next succeeding interest payment to become due on the Obligations and the KIA Loan then outstanding, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of the Obligations and the KIA Loan maturing on the next succeeding payment date.

Said Sinking Fund shall be used solely and only and is hereby pledged for the purpose of paying the principal of and interest on the Obligations and the KIA Loan.

If the Governmental Agency for any reason shall fail to make any monthly deposit as required, then an amount equal to the deficiency shall be set apart and deposited into

the Sinking Fund out of the first available revenues in the ensuing months, which amount shall be in addition to the monthly deposit otherwise required during such succeeding months. Whenever there shall accumulate in the Sinking Fund amounts in excess of the requirements during the next twelve months for paying the principal of and interest due on the Obligations and the KIA Loan, as same fall due, such excess may be used for redemption or prepayment of any Obligations and the KIA Loan, subject to the terms and conditions set forth herein, prior to maturity.

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

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

Section 7. Disposition of Proceeds of the Obligations; Governmental Agency Account.

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

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

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

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Martin County Water District Governmental Agency Account" (the "Governmental Agency Account") has been created and maintained by the Trustee pursuant to the Indenture; and such amount on deposit in said Governmental Agency Account shall be transferred to the Rural

Development (the "RD") of the Department of Agriculture of the United States of America, the holder of the Refunded Bonds:

(1) To pay the accrued interest on the Refunded Bonds to and including March 14, 2014; and

(2) To redeem on March 14, 2014 at a price equal to 100% of principal amount the Refunded Bonds that as of that date have not been redeemed, retired or otherwise paid, thereby defeasing the pledge of revenues and the property securing the Refunded Bonds.

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

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

No expenditure shall be made from the Governmental Agency Account except for proper and authorized expenses relating to the Project as approved by the Governmental Agency.

After completion of the Project, any balance then remaining on deposit in the Governmental Agency Account shall, subject to any and all applicable legal provisions and applicable arbitrage regulations necessary to assure the exemption of interest on the Obligations from Federal income taxation, upon orders of the Governing Body, be transferred to the Sinking Fund, to be used for the purposes thereof.

Section 8. Arbitrage Limitations.

(a) The Governmental Agency covenants that neither the proceeds of the Obligations, nor "Non-Exempt Revenues" of the System, as defined below, will be invested in investments which will produce a net adjusted yield in excess of the net interest cost (effective yield) of the Obligations, if such investment would cause such Obligations to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code, as amended, and the applicable regulations thereunder; provided, however, that such proceeds and/or revenues may be invested to whatever extent and whenever the Code and/or applicable regulations permit same to be invested without causing the Obligations to be treated as "arbitrage bonds."

(b) "Non-Exempt Revenues" within the meaning of the foregoing shall be deemed to refer to revenues of the System deposited in any of the funds earmarked for or reasonably expected to be used for the payment of debt service on the Obligations, in excess of "Exempt Revenues," which Exempt Revenues are:

(1) amounts deposited in the Sinking Fund for the purpose of paying debt service on any Obligations against the System within thirteen (13) months from the date of deposit; and

(2) amounts deposited in a depreciation fund or any similar reserve for replacements, reasonably expected to be used for extensions, additions, improvements or replacements to the System, and not reasonably expected to be used to pay debt service (even if pledged to be used to pay debt service in the event of the unexpected inadequacy of other funds pledged for that purpose).

(c) If, and to the extent that any Non-Exempt Revenues are on deposit and are available for investment by reason of the foregoing, such funds shall be subject to the investment limitations set out in Subsection (a) above.

(d) On the basis of information furnished to the Governmental Agency, on known facts, circumstances and reasonable expectations on the date of enactment of this Assistance Agreement, the Governmental Agency certifies as follows:

(1) That it is not expected or contemplated that the proceeds of the Obligations will be used or invested in any manner which will cause any of the Obligations to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable regulations thereunder.

(2) That it is not expected or contemplated that the Governmental Agency will make any use of the proceeds of the Obligations, which, if such use had been reasonably anticipated on the date of issuance of the Obligations, would have caused the Obligations to be arbitrage bonds.

(3) That it is expected and contemplated that the Governmental Agency will comply with (i) all of the requirements of Section 148 of the Code; and (ii) all of the requirements of the applicable regulations thereunder, to whatever extent is necessary to assure that the Obligations will not be treated as arbitrage bonds.

(4) That it is anticipated that amounts on deposit in the Sinking Fund will be used within 13 months from the date of deposit for the payment of debt service on the outstanding Obligations.

(5) That amounts accumulated in the Sinking Fund shall not exceed the limitations set forth in this Assistance Agreement.

(6) That it is not reasonably anticipated that amounts accumulated in a depreciation fund will be used for payment of debt service on any bonds payable from the revenues of the System, even though such depreciation fund will be so available if necessary to prevent a default in the payment of principal and interest on such bonds.

Prior to or at the time of delivery of the Obligations, the Governmental Agency Chief Executive and/or the Treasurer are authorized to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated investment of the proceeds of the Obligations, including the execution of necessary and/or desirable certifications of the type contemplated by the Code and applicable regulations, as amended, in order to assure that interest on the Obligations will be exempt from all federal income taxes and that the Obligations will not constitute or be treated as arbitrage bonds.

Section 9. Parity Bonds.

The Obligations shall not be entitled to priority one over the other in the application of the income and revenues of the System, regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations, regardless of the fact they may be actually issued and delivered at different times, and provided further that the lien and security of and for any bonds or obligations hereafter issued that are payable from the income and revenues of the System, shall, except as set out herein, be subject to the priority of the Obligations as may from time to time be outstanding; provided the Governmental Agency does hereby reserve the right and privilege of issuing additional bonds from time to time payable from the income and revenues of the System ranking on a parity with the Obligations, but only under the conditions specified herein.

The Governmental Agency further reserves the right to add new waterworks facilities and/or to finance future extensions, additions and improvements to the System by the issuance of one or more additional series of Parity Bonds to be secured by a parity lien on and ratably payable on a parity with the Obligations, from the revenues of the System, provided:

(a) The facilities to be constructed from the proceeds of the additional Parity Bonds are made a part of the System and their revenues are pledged as additional security for the additional Parity Bonds and for the Outstanding Bonds.

(b) The Governmental Agency is in compliance with all covenants and undertakings in connection with all of the Outstanding Bonds.

(c) The annual net revenues (defined as gross revenues less operating expenses), of the then existing System for the Fiscal Year preceding the year in which such Parity Bonds are to be issued, adjusted as hereinafter provided, shall be certified by an independent Certified Public Accountant to be equal at least one hundred twenty percent (120%) of the average annual debt service requirements for principal and interest on all Outstanding Bonds payable from the revenues of the System, plus the anticipated debt service requirements of any Parity Bonds then proposed to be issued. The calculation of average annual debt service requirements of principal and interest on the additional Parity Bonds to be issued shall, regardless of whether such additional Parity Bonds are to be serial or term bonds, be determined on the basis of the principal of and interest on such Parity Bonds being payable in approximately equal annual installments.

(d) The annual net revenues referred to above may be adjusted for the purpose of the foregoing computations to reflect:

(1) any revisions in the System's schedule of rates or charges being imposed on or before the time of the issuance of any such additional Parity Bonds, and

(2) any increase in the annual net revenues to be realized from the proposed extensions, additions and improvements being financed (in whole or in part) by such additional Parity Bonds;

provided all such adjustments shall be based upon and included in a certification of an Independent Consulting Engineer.

(e) Compliance with Subsections (a) through (d) shall not be necessary for the issuance of Parity Bonds if the Governmental Agency has obtained the written consent of the Issuer, if the Issuer is the Owner of the Obligations at the time of issuance of such Parity Bonds; and no other prerequisite need be complied with by the Governmental Agency in order to issue Parity Bonds.

The Governmental Agency reserves the right to issue Parity Bonds to refund or refinance the Obligations, provided that prior to the issuance of such additional parity bonds for that purpose, there shall have been procured and filed with the Governmental Agency Clerk of the Governmental Agency a statement by a Certified Public Accountant, as defined herein, reciting the opinion based upon necessary investigation that:

(a) after the issuance of such parity bonds, the annual net revenues, as adjusted and defined above, of the then existing system for the fiscal year preceding the date of issuance of such Parity Bonds, after taking into account the revised debt service requirements resulting from the issuance of such Parity Bonds and from the elimination of the Bonds being refunded or refinanced thereby, are equal to not less than 120% of the average annual debt service requirements then scheduled to fall due in any fiscal year thereafter for principal of and interest on all of the Outstanding Bonds payable from the revenues of the System, calculated in the manner specified above; or

(b) in the alternative, that the maximum annual debt service requirements for the Obligations, any previously issued Parity Bonds and the proposed refunding Parity Bonds, in any year of maturities thereof after the redemption of the Outstanding Bonds scheduled to be refunded through the issuance of such proposed Parity Bonds, shall not exceed the maximum annual debt service requirements applicable to the then outstanding Obligations and any previously issued Parity Bonds for any year prior to the issuance of such proposed Parity Bonds and the redemption of the Bonds to be refunded.

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

While the Obligations remain outstanding and unpaid, the rates for all services of the System rendered by the Governmental Agency to its citizens, corporations, or others requiring

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

The Governmental Agency covenants that it will not reduce the rates and charges for the services rendered by the System without first filing with the Governmental Agency Clerk a certification of an Independent Consulting Engineer or a Certified Public Accountant that the annual net revenues (defined as gross revenues less operating expenses) of the then existing System for the fiscal year preceding the year in which such reduction is proposed, as such annual net revenues are adjusted, after taking into account the projected reduction in annual net revenues anticipated to result from any such proposed rate decrease, are equal to not less than 120% of the average annual debt service requirements for principal and interest on all of the then outstanding bonds payable from the revenues of the System, calculated in the manner specified in Section 9 hereof.

The Governmental Agency also covenants to cause a report to be filed with the Governing Body within four months after the end of each fiscal year by a Certified Public Accountant, setting forth the precise debt service coverage percentage of the average annual debt service requirements falling due in any fiscal year thereafter for principal of and interest on all of the then Outstanding Bonds payable from the revenues of the System, produced or provided by the net revenues of the System in that fiscal year, calculated in the manner specified in Section 9 hereof; and the Governmental Agency covenants that if and whenever such report so filed shall establish that such coverage of net revenues for such year was less than 120% of the average annual debt service requirements, the Governmental Agency shall increase the rates by an amount sufficient, in the opinion of such Certified Public Accountant, to establish the existence of or immediate projection of, such minimum 120% coverage.

Section 11. All Obligations of this Issue Are Equal.

The Obligations authorized and permitted to be issued hereunder, and from time to time outstanding, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention that there shall be no priority among the Obligations and any Parity Bonds authorized or permitted to be issued under the provisions of this Assistance Agreement, regardless of the fact that they may be actually issued and delivered at different times.

Section 12. Defeasance and/or Refunding of Obligations.

The Governmental Agency reserves the right, at any time, to cause the pledge of the revenues securing the outstanding Obligations to be defeased and released by paying an amount

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

Section 13. Contractual Nature of Assistance Agreement.

The provisions of this Assistance Agreement shall constitute a contract between the Governmental Agency and the Issuer; and after the issuance of any of such Obligations, no change, variation or alteration of any kind in the provisions of this Assistance Agreement, shall be made in any manner except as herein or therein provided until such time as all of the Bonds authorized thereby and the interest thereon have been paid or provided for in full, or as otherwise provided herein; provided that the Governing Body may enact legislation for any other purpose not inconsistent with the terms of this Assistance Agreement, and which shall not impair the security of the Issuer and/or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any ordinance or other proceedings pertaining hereto.

Section 14. Appointment and Duties of Trustee.

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

Its duties as Trustee shall be as follows:

- (a) To register all of the Obligations in the names of the Issuer;
- (b) To cancel and destroy (or remit to the Governmental Agency for destruction, if so requested by the Governmental Agency) all exchanged, matured, retired and redeemed Obligations, and to maintain adequate records relevant thereto;
- (c) To remit, but only to the extent that all required funds are made available to the Trustee by the Governmental Agency, semiannual interest payments directly to the Issuer's accounts for the Program;

(d) To notify the Issuer of any Obligations to be redeemed and to redeem Obligations prior to their stated maturity upon receiving sufficient funds; and

(e) To supply the Governmental Agency with a written accounting evidencing the payment of interest on and principal of the Obligations within thirty (30) days following each respective due date.

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

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

Section 15. Provisions in Conflict Repealed.

All ordinances, resolutions and orders, or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed; and it is hereby specifically ordered and provided that any proceedings heretofore taken for the issuance of other bonds payable or secured in any manner by all or any part of the income and revenues of the System, or any part thereof, and which have not heretofore been issued and delivered, are hereby revoked and rescinded, and none of such other bonds shall be issued and delivered.

Section 16. Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.

In order to assure purchasers of the Obligations that interest thereon will continue to be exempt from federal and Kentucky income taxation (subject to certain exceptions set out below), the Governmental Agency covenants to and with the Issuer that (1) the Governmental Agency will take all actions necessary to comply with the provisions of the Code, (2) the Governmental Agency will take no actions which will violate any of the provisions of the Code, or would cause the Obligations to become "private activity bonds" within the meaning of the Code, (3) none of the proceeds of the Obligations will be used for any purpose which would cause the interest on the Obligations to become subject to federal income taxation, and the Governmental Agency will comply with any and all requirements as to rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Obligations.

The Governmental Agency reserves the right to amend this Assistance Agreement but only with the consent of the Issuer (i) to whatever extent shall, in the opinion of Bond Counsel, be deemed necessary to assure that interest on the Obligations shall be exempt from federal income taxation, and (ii) to whatever extent shall be permissible (without jeopardizing such tax exemption or the security of such owners) to eliminate or reduce any restrictions concerning the investment of the proceeds of these Obligations, or the application of such proceeds or of the revenues of the System. The purchasers of these Obligations are deemed to have relied fully upon these covenants and undertakings on the part of the Governmental Agency as part of the consideration for the purchase of the Obligations. To the extent that the Governmental Agency obtains an opinion of nationally recognized bond counsel to the effect that non-compliance with any of the covenants contained in this Assistance Agreement or referred to in this Assistance Agreement would not subject interest on the Obligations to federal income taxes or Kentucky income taxes, the Governmental Agency shall not be required to comply with such covenants or requirements.

This Assistance Agreement is enacted in contemplation that Bond Counsel will render an opinion as to exemption of principal of the Obligations from Kentucky ad valorem taxation and as to exemption of interest on the Obligations from federal and Kentucky income taxation, based on the assumption by Bond Counsel that the Governmental Agency complies with covenants made by the Governmental Agency with respect to compliance with the provisions of the Code, and based on the assumption of compliance by the Governmental Agency with requirements as to any required rebate (and reports with reference thereto) to the United States of America of certain investment earnings on the proceeds of the Obligations. The Governmental Agency has been advised that based on the foregoing assumptions of compliance, Bond Counsel is of the opinion that the Obligations are not "arbitrage bonds" within the meaning of Section 148 of the Code.

Section 17. Insurance.

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

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

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

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

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

Section 18. Event of Default; Remedies.

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

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

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

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

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

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

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

Section 19. Annual Reports.

The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the fiscal year ended December 31, 2015) and such other financial information and/or operating data as requested by the Issuer or the Compliance Group.

The annual financial information and operating data, including audited financial statements, will be made available on or before 120 days after the end of each fiscal year (December 31).

Section 20. Supplemental Assistance Agreement.

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

- (a) to cure any ambiguity or formal defect or omission in this Assistance Agreement;
- (b) to subject to the lien and pledge of this Assistance Agreement additional revenues, properties, or collateral which may legally be subjected;
- (c) to add to the conditions, limitations and restrictions on the issuance of bonds, other conditions, limitations and restrictions thereafter to be observed;
- (d) to add to the covenants and agreements of the Governmental Agency in this Assistance Agreement, other covenants and agreements thereafter to be incurred by the Governmental Agency or to surrender any right or power herein reserved to or conferred upon the Governmental Agency;
- (e) to effect the issuance of additional Parity Bonds; and/or
- (f) to modify the terms and conditions of this Assistance Agreement at the request of the Issuer in order to assist the Issuer in operating the Program or to maintain any rating the Issuer may have on its Program obligations.

Section 21. No Remedy Exclusive.

No remedy herein conferred upon or reserved to the Issuer is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given

hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 22. Waivers.

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

Section 23. Agreement to Pay Attorneys' Fees and Expenses.

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

Section 24. Signatures of Officers.

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

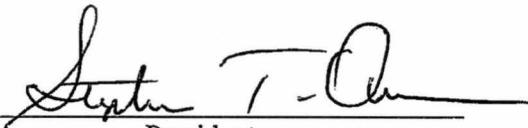
Section 25. Severability Clause.

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

[Signature page follows]

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By 
President

Attest:

By _____
Secretary/Treasurer

MARTIN COUNTY WATER DISTRICT

By _____
Chairman

Attest:

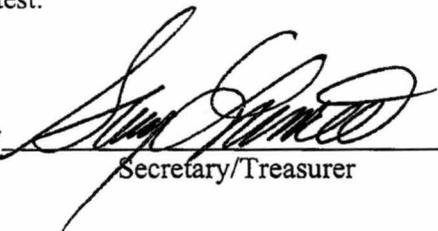
By _____
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By  _____
Secretary/Treasurer

MARTIN COUNTY WATER DISTRICT

By _____
Chairman

Attest:

By _____
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By _____
Secretary/Treasurer

MARTIN COUNTY WATER DISTRICT

By William J. Hanning
Chairman

Attest:

By Pete C. Collier
Secretary

EXHIBIT A

Debt Service Schedule

**KRWFC Flexible Term Program Series 2015 E
Sinking Fund Payment Schedule**

Borrower: Martin County Water District
Closing Date: 05/12/15

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
6/15-1/16	3,750.00	6,756.37	10,506.37
2/16-7/16	4,166.67	6,208.23	10,374.90
8/16-1/17	4,166.67	6,208.23	10,374.90
2/17-7/17	4,583.33	6,120.73	10,704.06
8/17-1/18	4,583.33	6,120.73	10,704.06
2/18-7/18	4,583.33	5,932.81	10,516.15
8/18-1/19	4,583.33	5,932.81	10,516.15
2/19-7/19	4,583.33	5,744.90	10,328.23
8/19-1-20	4,583.33	5,744.90	10,328.23
2/20-7/20	5,000.00	5,648.65	10,648.65
8/20-1/21	5,000.00	5,648.65	10,648.65
2/21-7/21	5,000.00	5,443.65	10,443.65
8/21-1/22	5,000.00	5,443.65	10,443.65
2/22-7/22	5,000.00	5,238.65	10,238.65
8/22-1/23	5,000.00	5,238.65	10,238.65
2/23-7/23	5,416.67	5,033.65	10,450.31
8/23-1/24	5,416.67	5,033.65	10,450.31
2/24-7/24	5,416.67	4,811.56	10,228.23
8/24-1/25	5,416.67	4,811.56	10,228.23
2/25-7/25	5,833.33	4,643.65	10,476.98
8/25-1/26	5,833.33	4,643.65	10,476.98
2/26-7/26	5,833.33	4,462.81	10,296.15
8/26-1/27	5,833.33	4,462.81	10,296.15
2/27-7/27	6,250.00	4,274.69	10,524.69
8/27-1/28	6,250.00	4,274.69	10,524.69
2/28-7/28	6,250.00	4,065.31	10,315.31
8/28-1/29	6,250.00	4,065.31	10,315.31
2/29-7/29	6,666.67	3,840.31	10,506.98
8/29-1/30	6,666.67	3,840.31	10,506.98
2/30-7/30	6,666.67	3,600.31	10,266.98
8/30-2/31	6,666.67	3,600.31	10,266.98
2/31-7/31	7,083.33	3,351.98	10,435.31
8/31-1/32	7,083.33	3,351.98	10,435.31
2/32-7/32	7,083.33	3,088.13	10,171.46
8/32-1/33	7,083.33	3,088.13	10,171.46
2/33-7/33	7,500.00	2,815.42	10,315.42
8/33-1/34	7,500.00	2,815.42	10,315.42
2/34-7/34	7,500.00	2,526.67	10,026.67
8/34-1/35	7,500.00	2,526.67	10,026.67
2/35-7/35	7,916.67	2,237.92	10,154.58
8/35-1/36	7,916.67	2,237.92	10,154.58
2/36-7/36	5,833.33	1,913.33	7,746.67
8/36-1/37	5,833.33	1,913.33	7,746.67
2/37-7/37	5,833.33	1,674.17	7,507.50
8/37-1/38	5,833.33	1,674.17	7,507.50
2/38-7/38	6,250.00	1,435.00	7,685.00
8/38-1/39	6,250.00	1,435.00	7,685.00
2/39-7/39	6,666.67	1,178.75	7,845.42
8/39-1/40	6,666.67	1,178.75	7,845.42
2/40-7/40	4,166.67	905.42	5,072.08
8/40-1/41	4,166.67	905.42	5,072.08
2/41-7/41	4,166.67	734.58	4,901.25
8/41-1/42	4,166.67	734.58	4,901.25
2/42-7/42	4,583.33	563.75	5,147.08
8/42-1/43	4,583.33	563.75	5,147.08
2/43-7/43	4,583.33	375.83	4,959.17
8/43-1/44	4,583.33	375.83	4,959.17
2/44-7/44	4,583.33	187.92	4,771.25
8/44-1/45	4,583.33	187.92	4,771.25
	<u>2,010,000.00</u>	<u>1,230,756.12</u>	<u>3,240,756.12</u>

ATTACHMENT 8(c)

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TABLE OF CONTENTS RE:
KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST LEASE PROGRAM
COUNTY OF MARTIN, KENTUCKY \$200,000 LEASE AGREEMENT

"Administrator" --	Kentucky Association of Counties
"Credit Facility Provider" --	U.S. Bank, National Association
"Issuer" --	County of Shelby, Kentucky
"Lessee" --	County of Martin, Kentucky
"Trust" --	Kentucky Association of Counties Leasing Trust
"Trustee" --	U.S. Bank, National Association

Terms not otherwise defined in this Table of Contents to Transcript of Proceedings shall have the meanings given them in the Trust Indenture dated as of September 1, 2004 among the Issuer, the Trust and the Trustee (the "Indenture").

I. BASIC DOCUMENTS

- 1.01 Lease Agreement
- 1.02 Tax Compliance Agreement

II. DOCUMENTS OF THE LESSEE

- 2.01 Resolution of Lessee (without exhibits) authorizing the Lease Agreement
- 2.02 General Closing Certificate of Lessee
- 2.03 No Arbitrage Certificate of Lessee
- 2.04 IRS Form 8038 of Lessee
- 2.05 Insurance Certificate
- 2.06 Opinion of Counsel to Lessee

III. MISCELLANEOUS DOCUMENTS

- 3.01 Acknowledgment of State Local Debt Officer
- 3.02 Final Approval Letter of Credit Facility Provider Regarding the Lease Agreement
- 3.03 Letter of Instructions to Trustee

REVENUE LEASE

LEASE AGREEMENT

KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST

LESSEE: County of Martin, Kentucky

LESSEE'S ADDRESS: Martin County Fiscal Court
PO Box 309
Inez, KY 41224

DATE OF LEASE: July 7, 2005

TERMINATION DATE: March 20, 2025

This Lease Agreement constitutes a Security Agreement and all right, title and interest of the Lessor herein has been assigned to U.S. Bank National Association, as trustee under a Trust Indenture dated as of September 1, 2004 between it, the Issuer, as defined in the Trust Indenture and the Lessor.

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This Table of Contents is not a part of the Lease Agreement and is for convenience only. The captions herein are of no legal effect and do not vary the meaning or legal effect of any part of the Lease Agreement.

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated the date shown on the cover page hereof (together with any amendments hereto made in accordance herewith, this "Lease"), is entered into by and between the Kentucky Association of Counties Leasing Trust (the "Lessor"), as the lessor hereunder, a trust duly created and existing under the laws of the Commonwealth of Kentucky (the "State"), and the Lessee shown on the cover page hereof (the "Lessee"), as lessee hereunder, a body politic and corporate validly existing under the constitution, statutes and laws of the State.

WITNESSETH:

WHEREAS, the governing body of the Lessee (the "Governing Body") has the power, pursuant to Section 65.940 et seq. of the Kentucky Revised Statutes to enter into lease agreements with or without the option to purchase in order to provide for the use of property for public purposes;

WHEREAS, the Governing Body has previously determined, and hereby further determines, that the Lessee is in need of the Project, as defined herein;

WHEREAS, the Governing Body has determined and hereby determines that it is in the best interests of the Lessee that the Lessee and the Lessor enter into this Lease for the leasing by the Lessee from the Lessor of the Project and to become a Participant in the Program, as defined in the Indenture;

WHEREAS, the execution, delivery and performance of this Lease, have been authorized, approved and directed by the Governing Body by an ordinance or resolution finally passed and adopted by the Governing Body; and

WHEREAS, the Lessor desires to lease the Project to the Lessee, and the Lessee desires to lease the Project from the Lessor, pursuant to the terms and conditions and for the purposes set forth herein;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

Section 1. Definitions. All words and phrases will have the meanings specified below unless the context clearly requires otherwise. Terms not defined herein will have the meanings assigned to them in the Indenture. References to Sections mean Sections of this Lease unless otherwise indicated.

"Act of Bankruptcy" means a filing of a petition of bankruptcy (or the other commencement of bankruptcy or other similar proceedings) by or against the Lessee under the applicable bankruptcy, insolvency, reorganization or other similar laws, as now or hereafter in effect.

"Additional Rentals" means the aggregate of (i) any expenses (including attorneys' fees and expenses) of the Lessor, the Trustee and/or the Credit Facility Provider in defending an action or proceeding in connection with this Lease and/or any Collateral Documents or Exchange Agreement relating to this Lease or in enforcing the provisions of this Lease and/or any Collateral Documents or Exchange Agreement relating to this Lease; (ii) any taxes or any other expenses, including, but not limited to, licenses, permits, state and local sales and use or ownership taxes or property taxes and recording fees and/or other fees which the Lessor is expressly required to pay as a result of or in connection with this Lease and/or any Collateral Documents or Exchange Agreement relating to this Lease; (iii) the Lessee's Proportionate Share of any Administrative Expenses and Fiduciary Fees to the extent the same are not included in and paid as Base Rentals; (iv) all Credit Fees; (v) interest payable to the Credit Facility Provider in excess of the interest component of Lease Rental Payments, as provided in the documents related to the Credit Facility or any Exchange Agreement; (vi) any payments associated with the early termination of an Exchange Agreement; and (vii) for periods during which the principal component of Base Rentals does not correspond to Fixed Rate Bonds or payments under an Exchange Agreement, the Lessee's Proportionate Share of interest on Variable Rate Bonds, as provided in Section 8 hereof.

"Administrative Expenses" means the fees and expenses of the Lessor in administering the Program.

"Available Moneys" means (i) moneys drawn under the Credit Facility, (ii) moneys deposited with the Trustee which have been on deposit with the Trustee for at least 123 days during and prior to which no Act of Bankruptcy with respect to the Lessee has occurred and is continuing, (iii) the proceeds of the sale of refunding

obligations, or any other moneys, if, in the opinion of nationally recognized bankruptcy counsel, the application of such moneys will not constitute a voidable preference in the event of the occurrence of an Act of Bankruptcy, and (iv) the proceeds from investment of moneys qualifying as Available Moneys under (i), (ii) or (iii) above.

"Base Rentals" means the payments payable by the Lessee which constitute the principal component and interest component of Lease Rental Payments hereunder and other amounts set forth in Exhibit B.

"Bonds" means the County of Shelby, Kentucky, Kentucky Association of Counties Leasing Trust Lease Program Revenue Bonds, 2004 Series A.

"Code" means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code herein will be deemed to include the United States Treasury Regulations proposed or in effect with respect thereto and applicable to the Bonds or the use of the proceeds thereof.

"Collateral Document" means any letter of credit, mortgage, escrow agreement, guaranty, security agreement, pledge agreement, title insurance policy or other document (other than this Lease) securing a Lease or granting a lien on or a security interest in a Project or executed in connection with this Lease.

"Costs" means, with respect to the Project, all or any part of the cost of construction, installation and acquisition of all land, buildings, structures, machinery and equipment; finance charges; extensions, enlargements, additions, replacements, renovations and improvements; engineering, financial and legal services; plans, specifications, studies, surveys, estimates of cost of revenue, administrative expenses, expenses necessary or incidental to determining the feasibility or practicability of constructing a Project; and such other expenses as the Lessor determines may be necessary or incidental to the construction, installation and acquisition of the Project, the financing of such construction, installation and acquisition, interest during construction, installation or acquisition and the placing of the Project in service.

"Credit Facility" means, initially, the irrevocable, direct pay letter of credit issued by the Credit Facility Provider securing the Variable Rate Bonds, and upon substitution of an Alternate Credit Facility, means such Alternate Credit Facility.

"Credit Facility Provider" means the Credit Facility Provider acting as such under the Indenture, initially, U.S. Bank National Association

"Credit Fees" means all fees, expenses (including attorneys' fees and expenses) and other amounts which are payable to the Credit Facility Provider relating to the Credit Facility and, with respect to Variable Rate Leases, to the Remarketing Agent for the related Variable Rate Bonds.

"Event of Nonappropriation" means an event described in Section 11.

"Exchange Agreement" means the interest rate exchange agreement between the Trustee and an Exchange Counterparty, relating to this lease.

"Exchange Counterparty" means any party with whom the Trustee shall, from time to time, enter into an Exchange Agreement.

"Exchange Payment" means a payment due from a Lessee to the Credit Facility Provider as reimbursement for a payment to an Exchange Counterparty pursuant to the applicable Exchange Agreement (including, but not limited to, payments in respect of any early termination date, as defined in the applicable Exchange Agreement).

"Fiduciary Fees" means the contractual fees and expenses (including reasonable attorney's fees) of (i) the Trustee and the Paying Agent, (ii) the Registrar, (iii) the Remarketing Agent, (iv) the Program Administrator in connection with enforcing any Lease prior to its assignment to the Credit Facility Provider, and (v) any independent certified public accountants or independent financial consultants employed under the requirements of the Indenture.

"Indenture" means the Trust Indenture dated as of September 1, 2004 relating to the Bonds.

"Late Payment Rate" means the "Default Rate" as defined in the Credit Facility Agreement (which, with respect to the initial Credit Facility, is the rate per annum equal to LIBOR plus 150 basis points).

"Lease" means this Lease Agreement and any amendments or supplements hereto entered into in accordance with the provisions hereof, including the Exhibits attached hereto.

"Lessee Acquisition Account" means the account by that name established for the Lessee by the Trustee under the Indenture.

"Lease Rental Payments" means Base Rentals and Additional Rentals, which constitute the payments payable by the Lessee for and in consideration of the right to use and the option to purchase the Project.

"Lease Term" means the term of this Lease as determined pursuant to Sections 5 and 6 hereof.

"Lessee" means the Lessee identified on the cover page hereto.

"Lessor" means Kentucky Association of Counties Leasing Trust, acting as lessor under this Lease, or any successor thereto acting as lessor under this Lease.

"Optional Prepayment Price" means the amount determined by the Lessor and provided to the Trustee, an Exchange Counterparty, if applicable, and the Credit Facility Provider, which a Lessee may, in its discretion, pay under its Lease in order to prepay in full its Lease Rental Payments, which amount shall be equal to the unpaid principal component of Lease Rental Payments increased by the sum of (a) the amount of any due or past due Lease Rental Payments together with interest on such past due Lease Rental Payments to the date of such prepayment in full; (b) the unpaid accrued interest on the outstanding principal component of the Lease Rental Payments to the next date on which the related Bonds can be redeemed; (c) in the case of Fixed Rate Leases, an amount of cash or noncallable Government Obligations which, together with the interest income thereon (as certified by the Program Administrator, Bond Counsel or other entity satisfactory to the Trustee), will be sufficient to pay Lease Rental Payments, which would have been due on the Lease, if the Lease had not been prepaid, between the date of the prepayment and the date the prepayment will be used to redeem Bonds; (d) any additional Lease Rental Payments to the extent known or determinable at the time the prepayment is made through the date that the prepayment will be used to redeem Bonds; (e) an amount equal to the early termination fee, if any, under a related Exchange Agreement and (f) an amount equal to the premium, if any, payable on any Bonds to be redeemed on account of the payment of such Optional Prepayment Price (which amount must constitute Available Moneys on the date of redemption of said Bonds). The amount required to be paid pursuant to clause (f) above may be deposited with the Trustee prior to payment of other amounts constituting "Optional Prepayment Price." A Lease may not be prepaid if for any reason the Optional Prepayment Price cannot be calculated.

"Program Administrator" means the Lessor or such other entity or unincorporated association as may be appointed in accordance with the Indenture to administer the Program and perform the duties and obligations of Program Administrator under the Indenture.

"Project" means property, the Costs of which are financed or refinanced, or the Costs of which are reimbursed hereunder, as more particularly described in Exhibit A hereto.

"Proportionate Share" means, as of a date of calculation, a fraction, the numerator of which is the unpaid principal components of Base Rentals hereunder, and the denominator of which is the sum of the unpaid principal components of Base Rentals under all Leases.

"State" means the Commonwealth of Kentucky.

"Trustee" means U.S. Bank National Association, a national banking association, as trustee under the Indenture, and any successor trustee at the time serving as such under the Indenture.

"Variable Lease" means a Lease with respect to which the interest component of Lease Rental Payments is computed as it relates to Variable Rate Bonds and there is no Exchange Agreement in force with respect thereto.

"Variable Rate Bonds" means Daily Rate Bonds, Weekly Rate Bonds or Adjustable Rate Bonds.

Section 2. Representations, Covenants and Warranties of the Lessee. The Lessee represents, covenants and warrants that (a) it is a body politic and corporate of the State; (b) it has full power and authority to enter into and to perform its obligations under, this Lease and all related documents; (c) it has duly authorized this Lease and all related documents; (d) this Lease and all related documents are valid, legal and binding obligations of the Lessee, enforceable against the Lessee in accordance with its terms; (e) the execution and delivery of this Lease and all related documents does not conflict with or result in a breach of the terms of any agreement or instrument by which the Lessee is bound, or conflicts with or results in a violation of any provision of law or regulation applicable to the Lessee; (f) there is no action, suit, proceeding or investigation before or by any court or public body wherein an unfavorable decision would materially and adversely affect the transactions contemplated by this Lease; (g) it will not take or permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion from gross income for federal income tax purposes of the designated interest component of Lease Rental Payments; (h) the Project furthers the Lessee's governmental purposes, serves a public purpose and is in the best interests of the Lessee and at the time of execution and delivery of the Lease, the Lessee intends to annually appropriate the Lease Rental Payments due hereunder; and (i) during the Lease Term, the Project will at all times be used only for the purpose of performing one or more lawful governmental functions of the Lessee.

The Lessee acknowledges that this Lease is being funded with the proceeds of bonds, the interest on which is excludable from gross income under the Internal Revenue Code of 1986, as amended (the "Code"). The Lessee covenants and agrees that it will not take or omit to take any actions that would adversely affect the tax-exempt status of the Bonds.

Section 3. Representations, Covenants and Warranties of Lessor. The Lessor represents, covenants and warrants that (a) it is a trust duly created and validly existing under the laws of the State, has all necessary power and authority to perform its obligations under, this Lease, and has duly authorized the execution and delivery of this Lease; (b) the execution and delivery of this Lease does not conflict with or result in a breach of the terms of any agreement or instrument by which the Lessor is bound, or conflicts with or results in a violation of any provision of law or regulation applicable to the Lessor; (c) there is no litigation or proceeding pending or threatened against the Lessor or any other person affecting the right of the Lessor to execute or deliver this Lease or to comply with its obligations under this Lease.

Section 4. Demising Clause; Title; Security Interest. The Lessor leases the Project to the Lessee, and the Lessee leases the Project from the Lessor, in accordance with the provisions of this Lease, to have and to hold for the Lease Term. The Lessee will take possession of the Project upon delivery thereof.

Legal title to the Project and all fixtures, appurtenances and other permanent accessories thereto and all interests therein will be held by the Lessee, subject to Lessor's rights under this Lease. Lessor and Lessee agree that this Lease or any other appropriate documents may be filed or recorded to evidence the parties' respective interests in the Project and the Lease.

In order to secure all of its obligations hereunder, the Lessee hereby (i) grants to the Lessor a first and prior security interest in any and all right, title and interest of the Lessee in the portions of the Project that constitute personal property and in all additions, attachments, accessions, and substitutions thereto, and on any proceeds therefrom, (ii) agrees that this Lease may be filed as a financing statement evidencing such security interest, and (iii) agrees to execute and deliver all financing statements, certificates of title and other instruments necessary or appropriate to evidence such security interest.

The Lessor's interest shall terminate upon (a) the Lessee's exercise of the purchase option granted in Section 25 hereof, or (b) the complete payment and performance by the Lessee of all of its obligations hereunder; provided, however, that title shall immediately and without any action by the Lessee vest in the Lessor and the Lessee shall immediately surrender possession of the Project to the Lessor upon (i) any termination of this Lease without the Lessee exercising its option to purchase pursuant to this Lease or (ii) the occurrence of an Event of Default. In any of such cases, the Lessee agrees to execute such instruments and do such things as the Lessor reasonably requests and as may be required by law in order to effectuate transfer of any and all of the Lessee's right, title and interest in the Project, as is, to the Lessor. It is hereby acknowledged by the Lessor and the Lessee that the Lessee intends to purchase the Project on the terms set forth in this Lease.

Section 5. Duration of Lease Term; Lessee's Annual Right to Terminate; Furnishing of Budgets. The Lease Term will commence and terminate on the dates shown on the cover page hereof unless earlier terminated as provided

in Section 6. If the Lessee determines, for any reason, to exercise its annual right to terminate this Lease, effective on any June 30, the Lessee must give written notice to such effect to the Lessor not later than the preceding May 31; provided that a failure to give such notice will not constitute an Event of Default, nor prevent the Lessee from terminating this Lease, nor result in any liability on the part of the Lessee (except for the payment of all Lease Rental Payments accrued prior to the termination of this Lease). The exercise by the Lessee of its annual option to terminate this Lease will be conclusively determined by the occurrence of an Event of Nonappropriation as provided in Section 11. Unless and until terminated as provided in Section 6, the Lease Term will continue in effect from fiscal year to fiscal year. The Lessee's obligations under this Lease will be subject to the Lessee's annual right to terminate this Lease and will not constitute a mandatory charge or requirement in any future fiscal year. No provision of this Lease will be construed as creating a general obligation or other indebtedness of the Lessee within the meaning of any constitutional or statutory debt limitation. As further evidence of renewal, the Lessee shall file a copy of its annual budget with the Program Administrator upon adoption.

Section 6. Termination of Lease Term. The Lease Term will terminate upon the earliest of (a) the June 30 immediately succeeding an Event of Nonappropriation unless the Event of Nonappropriation is cured; (b) the conveyance of the Project to the Lessee pursuant to Section 25; or (c) an Event of Default and termination of this Lease as provided in Section 28.

Termination of the Lease Term will terminate all obligations of the Lessee to pay Lease Rental Payments, except the payment of all Lease Rental Payments accrued to the date of termination of this Lease, and will terminate the Lessee's rights to use, possess or occupy the Project (unless a conveyance of the Project to the Lessee has occurred).

Section 7. Enjoyment. The Lessor hereby covenants that the Lessee will during the Lease Term peaceably and quietly have and hold and enjoy the Project without suit, trouble or hindrance from the Lessor, except as expressly required or permitted by this Lease. The Lessor will, at the request of the Lessee and at the cost of the Lessee, join and cooperate fully in any legal action regarding the Project and the Lessee may, at its own expense, join in any legal action affecting the Project.

Section 8. Lease Rental Payments. The Lessee shall pay Base Rentals in the amounts and at the times set forth in Exhibit B, as said Exhibit B is in effect on the first day of each fiscal year during the Lease Term. The Lessee agrees and acknowledges that Exhibit B may be amended at any time (i) to reflect an increase in Administrative Fees, Credit Fees or Fiduciary Fees; (ii) to reamortize the principal component of Base Rentals in the event moneys are transferred from the Lessee's Lessee Acquisition Account upon completion of the Project; (iii) to reflect a change in the interest and principal component of Base Rentals if the Lessee exercises its option to convert the interest rate on this Lease to a fixed rate or enters into an Exchange Agreement; (iv) to pay any fees associated with the early termination of an Exchange Agreement; and (v) to reflect a revised estimate of the rate used to compute the interest component of Base Rentals if this Lease is a Variable Lease.

If the Lessor or the Credit Facility Provider determines that an amendment to Exhibit B is appropriate, the Lessor will mail to the Lessee a revised Exhibit B (identified by date or other means), by first class mail, postage prepaid. Said amendment will become effective and will for all purposes become a part of this Lease and will reflect Base Rentals to be paid by the Lessee for subsequent periods (unless Exhibit B is further amended as provided in this Section) upon the earlier of the acknowledgment thereof by the Lessee or automatically on the next payment date set forth in the revised Exhibit B.

The Lessee will pay Additional Rentals within fifteen (15) days after a written request therefor is mailed to the Lessee by or on behalf of the Lessor.

Any Lease Rental Payment that is not paid within 10 days of the date due shall bear interest thereon at the Late Payment Rate. Amounts due pursuant to this paragraph will be deemed to be Additional Rentals due and payable when incurred and without further written demand therefor. Notwithstanding anything herein to the contrary, if this Lease and any Collateral Documents are assigned and become payable exclusively to the Credit Facility Provider, the interest component of Base Rentals will be changed automatically (without any necessity to amend Exhibit B) to be equal to the Late Payment Rate.

The Lessee acknowledges and agrees that if this Lease or any portion hereof constitutes a Variable Lease, (i) interest components of Base Rentals will be calculated at an assumed interest rate set forth on Exhibit B (or, if applicable, one or more amendments to Exhibit B), (ii) after notice from the Lessor, the Lessee will receive a credit

against the Base Rental payable on September 1 of each Fiscal Year in an amount equal to the excess, if any, of the aggregate of the interest components of Base Rentals paid by the Lessee during the preceding Fiscal Year (at such assumed interest rate) over the Lessee's Proportionate Share of all interest paid on Variable Rate Bonds, and (iii) after notice from the Lessor, the Lessee will immediately pay as Additional Rentals, an amount equal to the excess, if any, of the Lessee's Proportionate Share of all interest paid or to be paid on Variable Rate Bonds over the aggregate of the interest components of Base Rentals then required to be paid by the Lessee (at the then assumed interest rate).

Prior to May 1 of each fiscal year during the Lease Term, the Lessor will inform the Lessee of the amount of Additional Rentals that are estimated to be payable during the next ensuing fiscal year.

The Lessee agrees and acknowledges that (a) the Trustee is authorized under the Indenture to draw amounts from the Debt Service Reserve Fund, at the direction of the Credit Facility Provider, if the Lessee fails to make any part of a Lease Rental Payment when due and (b) Exhibit B will be deemed automatically amended if the Trustee draws on such account to cure deficiencies in the payment of Lease Rental Payments, to increase the principal component of Lease Rental Payments due on the next twelve payment dates by one-twelfth of the amount so drawn and to increase the interest component of Lease Rental Payments due on such dates on the unpaid amount so drawn at the rate per annum equal to the Late Payment Rate. Promptly following any such automatic amendment, the Lessor will mail to the Lessee a revised Exhibit B (identified by date or other means), by certified mail, postage prepaid; provided that any failure to mail such revised Exhibit B will not affect the obligation of the Lessee to make the revised Lease Rental Payments. Amounts drawn from the Debt Service Reserve Fund and applied to payment of all or any portion of Lease Rental Payments will satisfy such Lease Rental Payment to the extent so applied.

Each Lease Rental Payment will be applied first to the principal component of Base Rentals then due and payable, then as Additional Rentals then due and payable, then to the components of Base Rentals then due and payable other than the interest component and principal component, and finally to the interest component of Base Rentals then due and payable.

This Lease will be deemed and construed to be a "net lease," and the Lessee will pay absolutely net during the Lease Term, the Lease Rental Payments and all other payments required hereunder, free of any deductions, and without abatement, deduction or set-off (other than credits against Lease Rental Payments expressly provided for in this Lease). To the extent the Credit Facility Provider advances any funds for the payment of any amounts due hereunder or to cure any Event of Default hereunder, the Lessor shall immediately reimburse the Credit Facility Provider therefore with interest accrued on such amount at the Late Payment Rate.

Section 9. Manner of Payment. All Lease Rental Payments will be paid by check made payable and delivered to the Trustee. The obligation of the Lessee to pay the Lease Rental Payments and to perform and observe the covenants and conditions contained herein during the Lease Term will be absolute and unconditional except as otherwise expressly provided in this Lease, and payment of the Lease Rental Payments may not be abated through accident or unforeseen circumstances or payment of this Lease from the Debt Service Reserve Fund or damage to, destruction of, or failure to complete, the Project. Lessee will not assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. No action or inaction on the part of the Lessor (or any of its assigns) will affect the Lessee's obligation to pay all Lease Rental Payment during the Lease Term.

Section 10. Expression of Lessee's Need for the Project; Determination as to Useful Life. The Lessee hereby declares its current need for the Project and further determines and declares its expectations that the Project will (so long as it is subject to the terms hereof) adequately serve the needs for which it is being acquired throughout the Lease Term. The Lessee hereby determines and declares that, to the best of its knowledge, the period during which the Lessee has an option to purchase the Project (i.e. the maximum term of this Lease) does not exceed the useful life of the Project.

Section 11. Nonappropriation by the Lessee. If the Lessee fails, for any reason, to duly enact by June 30 of each fiscal year an appropriation ordinance for the ensuing fiscal year which includes amounts required to pay all Lease Rental Payments to become due during that fiscal year, or on any earlier date on which the Lessor receives notice from the Lessee that this Lease will be terminated, an Event of Nonappropriation will be deemed to have occurred.

If an Event of Nonappropriation occurs, the Lessee will not be obligated to make payment of the Lease Rental Payments or any other payments provided for herein beyond the amounts specifically appropriated by the Lessee for

the fiscal year during which such Event of Nonappropriation occurs; provided that, the Lessee will continue to be liable for Lease Rental Payments allocable to any period during which the Lessee continues to use, occupy or retain possession of the Project.

The Lessee will vacate and/or surrender the Project to the Lessor by the July 1 following an Event of Nonappropriation. The surrender of any movable personal property comprising a portion of the Project will consist of delivering such property to the Lessor at a site within the jurisdiction of the Lessee selected by the Lessor.

Upon the occurrence of an Event of Nonappropriation, all amounts on deposit in the Lessee's Lessee Acquisition Account will be applied as provided in Section 13. After the expiration of the fiscal year during which an Event of Nonappropriation occurs, the Lessor may proceed to repossess and liquidate or release or otherwise dispose of the Project or any portion thereof and may take one or any combination of steps described in Section 28.

Section 12. Agreement to Acquire, Construct and Install the Project and Lease to the Lessee. The Lessee will provide for completion of the acquisition, construction, installation and equipping of the Project by the Lessee as the agent of the Lessor. The Lessee agrees that it will do all things which may be necessary or proper for the construction, acquisition, installation and equipping of the Project, on behalf of the Lessor. So long as this Lease is in full force and effect and no Event of Default or Event of Nonappropriation has occurred, the Lessee will have full power to carry out the acts and agreements provided in this Section, and such power is granted and conferred under this Lease to the Lessee, and is accepted by the Lessee, and will not be terminated or restricted by act of the Lessor or the Trustee, except as provided in this Section. All contracts relating to the Project are hereby assigned to the Lessor.

Section 13. Disbursements from the Lessee's Lessee Acquisition Account. As long as no Event of Nonappropriation or Event of Default has occurred, and the Lessee's right to control acquisition, construction, installation and equipping of the Project has not otherwise been terminated, disbursements from the Lessee's Lessee Acquisition Account may be made to pay or reimburse the Lessee for Costs of the Project. The Lessee must provide to the Lessor for approval, and thereafter to the Trustee, a request for disbursement substantially in the form set forth in Exhibit F hereto.

If an Event of Nonappropriation or an Event of Default occurs prior to the completion of the Project or if the right of the Lessee to control the acquisition, construction, installation and equipping of the Project has been otherwise terminated, amounts on deposit in the Lessee's Lessee Acquisition Account may be utilized by the Lessor to complete the Project.

Section 14. Risk of Loss; Damage; Destruction. Lessee assumes all risk of loss or damage to the Project from any cause whatsoever. No loss of or damage to, or appropriation by governmental authorities of, or defect in or unfitness or obsolescence of, the Project will relieve Lessee of the obligation under this Lease. Lessee will promptly repair or replace any portions of Project lost, destroyed, damaged or appropriated which are necessary to maintain the Project in sound operating condition so that at all times during the Lease Term the Project will be able to carry out its intended functions.

The net proceeds of any insurance policies, performance bonds, condemnation awards or net proceeds received as a consequence of default or breach of warranty under a construction contract or other contract relating to the Project will be deposited in the Lessee's Lessee Acquisition Account, if received before the completion of the Project, or, if received thereafter, to be deposited in a separate trust fund held by the Trustee and will be applied in the same manner described in Section 13. The balance remaining after repair, restoration, modification, improvement or replacement of the Project has been completed will be applied to satisfy payment of Lease Rental Payments.

Section 15. Disclaimer of Warranties. THE LESSOR, THE ISSUER, THE TRUSTEE, THE CREDIT FACILITY PROVIDER AND THE OWNERS OF THE BONDS MAKE NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR FITNESS FOR USE OF THE PROJECT OR ANY PORTION THEREOF OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT OR ANY PORTION THEREOF.

Section 16. Audited Financial Report; Notice. The Lessee will provide the Lessor with a copy of the Lessee's annual audited financial report within thirty (30) days of its receipt by the Lessee. The Lessee will immediately notify

the Lessor, the Credit Facility Provider and the Trustee of any Event of Default or Event of Nonappropriation hereunder.

Section 17. Inspection and Lessee Reports. The Lessor, the Trustee, the Credit Facility Provider and their respective authorized representatives shall at any time during normal business hours have the right to enter the premises where the Project may be located for the purpose of inspecting and examining the Project and its condition, use, and operation and the books and records of the Lessee relating thereto.

Section 18. Maintenance of the Project by the Lessee. The Lessee agrees that, at all times during the Lease Term, the Lessee will maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, ordinary wear and tear excepted, and that the Lessee will from time to time promptly make or cause to be made all necessary and proper repairs, except as otherwise provided in Section 14. The Lessor, the Issuer, the Trustee, the Credit Facility Provider and the owners of the Bonds will not have any responsibility in any of these matters or for the making of any additions, modifications, improvements or replacements to the Project.

Section 19. Modification of the Project; Installation of Equipment and Machinery of the Lessee. Following acquisition of the Project, Lessee will not make any alterations, additions, substitutions or replacements to the Project which would have an adverse effect on either the nature of the Project or the functionality or value of the Project, unless such alterations, additions, substitutions, replacements or improvements may be readily removed without damage to the Project. Any alterations, additions or improvements to the Project which may not be readily removed without damage to the Project, and any substitutions or replacements, shall be and be considered to constitute a part of the Project.

The Lessee may also install machinery, equipment and other tangible property in or on the Project; provided that such machinery, equipment and other tangible property which becomes permanently affixed to the Project will be subject to this Lease if the Lessor reasonably determines that the Project would be damaged or impaired by the removal of such machinery, equipment or other tangible property.

Section 20. Provisions Regarding Casualty, Public Liability and Property Damage Insurance. The Lessee, at its expense, will cause casualty and property damage insurance with a company or self-insurance fund acceptable to the Lessor to be carried and maintained with respect to the Project in an amount equal to the aggregate principal components of Lease Rental Payments payable during the maximum term of this Lease or the replacement cost (excluding foundations) of the Project, if less than such principal components. Any casualty and property damage insurance policy required by this Section will name the Lessor, the Credit Facility Provider and the Trustee as additional named insureds and will be so written or endorsed as to make losses, if any, payable to the Trustee (for application as provided in Section 14).

The Lessee will cause public liability insurance to be carried and maintained with a company or self-insurance fund acceptable to the Lessor with respect to the Project in such amount as is approved by the Lessor. Any public liability insurance policy required by this Section will name the Lessor, the Credit Facility Provider and the Trustee as additional named insureds.

Section 21. No Encumbrance, Mortgage or Pledge of Project. The Lessee will not directly or indirectly create, incur, assume or suffer to exist any mortgage, pledge, lien, charge, encumbrance or claim on or with respect to the Project, unless specifically consented to in writing by the Credit Facility Provider.

Section 22. Letter of Credit. If required by the Credit Facility Provider, the Lessee, prior to or simultaneously with the execution and delivery of this Lease, shall cause a letter of credit, satisfactory in form and substance to the Credit Facility Provider, to be issued by a bank satisfactory to the Credit Facility Provider (an "Approved Bank") in favor of the Trustee as security for the obligations of the Lessee under this Lease.

Section 23. Assignment by Lessor. As security for the payment and performance by the Issuer and the Lessor of all of their obligations under the Indenture and the Credit Facility Agreement, including particularly the payment of the principal of, premium, if any, and interest on the Bonds and the payment of all amounts due or to become due under the Credit Facility Agreement, the Lessor has assigned to the Trustee, under and pursuant to the Indenture, all of the Lessor's right, title and interest in, to and under this Lease and any Collateral Documents, including but not limited to the right to receive the Lease Rental Payments and other amounts due hereunder. The Lessee acknowledges and agrees

that this assignment will entitle the Trustee and the Credit Facility Provider to enforce any obligation of the Lessee hereunder and to exercise any remedy or right of the Lessor hereunder. The Lessee further acknowledges and agrees that, as provided in the Indenture, the function of the "Lessor" under this Lease may be performed by the Program Administrator (which may be a person or entity other than the Lessor) and its agents and representatives.

After the occurrence of an Event of Default or an Event of Nonappropriation (and the honoring by the Credit Facility Provider of a drawing under the Credit Facility relating thereto, as more fully described in the Indenture), this Lease will be assigned by the Lessor and the Trustee to the Credit Facility Provider. The Lessee acknowledges and consents to any such assignment; and the Lessee acknowledges and agrees that upon any such assignment, (a) the Credit Facility Provider will be the "Lessor" under this Lease for all purposes of this Lease, (b) all references in this Lease to the "Lessor" or the "Trustee" will be deemed to be references to the Credit Facility Provider, (c) all obligations of the Lessee under this Lease will be for the sole and exclusive benefit of the Credit Facility Provider and (d) all payments to be made by the Lessee under this Lease will be made to or upon the direction of the Credit Facility Provider.

Section 24. Assignment and Subleasing by the Lessee. This Lease may not be assigned by the Lessee for any reason. The Project may be subleased by the Lessee, as a whole or in part, but only with the prior written consent of the Lessor and the Credit Facility Provider.

Section 25. Purchase Option. The Lessee may, in its discretion, prepay in full its Lease Rental Payments under the Lease by paying to the Lessor the Optional Prepayment Price with respect to the Lease. The Optional Prepayment Price shall be used as provided in the Indenture. Upon payment of the Optional Prepayment Price, the Lessor will transfer and convey the Project to the Lessee pursuant to Section 4 hereof.

Section 26. Release and Indemnification Covenants. To the extent permitted by law, the Lessee will and hereby agrees to indemnify and save the Lessor, the Trustee and the Credit Facility Provider (each, an "Indemnitee") harmless against and from any or all claims, by or on behalf of any person, firm, corporation or other legal entity, and all liabilities, obligations, losses and damages whatsoever, regardless of the cause thereof and the expenses, penalties and fees in connection therewith (including counsel fees and expenses), arising from or as a result of the operation, ordering, ownership, acquisition, construction, use, condition, delivery, rejection, storage, return or management of the Project during the Lease Term, or the entering into of the Lease or any other document or instrument relating thereto (collectively, "Indemnified Claims"), including, but not limited to: (i) any condition of the Project; (ii) any act of negligence of the Lessee or of any of the agents, contractors or employees or any violation of law by the Lessee or breach of any covenant or warranty by the Lessee hereunder; (iii) any accident in connection therewith resulting in damage to property or injury or death to any person; and (iv) the incurring of any cost or expense in connection with the acquisition of the Project in excess of the moneys available therefor in the Lessee's Lessee Acquisition Account. To the extent permitted by law, the Lessee will indemnify and save each Indemnitee harmless from any such Indemnified Claim, or in connection with any action or proceeding brought thereon and, upon notice from such Indemnitee, will defend or pay the cost of defending such Indemnitee, in any such action or proceeding.

The indemnification arising under this Section will continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease for any reason.

Section 27. Events of Default Defined. The following will be "Events of Default" under this Lease and the term "Event of Default" or "Default" will mean, whenever it is used in this Lease, any one or more of the following events:

- (a) Failure by the Lessee to pay any Lease Rental Payments at the time specified herein;
- (b) failure by the Lessee to vacate or surrender the Project by the July 1 following an Event of Nonappropriation as provided in Section 11;
- (c) failure by the Lessee to observe or perform any covenant, condition or agreement on its part to be observed or performed, other than referred to in subsection (a) or (b) of this Section, for a period of 30 days after written notice specifying such failure and requesting that it be remedied will have been given to the Lessee by the Lessor unless the Lessor agrees in writing to an extension of such time prior to its expiration.

Section 28. Remedies on Default. Whenever any Event of Default has occurred and is continuing, the Lessor may (or upon direction of the Credit Facility Provider shall) or the Credit Facility Provider may, without any further demand or notice, take one or any combination of the following remedial steps:

- (a) Terminate the Lease Term and give notice to the Lessee to vacate or surrender the Project within 60 days from the date of such notice;
- (b) sell or re-lease the Project or any portion thereof;
- (c) recover from the Lessee:
 - (i) the Lease Rental Payments which would otherwise have been payable hereunder during any period in which the Lessee continues to use, occupy or retain possession of the Project; and
 - (ii) Lease Rental Payments which would otherwise have been payable hereunder after the Lessee vacates or surrenders the Project during the remainder of the fiscal year in which such Event of Default occurs; or
- (d) take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Project under this Lease and any Collateral Documents (including, without limitation, the right to possession of the Project and the right to sell or re-lease or otherwise dispose of the Project in accordance with applicable law), subject, however, to the limitations contained in this Lease with respect to the Lessee's obligations upon the occurrence of an Event of Nonappropriation; and/or take whatever action at law or in equity may appear necessary or desirable to enforce performance by the Lessee of the applicable covenants and agreements of the Lessee under this Lease (subject, however, to the limitations thereon contained in this Lease) and to recover damages for the breach thereof.

No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive, and every such remedy will be cumulative and will be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default will impair any such right or power and any such right and power may be exercised from time to time and as often as may be deemed expedient. If any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver will be limited to the particular breach so waived and will not be deemed to waive any other breach hereunder.

The Lessee will remain liable for all covenants and obligations under this Lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by the Lessor with respect to the enforcement of any of the remedies under this Lease, when a court of competent jurisdiction has finally adjudicated that an Event of Default has occurred.

Section 29. Notices. All notices, certificates, requests or other communications hereunder will be in writing and mailed (postage prepaid, and certified or registered with return receipt requested) or delivered (including delivery by courier service) as follows: if to the Lessor, Kentucky Association of Counties Leasing Trust, 390 King's Daughters Drive, Frankfort, Kentucky 40604, Attention: Administrator, if to Trustee, to U.S. Bank National Association, c/o National City Bank of Kentucky, 101 South Fifth Street (LocT03E) Louisville, Kentucky 40202, Attention: Corporate Trust Department, if to the Credit Facility Provider, to U.S. Bank National Association, 425 Walnut Street, P.O. Box 1038, Cincinnati, Ohio 45201, Attention: Corporate Trust Department, if to the Lessee, to the address shown on the cover page hereof. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests or other communications will be sent hereunder. All notices, certificates, requests and other communications pursuant to this Lease will be effective when received (if given by mail) or when delivered (if given by delivery).

Section 30. Amendments, Changes and Modifications. Except as provided in Section 8 with respect to Exhibit B, this Lease may not be amended, changed, modified or altered, or any provision hereof waived, without the written consent of the Lessor and the Lessee.

Section 31. Third Party Beneficiary. No person other than a party hereto, the Trustee and the Credit Facility Provider, will have any right, remedy or claim under or by reason of this Lease or otherwise be a third party

beneficiary of any rights, remedies, claims or agreements hereunder. The parties hereto acknowledge and agree that the Credit Facility Provider will be a third party beneficiary of all rights, remedies, claims or agreement hereunder, with the right to enforce the same, with the same effect as though the Credit Facility Provider was a party hereto.

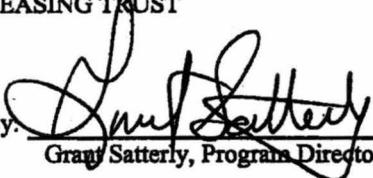
Section 32. Conversion of Interest Rate. If this Lease or any portion hereof constitutes a Variable Lease, the Lessee may elect to have the interest rate under this Lease converted to a fixed rate upon the terms and conditions set forth in the Indenture; provided, however, that the Lessee must have appropriated sufficient funds to pay all Lease Rental Payments due in accordance with the amendment to Exhibit B to be delivered in connection with such conversion (as described in Section 8).

Section 33. Lessee Acknowledgment of the Bonds and Credit Facility. The Lessee acknowledges (i) that this Lease and the financing by the Lessor of the Project is a part of the Program; (ii) that the payment and purchase of the Bonds is supported by the Credit Facility issued by the Credit Facility Provider; and (iii) that the Lease Rental Payments under this Lease, together with lease rental payments under all other leases entered into by Lessors under the Program, are and will be applied to (A) pay the principal and premium, if any, and interest on the Bonds, (B) reimburse the Credit Facility Provider for all amounts paid by it under the Credit Facility to pay the Bonds, (C) pay interest, fees and other amounts due and owing to (including advances made by) the Credit Facility Provider under the Credit Facility Agreement, and (D) pay all other costs and expenses of the Program. The Lessee acknowledges and consents to the assignment by the Issuer, pursuant to the Indenture, and by the Lessor, pursuant to the Indenture and Section 23 hereof, to the Trustee, for the equal and ratable benefit of the Owners of the Bonds, of all right, title and interest of the Issuer and the Lessor, respectively, in, to and under this Lease.

Section 34. Miscellaneous. This Lease will inure to the benefit of and will be binding upon the Lessor and the Lessee and their respective successors and assigns (including, without limitation, security assigns). This Lease may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument. This Lease will be governed by and construed in accordance with the laws of the State. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease. If any provision of this Lease, other than the requirement of the Lessee to pay Lease Rental Payments and the requirement of the Lessor to provide quiet enjoyment of the Project and to convey the Project to the Lessee under the conditions set forth herein, is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

IN WITNESS WHEREOF, the Lessor has executed this Lease in its name; and the Lessee has caused this Lease to be executed in its name and attested by duly authorized officers thereof. All of the above are effective as of the date first above written.

KENTUCKY ASSOCIATION OF COUNTIES
LEASING TRUST

By: 
Grant Satterly, Program Director

COUNTY OF MARTIN, KENTUCKY

By: 
Kelly E. Callahan, County Judge/Executive

Attest:

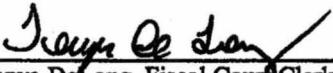
By: 
Tonya DeLong, Fiscal Court Clerk

EXHIBIT A

DESCRIPTION OF PROJECT

(including site description)

ESTIMATED COST OF THE PROJECT \$200,000

ESTIMATED DATE OF COMPLETION OF
THE PROJECT:

DESCRIPTION

To finance the purchase of the following for use by the County:

Year	Model
_____	S10 (Colorado) Pickup 4x4 - Vin # _____
_____	½ Ton Pickup 4x4 - Vin # _____
_____	¾ Ton Pickup (with utility bed) 4x4 - Vin # _____
_____	1 Ton Dum Truck 10' ft. bed - Vin # _____
_____	Mini Excavator - Vin # (or Serial, which ever applies) _____
_____	18' Trailor - Vin # (or Serial, which ever applies) _____

Health Leak Detection kit - Serial # _____
Radio System - Serial # (for each radio) _____
Image Runner 2230 Copier - Serial # _____
Dell Laptop Computer - Serial # _____
Epson LCD Projector - Serial # _____

*****IT IS VERY IMPORTANT THAT YOU PROVIDE INFORMATION FOR THE ABOVE. IF YOU HAVE NOT YET PURCHASED THE ABOVE, YOU MUST PROVIDE THIS INFORMATION TO COLT IMMEDIATELY AS SOON AS IT IS AVAILABLE TO YOU*****

EXHIBIT B
LEASE RENTAL PAYMENTS

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

**Martin County #2 - Equipment
Variable Rate Lease (Closing)**

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Total Base Rental **
			0.25% Admin (30/360)	Total Fiduciary (30/360)	0.400% Credit (Act/Act)	0.00% Liquidity (Act/Act)	0.10% Remktg (30/360)		
7/7/2005	<i><-Lease Closing Date</i>								
8/20/2005	-	1,304.11	75.00	-	124.25	-	-	1,503.36	
9/20/2005	-	698.63	41.67	-	66.56	-	-	806.86	
10/20/2005	-	721.92	41.67	-	68.78	-	-	832.37	
11/20/2005	-	698.63	41.67	-	66.56	-	-	806.86	
12/20/2005	-	721.92	41.67	-	68.78	-	-	832.37	
1/20/2006	-	721.92	41.67	-	68.78	-	-	832.37	
2/20/2006	-	652.05	41.67	-	62.13	-	-	755.85	
3/20/2006	5,000.00	721.92	41.67	-	68.78	-	-	5,632.37	
4/20/2006	-	681.16	40.63	-	64.90	-	-	786.69	
5/20/2006	-	703.87	40.63	-	67.06	-	-	811.58	
6/20/2006	-	681.16	40.63	-	64.90	-	-	786.69	
7/20/2006	-	703.87	40.63	-	67.06	-	-	811.58	
8/20/2006	-	703.87	40.63	-	67.06	-	-	811.58	
9/20/2006	-	681.16	40.63	-	64.90	-	-	786.69	
10/20/2006	-	703.87	40.63	-	67.06	-	-	811.58	
11/20/2006	-	681.16	40.63	-	64.90	-	-	786.69	
12/20/2006	-	703.87	40.63	-	67.06	-	-	811.58	
1/20/2007	-	703.87	40.63	-	67.06	-	-	811.58	
2/20/2007	-	635.75	40.63	-	60.57	-	-	736.95	
3/20/2007	5,000.00	703.87	40.63	-	67.06	-	-	5,811.58	
4/20/2007	-	661.89	39.58	-	63.06	-	-	764.53	
5/20/2007	-	683.95	39.58	-	65.17	-	-	788.70	
6/20/2007	-	661.89	39.58	-	63.06	-	-	764.53	
7/20/2007	-	683.95	39.58	-	65.17	-	-	788.70	
8/20/2007	-	683.95	39.58	-	65.17	-	-	788.70	
9/20/2007	-	661.89	39.58	-	63.06	-	-	764.53	
10/20/2007	-	683.95	39.58	-	65.17	-	-	788.70	
11/20/2007	-	661.89	39.58	19.17	63.06	-	17.68	801.38	
12/20/2007	-	683.95	39.58	19.17	65.17	-	17.68	825.55	
1/20/2008	-	683.95	39.58	19.17	65.17	-	17.68	825.55	
2/20/2008	-	639.82	39.58	19.17	60.96	-	17.68	777.21	
3/20/2008	5,000.00	683.95	39.58	19.17	65.17	-	17.68	5,825.55	
4/20/2008	-	646.23	38.54	19.17	61.57	-	17.27	782.78	
5/20/2008	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
6/20/2008	-	646.23	38.54	19.17	61.57	-	17.27	782.78	
7/20/2008	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
8/20/2008	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
9/20/2008	-	646.23	38.54	19.17	61.57	-	17.27	782.78	
10/20/2008	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
11/20/2008	-	646.23	38.54	19.17	61.57	-	17.27	782.78	
12/20/2008	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
1/20/2009	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
2/20/2009	-	603.15	38.54	19.17	57.47	-	17.27	735.60	
3/20/2009	5,000.00	667.77	38.54	19.17	63.62	-	17.27	5,806.37	
4/20/2009	-	628.77	37.50	19.17	59.91	-	16.85	762.20	
5/20/2009	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
6/20/2009	-	628.77	37.50	19.17	59.91	-	16.85	762.20	
7/20/2009	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
8/20/2009	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
9/20/2009	-	628.77	37.50	19.17	59.91	-	16.85	762.20	
10/20/2009	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
11/20/2009	-	628.77	37.50	19.17	59.91	-	16.85	762.20	
12/20/2009	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
1/20/2010	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
2/20/2010	-	586.85	37.50	19.17	55.91	-	16.85	716.28	
3/20/2010	5,000.00	649.73	37.50	19.17	61.90	-	16.85	5,785.15	

* Interest computed at rate shown, actual rate will vary over term of Lease.

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

**Martin County #2 - Equipment
Variable Rate Lease (Closing)**

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Total Base Rental **
			0.25% Admin (30/360)	Total Fiduciary (30/360)	0.400% Credit (Act/Act)	0.00% Liquidity (Act/Act)	0.10% Remktg (30/360)		
4/20/2010	-	611.30	36.46	19.17	58.24	-	16.43	741.60	
5/20/2010	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
6/20/2010	-	611.30	36.46	19.17	58.24	-	16.43	741.60	
7/20/2010	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
8/20/2010	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
9/20/2010	-	811.30	36.46	19.17	58.24	-	16.43	741.60	
10/20/2010	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
11/20/2010	-	811.30	36.46	19.17	58.24	-	16.43	741.60	
12/20/2010	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
1/20/2011	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
2/20/2011	-	570.55	36.46	19.17	54.36	-	16.43	696.97	
3/20/2011	10,000.00	631.68	36.46	19.17	60.19	-	16.43	10,763.93	
4/20/2011	-	574.80	34.38	19.17	54.77	-	15.60	698.72	
5/20/2011	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
6/20/2011	-	574.80	34.38	19.17	54.77	-	15.60	698.72	
7/20/2011	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
8/20/2011	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
9/20/2011	-	574.80	34.38	19.17	54.77	-	15.60	698.72	
10/20/2011	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
11/20/2011	-	574.80	34.38	19.17	54.77	-	15.60	698.72	
12/20/2011	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
1/20/2012	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
2/20/2012	-	555.84	34.38	19.17	52.94	-	15.60	677.73	
3/20/2012	10,000.00	593.95	34.38	19.17	56.59	-	15.60	10,719.69	
4/20/2012	-	541.44	32.29	19.17	51.59	-	14.77	659.26	
5/20/2012	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
6/20/2012	-	541.44	32.29	19.17	51.59	-	14.77	659.26	
7/20/2012	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
8/20/2012	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
9/20/2012	-	541.44	32.29	19.17	51.59	-	14.77	659.26	
10/20/2012	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
11/20/2012	-	541.44	32.29	19.17	51.59	-	14.77	659.26	
12/20/2012	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
1/20/2013	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
2/20/2013	-	505.34	32.29	19.17	48.15	-	14.77	619.72	
3/20/2013	10,000.00	559.49	32.29	19.17	53.31	-	14.77	10,679.03	
4/20/2013	-	506.51	30.21	19.17	48.26	-	13.93	618.08	
5/20/2013	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
6/20/2013	-	506.51	30.21	19.17	48.26	-	13.93	618.08	
7/20/2013	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
8/20/2013	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
9/20/2013	-	506.51	30.21	19.17	48.26	-	13.93	618.08	
10/20/2013	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
11/20/2013	-	506.51	30.21	19.17	48.26	-	13.93	618.08	
12/20/2013	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
1/20/2014	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
2/20/2014	-	472.74	30.21	19.17	45.04	-	13.93	581.09	
3/20/2014	10,000.00	523.39	30.21	19.17	49.87	-	13.93	10,636.57	
4/20/2014	-	471.58	28.13	19.17	44.93	-	13.10	576.91	
5/20/2014	-	487.29	28.13	19.17	46.43	-	13.10	594.12	
6/20/2014	-	471.58	28.13	19.17	44.93	-	13.10	576.91	
7/20/2014	-	487.29	28.13	19.17	46.43	-	13.10	594.12	
8/20/2014	-	487.29	28.13	19.17	46.43	-	13.10	594.12	
9/20/2014	-	471.58	28.13	19.17	44.93	-	13.10	576.91	
10/20/2014	-	487.29	28.13	19.17	46.43	-	13.10	594.12	
11/20/2014	-	471.58	28.13	19.17	44.93	-	13.10	576.91	
12/20/2014	-	487.29	28.13	19.17	46.43	-	13.10	594.12	

* Interest computed at rate shown, actual rate will vary over term of Lease.

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

Martin County #2 - Equipment
Variable Rate Lease (Closing)

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Total Base Rental **
			0.25% Admin (30/360)	Total Fiduciary (30/360)	0.400% Credit (Act/Act)	0.00% Liquidity (Act/Act)	0.10% Remktg (30/360)		
1/20/2015	-	487.29	28.13	19.17	48.43	-	13.10	594.12	
2/20/2015	-	440.14	28.13	19.17	41.94	-	13.10	542.48	
3/20/2015	10,000.00	487.29	28.13	19.17	48.43	-	13.10	10,594.12	
4/20/2015	-	435.45	26.04	19.17	41.49	-	12.27	534.42	
5/20/2015	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
6/20/2015	-	435.45	26.04	19.17	41.49	-	12.27	534.42	
7/20/2015	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
8/20/2015	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
9/20/2015	-	435.45	26.04	19.17	41.49	-	12.27	534.42	
10/20/2015	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
11/20/2015	-	435.45	26.04	19.17	41.49	-	12.27	534.42	
12/20/2015	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
1/20/2016	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
2/20/2016	-	420.94	26.04	19.17	40.11	-	12.27	518.53	
3/20/2016	10,000.00	449.97	26.04	19.17	42.87	-	12.27	10,550.32	
4/20/2016	-	401.71	23.96	19.17	38.27	-	11.43	494.54	
5/20/2016	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
6/20/2016	-	401.71	23.96	19.17	38.27	-	11.43	494.54	
7/20/2016	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
8/20/2016	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
9/20/2016	-	401.71	23.96	19.17	38.27	-	11.43	494.54	
10/20/2016	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
11/20/2016	-	401.71	23.96	19.17	38.27	-	11.43	494.54	
12/20/2016	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
1/20/2017	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
2/20/2017	-	374.93	23.96	19.17	35.72	-	11.43	466.21	
3/20/2017	10,000.00	415.10	23.96	19.17	39.55	-	11.43	10,509.21	
4/20/2017	-	366.78	21.88	19.17	34.95	-	10.80	453.38	
5/20/2017	-	379.01	21.88	19.17	36.11	-	10.80	466.77	
6/20/2017	-	366.78	21.88	19.17	34.95	-	10.80	453.38	
7/20/2017	-	379.01	21.88	19.17	36.11	-	10.80	466.77	
8/20/2017	-	379.01	21.88	19.17	36.11	-	10.80	466.77	
9/20/2017	-	366.78	21.88	19.17	34.95	-	10.80	453.38	
10/20/2017	-	379.01	21.88	19.17	36.11	-	10.80	466.77	
11/20/2017	-	366.78	21.88	19.17	34.95	-	10.80	453.38	
12/20/2017	-	379.01	21.88	19.17	36.11	-	10.80	466.77	
1/20/2018	-	379.01	21.88	19.17	36.11	-	10.80	466.77	
2/20/2018	-	342.33	21.88	19.17	32.62	-	10.80	426.60	
3/20/2018	10,000.00	379.01	21.88	19.17	36.11	-	10.80	10,466.77	
4/20/2018	-	331.85	19.79	19.17	31.62	-	9.77	412.20	
5/20/2018	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
6/20/2018	-	331.85	19.79	19.17	31.62	-	9.77	412.20	
7/20/2018	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
8/20/2018	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
9/20/2018	-	331.85	19.79	19.17	31.62	-	9.77	412.20	
10/20/2018	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
11/20/2018	-	331.85	19.79	19.17	31.62	-	9.77	412.20	
12/20/2018	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
1/20/2019	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
2/20/2019	-	309.73	19.79	19.17	29.51	-	9.77	387.97	
3/20/2019	10,000.00	342.91	19.79	19.17	32.67	-	9.77	10,424.31	
4/20/2019	-	296.11	17.71	19.17	28.21	-	8.93	370.13	
5/20/2019	-	305.98	17.71	19.17	29.15	-	8.93	380.94	
6/20/2019	-	296.11	17.71	19.17	28.21	-	8.93	370.13	
7/20/2019	-	305.98	17.71	19.17	29.15	-	8.93	380.94	
8/20/2019	-	305.98	17.71	19.17	29.15	-	8.93	380.94	
9/20/2019	-	296.11	17.71	19.17	28.21	-	8.93	370.13	

* Interest computed at rate shown, actual rate will vary over term of Lease.

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

**Martin County #2 - Equipment
Variable Rate Lease (Closing)**

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Total Base Rental **
			0.25% Admin	Total Fiduciary	0.400% Credit	0.00% Liquidity	0.10% Remktg		
			(30/360)	(30/360)	(Act/Act)	(Act/Act)	(30/360)		
10/20/2019	-	305.98	17.71	19.17	29.15	-	8.93	380.94	
11/20/2019	-	298.11	17.71	19.17	28.21	-	8.93	370.13	
12/20/2019	-	305.98	17.71	19.17	29.15	-	8.93	380.94	
1/20/2020	-	305.98	17.71	19.17	29.15	-	8.93	380.94	
2/20/2020	-	286.24	17.71	19.17	27.27	-	8.93	359.32	
3/20/2020	10,000.00	305.98	17.71	19.17	29.15	-	8.93	10,380.94	
4/20/2020	-	261.99	15.63	19.17	24.96	-	8.10	329.85	
5/20/2020	-	270.72	15.63	19.17	25.79	-	8.10	339.41	
6/20/2020	-	261.99	15.63	19.17	24.96	-	8.10	329.85	
7/20/2020	-	270.72	15.63	19.17	25.79	-	8.10	339.41	
8/20/2020	-	270.72	15.63	19.17	25.79	-	8.10	339.41	
9/20/2020	-	261.99	15.63	19.17	24.96	-	8.10	329.85	
10/20/2020	-	270.72	15.63	19.17	25.79	-	8.10	339.41	
11/20/2020	-	261.99	15.63	19.17	24.96	-	8.10	329.85	
12/20/2020	-	270.72	15.63	19.17	25.79	-	8.10	339.41	
1/20/2021	-	270.72	15.63	19.17	25.79	-	8.10	339.41	
2/20/2021	-	244.62	15.63	19.17	23.30	-	8.10	310.72	
3/20/2021	15,000.00	270.72	15.63	19.17	25.79	-	8.10	15,339.41	
4/20/2021	-	209.59	12.50	19.17	19.97	-	6.85	268.08	
5/20/2021	-	216.58	12.50	19.17	20.63	-	6.85	275.73	
6/20/2021	-	209.59	12.50	19.17	19.97	-	6.85	268.08	
7/20/2021	-	216.58	12.50	19.17	20.63	-	6.85	275.73	
8/20/2021	-	216.58	12.50	19.17	20.63	-	6.85	275.73	
9/20/2021	-	209.59	12.50	19.17	19.97	-	6.85	268.08	
10/20/2021	-	216.58	12.50	19.17	20.63	-	6.85	275.73	
11/20/2021	-	209.59	12.50	19.17	19.97	-	6.85	268.08	
12/20/2021	-	216.58	12.50	19.17	20.63	-	6.85	275.73	
1/20/2022	-	216.58	12.50	19.17	20.63	-	6.85	275.73	
2/20/2022	-	196.62	12.50	19.17	18.64	-	6.85	252.78	
3/20/2022	15,000.00	216.58	12.50	19.17	20.63	-	6.85	15,275.73	
4/20/2022	-	157.19	9.38	19.17	14.98	-	5.60	206.32	
5/20/2022	-	162.43	9.38	19.17	15.48	-	5.60	212.06	
6/20/2022	-	157.19	9.38	19.17	14.98	-	5.60	206.32	
7/20/2022	-	162.43	9.38	19.17	15.48	-	5.60	212.06	
8/20/2022	-	162.43	9.38	19.17	15.48	-	5.60	212.06	
9/20/2022	-	157.19	9.38	19.17	14.98	-	5.60	206.32	
10/20/2022	-	162.43	9.38	19.17	15.48	-	5.60	212.06	
11/20/2022	-	157.19	9.38	19.17	14.98	-	5.60	206.32	
12/20/2022	-	162.43	9.38	19.17	15.48	-	5.60	212.06	
1/20/2023	-	162.43	9.38	19.17	15.48	-	5.60	212.06	
2/20/2023	-	146.71	9.38	19.17	13.98	-	5.60	194.84	
3/20/2023	15,000.00	162.43	9.38	19.17	15.48	-	5.60	15,212.06	
4/20/2023	-	104.51	6.25	19.17	9.96	-	4.35	144.24	
5/20/2023	-	107.99	6.25	19.17	10.29	-	4.35	148.05	
6/20/2023	-	104.51	6.25	19.17	9.96	-	4.35	144.24	
7/20/2023	-	107.99	6.25	19.17	10.29	-	4.35	148.05	
8/20/2023	-	107.99	6.25	19.17	10.29	-	4.35	148.05	
9/20/2023	-	104.51	6.25	19.17	9.96	-	4.35	144.24	
10/20/2023	-	107.99	6.25	19.17	10.29	-	4.35	148.05	
11/20/2023	-	104.51	6.25	19.17	9.96	-	4.35	144.24	
12/20/2023	-	107.99	6.25	19.17	10.29	-	4.35	148.05	
1/20/2024	-	107.99	6.25	19.17	10.29	-	4.35	148.05	
2/20/2024	-	101.02	6.25	19.17	9.63	-	4.35	140.42	
3/20/2024	15,000.00	107.99	6.25	19.17	10.29	-	4.35	15,148.05	
4/20/2024	-	52.40	3.13	19.17	4.99	-	3.10	82.79	
5/20/2024	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
6/20/2024	-	52.40	3.13	19.17	4.99	-	3.10	82.79	

* Interest computed at rate shown, actual rate will vary over term of Lease.

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

**Martin County #2 - Equipment
Variable Rate Lease (Closing)**

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Total Base Rental **
			0.25% Admin (30/360)	Total Fiduciary (30/360)	0.400% Credit (Act/Act)	0.00% Liquidity (Act/Act)	0.10% Remktg (30/360)		
7/20/2024	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
8/20/2024	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
9/20/2024	-	52.40	3.13	19.17	4.99	-	3.10	82.79	
10/20/2024	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
11/20/2024	-	52.40	3.13	19.17	4.99	-	3.10	82.79	
12/20/2024	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
1/20/2025	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
2/20/2025	-	48.80	3.13	19.17	4.86	-	3.10	78.96	
3/20/2025	15,000.00	54.14	3.13	19.17	5.16	-	3.10	15,084.70	
	200,000.00	102,928.71	6,054.57	4,006.53	9,806.80	-	2,355.80	325,152.41	

* Unless otherwise noted, computed at an assumed rate per annum equal to 4.25%

* Interest computed at rate shown, actual rate will vary over term of Lease.

EXHIBIT F

REQUEST FOR DISBURSEMENT

Re: Lease Agreement between Kentucky Association of Counties Leasing Trust, as lessor, and County of Martin, Kentucky, as lessee dated July 7, 2005.

Requisition Certificate No. _____

The Lessee hereby requests a disbursement from its Lessee Acquisition Account in the amount of \$ 200,000 and hereby certifies, as follows (except that with respect to a disbursement to pay an interest component of Lease Rental Payments during construction of a Project, only the document described in (a) below will be required):

(a) Attached is a statement of the amount and nature of each item of the Costs of the Project to be paid and the name and address of the payee, with the payee's statement and, if reimbursement to the Lessee of amounts previously paid is requested, evidence of such payment;

(b) each item for which payment or reimbursement is requested is or was necessary in connection with the Costs of the Project and none of such items formed the basis for any previous payment from the Lessee's Lessee Acquisition Account;

(c) each contractor, subcontractor and materialman has filed with the Lessee receipts or waivers of liens for all amounts previously certified for payment, or any amount previously certified for reimbursement to the Lessee, or there is on file with the Lessee a cancelled check endorsed by the contractor, subcontractor or materialman evidencing such payment;

(d) all of the warranties and representations of the Lessee contained in the Lease are true and correct as of the date of such disbursement, as though such warranties and representations were made on such date, no Event of Default or Event of Nonappropriation has occurred under the Lease, the right of the Lessee to control the acquisition, construction and installation of the Project has not otherwise been terminated pursuant to the Lease, and that amounts on deposit in the Lessee's Lessee Acquisition Account will be sufficient to complete the Project in accordance with the approved plans and specifications;

Executed this 7th day of July, 2005.

COUNTY OF MARTIN, KENTUCKY, Lessee

By: 
Authorized Lessee Representative

**Attachment to No-Arbitrage Certificate
TAX COMPLIANCE AGREEMENT**

KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST

LESSEE: County of Martin, Kentucky

DATE OF AGREEMENT: July 7, 2005

LEASE AMOUNT: \$200,000

This Tax Compliance Agreement relates to a Lease Agreement between the Lessee and the Kentucky Association of Counties Leasing Trust dated the date of this Tax Compliance Agreement.

TAX COMPLIANCE AGREEMENT

THIS TAX COMPLIANCE AGREEMENT (the "Tax Compliance Agreement") is made and entered into as of the date shown on the cover page hereto between the KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST ("CoLT") and the LESSEE shown on the cover page hereto (the "Lessee"):

WITNESSETH:

WHEREAS, the Lessee has agreed, in a lease agreement dated the date hereof (the "Lease") to borrow the Lease Amount shown on the cover page hereto pursuant to a Program administered by CoLT and funded with the proceeds of \$100,000,000 Kentucky Association of Counties Leasing Trust Lease Program Revenue Bonds, Variable Rate 2004 Series A (the "Bonds") issued by the County of Shelby, Kentucky (the "Issuer") to finance the project identified in the Lease (the "Project"); and

WHEREAS, it is necessary for the parties hereto to enter into this Tax Compliance Agreement to ensure that interest paid on the Bonds and on the Lease shall all be and shall all remain excludible from gross income for Federal income purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code") and is not and will not become a specific item of tax preference under Section 57(a)(5)(C) of the Code for the federal alternative minimum tax and to comply with the requirements of the Tax Regulatory Agreement (the "Tax Regulatory Agreement") dated as of September 1, 2004 among CoLT, the Issuer and U.S. Bank National Association, as trustee.

NOW, THEREFORE, the parties hereto agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. In addition to words and terms defined elsewhere in this Tax Compliance Agreement, the Code and Regulations (each as herein defined), the No-Arbitrage Certificate (as hereinafter defined), the Indenture and the Lease, the following capitalized words and terms used in this Tax Compliance Agreement shall have the following meanings, unless some other meaning is plainly intended:

"Arbitrage Bond" means any obligation of a Governmental Entity that is treated as an arbitrage bond under Sections 103(b)(2) and 148 of the Code.

"Capital Expenditure" means any expense that is properly depreciable or amortizable or is otherwise treated as a capital expenditure under the Code, and for the purposes of determining eligible Reimbursement Allocations, Costs of Issuance.

"Closing Date" means the date of this Tax Compliance Agreement.

"Cost of Issuance" means any expenditure incurred in connection with the issuance of the Lease or the Lessee's share of such expenditures relating to the Bonds, including such costs as underwriters' spread, rating agency fees, appraisal costs, attorneys' and accounts' fees and printing costs, but excluding Qualified Guarantee Fees or expenditures incurred in connection with the acquisition of the Project.

"Disposition Proceeds" means the amounts, including property, received from the sale, exchange or other disposition of the Project.

"Federally-Guaranteed" means having the payment of either the principal of or interest on any portion of the Lease or any loan made with the Proceeds of any portion of the Lease guaranteed, in whole or in part, directly or indirectly, by the United States, or acquiring any Investment Property that is, directly or indirectly federally-insured, except as otherwise permitted by Section 149(b) of the Code.

"Governmental Entity" means any State and any political subdivision and agency of any State.

"Gross Proceeds" means Sale Proceeds and Replacement Proceeds, determined pursuant to Treas. Regs. §§ 1.148-1(b) and -1(c), all until spent.

"Hedge" means any contract with respect to the Lease or the Bonds that creates an interest rate swap, an interest rate cap, the right to future delivery of Investment Property, or the right to sell or buy either the obligations or Investment Property, or other similar rights.

"Investment Proceeds" means any amounts actually or constructively earned or received from investing the Proceeds in Investment Property.

"Investment Property" means any security (as defined in Section 165(g)(2)(A) or (B) of the Code), obligation (including any Tax-Exempt Bond), annuity contract or other investment-type property.

"No-Arbitrage Certificate" means the "Certificate under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as Amended," for the Bonds given by the Issuer, including certifications given with respect thereto by the Financial Advisor, the Underwriter and CoLT, and for the Lease given by the Lessee.

"Non-Governmental Entity" means any person or entity, other than a Governmental Entity.

"Pledged Fund" means any amount pledged, directly or indirectly, to pay principal of or interest on the Lease and which provides reasonable assurance of such amounts being paid even if the Lessee experiences financial difficulties, including amounts subject to a negative pledge.

"Private Loan" means any loan, directly or indirectly, of any of the Proceeds of an obligation of a Governmental Entity to any Non-Governmental Entity.

"Private Use" means the use of any Proceeds of the Lease or any facilities financed with such Proceeds by Private Users.

"Private User" means any Non-Governmental Entity, other than a natural person not engaged in a trade or business.

"Rebate Amount" means the amount determined by CoLT pursuant to the Tax Regulatory Agreement.

"Rebate Payment" means any payment of the Rebate Amount made to the United States Treasury.

"Redemption Date" means the date on which the last of the principal of and interest on the Lease has been paid, whether upon maturity, redemption or acceleration thereof.

"Reimbursement Allocation" means a written allocation of the Proceeds of the Lease intended to reimburse the Lessee for Capital Expenditures for the Project that were paid prior to the Closing Date, provided that any such allocation is made no later than eighteen (18) months after the later of the date the Capital Expenditure was paid or the date the Project was placed in service, but in no event later than three (3) years after the payment date. Any written allocation made within thirty (30) days after the Closing Date shall be treated as if made on the Closing Date.

"Reimbursement Resolution" means a declaration of intent by the Lessee to finance, by issuing debt, Capital Expenditures. For this purpose, the issuance of debt to finance specific facilities shall constitute a Reimbursement Resolution, the date of adoption of which shall be no later than the Closing Date of such debt.

"Replacement Proceeds" means amounts replaced by Proceeds of the Lease, including any sinking fund, Pledged Fund, restricted gifts (not including qualified endowment funds, pursuant to Treas. Reg. § 1.148-6(d)(3)(iii)(C)) or reserve or replacement fund, or other funds that would be available, directly or indirectly, to pay debt service on any of the Lease, within the meaning of Treas. Reg. § 1.148-1(c).

"Research Agreement" means an agreement between the Lessee and a Private User under which the Lessee or the Private User uses any portion of the Project to carry on research.

"Sale Proceeds" means the Lease Amount shown on the cover page hereto.

"Service Contract" means a contract between the Lessee and a Service Provider under which the Service Provider provides services involving any portion or function of a Governmental Facility financed with Governmental Bonds.

"Service Provider" means any Private User that provides management or other services.

"State" means any state and possession of the United States and the District of Columbia.

"Treasury Regulation" and "Treas. Reg." means any Regulation, Proposed Regulation or Temporary Regulation, as may be applicable, issued by the United States Treasury Department pursuant to the Code or the 1954 Code, as appropriate.

"Yield" means, pursuant to Treas. Regs. §§ 1.148-4 and -5, that discount rate which, when computing the present value of all payments of principal and interest to be paid on an obligation, produces an amount equal to, in the case of the Lease, the Issue Price and in the case of any Investment Property, the fair market value, as provided in Treas. Reg. § 1.148-5(d).

"Yield Reduction Amount" means the amount determined by CoLT pursuant to the Tax Regulatory Agreement.

"Yield Reduction Payment" means any payment of the Yield Reduction Amount made to the United States Treasury.

SECTION 1.02. Interpretative Rules. For all purposes of this Tax Compliance Agreement, except as otherwise expressly provided or unless the context otherwise requires (a) "Tax Compliance Agreement" means this instrument, as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof; (b) all references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed; (c) the words "herein," "hereof," "hereunder" and "herewith" and other words of similar import refer to this Tax Compliance Agreement as a whole and not to any particular Article, Section or other subdivision; (d) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; (e) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; (f) the terms defined elsewhere in this Tax Compliance Agreement shall have the meanings therein prescribed for them; (g) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders; (h) the headings used in this Tax Compliance Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

ARTICLE II

COVENANTS AND REPRESENTATIONS OF COLT AND THE LESSEE ACKNOWLEDGEMENTS BY, DIRECTIONS TO AND FROM COLT AND THE LESSEE

SECTION 2.01. Authority and Organization. (a) The Lessee represents for the benefit of CoLT that it is a political subdivision of the Commonwealth of Kentucky with the power, among others, to enter into the Lease in furtherance of its corporate purposes, including financing the cost of the Project; and

(b) CoLT represents for the benefit of the Lessee that (i) CoLT is a trust duly organized and validly existing under the laws of the Commonwealth of Kentucky; and (ii) CoLT has full power and authority granted to it by the Commonwealth of Kentucky to establish a program to enter into fixed rate leases with counties, political subdivisions and public agencies of the Commonwealth of Kentucky.

SECTION 2.02. Use of Proceeds. The Lessee represents that:

(a) No Private Use of Proceeds. No Proceeds of the Lease will be used to make Private Loans and no use of the Project will be Private Use without the prior written consent of CoLT. The Lessee expects to use the Project for the entire stated term of the Lease.

(b) Expectations. The Lessee expects to incur, no later than six months after the date of the Lease, a substantial binding commitment to expend at least five percent (5%) of the Sale Proceeds of the Lease and to commence acquisition of the Project within a reasonable period of time after the date of the Lease. The Lessee expects that (i) it will expend at least eighty-five percent (85%) of the Sale Proceeds of the Lease by September 29, 2007, (ii) the acquisition of the Project will proceed with due diligence to completion and (iii) the Sale Proceeds of the Lease will be spent with due diligence. For this purpose, a Reimbursement Allocation may be treated as an expenditure. The total amount of Sale Proceeds of the Lease, together with Investment Proceeds, will not exceed the amount necessary for the Project being financed with the Lease, including, to the extent permitted, issuance expenses and interest during construction.

(c) Use of the Project. The Lessee will own or lease and operate the Project during the entire term of the Lease and will not change the use or ownership of any part of a Project during the entire term of the Lease without the prior written consent of CoLT.

(d) Reimbursement Allocations. The Lessee will not make any Reimbursement Allocation with the Proceeds of the Lease for Capital Expenditures that were paid prior to sixty (60) days before the date on which the Lessee adopted a Reimbursement Resolution authorizing the issuance of debt to finance the Project, except that expenditures for Costs of Issuance paid before the date of the Lease, certain preliminary Capital Expenditures not in excess of twenty percent (20%) of the Lease Amount, and an amount of Capital Expenditures not in excess of the lesser of five percent (5%) of the Lease or \$100,000 may receive a Reimbursement Allocation even if the expenditure was paid more than sixty (60) days prior to the date of adoption of the Reimbursement Resolution described herein and even if the allocation would not otherwise qualify as a Reimbursement Allocation.

(e) Investment Limitations. (i) The Lessee will invest the Gross Proceeds of the Lease and any Disposition Proceeds of the Lease under the Investment Agreement unless otherwise authorized in writing by CoLT.

(ii) If at any time, either the Lessee determines or is informed that the Yield on the investment of moneys held by itself or any other person must be restricted or limited in order to prevent the Bonds from becoming Arbitrage Bonds, the Lessee shall and shall so instruct any holder of the Sale Proceeds or Investment Proceeds of the Lease to take such action or actions as may be necessary to restrict or limit the yield on such investments as set forth in, and in accordance with, such instruction.

(f) Federal Guarantees. The Gross Proceeds will not be invested in any Investment Property that is Federally-Guaranteed.

SECTION 2.03. Service Contracts. The Lessee represents that it will not enter into any Service Contracts or management contracts with respect to the Project without the prior written consent of CoLT.

SECTION 2.04. Research Agreements. The Lessee represents that it will not enter into any Research Agreements with respect to the Project without the prior written consent of CoLT.

SECTION 2.05. Changes in Use or User of Project. The Lessee represents that (a) no part of the Project will be sold, otherwise disposed of or leased without the prior written consent of CoLT; (b) it will not to permit any use of its Project by any person or entity other than itself without the prior written consent of CoLT; (c) any portion of a Project consisting of personal property may be sold in the ordinary course of an established governmental program if (i) the weighted average maturity of the portion of the Lease financing the personal property was not greater than one hundred twenty percent (120%) of the reasonably expected actual use of such personal property by the Lessee, (ii) the Lessee expected at the date of the Lease that the fair market value of the personal property at the time of disposition would not be greater than twenty-five percent (25%) of its cost and (iii), at the time of disposition, the personal property is no longer suitable for the governmental purpose for which it was acquired.

SECTION 2.06. Investments. The Lessee will invest the Gross Proceeds of the Lease and any Disposition Proceeds of the Lease only under the Investment Agreement unless otherwise authorized in writing by CoLT.

SECTION 2.07. Records. The Lessee represents that proper records and accounts, containing complete and correct entries of all transactions relating to the Lease, the use of the Gross Proceeds of the Lease and the expenditures made in connection with the acquisition of the Project, will be maintained. The information described in this Section will be retained for at least six (6) years after the Redemption Date.

SECTION 2.08. Payment of Arbitrage Compliance Amounts. The Lessee represents that all actions necessary to comply with the Yield limitations applicable to investments of the Sale Proceeds and Investment Proceeds of the Lease and the Rebate requirements contained in Section 148(f) of the Code and the Treasury Regulations thereunder will be taken. Immediately upon the request of CoLT, the Lessee will assemble copies of records concerning investments of Gross Proceeds of the Lease, including any amounts held by any provider of a letter of credit or guarantor under a reimbursement or other similar agreement. In particular, the Lessee will provide CoLT with information that will enable CoLT to determine if any Rebate Amount is payable. The Lessee will pay any Rebate Payment and any Yield Reduction Payment owed with respect to the Gross Proceeds of the Lease, as determined by CoLT. The information described in this Section will be retained for at least six (6) years after the Redemption Date.

SECTION 2.09. Information Reporting Requirements. The Lessee represents that it will timely execute and file any information reports required under Section 149(e) of the Code (Form 8038-G) or as required by CoLT.

SECTION 2.10. Compliance with Tax Compliance Agreement. (a) The Lessee may, at any time, employ bond counsel, independent certified public accountants, or other qualified experts acceptable to CoLT to perform any of the requirements imposed upon the Lessee by this Tax Compliance Agreement.

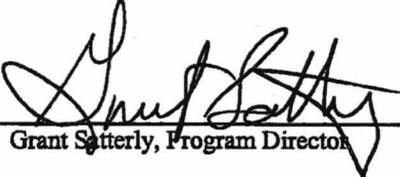
(b) CoLT and the Lessee agree, to the extent reasonably possible, to comply with any amendments to the Code or any applicable Regulations, effective retroactively, and the Issuer, CoLT and the Lessee shall take all actions necessary to amend this Tax Compliance Agreement to comply therewith.

(c) Whenever any action or direction is required of the Lessee hereunder, such action or direction may, or in the absence of any such action or direction shall, be made by CoLT.

IN WITNESS WHEREOF, CoLT and the Lessee have each caused this Tax Compliance Agreement to be executed in its own name and on its behalf by its duly authorized officers, all as of the date set forth on the cover page hereto.

KENTUCKY ASSOCIATION OF COUNTIES
LEASING TRUST

By: _____


Grant Satterly, Program Director

COUNTY OF MARTIN, KENTUCKY

By: _____


Kelly E. Callahan, County Judge/Executive

EXHIBIT C

FORM OF RESOLUTION

RESOLUTION NO. 05-04

A RESOLUTION APPROVING A LEASE FOR THE FINANCING OF A PROJECT AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO SUCH LEASE.

WHEREAS, the governing body of the County of Martin, Kentucky (the "Lessee") has the power, pursuant to Section 65.940 et seq. of the Kentucky Revised Statutes to enter into lease agreements with or without the option to purchase in order to provide for the use of property for public purposes;

WHEREAS, the governing body of the Lessee (the "Governing Body") has previously determined, and hereby further determines, that the Lessee is in need of the Project, as defined in the Lease hereinafter described;

WHEREAS, the Governing Body has determined and hereby determines that it is in the best interests of the Lessee that the Lessee and the Kentucky Association of Counties Leasing Trust (the "Lessor") enter into a Lease Agreement (the "Lease") for the leasing by the Lessee from the Lessor of the Project;

NOW THEREFORE, BE IT ORDERED AND RESOLVED BY THE FISCAL COURT OF THE COUNTY OF MARTIN, KENTUCKY:

Section 1. Recitals and Authorization. The Lessee hereby approves the Lease Agreement (the "Lease") and all Collateral Documents, as defined in the Lease, each in substantially the form presented to this Governing Body. It is hereby found and determined that the Project identified in the Lease is public property to be used for public purposes. It is further determined that it is necessary and desirable and in the best interests of the Lessee to enter into the Lease for the purposes therein specified, and the execution and delivery of the Lease and all representations, certifications and other matters contained in the Closing Memorandum with respect to the Lease, or as may be required by the Lessor prior to delivery of the Lease, are hereby approved, ratified and confirmed. The County Judge/Executive and Fiscal Court Clerk of the Lessee are hereby authorized to execute the Lease, together with such other agreements or certifications which may be necessary to accomplish the transaction contemplated by the Lease.

Section 2. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 3. Sunshine Law. This Governing Body hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this Governing Body, and that all deliberations of this governing Body and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 4. Conflicts. All resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and the provisions of this Resolution shall prevail and be given effect.

Section 5. Effective Date. This Resolution shall take effect from and after its passage, as provided by law.

INTRODUCED, SECONDED AND ADOPTED, at a duly convened meeting of the Governing Body, held on 3.24.05, signed by the Judge of the Lessee, attested by the County Clerk, filed and indexed as provided by law.

COUNTY OF MARTIN, KENTUCKY

By: Kelly E. Callahan
Kelly E. Callahan, County Judge/Executive

Attest:

By: Tonya DeLong
Tonya DeLong, Fiscal Court Clerk

FORM OF RESOLUTION

FIS. COURT ORDER BOOK 23
PAGE NUMBER: 367
DATE: 4-21-05

RESOLUTION NO. 05-04

A RESOLUTION APPROVING A LEASE FOR THE FINANCING OF EQUIPMENT FOR MARTIN COUNTY WATER DISTRICT AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO SUCH LEASE.

WHEREAS, the governing body of MARTIN COUNTY WATER DISTRICT (the "Lessee") has the power, pursuant to Section 65.940 et seq. of the Kentucky Revised Statutes to enter into lease agreements with or without the option to purchase in order to provide for the use of property for public purposes;

WHEREAS, the Governing Body has determined and hereby determines that it is in the best interests of the Lessee that the Lessee and the Kentucky Association of Counties Leasing Trust (the "Lessor") enter into a Lease Agreement (the "Lease") for the leasing by the Lessee from the Lessor of the Equipment;

NOW THEREFORE, BE IT ORDERED AND RESOLVED BY Martin Co Fiscal Ct.

Section 1. Recitals and Authorization. The Lessee hereby approves the Lease Agreement (the "Lease") and all Collateral Documents, as defined in the Lease, each in substantially be form presented to this Governing Body. It is hereby found and determined that the Project identified in the Lease is public property to be used for public purposes. It is further determined that it is necessary and desirable and in the best interest of the Lessee to enter into the Lease for the purposes therein specified, and the execution and delivery of the Lease and all representations, certifications and other matters contained in the Closing Memorandum with respect to the Lease, or as may be required by the Lessor prior to delivery of the Lease, are hereby approved, ratified and confirmed. The Judge Executive and Fiscal Court Clerk of the Lessee are hereby authorized to execute the Lease, together with such other agreements or certifications which may be necessary to accomplish the transaction contemplated by the Lease.

Section 2. Severability. If any section, paragraph or provision of the Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 3. Sunshine Law. This Governing Body hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this Governing Body, and that all deliberations of this governing Body and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 4. Conflicts. All resolutions, orders or parts thereof in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed and the provisions of this Resolution shall prevail and be given effect.

Section 5. Effective Date. This Resolution shall take effect from and after its passage, as provided by law.

INTRODUCED, SECONDED, AND ADOPTED, at a duly convened meeting of the Governing Body, held on 3.24.05, signed by the Judge Callahan of the Lessee, attested by the Clerk of Fiscal Ct., filed and indexed as provided by law.

ATTEST:

By Jerry DeLong
Title Fiscal Ct. Clerk

By [Signature]
State of Kentucky, County of Martin, SCT
I, Carol Sue Mills, Clerk of the County and State aforesaid, do certify that on / the 21 day of April, 2005 at 4:30 P M the foregoing Resolution was judged in my office for record, and that I truly have recorded it, together with this and the foregoing certificate, thereon endorsed. Witness my hand, this the 21 day of April, 2005.
CAROL SUE MILLS, Martin County Clerk
BY Jerry DeLong D.C.

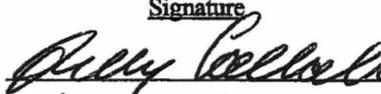
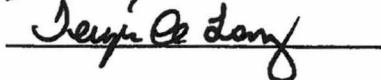
EXHIBIT E

CERTIFICATE OF OFFICIALS OF LESSEE

Re: Lease Agreement between Kentucky Association of Counties Leasing Trust, as lessor, and the County of Martin, Kentucky, as lessee dated July 7, 2005.

The undersigned officials of the lessee identified above (the "Lessee") under the Lease Agreement identified above (the "Lease") between the Lessee and the Kentucky Association of Counties Leasing Trust (the "Lessor"), DO HEREBY CERTIFY AS FOLLOWS:

1. That they are the duly elected or appointed, qualified and acting incumbents of their respective offices of the Lessee, as set forth after their signatures hereto, and as such are familiar with the books, records and affairs of the Lessee.
2. That the Lessee is a body politic and corporate, validly organized, existing and in good standing under and by virtue of the laws of the Commonwealth of Kentucky with all requisite power and authority to lease property as lessee and to carry on its business as now being conducted.
3. That included in the transcript of which this Certificate forms a part is a true, correct and complete copy of the resolution duly adopted by the Governing Body of the Lessee on 3.24.05 (the "Official Action"), authorizing the appropriate officials of the Lessee to execute the Lease. The Official Action was duly adopted in accordance with all applicable laws.
4. The representations and warranties of the Lessee made in the Lease are true and correct in all material respects on and as of the date hereof as if made on and as of the date hereof; the Official Action has not been amended or supplemented and is in full force and effect; and the Lease has been entered into and is in full force and effect.
5. That the below-named persons were on the date or dates of the execution of the Lease and are on the date of this certificate the duly elected or appointed and qualified incumbents of the respective offices of the Lessee set forth opposite their names and that the signatures set forth opposite their names are their genuine signatures :

<u>Name</u>	<u>Title</u>	<u>Signature</u>
<u>Kelly E. Callahan</u>	<u>County Judge/Executive</u>	
<u>Tonya DeLong</u>	<u>Fiscal Court Clerk</u>	

6. The Lease and any Collateral Documents, as defined in the Lease, have been duly authorized, executed and delivered by the Lessee and constitute legal, valid and binding obligations of the Lessee, enforceable against the Lessee in accordance with their terms (including, without limitation, the right of the Lessee to terminate the Lease at the end of each fiscal year of the Lessee by reason of an Event of Nonappropriation, as defined in the Lease).

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

8. Since the date of the financial information provided to the Lessor, there have not been any material adverse changes in the business, properties, condition (financial or otherwise) or results of operations of the Lessee, whether or not arising from transactions in the ordinary course of business, and since such date, except in

the ordinary course of business, the Lessee has not entered into any transaction or incurred any liability material to the financial position of the Lessee.

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

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

11. Any certificate signed by any official of the Lessee and delivered to the Lessor will be deemed to be a representation by the Lessee to the Lessor as to the statements made therein.

WITNESS our hands this 1th day of JULY, 2005.

COUNTY OF MARTIN, KENTUCKY

By: Kelly E. Callahan
Kelly E. Callahan, County Judge/Executive

Attest:

By: Tonya DeLong
Tonya DeLong, Fiscal Court Clerk

EXHIBIT G

FORM OF NO-ARBITRAGE CERTIFICATE
CERTIFICATE UNDER SECTIONS 103(b)(2) and 148
OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

LESSEE: COUNTY OF MARTIN, KENTUCKY

LEASE AMOUNT: \$200,000

The Lessee hereby certifies with respect to the Lease from the Kentucky Association of Counties Leasing Trust ("CoLT"), made with proceeds of the \$100,000,000 Kentucky Association of Counties Leasing Trust Lease Program Revenue Bonds, Variable Rate 2004 Series A (the "Bonds") issued by the County of Shelby, Kentucky (the "Issuer"), which is entered into for the purpose of acquiring and financing certain improvements (the "Project") and made as of the date hereof (the "Closing Date"), which is the date of delivery of, and payment for, the Lease, that the following facts, estimates and circumstances regarding the amount and use of all of the Proceeds, as defined in Treas. Reg. § 1.148-1(b), issued under the Internal Revenue Code of 1986, as amended (the "Code"), of the Lease are, as of the Closing Date and according to the Lessee's best knowledge, information and belief, reasonably expected to exist or to occur:

A. Proceeds. The Proceeds of the Lease consist, and will consist, of the Sale Proceeds and Investment Proceeds, each as defined in Treas. Reg. § 1.148-1(b), issued under the Code, and equal the Lease Amount.

B. Purpose of Issue. The Proceeds of the Lease, together with certain other funds, will be used to finance the Project, which constitutes a valid governmental purpose (the "Governmental Purpose").

The total amount of Proceeds received by the Lessee will not exceed the amount necessary to finance the Governmental Purpose. The Lease is being entered into at this time in such amount because the Lessee is obligated or will soon be obligated to make certain payments with respect to the Project and because it would be costly and inefficient to issue additional debt in the future to finance additional payments with respect to the remainder of the costs of the Project that are expected to become due.

C. Yield on the Lease. (1) The price at which the Lease was sold to the Issuer, which intends to hold the Lease for investment purposes and not for resale to the general public, is equal to the Lease Amount.

CHECK APPLICABLE STATEMENT

(2) The interest rate on the Lease is variable and the Yield will be determined pursuant to Treas. Reg. § 1.148-4(c), issued under the Code. Neither the Issuer nor any party on its behalf has entered into or expects to enter into any Hedge with respect to the Lease. A "Hedge" means any contract with respect to the Lease or the Bonds that creates an interest rate swap, an interest rate cap, the right to future delivery of investment property, or the right to sell or buy either the obligations or investment property, or other similar rights.

OR

(2) The Yield on the Lease, as defined in Treas. Reg. § 1.148-4, issued under the Code, is _____ %. The Issuer or a party on its behalf has entered a Hedge with respect to the Lease. A "Hedge" means any contract with respect to the Lease or the Bonds that creates an interest rate swap, an interest rate cap, the right to future delivery of investment property, or the right to sell or buy either the obligations or investment property, or other similar rights. Any Hedge with respect to the Lease could affect the determination of whether the Lease is a fixed rate issue, under Treas. Reg. § 1.148-4(b) or a variable rate issue under Treas. Reg. 1.148-4(c) and could affect the calculation of the yield on the Lease for purposes of satisfying the yield limitations of Section 148 of the Code and for purposes of determining any rebate amount.

D. Application of Proceeds. All of the Sale Proceeds will be used to pay the cost of the Project, including issuance expenses and interest during construction and amounts allocated to reimburse the Lessee for capital

expenditures, as that term is defined in Treas. Reg. § 1.150-2, issued under the Code, for the Project paid by the Lessee prior to the Closing Date, pursuant to the Lessee's Official Expression of Intent (as hereinafter defined). No amount received as Proceeds of the Lease will be used in the manner not set forth in this section.

E. Expenditure of Proceeds for the Project. The acquisition of the Project will commence promptly following the Closing Date, and the Lessee has incurred, or will incur, within six (6) months after the Closing Date, a substantial binding commitment to expend at least five percent (5%) of the Net Sales Proceeds (defined in Treas. Reg. § 1.148-1(b) as Sales Proceeds less an amount that is the lesser of five percent (5%) of the Sales Proceeds or \$100,000) on the Project. The Lessee will expend at least eighty-five percent (85%) of the Net Sales Proceeds by September 29, 2007. The acquisition of the Project will proceed with due diligence to completion and the Proceeds will be spent on the Project with due diligence no later than September 29, 2007.

F. Investment of Proceeds. (1) The Lessee has agreed in the Tax Compliance Agreement attached hereto that it will not invest any of the Proceeds of the Lease without the express consent of CoLT, and any such investments will be done so that such investment will not cause interest on either the Lease or the Bonds to be includable in the holder's gross income for purposes of federal income taxation or the debt to be treated as "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code and the Treasury Regulations thereunder.

(2) Not more than fifty percent (50%) of the Proceeds of the Lease will be invested in investments that both do not carry out the Governmental Purpose of the Lease and have a substantially guaranteed yield for at least four (4) years.

(3) No account or fund has been or will be established to pay principal of, premium, if any, or interest on the Lease. There are no moneys, sources of funds, securities or obligations that have been, or will be, pledged as collateral for the payment of principal of, premium, if any, or interest on the Lease, and there are no moneys, sources of funds, securities or obligations with respect to which the Issuer has given or will give any reasonable assurance to any holder of the Lease that such funds will be available to pay principal of, premium, if any, or interest on the Lease.

(4) Any unexpended portion of the Proceeds of the Lease, including any amounts in any reasonably required reserve or replacement fund, will be invested in the investment contract described in the Trust Indenture for the Bonds and other than any funds described herein invested during a temporary period permitted under Treas. Regs. §§ 1.148-1 through -11, issued under the Code, if any, or any amounts in any reasonably required reserve or replacement fund, as described in Treas. Reg. § 1.148-2(f), no Proceeds of the Lease, or any moneys that may become Replacement Proceeds, as defined in Treas. Reg. § 1.148-1(c), of the Lease, in excess of the lesser of (i) five percent (5%) of such Proceeds or (ii) \$100,000, have been invested in "higher yielding investments," as defined in the Code and the Treasury Regulations thereunder.

G. General. (1) Neither the Project, nor any part thereof, will be sold or otherwise disposed of by the Lessee prior to the final principal maturity date of the Lease.

(2) The Lessee will allocate Proceeds of the Lease to reimburse itself only for capital expenditures paid not earlier than sixty (60) days prior to the Closing Date or not earlier than sixty (60) days prior to the date it adopted an official expression of intent to reimburse (the "Official Expression of Intent"), within the meaning of Treas. Reg. § 1.150-2, issued under the Code, if earlier, or as otherwise permitted pursuant to Treas. Reg. § 1.150-2.

(3) There are no amounts, other than the Gross Proceeds of the Lease, that are available for the Governmental Purpose. There are no sinking funds or pledged funds and the term of the Lease is not longer than reasonably necessary for the Governmental Purpose.

(4) Any Rebate Payments and any Yield Reduction Payments (each as defined in the Tax Compliance Agreement), owed pursuant to Section 148(f) of the Code, will be remitted to the United States Treasury as directed by CoLT, pursuant to the Tax Regulatory Agreement entered into with respect to the Bonds.

(5) The Lessee has not employed in connection with the Lease a transaction or series of transactions that attempts to circumvent the provisions of Sections 103(b)(2) and 148 of the Code and the Treasury Regulations thereunder, enabling the Lessee to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and/or increasing the burden on the market for tax-exempt obligations through actions

such as issuing more obligations, issuing obligations sooner or allowing them to remain outstanding longer than would otherwise be necessary for the Governmental Purpose.

(6) The Issuer has never been advised of any listing or contemplated listing by the Internal Revenue Service to the effect that the Lessee's certification with respect to its obligations may not be relied upon and no notice to that effect has been published in the Internal Revenue Bulletin.

(7) Certain of the facts, estimates and circumstances contained herein are based upon representations made by CoLT in the attached certificate, or in other letters and reports that accompany the sundry closing documents related to the sale and delivery of the Lease. The Lessee is not aware of any facts, estimates or circumstances that would cause it to question the accuracy of such representations. To the best of the knowledge, information and belief of the undersigned, who is authorized by the Lessee to sign this certificate on behalf of the Lessee, the above expectations of the Lessee as stated herein are reasonable and there are no other facts, estimates or circumstances that would materially change the foregoing conclusion.

CHECK IF APPLICABLE

(8) During this calendar year, the Lessee, which has general taxing powers, has not issued and does not expect to issue tax-exempt bonds, including any tax-exempt bonds issued by any subordinate entities, but excluding "private activity bonds," as defined in the Section 141 of the Code, and any refunding bonds, as defined in Section 148(f)(4)(D)(iii) of the Code, exceeding \$5,000,000 in aggregate face amount.

(9) Lessee does not reasonably anticipate that the total principal amount of "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code which the Lessee or any subordinate entity of the Lessee will issue during the calendar year in which the Lease is executed and delivered will exceed \$10,000,000; and, therefore, the Lessee hereby designates the Lease as a "qualified tax-exempt obligation".

This certificate is being executed and delivered pursuant to Treas. Regs. §§ 1.148-1 through -11 issued under the Code, of which the undersigned, with the advice of counsel, is generally familiar. On the basis of the foregoing, it is not expected that the proceeds of the Lease will be used in a manner that would cause the Lease or the Bonds to be "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code or the Treasury Regulations thereunder.

COUNTY OF MARTIN, KENTUCKY

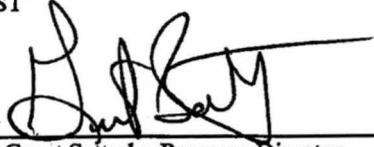
By: 
Kelly E. Callahan, County Judge/Executive

Dated: 7-7, 2005

CERTIFICATE OF KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST

The undersigned hereby certifies on behalf the KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST ("CoLT") that (1) CoLT has entered into an agreement (the "Tax Regulatory Agreement") in connection with the issuance of \$100,000,000 Kentucky Association of Counties Leasing Trust Lease Program Revenue Bonds, Variable Rate 2004 Series A (the "Bonds") issued by the County of Shelby, Kentucky (the "Issuer") on September 29, 2004 with the Issuer and U.S. Bank National Association, as trustee; (2) the Tax Regulatory Agreement requires that CoLT not use and not permit any use of the Proceeds of the Bonds which would cause the interest on the Bonds to become includable in the gross income for federal income tax purposes of any holder of the Bonds; (3) the Tax Regulatory Agreement requires that CoLT impose limitations on each Lessee, as a condition of entering into a Lease, as to the use of the Proceeds of the Lease and the use of the Project financed with such Proceeds, so that the restrictions and limitations of the Tax Regulatory Agreement are not violated; (4) the Tax Regulatory Agreement requires that CoLT require that each Lessee, as a condition of entering into a Lease, pay any rebate amounts owed pursuant to Section 148(f) of the Code; (5) any investment contract that was entered into for the Proceeds of the Bonds complies with the requirements of Treas. Regs. §§ 1-148-1 - -11; and (6) this certificate may be relied upon by the Lessee in executing the foregoing certificate and by Peck, Shaffer & Williams LLP in rendering any opinion with respect to the Lease.

KENTUCKY ASSOCIATION OF COUNTIES LEASING TRUST

By: 

Grant Satterly, Program Director

Dated: July 7, 2005

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

1 Reporting Authority Issuer's name County of Martin, Kentucky		If Amended Return, check here <input type="checkbox"/>	
3 Number and street (or P.O. box if mail is not delivered to street address) PO Box 309		2 Issuer's employer identification number 61-0852887	4 Report number 3 2005-1
5 City, town, or post office, state, and ZIP code Inez, KY 41224		6 Date of issue 6-27-05	8 CUSIP number None
7 Name of issue Lease Agreement between the Kentucky Association of Counties Leasing Trust and the County of, Kentucky		10 Telephone number of officer or legal representative 606-298-2800	
9 Name and title of officer or legal representative whom the IRS may call for more information Kelly E. Callaham, County Judge/Executive			

ENVELOPE AUG 07 2005



Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	<input type="checkbox"/> Education	11	
12	<input type="checkbox"/> Health and hospital	12	
13	<input type="checkbox"/> Transportation	13	
14	<input type="checkbox"/> Public safety	14	
15	<input type="checkbox"/> Environment (including sewage bonds)	15	
16	<input type="checkbox"/> Housing	16	
17	<input type="checkbox"/> Utilities	17	
18	<input checked="" type="checkbox"/> Other. Describe <u>Vehicles and equipment</u>	18	200,000
19	If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANS, check box <input type="checkbox"/>		
20	If obligations are in the form of a lease or installment sale, check box <input checked="" type="checkbox"/>		

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

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	3-20-25	\$ 200,000	\$ 200,000	12.077778 years	VR %

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

22	Proceeds used for accrued interest	22	
23	Issue price of entire issue (enter amount from line 21, column (b))	23	200,000
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	
25	Proceeds used for credit enhancement	25	
26	Proceeds allocated to reasonably required reserve or replacement fund	26	
27	Proceeds used to currently refund prior issues	27	
28	Proceeds used to advance refund prior issues	28	
29	Total (add lines 24 through 28)	29	
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	200,000.00

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

31	Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32	Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33	Enter the last date on which the refunded bonds will be called	_____
34	Enter the date(s) the refunded bonds were issued	_____

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	
	b Enter the final maturity date of the guaranteed investment contract	37a	
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	
	b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer <u>Shelby County, Kentucky</u> and the date of the issue <u>9-1-04</u>		
38	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input checked="" type="checkbox"/>		
39	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>		
40	If the issuer has identified a hedge, check box <input type="checkbox"/>		

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

Here Kelly E. Callaham 6-27 -05
 Signature of issuer's authorized representative Date
 Kelly E. Callaham
 County Judge/Executive
 Type or print name and title

KENNIS MAYNARD
Martin County Attorney



st Office Box 414
Inez, Kentucky 41224

(606) 298-2815 Office

July 5, 2005

U.S. Bank National Association, trustee
c/o National City Bank of Kentucky
101 South Fifth Street (Loc T03E)
Louisville, Kentucky 40233-6010

Kentucky Association of Counties Leasing Trust
390 King's Daughters Drive
Frankfort, Kentucky 40604

Re: Lease Agreement between Kentucky Association of Counties Leasing Trust, as lessor, and County of Martin, Kentucky, as lessee

Ladies and Gentlemen:

We have acted as counsel to the lessee identified above (the "Lessee") in connection with the authorization, execution, and delivery by the Lessee of the Lease Agreement identified above, (the "Lease"), between the Lessee and Kentucky Association of Counties Leasing Trust (the "Lessor"). We have reviewed (i) the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), (ii) certain proceedings taken by the Governing Body of the Lessee, (iii) an executed copy of the Lease and any Collateral Documents, as defined in the Lease, and (iv) such other information and documents as we have deemed necessary or appropriate in order to render this opinion.

Based on the foregoing, we are of the opinion that:

1. The Lessee is a body politic and corporate, validly organized and existing in good standing under the laws of the Commonwealth and has full power and authority to enter into and to perform its obligations under the Lease.
2. The Lease and any Collateral Documents have been duly authorized, executed and delivered by the Lessee and (assuming the due authorization, execution and delivery thereof by the other parties thereto) constitute legal, valid and binding obligations of the Lessee, enforceable against the Lessee in accordance with their terms (including, without limitation, the right of the Lessee to terminate the Lease at the end of each fiscal year of the Lessee by reason of an Event of Nonappropriation, as defined in the Lease), except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.
3. All consents, approvals or authorizations of any governmental entity and all filings and notices required on the part of the Lessee in connection with the authorization, execution and delivery of the Lease and the consummation of the transactions contemplated thereby have been obtained and are in full force and effect.
4. Neither the execution and delivery of the Lease nor the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions of the Lease conflict with or constitute a violation of any provision of any law or regulation applicable to the Lessee or, to the best of our knowledge after reasonable investigation, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Lessee is now a party or by which the Lessee is bound.
5. To the best of our knowledge, after reasonable investigation, there is no action, suit, proceeding or governmental investigation at law or in equity before or by any court, public board or body, pending of which the Lessee has been served with a summons, summons and complaint or other notice of commencement, or threatened against or affecting the Lessee, challenging the validity of the Lease or contesting the power and authority of the Lessee to execute and deliver the Lease or to consummate the transactions contemplated by the Lease.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Kennis M.", written over a horizontal line.

Kennis Maynard



**GOVERNOR'S OFFICE FOR LOCAL DEVELOPMENT
OFFICE OF THE GOVERNOR**

Ernie Fletcher
Governor

1024 Capital Center Drive, Suite 340
Frankfort, Kentucky 40601-8204
Phone (502) 573-2382
Fax (502) 573-2939
Toll Free (800) 346-5606
www.gold.ky.gov

Ellen Williams
Commissioner

August 2, 2005

Mr. Sujyot S. Patel
Peck, Shaffer & Williams L.L.P.
239 South Fifth Street
Suite 1603
Louisville, KY 40202

RE: \$200,000 Lease Agreement between Kentucky Association of Counties
Leasing Trust (Lessor) and Martin County (Lessee), dated July 7, 2005 to
purchase vehicles and equipment

Dear Mr. Patel:

This will acknowledge receipt of notification of the above referenced Lease in conformity
with KRS 65.944.

The information received complies with the requirements of this office and the above
referenced statute.

If I can be of further assistance in this matter, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "CordeLL G. Lawrence".

CORDELL G. LAWRENCE
State Local Debt Officer

/ld

LOCAL DEBT NOTIFICATION

LEASE SUMMARY FORM

Please complete this form and mail with any corresponding information pertaining to your county entering into a lease agreement. Completion of this form will insure timely entry into the State Local Debt Report. Thank you in advance for your assistance.

Name of Entity Entering Lease: County of Martin, Kentucky and Kentucky Association of Counties Leasing Trust

County: Martin

Type of Lease: Annually Renewable

Purpose of the Lease: finance purchase of vehicle/equipment

Is the County Obligated or Unobligated: Obligated

Name of Lessor: Kentucky Association of Counties Leasing Trust

Date the Lease was Issued: July 7, 2005

Principle Amount: \$200,000

Interest Amount: \$102,928.71 based on an assumed rate of 4.250%

Type of Interest – Fixed or Variable: Variable

Interest Rate: Assumed rate of 4.250%

Date of Initial Payment: Initial Interest – 8-20-05; Principal – 3-20-06

Date of Maturity: March 20, 2025

Date of Retirement: March 20, 2005

Retirement Method: See attached schedule

Who is Trustee/Paying Agent: U.S. Bank National Association

Who is Counsel (if applicable): Peck, Shaffer & Williams LLP

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

**Martin County #2 - Equipment
Variable Rate Lease (Closing)**

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Total Base Rental **
			0.25% Admin (30/360)	Total Fiduciary (30/360)	0.400% Credit (Act/Act)	0.00% Liquidity (Act/Act)	0.10% Remktg (30/360)		
7/7/2005	←-Lease Closing Date								
8/20/2005	-	1,304.11	75.00	-	124.25	-	-	1,503.36	
9/20/2005	-	698.63	41.67	-	66.56	-	-	806.86	
10/20/2005	-	721.92	41.67	-	68.78	-	-	832.37	
11/20/2005	-	698.63	41.67	-	66.56	-	-	806.86	
12/20/2005	-	721.92	41.67	-	68.78	-	-	832.37	
1/20/2006	-	721.92	41.67	-	68.78	-	-	832.37	
2/20/2006	-	652.05	41.67	-	62.13	-	-	755.85	
3/20/2006	5,000.00	721.92	41.67	-	66.78	-	-	5,832.37	
4/20/2006	-	681.16	40.63	-	64.90	-	-	786.69	
5/20/2006	-	703.87	40.63	-	67.06	-	-	811.56	
6/20/2006	-	681.16	40.63	-	64.90	-	-	786.69	
7/20/2006	-	703.87	40.63	-	67.06	-	-	811.56	
8/20/2006	-	703.87	40.63	-	67.06	-	-	811.56	
9/20/2006	-	681.16	40.63	-	64.90	-	-	786.69	
10/20/2006	-	703.87	40.63	-	67.06	-	-	811.56	
11/20/2006	-	681.16	40.63	-	64.90	-	-	786.69	
12/20/2006	-	703.87	40.63	-	67.06	-	-	811.56	
1/20/2007	-	703.87	40.63	-	67.06	-	-	811.56	
2/20/2007	-	636.75	40.63	-	60.57	-	-	736.95	
3/20/2007	5,000.00	703.87	40.63	-	67.06	-	-	5,811.56	
4/20/2007	-	661.89	39.58	-	63.06	-	-	764.53	
5/20/2007	-	683.95	39.58	-	65.17	-	-	786.70	
6/20/2007	-	661.89	39.58	-	63.06	-	-	764.53	
7/20/2007	-	683.95	39.58	-	65.17	-	-	786.70	
8/20/2007	-	683.95	39.58	-	65.17	-	-	786.70	
9/20/2007	-	661.89	39.58	-	63.06	-	-	764.53	
10/20/2007	-	683.95	39.58	-	65.17	-	-	786.70	
11/20/2007	-	661.89	39.58	19.17	63.06	-	17.68	801.38	
12/20/2007	-	683.95	39.58	19.17	65.17	-	17.68	825.55	
1/20/2008	-	683.95	39.58	19.17	65.17	-	17.68	825.55	
2/20/2008	-	639.82	39.58	19.17	60.96	-	17.68	777.21	
3/20/2008	5,000.00	683.95	39.58	19.17	65.17	-	17.68	5,825.55	
4/20/2008	-	646.23	38.54	19.17	61.57	-	17.27	782.78	
5/20/2008	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
6/20/2008	-	646.23	38.54	19.17	61.57	-	17.27	782.78	
7/20/2008	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
8/20/2008	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
9/20/2008	-	646.23	38.54	19.17	61.57	-	17.27	782.78	
10/20/2008	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
11/20/2008	-	646.23	38.54	19.17	61.57	-	17.27	782.78	
12/20/2008	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
1/20/2009	-	667.77	38.54	19.17	63.62	-	17.27	806.37	
2/20/2009	-	603.15	38.54	19.17	57.47	-	17.27	735.60	
3/20/2009	5,000.00	667.77	38.54	19.17	63.62	-	17.27	5,806.37	
4/20/2009	-	628.77	37.50	19.17	59.91	-	16.85	762.20	
5/20/2009	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
6/20/2009	-	628.77	37.50	19.17	59.91	-	16.85	762.20	
7/20/2009	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
8/20/2009	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
9/20/2009	-	628.77	37.50	19.17	59.91	-	16.85	762.20	
10/20/2009	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
11/20/2009	-	628.77	37.50	19.17	59.91	-	16.85	762.20	
12/20/2009	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
1/20/2010	-	649.73	37.50	19.17	61.90	-	16.85	785.15	
2/20/2010	-	586.85	37.50	19.17	55.91	-	16.85	716.28	
3/20/2010	5,000.00	649.73	37.50	19.17	61.90	-	16.85	5,785.15	

* Interest computed at rate shown, actual rate will vary over term of Lease.

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

Martin County #2 - Equipment
Variable Rate Lease (Closing)

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Total Base Rental **
			0.25% Admin (30/360)	Total Fiduciary (30/360)	0.400% Credit (Act/Act)	0.00% Liquidity (Act/Act)	0.10% Remktg (30/360)		
		4.250%							
4/20/2010	-	611.30	36.48	19.17	58.24	-	16.43	741.60	
5/20/2010	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
6/20/2010	-	611.30	36.46	19.17	58.24	-	16.43	741.60	
7/20/2010	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
8/20/2010	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
9/20/2010	-	611.30	36.46	19.17	58.24	-	16.43	741.60	
10/20/2010	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
11/20/2010	-	611.30	36.46	19.17	58.24	-	16.43	741.60	
12/20/2010	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
1/20/2011	-	631.68	36.46	19.17	60.19	-	16.43	763.93	
2/20/2011	-	570.55	36.46	19.17	54.36	-	16.43	696.97	
3/20/2011	10,000.00	631.68	36.46	19.17	60.19	-	16.43	10,763.93	
4/20/2011	-	574.80	34.38	19.17	54.77	-	15.60	698.72	
5/20/2011	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
6/20/2011	-	574.80	34.38	19.17	54.77	-	15.60	698.72	
7/20/2011	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
8/20/2011	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
9/20/2011	-	574.80	34.38	19.17	54.77	-	15.60	698.72	
10/20/2011	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
11/20/2011	-	574.80	34.38	19.17	54.77	-	15.60	698.72	
12/20/2011	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
1/20/2012	-	593.95	34.38	19.17	56.59	-	15.60	719.69	
2/20/2012	-	555.64	34.38	19.17	52.94	-	15.60	677.73	
3/20/2012	10,000.00	593.95	34.38	19.17	56.59	-	15.60	10,719.69	
4/20/2012	-	541.44	32.29	19.17	51.59	-	14.77	659.26	
5/20/2012	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
6/20/2012	-	541.44	32.29	19.17	51.59	-	14.77	659.26	
7/20/2012	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
8/20/2012	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
9/20/2012	-	541.44	32.29	19.17	51.59	-	14.77	659.26	
10/20/2012	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
11/20/2012	-	541.44	32.29	19.17	51.59	-	14.77	659.26	
12/20/2012	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
1/20/2013	-	559.49	32.29	19.17	53.31	-	14.77	679.03	
2/20/2013	-	505.34	32.29	19.17	48.15	-	14.77	619.72	
3/20/2013	10,000.00	559.49	32.29	19.17	53.31	-	14.77	10,679.03	
4/20/2013	-	506.51	30.21	19.17	48.26	-	13.93	618.08	
5/20/2013	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
6/20/2013	-	506.51	30.21	19.17	48.26	-	13.93	618.08	
7/20/2013	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
8/20/2013	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
9/20/2013	-	506.51	30.21	19.17	48.26	-	13.93	618.08	
10/20/2013	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
11/20/2013	-	506.51	30.21	19.17	48.26	-	13.93	618.08	
12/20/2013	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
1/20/2014	-	523.39	30.21	19.17	49.87	-	13.93	636.57	
2/20/2014	-	472.74	30.21	19.17	45.04	-	13.93	581.09	
3/20/2014	10,000.00	523.39	30.21	19.17	49.87	-	13.93	10,636.57	
4/20/2014	-	471.58	28.13	19.17	44.93	-	13.10	576.91	
5/20/2014	-	487.29	28.13	19.17	46.43	-	13.10	594.12	
6/20/2014	-	471.58	28.13	19.17	44.93	-	13.10	576.91	
7/20/2014	-	487.29	28.13	19.17	46.43	-	13.10	594.12	
8/20/2014	-	487.29	28.13	19.17	46.43	-	13.10	594.12	
9/20/2014	-	471.58	28.13	19.17	44.93	-	13.10	576.91	
10/20/2014	-	487.29	28.13	19.17	46.43	-	13.10	594.12	
11/20/2014	-	471.58	28.13	19.17	44.93	-	13.10	576.91	
12/20/2014	-	487.29	28.13	19.17	46.43	-	13.10	594.12	

* Interest computed at rate shown, actual rate will vary over term of Lease.

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

**Martin County #2 - Equipment
Variable Rate Lease (Closing)**

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Total Base Rental **
			0.25% Admin (30/360)	Total Fiduciary (30/360)	0.400% Credit (Act/Act)	0.00% Liquidity (Act/Act)	0.10% Remktg (30/360)		
1/20/2015	-	487.29	28.13	19.17	48.43	-	13.10	594.12	
2/20/2015	-	440.14	28.13	19.17	41.94	-	13.10	542.48	
3/20/2015	10,000.00	487.29	28.13	19.17	48.43	-	13.10	10,594.12	
4/20/2015	-	435.45	26.04	19.17	41.49	-	12.27	534.42	
5/20/2015	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
6/20/2015	-	435.45	26.04	19.17	41.49	-	12.27	534.42	
7/20/2015	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
8/20/2015	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
9/20/2015	-	435.45	26.04	19.17	41.49	-	12.27	534.42	
10/20/2015	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
11/20/2015	-	435.45	26.04	19.17	41.49	-	12.27	534.42	
12/20/2015	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
1/20/2016	-	449.97	26.04	19.17	42.87	-	12.27	550.32	
2/20/2016	-	420.94	26.04	19.17	40.11	-	12.27	518.53	
3/20/2016	10,000.00	449.97	26.04	19.17	42.87	-	12.27	10,550.32	
4/20/2016	-	401.71	23.96	19.17	38.27	-	11.43	494.54	
5/20/2016	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
6/20/2016	-	401.71	23.96	19.17	38.27	-	11.43	494.54	
7/20/2016	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
8/20/2016	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
9/20/2016	-	401.71	23.96	19.17	38.27	-	11.43	494.54	
10/20/2016	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
11/20/2016	-	401.71	23.96	19.17	38.27	-	11.43	494.54	
12/20/2016	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
1/20/2017	-	415.10	23.96	19.17	39.55	-	11.43	509.21	
2/20/2017	-	374.93	23.96	19.17	35.72	-	11.43	485.21	
3/20/2017	10,000.00	415.10	23.96	19.17	39.55	-	11.43	10,509.21	
4/20/2017	-	386.78	21.88	19.17	34.95	-	10.60	453.38	
5/20/2017	-	379.01	21.88	19.17	36.11	-	10.60	466.77	
6/20/2017	-	386.78	21.88	19.17	34.95	-	10.60	453.38	
7/20/2017	-	379.01	21.88	19.17	36.11	-	10.60	466.77	
8/20/2017	-	379.01	21.88	19.17	36.11	-	10.60	466.77	
9/20/2017	-	386.78	21.88	19.17	34.95	-	10.60	453.38	
10/20/2017	-	379.01	21.88	19.17	36.11	-	10.60	466.77	
11/20/2017	-	386.78	21.88	19.17	34.95	-	10.60	453.38	
12/20/2017	-	379.01	21.88	19.17	36.11	-	10.60	466.77	
1/20/2018	-	379.01	21.88	19.17	36.11	-	10.60	466.77	
2/20/2018	-	342.33	21.88	19.17	32.62	-	10.60	426.60	
3/20/2018	10,000.00	379.01	21.88	19.17	36.11	-	10.60	10,466.77	
4/20/2018	-	331.85	19.79	19.17	31.62	-	9.77	412.20	
5/20/2018	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
6/20/2018	-	331.85	19.79	19.17	31.62	-	9.77	412.20	
7/20/2018	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
8/20/2018	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
9/20/2018	-	331.85	19.79	19.17	31.62	-	9.77	412.20	
10/20/2018	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
11/20/2018	-	331.85	19.79	19.17	31.62	-	9.77	412.20	
12/20/2018	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
1/20/2019	-	342.91	19.79	19.17	32.67	-	9.77	424.31	
2/20/2019	-	309.73	19.79	19.17	29.51	-	9.77	387.97	
3/20/2019	10,000.00	342.91	19.79	19.17	32.67	-	9.77	10,424.31	
4/20/2019	-	296.11	17.71	19.17	28.21	-	8.93	370.13	
5/20/2019	-	305.98	17.71	19.17	29.15	-	8.93	380.94	
6/20/2019	-	296.11	17.71	19.17	28.21	-	8.93	370.13	
7/20/2019	-	305.98	17.71	19.17	29.15	-	8.93	380.94	
8/20/2019	-	305.98	17.71	19.17	29.15	-	8.93	380.94	
9/20/2019	-	296.11	17.71	19.17	28.21	-	8.93	370.13	

* Interest computed at rate shown, actual rate will vary over term of Lease.

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

**Martin County #2 - Equipment
Variable Rate Lease (Closing)**

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Total Base Rental **
			0.25% Admin (30/360)	Total Fiduciary (30/360)	0.400% Credit (Act/Act)	0.00% Liquidity (Act/Act)	0.10% Remktg (30/360)		
		4.250%							
10/20/2019	-	305.98	17.71	19.17	29.15	-	8.93		380.94
11/20/2019	-	296.11	17.71	19.17	28.21	-	8.93		370.13
12/20/2019	-	305.98	17.71	19.17	29.15	-	8.93		380.94
1/20/2020	-	305.98	17.71	19.17	29.15	-	8.93		380.94
2/20/2020	-	286.24	17.71	19.17	27.27	-	8.93		359.32
3/20/2020	10,000.00	305.98	17.71	19.17	29.15	-	8.93		10,380.94
4/20/2020	-	261.99	15.63	19.17	24.96	-	8.10		329.85
5/20/2020	-	270.72	15.63	19.17	25.79	-	8.10		339.41
6/20/2020	-	261.99	15.63	19.17	24.96	-	8.10		329.85
7/20/2020	-	270.72	15.63	19.17	25.79	-	8.10		339.41
8/20/2020	-	270.72	15.63	19.17	25.79	-	8.10		339.41
9/20/2020	-	261.99	15.63	19.17	24.96	-	8.10		329.85
10/20/2020	-	270.72	15.63	19.17	25.79	-	8.10		339.41
11/20/2020	-	261.99	15.63	19.17	24.96	-	8.10		329.85
12/20/2020	-	270.72	15.63	19.17	25.79	-	8.10		339.41
1/20/2021	-	270.72	15.63	19.17	25.79	-	8.10		339.41
2/20/2021	-	244.52	15.63	19.17	23.30	-	8.10		310.72
3/20/2021	15,000.00	270.72	15.63	19.17	25.79	-	8.10		15,339.41
4/20/2021	-	209.59	12.50	19.17	19.97	-	6.85		268.08
5/20/2021	-	216.58	12.50	19.17	20.63	-	6.85		275.73
6/20/2021	-	209.59	12.50	19.17	19.97	-	6.85		268.08
7/20/2021	-	216.58	12.50	19.17	20.63	-	6.85		275.73
8/20/2021	-	216.58	12.50	19.17	20.63	-	6.85		275.73
9/20/2021	-	209.59	12.50	19.17	19.97	-	6.85		268.08
10/20/2021	-	216.58	12.50	19.17	20.63	-	6.85		275.73
11/20/2021	-	209.59	12.50	19.17	19.97	-	6.85		268.08
12/20/2021	-	216.58	12.50	19.17	20.63	-	6.85		275.73
1/20/2022	-	216.58	12.50	19.17	20.63	-	6.85		275.73
2/20/2022	-	185.62	12.50	19.17	18.64	-	6.85		252.78
3/20/2022	15,000.00	216.58	12.50	19.17	20.63	-	6.85		15,275.73
4/20/2022	-	157.19	9.38	19.17	14.98	-	5.60		206.32
5/20/2022	-	162.43	9.38	19.17	15.48	-	5.60		212.06
6/20/2022	-	157.19	9.38	19.17	14.98	-	5.60		206.32
7/20/2022	-	162.43	9.38	19.17	15.48	-	5.60		212.06
8/20/2022	-	162.43	9.38	19.17	15.48	-	5.60		212.06
9/20/2022	-	157.19	9.38	19.17	14.98	-	5.60		206.32
10/20/2022	-	162.43	9.38	19.17	15.48	-	5.60		212.06
11/20/2022	-	157.19	9.38	19.17	14.98	-	5.60		206.32
12/20/2022	-	162.43	9.38	19.17	15.48	-	5.60		212.06
1/20/2023	-	162.43	9.38	19.17	15.48	-	5.60		212.06
2/20/2023	-	146.71	9.38	19.17	13.98	-	5.60		194.84
3/20/2023	15,000.00	162.43	9.38	19.17	15.48	-	5.60		15,212.06
4/20/2023	-	104.51	6.25	19.17	9.96	-	4.35		144.24
5/20/2023	-	107.99	6.25	19.17	10.29	-	4.35		148.05
6/20/2023	-	104.51	6.25	19.17	9.96	-	4.35		144.24
7/20/2023	-	107.99	6.25	19.17	10.29	-	4.35		148.05
8/20/2023	-	107.99	6.25	19.17	10.29	-	4.35		148.05
9/20/2023	-	104.51	6.25	19.17	9.96	-	4.35		144.24
10/20/2023	-	107.99	6.25	19.17	10.29	-	4.35		148.05
11/20/2023	-	104.51	6.25	19.17	9.96	-	4.35		144.24
12/20/2023	-	107.99	6.25	19.17	10.29	-	4.35		148.05
1/20/2024	-	107.99	6.25	19.17	10.29	-	4.35		148.05
2/20/2024	-	101.02	6.25	19.17	9.63	-	4.35		140.42
3/20/2024	15,000.00	107.99	6.25	19.17	10.29	-	4.35		15,148.05
4/20/2024	-	52.40	3.13	19.17	4.99	-	3.10		82.79
5/20/2024	-	54.14	3.13	19.17	5.16	-	3.10		84.70
6/20/2024	-	52.40	3.13	19.17	4.99	-	3.10		82.79

* Interest computed at rate shown, actual rate will vary over term of Lease.

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

**Martin County #2 - Equipment
Variable Rate Lease (Closing)**

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Total Base Rental **
			0.25%	Total	0.400%	0.00%	0.10%		
			Admin (30/360)	Fiduciary (30/360)	Credit (Act/Act)	Liquidity (Act/Act)	Remktg (30/360)		
7/20/2024	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
8/20/2024	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
9/20/2024	-	52.40	3.13	19.17	4.99	-	3.10	82.79	
10/20/2024	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
11/20/2024	-	52.40	3.13	19.17	4.99	-	3.10	82.79	
12/20/2024	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
1/20/2025	-	54.14	3.13	19.17	5.16	-	3.10	84.70	
2/20/2025	-	48.90	3.13	19.17	4.66	-	3.10	78.96	
3/20/2025	15,000.00	54.14	3.13	19.17	5.16	-	3.10	15,084.70	
	200,000.00	102,928.71	6,054.57	4,008.63	9,806.80	-	2,355.80	325,152.41	

* Unless otherwise noted, computed at an assumed rate per annum equal to 4.25%

* Interest computed at rate shown, actual rate will vary over term of Lease.



Government Banking
101 East Fifth Street, EP-MN-S9GB
Saint Paul, MN 55101

June 3, 2005

Ms. Sue Blakeman
Assistant Leasing Trust Program Director
Kentucky Association of Counties
380 Kings Daughters Drive
Frankfort, Kentucky 40604-4207

Re: \$200,000 Martin County Water District
Equipment Financing

Dear Ms. Blakeman:

U S Bank has approved the funding of the above referenced financing per the terms outlined in your letter of June 1, 2005. Funding of this financing will take place through the Leasing Trust.

Please forward copies of the executed contracts, including the approving opinion of Bond Counsel, upon receipt. Any questions regarding this financing approval, please call at 651-466-8287.

Sincerely,

Brian A. Sinkula
Portfolio Manager
Government Banking Division

cc: Mr. Sujyot Patel, Peck Shaffer & Williams



**KENTUCKY ASSOCIATION OF COUNTIES
LEASING TRUST**
"Since 1989"

380 King's Daughters Drive, Frankfort, KY 40601
502-875-3222 • 800-777-1524 • Fax 502-875-7262 • www.kaco.org

LETTER OF INSTRUCTIONS

USBank, as Trustee
Louisville, KY

Re: Lease Agreement dated July 7, 2005 between Kentucky Association of Counties Leasing Trust ("CoLT") and Martin County Fiscal Court (on behalf of the Martin County Water District)

Gentleman:

Pursuant to the above referenced Lease Agreement (the "Lease") and the Indenture dated as of September 29, 2004, between CoLT, the County of Shelby, Kentucky and you, as Trustee, you are hereby requested to fund the Martin County Fiscal Court (on behalf of the Martin County Water District) in the amount of \$200,000.00.

Dated: July 7, 2005

KENTUCKY ASSOCIATION OF
COUNTIES LEASING TRUST

By:  _____

Dated: July 7, 2005

KENTUCKY ASSOCIATION OF
COUNTIES

By:  _____

Chair Sue Carole Perry
Shelby Co. Clerk

Anthony Stratton
Anderson Co. Judge/Executive

BOARD OF TRUSTEES
Jim Townsend
Webster Co. Judge/Executive



Vice-Chair J. Michael Foster
Christian Co. Attorney

Lynn Lane
Ballard Co. Clerk

ATTACHMENT 9

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Martin County Water District - Loan Number B293-02**

Loan Summary					
Borrower:	Martin County Water District			Approval Date:	09-16-1991
Loan ID:	0157	KIA Loan Number:	B293-02	Maturity Date:	06-01-2027
Status:	Active	Interest Rate:	3.00%	R & M Reserve:	\$0.00
Loan Amount:	\$1,329,826.43	Pmt. Frequency	Monthly		
AA Date:	05-01-1993	Supp. AA Date:			

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
08-01-2008	\$3,188.80	\$2,431.78	\$5,620.58	\$162.12	\$0.00	\$5,782.70	\$969,524.70	\$0.00	\$66,491.32
09-01-2008	\$3,196.77	\$2,423.81	\$5,620.58	\$161.59	\$0.00	\$5,782.16	\$966,327.94	\$0.00	\$66,491.32
10-01-2008	\$3,204.76	\$2,415.82	\$5,620.58	\$161.05	\$0.00	\$5,781.63	\$963,123.18	\$0.00	\$66,491.32
11-01-2008	\$3,212.77	\$2,407.81	\$5,620.58	\$160.52	\$0.00	\$5,781.10	\$959,910.41	\$0.00	\$66,491.32
12-01-2008	\$3,220.80	\$2,399.78	\$5,620.58	\$159.99	\$0.00	\$5,780.56	\$956,689.62	\$0.00	\$66,491.32
01-01-2009	\$3,228.86	\$2,391.72	\$5,620.58	\$159.45	\$0.00	\$5,780.03	\$953,469.66	\$0.00	\$66,491.32
02-01-2009	\$3,236.93	\$2,383.65	\$5,620.58	\$158.91	\$0.00	\$5,779.49	\$950,223.83	\$0.00	\$66,491.32
03-01-2009	\$3,245.02	\$2,375.56	\$5,620.58	\$158.37	\$0.00	\$5,778.95	\$946,978.82	\$0.00	\$66,491.32
04-01-2009	\$3,253.13	\$2,367.45	\$5,620.58	\$157.83	\$0.00	\$5,778.41	\$943,725.69	\$0.00	\$66,491.32
05-01-2009	\$3,261.27	\$2,359.31	\$5,620.58	\$157.29	\$0.00	\$5,777.86	\$940,464.42	\$0.00	\$66,491.32
06-01-2009	\$3,269.42	\$2,351.16	\$5,620.58	\$156.74	\$0.00	\$5,777.32	\$937,195.01	\$0.00	\$66,491.32
07-01-2009	\$3,277.59	\$2,342.99	\$5,620.58	\$156.20	\$0.00	\$5,776.78	\$933,917.42	\$0.00	\$66,491.32
08-01-2009	\$3,285.79	\$2,334.79	\$5,620.58	\$155.65	\$0.00	\$5,776.23	\$930,631.63	\$0.00	\$66,491.32
09-01-2009	\$3,294.00	\$2,326.58	\$5,620.58	\$155.11	\$0.00	\$5,775.68	\$927,337.64	\$0.00	\$66,491.32
10-01-2009	\$3,302.24	\$2,318.34	\$5,620.58	\$154.56	\$0.00	\$5,775.13	\$924,035.40	\$0.00	\$66,491.32
11-01-2009	\$3,310.49	\$2,310.09	\$5,620.58	\$154.01	\$0.00	\$5,774.58	\$920,724.91	\$0.00	\$66,491.32
12-01-2009	\$3,318.77	\$2,301.81	\$5,620.58	\$153.45	\$0.00	\$5,774.03	\$917,406.14	\$0.00	\$66,491.32
01-01-2010	\$3,327.06	\$2,293.52	\$5,620.58	\$152.90	\$0.00	\$5,773.48	\$914,079.09	\$0.00	\$66,491.32
02-01-2010	\$3,335.38	\$2,285.20	\$5,620.58	\$152.35	\$0.00	\$5,772.92	\$910,743.71	\$0.00	\$66,491.32
03-01-2010	\$3,343.72	\$2,276.86	\$5,620.58	\$151.79	\$0.00	\$5,772.37	\$907,399.99	\$0.00	\$66,491.32
04-01-2010	\$3,352.08	\$2,268.50	\$5,620.58	\$151.23	\$0.00	\$5,771.81	\$904,047.92	\$0.00	\$66,491.32
05-01-2010	\$3,360.46	\$2,260.12	\$5,620.58	\$150.67	\$0.00	\$5,771.25	\$900,687.46	\$0.00	\$66,491.32
06-01-2010	\$3,368.86	\$2,251.72	\$5,620.58	\$150.11	\$0.00	\$5,770.69	\$897,318.60	\$0.00	\$66,491.32
07-01-2010	\$3,377.28	\$2,243.30	\$5,620.58	\$149.55	\$0.00	\$5,770.13	\$893,941.33	\$0.00	\$66,491.32
08-01-2010	\$3,385.73	\$2,234.85	\$5,620.58	\$148.99	\$0.00	\$5,769.57	\$890,555.60	\$0.00	\$66,491.32
09-01-2010	\$3,394.19	\$2,226.39	\$5,620.58	\$148.43	\$0.00	\$5,769.00	\$887,161.41	\$0.00	\$66,491.32
10-01-2010	\$3,402.68	\$2,217.90	\$5,620.58	\$147.86	\$0.00	\$5,768.44	\$883,758.74	\$0.00	\$66,491.32
11-01-2010	\$3,411.18	\$2,209.40	\$5,620.58	\$147.29	\$0.00	\$5,767.87	\$880,347.56	\$0.00	\$66,491.32
12-01-2010	\$3,419.71	\$2,200.87	\$5,620.58	\$146.72	\$0.00	\$5,767.30	\$876,927.85	\$0.00	\$66,491.32
01-01-2011	\$3,428.26	\$2,192.32	\$5,620.58	\$146.15	\$0.00	\$5,766.73	\$873,499.60	\$0.00	\$66,491.32
02-01-2011	\$3,436.83	\$2,183.75	\$5,620.58	\$145.58	\$0.00	\$5,766.16	\$870,062.77	\$0.00	\$66,491.32
03-01-2011	\$3,445.42	\$2,175.16	\$5,620.58	\$145.01	\$0.00	\$5,765.59	\$866,617.35	\$0.00	\$66,491.32
04-01-2011	\$3,454.04	\$2,166.54	\$5,620.58	\$144.44	\$0.00	\$5,765.01	\$863,163.32	\$0.00	\$66,491.32
05-01-2011	\$3,462.67	\$2,157.91	\$5,620.58	\$143.86	\$0.00	\$5,764.44	\$859,700.65	\$0.00	\$66,491.32
06-01-2011	\$3,471.33	\$2,149.25	\$5,620.58	\$143.28	\$0.00	\$5,763.86	\$856,229.32	\$0.00	\$66,491.32
07-01-2011	\$3,480.01	\$2,140.57	\$5,620.58	\$142.70	\$0.00	\$5,763.28	\$852,749.32	\$0.00	\$66,491.32
08-01-2011	\$3,488.71	\$2,131.87	\$5,620.58	\$142.12	\$0.00	\$5,762.70	\$849,260.61	\$0.00	\$66,491.32

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Martin County Water District - Loan Number B293-02**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
09-01-2011	\$3,497.43	\$2,123.15	\$5,620.58	\$141.54	\$0.00	\$5,762.12	\$845,763.18	\$0.00	\$66,491.32
10-01-2011	\$3,506.17	\$2,114.41	\$5,620.58	\$140.96	\$0.00	\$5,761.54	\$842,257.02	\$0.00	\$66,491.32
11-01-2011	\$3,514.94	\$2,105.64	\$5,620.58	\$140.38	\$0.00	\$5,760.95	\$838,742.08	\$0.00	\$66,491.32
12-01-2011	\$3,523.72	\$2,096.86	\$5,620.58	\$139.79	\$0.00	\$5,760.37	\$835,218.36	\$0.00	\$66,491.32
01-01-2012	\$3,532.53	\$2,088.05	\$5,620.58	\$139.20	\$0.00	\$5,759.78	\$831,685.84	\$0.00	\$66,491.32
02-01-2012	\$3,541.37	\$2,079.21	\$5,620.58	\$138.61	\$0.00	\$5,759.19	\$828,144.47	\$0.00	\$66,491.32
03-01-2012	\$3,550.22	\$2,070.36	\$5,620.58	\$138.02	\$0.00	\$5,758.60	\$824,594.25	\$0.00	\$66,491.32
04-01-2012	\$3,559.09	\$2,061.49	\$5,620.58	\$137.43	\$0.00	\$5,758.01	\$821,035.17	\$0.00	\$66,491.32
05-01-2012	\$3,567.99	\$2,052.59	\$5,620.58	\$136.84	\$0.00	\$5,757.42	\$817,467.18	\$0.00	\$66,491.32
06-01-2012	\$3,576.91	\$2,043.67	\$5,620.58	\$136.24	\$0.00	\$5,756.82	\$813,890.27	\$0.00	\$66,491.32
07-01-2012	\$3,585.85	\$2,034.73	\$5,620.58	\$135.65	\$0.00	\$5,756.23	\$810,304.43	\$0.00	\$66,491.32
08-01-2012	\$3,594.82	\$2,025.76	\$5,620.58	\$135.05	\$0.00	\$5,755.63	\$806,709.61	\$0.00	\$66,491.32
09-01-2012	\$3,603.81	\$2,016.77	\$5,620.58	\$134.45	\$0.00	\$5,755.03	\$803,105.80	\$0.00	\$66,491.32
10-01-2012	\$3,612.82	\$2,007.76	\$5,620.58	\$133.85	\$0.00	\$5,754.43	\$799,492.98	\$0.00	\$66,491.32
11-01-2012	\$3,621.85	\$1,998.73	\$5,620.58	\$133.25	\$0.00	\$5,753.83	\$795,871.14	\$0.00	\$66,491.32
12-01-2012	\$3,630.90	\$1,989.68	\$5,620.58	\$132.65	\$0.00	\$5,753.22	\$792,240.24	\$0.00	\$66,491.32
01-01-2013	\$3,639.98	\$1,980.60	\$5,620.58	\$132.04	\$0.00	\$5,752.62	\$788,600.26	\$0.00	\$66,491.32
02-01-2013	\$3,649.08	\$1,971.50	\$5,620.58	\$131.43	\$0.00	\$5,752.01	\$784,951.19	\$0.00	\$66,491.32
03-01-2013	\$3,658.20	\$1,962.38	\$5,620.58	\$130.83	\$0.00	\$5,751.40	\$781,292.99	\$0.00	\$66,491.32
04-01-2013	\$3,667.35	\$1,953.23	\$5,620.58	\$130.22	\$0.00	\$5,750.79	\$777,625.64	\$0.00	\$66,491.32
05-01-2013	\$3,676.52	\$1,944.06	\$5,620.58	\$129.60	\$0.00	\$5,750.18	\$773,949.13	\$0.00	\$66,491.32
06-01-2013	\$3,685.71	\$1,934.87	\$5,620.58	\$128.99	\$0.00	\$5,749.57	\$770,263.42	\$0.00	\$66,491.32
07-01-2013	\$3,694.92	\$1,925.66	\$5,620.58	\$128.38	\$0.00	\$5,748.95	\$766,568.50	\$0.00	\$66,491.32
08-01-2013	\$3,704.16	\$1,916.42	\$5,620.58	\$127.76	\$0.00	\$5,748.34	\$762,864.35	\$0.00	\$66,491.32
09-01-2013	\$3,713.42	\$1,907.16	\$5,620.58	\$127.14	\$0.00	\$5,747.72	\$759,150.93	\$0.00	\$66,491.32
10-01-2013	\$3,722.70	\$1,897.88	\$5,620.58	\$126.53	\$0.00	\$5,747.10	\$755,428.23	\$0.00	\$66,491.32
11-01-2013	\$3,732.01	\$1,888.57	\$5,620.58	\$125.90	\$0.00	\$5,746.48	\$751,696.23	\$0.00	\$66,491.32
12-01-2013	\$3,741.34	\$1,879.24	\$5,620.58	\$125.28	\$0.00	\$5,745.86	\$747,954.89	\$0.00	\$66,491.32
01-01-2014	\$3,750.69	\$1,869.89	\$5,620.58	\$124.66	\$0.00	\$5,745.24	\$744,204.20	\$0.00	\$66,491.32
02-01-2014	\$3,760.07	\$1,860.51	\$5,620.58	\$124.03	\$0.00	\$5,744.61	\$740,444.14	\$0.00	\$66,491.32
03-01-2014	\$3,769.47	\$1,851.11	\$5,620.58	\$123.41	\$0.00	\$5,743.98	\$736,674.67	\$0.00	\$66,491.32
04-01-2014	\$3,778.89	\$1,841.69	\$5,620.58	\$122.78	\$0.00	\$5,743.36	\$732,895.78	\$0.00	\$66,491.32
05-01-2014	\$3,788.34	\$1,832.24	\$5,620.58	\$122.15	\$0.00	\$5,742.73	\$729,107.45	\$0.00	\$66,491.32
06-01-2014	\$3,797.81	\$1,822.77	\$5,620.58	\$121.52	\$0.00	\$5,742.09	\$725,309.64	\$0.00	\$66,491.32
07-01-2014	\$3,807.31	\$1,813.27	\$5,620.58	\$120.88	\$0.00	\$5,741.46	\$721,502.33	\$0.00	\$66,491.32
08-01-2014	\$3,816.82	\$1,803.76	\$5,620.58	\$120.25	\$0.00	\$5,740.83	\$717,685.52	\$0.00	\$66,491.32
09-01-2014	\$3,826.37	\$1,794.21	\$5,620.58	\$119.61	\$0.00	\$5,740.19	\$713,859.15	\$0.00	\$66,491.32
10-01-2014	\$3,835.93	\$1,784.65	\$5,620.58	\$118.98	\$0.00	\$5,739.55	\$710,023.22	\$0.00	\$66,491.32
11-01-2014	\$3,845.52	\$1,775.06	\$5,620.58	\$118.34	\$0.00	\$5,738.91	\$706,177.71	\$0.00	\$66,491.32
12-01-2014	\$3,855.14	\$1,765.44	\$5,620.58	\$117.70	\$0.00	\$5,738.27	\$702,322.57	\$0.00	\$66,491.32
01-01-2015	\$3,864.77	\$1,755.81	\$5,620.58	\$117.05	\$0.00	\$5,737.63	\$698,457.80	\$0.00	\$66,491.32
02-01-2015	\$3,874.44	\$1,746.14	\$5,620.58	\$116.41	\$0.00	\$5,736.99	\$694,583.37	\$0.00	\$66,491.32
03-01-2015	\$3,884.12	\$1,736.46	\$5,620.58	\$115.76	\$0.00	\$5,736.34	\$690,699.25	\$0.00	\$66,491.32
04-01-2015	\$3,893.83	\$1,726.75	\$5,620.58	\$115.12	\$0.00	\$5,735.69	\$686,805.42	\$0.00	\$66,491.32

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Martin County Water District - Loan Number B293-02**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
05-01-2015	\$3,903.57	\$1,717.01	\$5,620.58	\$114.47	\$0.00	\$5,735.04	\$682,901.85	\$0.00	\$66,491.32
06-01-2015	\$3,913.33	\$1,707.25	\$5,620.58	\$113.82	\$0.00	\$5,734.39	\$678,988.53	\$0.00	\$66,491.32
07-01-2015	\$3,923.11	\$1,697.47	\$5,620.58	\$113.16	\$0.00	\$5,733.74	\$675,065.42	\$0.00	\$66,491.32
08-01-2015	\$3,932.92	\$1,687.66	\$5,620.58	\$112.51	\$0.00	\$5,733.09	\$671,132.50	\$0.00	\$66,491.32
09-01-2015	\$3,942.75	\$1,677.83	\$5,620.58	\$111.86	\$0.00	\$5,732.43	\$667,189.76	\$0.00	\$66,491.32
10-01-2015	\$3,952.61	\$1,667.97	\$5,620.58	\$111.20	\$0.00	\$5,731.78	\$663,237.15	\$0.00	\$66,491.32
11-01-2015	\$3,962.49	\$1,658.09	\$5,620.58	\$110.54	\$0.00	\$5,731.12	\$659,274.66	\$0.00	\$66,491.32
12-01-2015	\$3,972.39	\$1,648.19	\$5,620.58	\$109.88	\$0.00	\$5,730.46	\$655,302.28	\$0.00	\$66,491.32
01-01-2016	\$3,982.32	\$1,638.26	\$5,620.58	\$109.22	\$0.00	\$5,729.79	\$651,319.96	\$0.00	\$66,491.32
02-01-2016	\$3,992.28	\$1,628.30	\$5,620.58	\$108.55	\$0.00	\$5,729.13	\$647,327.68	\$0.00	\$66,491.32
03-01-2016	\$4,002.26	\$1,618.32	\$5,620.58	\$107.89	\$0.00	\$5,728.46	\$643,325.43	\$0.00	\$66,491.32
04-01-2016	\$4,012.27	\$1,608.31	\$5,620.58	\$107.22	\$0.00	\$5,727.80	\$639,313.16	\$0.00	\$66,491.32
05-01-2016	\$4,022.30	\$1,598.28	\$5,620.58	\$106.55	\$0.00	\$5,727.13	\$635,290.86	\$0.00	\$66,491.32
06-01-2016	\$4,032.35	\$1,588.23	\$5,620.58	\$105.88	\$0.00	\$5,726.46	\$631,258.52	\$0.00	\$66,491.32
07-01-2016	\$4,042.43	\$1,578.15	\$5,620.58	\$105.21	\$0.00	\$5,725.79	\$627,216.09	\$0.00	\$66,491.32
08-01-2016	\$4,052.54	\$1,568.04	\$5,620.58	\$104.54	\$0.00	\$5,725.11	\$623,163.55	\$0.00	\$66,491.32
09-01-2016	\$4,062.67	\$1,557.91	\$5,620.58	\$103.86	\$0.00	\$5,724.44	\$619,100.89	\$0.00	\$66,491.32
10-01-2016	\$4,072.83	\$1,547.75	\$5,620.58	\$103.18	\$0.00	\$5,723.76	\$615,028.06	\$0.00	\$66,491.32
11-01-2016	\$4,083.01	\$1,537.57	\$5,620.58	\$102.50	\$0.00	\$5,723.08	\$610,945.05	\$0.00	\$66,491.32
12-01-2016	\$4,093.22	\$1,527.36	\$5,620.58	\$101.82	\$0.00	\$5,722.40	\$606,851.84	\$0.00	\$66,491.32
01-01-2017	\$4,103.45	\$1,517.13	\$5,620.58	\$101.14	\$0.00	\$5,721.72	\$602,748.39	\$0.00	\$66,491.32
02-01-2017	\$4,113.71	\$1,506.87	\$5,620.58	\$100.46	\$0.00	\$5,721.03	\$598,634.68	\$0.00	\$66,491.32
03-01-2017	\$4,123.99	\$1,496.59	\$5,620.58	\$99.77	\$0.00	\$5,720.35	\$594,510.70	\$0.00	\$66,491.32
04-01-2017	\$4,134.30	\$1,486.28	\$5,620.58	\$99.09	\$0.00	\$5,719.66	\$590,376.40	\$0.00	\$66,491.32
05-01-2017	\$4,144.64	\$1,475.94	\$5,620.58	\$98.40	\$0.00	\$5,718.97	\$586,231.76	\$0.00	\$66,491.32
06-01-2017	\$4,155.00	\$1,465.58	\$5,620.58	\$97.71	\$0.00	\$5,718.28	\$582,076.77	\$0.00	\$66,491.32
07-01-2017	\$4,165.39	\$1,455.19	\$5,620.58	\$97.01	\$0.00	\$5,717.59	\$577,911.38	\$0.00	\$66,491.32
08-01-2017	\$4,175.80	\$1,444.78	\$5,620.58	\$96.32	\$0.00	\$5,716.90	\$573,735.58	\$0.00	\$66,491.32
09-01-2017	\$4,186.24	\$1,434.34	\$5,620.58	\$95.62	\$0.00	\$5,716.20	\$569,549.35	\$0.00	\$66,491.32
10-01-2017	\$4,196.71	\$1,423.87	\$5,620.58	\$94.92	\$0.00	\$5,715.50	\$565,352.64	\$0.00	\$66,491.32
11-01-2017	\$4,207.20	\$1,413.38	\$5,620.58	\$94.23	\$0.00	\$5,714.80	\$561,145.44	\$0.00	\$66,491.32
12-01-2017	\$4,217.72	\$1,402.86	\$5,620.58	\$93.52	\$0.00	\$5,714.10	\$556,927.72	\$0.00	\$66,491.32
01-01-2018	\$4,228.26	\$1,392.32	\$5,620.58	\$92.82	\$0.00	\$5,713.40	\$552,699.47	\$0.00	\$66,491.32
02-01-2018	\$4,238.83	\$1,381.75	\$5,620.58	\$92.12	\$0.00	\$5,712.69	\$548,460.64	\$0.00	\$66,491.32
03-01-2018	\$4,249.43	\$1,371.15	\$5,620.58	\$91.41	\$0.00	\$5,711.99	\$544,211.21	\$0.00	\$66,491.32
04-01-2018	\$4,260.05	\$1,360.53	\$5,620.58	\$90.70	\$0.00	\$5,711.28	\$539,951.17	\$0.00	\$66,491.32
05-01-2018	\$4,270.70	\$1,349.88	\$5,620.58	\$89.99	\$0.00	\$5,710.57	\$535,680.47	\$0.00	\$66,491.32
06-01-2018	\$4,281.38	\$1,339.20	\$5,620.58	\$89.28	\$0.00	\$5,709.86	\$531,399.09	\$0.00	\$66,491.32
07-01-2018	\$4,292.08	\$1,328.50	\$5,620.58	\$88.57	\$0.00	\$5,709.14	\$527,107.02	\$0.00	\$66,491.32
08-01-2018	\$4,302.81	\$1,317.77	\$5,620.58	\$87.85	\$0.00	\$5,708.43	\$522,804.21	\$0.00	\$66,491.32
09-01-2018	\$4,313.57	\$1,307.01	\$5,620.58	\$87.13	\$0.00	\$5,707.71	\$518,490.64	\$0.00	\$66,491.32
10-01-2018	\$4,324.35	\$1,296.23	\$5,620.58	\$86.42	\$0.00	\$5,706.99	\$514,166.30	\$0.00	\$66,491.32
11-01-2018	\$4,335.16	\$1,285.42	\$5,620.58	\$85.69	\$0.00	\$5,706.27	\$509,831.14	\$0.00	\$66,491.32
12-01-2018	\$4,346.00	\$1,274.58	\$5,620.58	\$84.97	\$0.00	\$5,705.55	\$505,485.14	\$0.00	\$66,491.32

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Martin County Water District - Loan Number B293-02**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
01-01-2019	\$4,356.87	\$1,263.71	\$5,620.58	\$84.25	\$0.00	\$5,704.82	\$501,128.28	\$0.00	\$66,491.32
02-01-2019	\$4,367.76	\$1,252.82	\$5,620.58	\$83.52	\$0.00	\$5,704.10	\$496,760.52	\$0.00	\$66,491.32
03-01-2019	\$4,378.68	\$1,241.90	\$5,620.58	\$82.79	\$0.00	\$5,703.37	\$492,381.84	\$0.00	\$66,491.32
04-01-2019	\$4,389.63	\$1,230.95	\$5,620.58	\$82.06	\$0.00	\$5,702.64	\$487,992.22	\$0.00	\$66,491.32
05-01-2019	\$4,400.60	\$1,219.98	\$5,620.58	\$81.33	\$0.00	\$5,701.91	\$483,591.62	\$0.00	\$66,491.32
06-01-2019	\$4,411.61	\$1,208.97	\$5,620.58	\$80.60	\$0.00	\$5,701.18	\$479,180.01	\$0.00	\$66,491.32
07-01-2019	\$4,422.64	\$1,197.94	\$5,620.58	\$79.86	\$0.00	\$5,700.44	\$474,757.38	\$0.00	\$66,491.32
08-01-2019	\$4,433.70	\$1,186.88	\$5,620.58	\$79.13	\$0.00	\$5,699.70	\$470,323.68	\$0.00	\$66,491.32
09-01-2019	\$4,444.78	\$1,175.80	\$5,620.58	\$78.39	\$0.00	\$5,698.96	\$465,878.90	\$0.00	\$66,491.32
10-01-2019	\$4,455.89	\$1,164.69	\$5,620.58	\$77.65	\$0.00	\$5,698.22	\$461,423.02	\$0.00	\$66,491.32
11-01-2019	\$4,467.03	\$1,153.55	\$5,620.58	\$76.90	\$0.00	\$5,697.48	\$456,955.99	\$0.00	\$66,491.32
12-01-2019	\$4,478.20	\$1,142.38	\$5,620.58	\$76.16	\$0.00	\$5,696.74	\$452,477.79	\$0.00	\$66,491.32
01-01-2020	\$4,489.40	\$1,131.18	\$5,620.58	\$75.41	\$0.00	\$5,695.99	\$447,988.40	\$0.00	\$66,491.32
02-01-2020	\$4,500.62	\$1,119.96	\$5,620.58	\$74.66	\$0.00	\$5,695.24	\$443,487.78	\$0.00	\$66,491.32
03-01-2020	\$4,511.87	\$1,108.71	\$5,620.58	\$73.91	\$0.00	\$5,694.49	\$438,975.91	\$0.00	\$66,491.32
04-01-2020	\$4,523.15	\$1,097.43	\$5,620.58	\$73.16	\$0.00	\$5,693.74	\$434,452.77	\$0.00	\$66,491.32
05-01-2020	\$4,534.46	\$1,086.12	\$5,620.58	\$72.41	\$0.00	\$5,692.99	\$429,918.31	\$0.00	\$66,491.32
06-01-2020	\$4,545.79	\$1,074.79	\$5,620.58	\$71.65	\$0.00	\$5,692.23	\$425,372.52	\$0.00	\$66,491.32
07-01-2020	\$4,557.16	\$1,063.42	\$5,620.58	\$70.90	\$0.00	\$5,691.47	\$420,815.37	\$0.00	\$66,491.32
08-01-2020	\$4,568.55	\$1,052.03	\$5,620.58	\$70.14	\$0.00	\$5,690.71	\$416,246.82	\$0.00	\$66,491.32
09-01-2020	\$4,579.97	\$1,040.61	\$5,620.58	\$69.37	\$0.00	\$5,689.95	\$411,666.85	\$0.00	\$66,491.32
10-01-2020	\$4,591.42	\$1,029.16	\$5,620.58	\$68.61	\$0.00	\$5,689.19	\$407,075.43	\$0.00	\$66,491.32
11-01-2020	\$4,602.90	\$1,017.68	\$5,620.58	\$67.85	\$0.00	\$5,688.42	\$402,472.54	\$0.00	\$66,491.32
12-01-2020	\$4,614.41	\$1,006.17	\$5,620.58	\$67.08	\$0.00	\$5,687.66	\$397,858.13	\$0.00	\$66,491.32
01-01-2021	\$4,625.94	\$994.64	\$5,620.58	\$66.31	\$0.00	\$5,686.89	\$393,232.19	\$0.00	\$66,491.32
02-01-2021	\$4,637.51	\$983.07	\$5,620.58	\$65.54	\$0.00	\$5,686.12	\$388,594.69	\$0.00	\$66,491.32
03-01-2021	\$4,649.10	\$971.48	\$5,620.58	\$64.77	\$0.00	\$5,685.34	\$383,945.59	\$0.00	\$66,491.32
04-01-2021	\$4,660.73	\$959.85	\$5,620.58	\$63.99	\$0.00	\$5,684.57	\$379,284.86	\$0.00	\$66,491.32
05-01-2021	\$4,672.38	\$948.20	\$5,620.58	\$63.21	\$0.00	\$5,683.79	\$374,612.49	\$0.00	\$66,491.32
06-01-2021	\$4,684.06	\$936.52	\$5,620.58	\$62.44	\$0.00	\$5,683.01	\$369,928.43	\$0.00	\$66,491.32
07-01-2021	\$4,695.77	\$924.81	\$5,620.58	\$61.65	\$0.00	\$5,682.23	\$365,232.66	\$0.00	\$66,491.32
08-01-2021	\$4,707.51	\$913.07	\$5,620.58	\$60.87	\$0.00	\$5,681.45	\$360,525.16	\$0.00	\$66,491.32
09-01-2021	\$4,719.28	\$901.30	\$5,620.58	\$60.09	\$0.00	\$5,680.66	\$355,805.88	\$0.00	\$66,491.32
10-01-2021	\$4,731.08	\$889.50	\$5,620.58	\$59.30	\$0.00	\$5,679.88	\$351,074.80	\$0.00	\$66,491.32
11-01-2021	\$4,742.90	\$877.68	\$5,620.58	\$58.51	\$0.00	\$5,679.09	\$346,331.91	\$0.00	\$66,491.32
12-01-2021	\$4,754.76	\$865.82	\$5,620.58	\$57.72	\$0.00	\$5,678.30	\$341,577.15	\$0.00	\$66,491.32
01-01-2022	\$4,766.65	\$853.93	\$5,620.58	\$56.93	\$0.00	\$5,677.51	\$336,810.50	\$0.00	\$66,491.32
02-01-2022	\$4,778.56	\$842.02	\$5,620.58	\$56.14	\$0.00	\$5,676.71	\$332,031.95	\$0.00	\$66,491.32
03-01-2022	\$4,790.51	\$830.07	\$5,620.58	\$55.34	\$0.00	\$5,675.92	\$327,241.44	\$0.00	\$66,491.32
04-01-2022	\$4,802.49	\$818.09	\$5,620.58	\$54.54	\$0.00	\$5,675.12	\$322,438.95	\$0.00	\$66,491.32
05-01-2022	\$4,814.49	\$806.09	\$5,620.58	\$53.74	\$0.00	\$5,674.32	\$317,624.47	\$0.00	\$66,491.32
06-01-2022	\$4,826.53	\$794.05	\$5,620.58	\$52.94	\$0.00	\$5,673.51	\$312,797.94	\$0.00	\$66,491.32
07-01-2022	\$4,838.60	\$781.98	\$5,620.58	\$52.13	\$0.00	\$5,672.71	\$307,959.34	\$0.00	\$66,491.32
08-01-2022	\$4,850.69	\$769.89	\$5,620.58	\$51.33	\$0.00	\$5,671.90	\$303,108.66	\$0.00	\$66,491.32

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Martin County Water District - Loan Number B293-02**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
09-01-2022	\$4,862.82	\$757.76	\$5,620.58	\$50.52	\$0.00	\$5,671.09	\$298,245.84	\$0.00	\$66,491.32
10-01-2022	\$4,874.98	\$745.60	\$5,620.58	\$49.71	\$0.00	\$5,670.28	\$293,370.86	\$0.00	\$66,491.32
11-01-2022	\$4,887.16	\$733.42	\$5,620.58	\$48.90	\$0.00	\$5,669.47	\$288,483.71	\$0.00	\$66,491.32
12-01-2022	\$4,899.38	\$721.20	\$5,620.58	\$48.08	\$0.00	\$5,668.66	\$283,584.33	\$0.00	\$66,491.32
01-01-2023	\$4,911.63	\$708.95	\$5,620.58	\$47.26	\$0.00	\$5,667.84	\$278,672.70	\$0.00	\$66,491.32
02-01-2023	\$4,923.91	\$696.67	\$5,620.58	\$46.45	\$0.00	\$5,667.02	\$273,748.80	\$0.00	\$66,491.32
03-01-2023	\$4,936.22	\$684.36	\$5,620.58	\$45.62	\$0.00	\$5,666.20	\$268,812.58	\$0.00	\$66,491.32
04-01-2023	\$4,948.56	\$672.02	\$5,620.58	\$44.80	\$0.00	\$5,665.38	\$263,864.02	\$0.00	\$66,491.32
05-01-2023	\$4,960.93	\$659.65	\$5,620.58	\$43.98	\$0.00	\$5,664.55	\$258,903.09	\$0.00	\$66,491.32
06-01-2023	\$4,973.33	\$647.25	\$5,620.58	\$43.15	\$0.00	\$5,663.73	\$253,929.77	\$0.00	\$66,491.32
07-01-2023	\$4,985.77	\$634.81	\$5,620.58	\$42.32	\$0.00	\$5,662.90	\$248,944.00	\$0.00	\$66,491.32
08-01-2023	\$4,998.23	\$622.35	\$5,620.58	\$41.49	\$0.00	\$5,662.07	\$243,945.77	\$0.00	\$66,491.32
09-01-2023	\$5,010.73	\$609.85	\$5,620.58	\$40.66	\$0.00	\$5,661.23	\$238,935.05	\$0.00	\$66,491.32
10-01-2023	\$5,023.25	\$597.33	\$5,620.58	\$39.82	\$0.00	\$5,660.40	\$233,911.80	\$0.00	\$66,491.32
11-01-2023	\$5,035.81	\$584.77	\$5,620.58	\$38.99	\$0.00	\$5,659.56	\$228,875.99	\$0.00	\$66,491.32
12-01-2023	\$5,048.40	\$572.18	\$5,620.58	\$38.15	\$0.00	\$5,658.72	\$223,827.60	\$0.00	\$66,491.32
01-01-2024	\$5,061.02	\$559.56	\$5,620.58	\$37.30	\$0.00	\$5,657.88	\$218,766.58	\$0.00	\$66,491.32
02-01-2024	\$5,073.67	\$546.91	\$5,620.58	\$36.46	\$0.00	\$5,657.04	\$213,692.91	\$0.00	\$66,491.32
03-01-2024	\$5,086.36	\$534.22	\$5,620.58	\$35.62	\$0.00	\$5,656.19	\$208,606.56	\$0.00	\$66,491.32
04-01-2024	\$5,099.07	\$521.51	\$5,620.58	\$34.77	\$0.00	\$5,655.34	\$203,507.49	\$0.00	\$66,491.32
05-01-2024	\$5,111.82	\$508.76	\$5,620.58	\$33.92	\$0.00	\$5,654.49	\$198,395.67	\$0.00	\$66,491.32
06-01-2024	\$5,124.60	\$495.98	\$5,620.58	\$33.07	\$0.00	\$5,653.64	\$193,271.08	\$0.00	\$66,491.32
07-01-2024	\$5,137.41	\$483.17	\$5,620.58	\$32.21	\$0.00	\$5,652.79	\$188,133.67	\$0.00	\$66,491.32
08-01-2024	\$5,150.26	\$470.32	\$5,620.58	\$31.36	\$0.00	\$5,651.93	\$182,983.41	\$0.00	\$66,491.32
09-01-2024	\$5,163.13	\$457.45	\$5,620.58	\$30.50	\$0.00	\$5,651.07	\$177,820.29	\$0.00	\$66,491.32
10-01-2024	\$5,176.04	\$444.54	\$5,620.58	\$29.64	\$0.00	\$5,650.21	\$172,644.25	\$0.00	\$66,491.32
11-01-2024	\$5,188.98	\$431.60	\$5,620.58	\$28.77	\$0.00	\$5,649.35	\$167,455.27	\$0.00	\$66,491.32
12-01-2024	\$5,201.95	\$418.63	\$5,620.58	\$27.91	\$0.00	\$5,648.49	\$162,253.33	\$0.00	\$66,491.32
01-01-2025	\$5,214.96	\$405.62	\$5,620.58	\$27.04	\$0.00	\$5,647.62	\$157,038.37	\$0.00	\$66,491.32
02-01-2025	\$5,227.99	\$392.59	\$5,620.58	\$26.17	\$0.00	\$5,646.75	\$151,810.38	\$0.00	\$66,491.32
03-01-2025	\$5,241.06	\$379.52	\$5,620.58	\$25.30	\$0.00	\$5,645.88	\$146,569.33	\$0.00	\$66,491.32
04-01-2025	\$5,254.17	\$366.41	\$5,620.58	\$24.43	\$0.00	\$5,645.01	\$141,315.16	\$0.00	\$66,491.32
05-01-2025	\$5,267.30	\$353.28	\$5,620.58	\$23.55	\$0.00	\$5,644.13	\$136,047.86	\$0.00	\$66,491.32
06-01-2025	\$5,280.47	\$340.11	\$5,620.58	\$22.67	\$0.00	\$5,643.25	\$130,767.40	\$0.00	\$66,491.32
07-01-2025	\$5,293.67	\$326.91	\$5,620.58	\$21.79	\$0.00	\$5,642.37	\$125,473.73	\$0.00	\$66,491.32
08-01-2025	\$5,306.91	\$313.67	\$5,620.58	\$20.91	\$0.00	\$5,641.49	\$120,166.82	\$0.00	\$66,491.32
09-01-2025	\$5,320.17	\$300.41	\$5,620.58	\$20.03	\$0.00	\$5,640.60	\$114,846.66	\$0.00	\$66,491.32
10-01-2025	\$5,333.47	\$287.11	\$5,620.58	\$19.14	\$0.00	\$5,639.72	\$109,513.19	\$0.00	\$66,491.32
11-01-2025	\$5,346.81	\$273.77	\$5,620.58	\$18.25	\$0.00	\$5,638.83	\$104,166.38	\$0.00	\$66,491.32
12-01-2025	\$5,360.17	\$260.41	\$5,620.58	\$17.36	\$0.00	\$5,637.94	\$98,806.21	\$0.00	\$66,491.32
01-01-2026	\$5,373.57	\$247.01	\$5,620.58	\$16.47	\$0.00	\$5,637.04	\$93,432.65	\$0.00	\$66,491.32
02-01-2026	\$5,387.01	\$233.57	\$5,620.58	\$15.57	\$0.00	\$5,636.15	\$88,045.64	\$0.00	\$66,491.32
03-01-2026	\$5,400.48	\$220.10	\$5,620.58	\$14.67	\$0.00	\$5,635.25	\$82,645.16	\$0.00	\$66,491.32
04-01-2026	\$5,413.98	\$206.60	\$5,620.58	\$13.77	\$0.00	\$5,634.35	\$77,231.19	\$0.00	\$66,491.32

**Kentucky Infrastructure Authority - Loan Amortization Schedule
Martin County Water District - Loan Number B293-02**

Amortization Table									
Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
05-01-2026	\$5,427.51	\$193.07	\$5,620.58	\$12.87	\$0.00	\$5,633.45	\$71,803.68	\$0.00	\$66,491.32
06-01-2026	\$5,441.08	\$179.50	\$5,620.58	\$11.97	\$0.00	\$5,632.54	\$66,362.60	\$0.00	\$66,491.32
07-01-2026	\$5,454.68	\$165.90	\$5,620.58	\$11.06	\$0.00	\$5,631.64	\$60,907.93	\$0.00	\$66,491.32
08-01-2026	\$5,468.32	\$152.26	\$5,620.58	\$10.15	\$0.00	\$5,630.73	\$55,439.61	\$0.00	\$66,491.32
09-01-2026	\$5,481.99	\$138.59	\$5,620.58	\$9.24	\$0.00	\$5,629.82	\$49,957.62	\$0.00	\$66,491.32
10-01-2026	\$5,495.70	\$124.88	\$5,620.58	\$8.33	\$0.00	\$5,628.90	\$44,461.93	\$0.00	\$66,491.32
11-01-2026	\$5,509.44	\$111.14	\$5,620.58	\$7.41	\$0.00	\$5,627.99	\$38,952.49	\$0.00	\$66,491.32
12-01-2026	\$5,523.21	\$97.37	\$5,620.58	\$6.49	\$0.00	\$5,627.07	\$33,429.28	\$0.00	\$66,491.32
01-01-2027	\$5,537.02	\$83.56	\$5,620.58	\$5.57	\$0.00	\$5,626.15	\$27,892.27	\$0.00	\$66,491.32
02-01-2027	\$5,550.86	\$69.72	\$5,620.58	\$4.65	\$0.00	\$5,625.23	\$22,341.41	\$0.00	\$66,491.32
03-01-2027	\$5,564.74	\$55.84	\$5,620.58	\$3.72	\$0.00	\$5,624.30	\$16,776.67	\$0.00	\$66,491.32
04-01-2027	\$5,578.65	\$41.93	\$5,620.58	\$2.80	\$0.00	\$5,623.37	\$11,198.03	\$0.00	\$66,491.32
05-01-2027	\$5,592.59	\$27.99	\$5,620.58	\$1.87	\$0.00	\$5,622.44	\$5,605.44	\$0.00	\$66,491.32
06-01-2027	\$5,605.44	\$15.14	\$5,620.58	\$0.93	\$0.00	\$5,621.51	\$0.00	\$0.00	\$66,491.32
Totals:	\$972,714.23	\$303,157.43	\$1,275,871.66	\$20,210.42	\$0.00	\$1,296,081.39		\$0.00	

KENTUCKY RURAL WATER FINANCE CORPORATION FLEXIBLE TERM FINANCE PROGRAM SERIES 2015 E

Borrower: Martin County Water District
 Closing Date: 05/12/15

Borrower Payment Schedule

Payment Date	Principal	Interest Rate	Interest	Trustee Fees	Total	Fiscal Total
05/12/15						
07/01/15						
01/01/16	30,000.00	2.100%	54,050.96	450.00	84,500.96	
07/01/16			37,249.38		37,249.38	121,750.34
01/01/17	50,000.00	2.100%	37,249.38	450.00	87,699.38	
07/01/17			36,724.38		36,724.38	124,423.76
01/01/18	55,000.00	4.100%	36,724.38	450.00	92,174.38	
07/01/18			35,596.88		35,596.88	127,771.26
01/01/19	55,000.00	4.100%	35,596.88	450.00	91,046.88	
07/01/19			34,469.38		34,469.38	125,516.26
01/01/20	55,000.00	2.100%	34,469.38	450.00	89,919.38	
07/01/20			33,891.88		33,891.88	123,811.26
01/01/21	60,000.00	4.100%	33,891.88	450.00	94,341.88	
07/01/21			32,661.88		32,661.88	127,003.76
01/01/22	60,000.00	4.100%	32,661.88	450.00	93,111.88	
07/01/22			31,431.88		31,431.88	124,543.76
01/01/23	60,000.00	4.100%	31,431.88	450.00	91,881.88	
07/01/23			30,201.88		30,201.88	122,083.76
01/01/24	65,000.00	4.100%	30,201.88	450.00	95,651.88	
07/01/24			28,869.38		28,869.38	124,521.26
01/01/25	65,000.00	3.100%	28,869.38	450.00	94,319.38	
07/01/25			27,861.88		27,861.88	122,181.26
01/01/26	70,000.00	3.100%	27,861.88	450.00	98,311.88	
07/01/26			26,776.88		26,776.88	125,088.76
01/01/27	70,000.00	3.225%	26,776.88	450.00	97,226.88	
07/01/27			25,648.13		25,648.13	122,875.01
01/01/28	75,000.00	3.350%	25,648.13	450.00	101,098.13	
07/01/28			24,391.88		24,391.88	125,490.01
01/01/29	75,000.00	3.600%	24,391.88	450.00	99,841.88	
07/01/29			23,041.88		23,041.88	122,883.76
01/01/30	80,000.00	3.600%	23,041.88	450.00	103,491.88	
07/01/30			21,601.88		21,601.88	125,093.76
01/01/31	80,000.00	3.725%	21,601.88	450.00	102,051.88	
07/01/31			20,111.88		20,111.88	122,163.76
01/01/32	85,000.00	3.725%	20,111.88	450.00	105,561.88	
07/01/32			18,528.75		18,528.75	124,090.63
01/01/33	85,000.00	3.850%	18,528.75	450.00	103,978.75	
07/01/33			16,892.50		16,892.50	120,871.25
01/01/34	90,000.00	3.850%	16,892.50	450.00	107,342.50	
07/01/34			15,160.00		15,160.00	122,502.50
01/01/35	90,000.00	3.850%	15,160.00	450.00	105,610.00	
07/01/35			13,427.50		13,427.50	119,037.50
01/01/36	95,000.00	4.100%	13,427.50	450.00	108,877.50	
07/01/36			11,480.00		11,480.00	120,357.50
01/01/37	70,000.00	4.100%	11,480.00	450.00	81,930.00	
07/01/37			10,045.00		10,045.00	91,975.00
01/01/38	70,000.00	4.100%	10,045.00	450.00	80,495.00	
07/01/38			8,610.00		8,610.00	89,105.00
01/01/39	75,000.00	4.100%	8,610.00	450.00	84,060.00	
07/01/39			7,072.50		7,072.50	91,132.50
01/01/40	80,000.00	4.100%	7,072.50	450.00	87,522.50	
07/01/40			5,432.50		5,432.50	92,955.00
01/01/41	50,000.00	4.100%	5,432.50	450.00	55,882.50	
07/01/41			4,407.50		4,407.50	60,290.00
01/01/42	50,000.00	4.100%	4,407.50	450.00	54,857.50	
07/01/42			3,382.50		3,382.50	58,240.00
01/01/43	55,000.00	4.100%	3,382.50	450.00	58,832.50	
07/01/43			2,255.00		2,255.00	61,087.50
01/01/44	55,000.00	4.100%	2,255.00	450.00	57,705.00	
07/01/44			1,127.50		1,127.50	58,832.50
01/01/45	55,000.00	4.100%	1,127.50	450.00	56,577.50	
Totals	<u>2,010,000.00</u>		<u>1,230,756.12</u>	<u>13,500.00</u>	<u>3,254,256.12</u>	<u>3,254,256.12</u>

**KRWFC Flexible Term Program Series 2015 E
Sinking Fund Payment Schedule**

**Borrower: Martin County Water District
Closing Date: 05/12/15**

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
6/15-1/16	3,750.00	6,756.37	10,506.37
2/16-7/16	4,166.67	6,208.23	10,374.90
8/16-1/17	4,166.67	6,208.23	10,374.90
2/17-7/17	4,583.33	6,120.73	10,704.06
8/17-1/18	4,583.33	6,120.73	10,704.06
2/18-7/18	4,583.33	5,932.81	10,516.15
8/18-1/19	4,583.33	5,932.81	10,516.15
2/19-7/19	4,583.33	5,744.90	10,328.23
8/19-1-20	4,583.33	5,744.90	10,328.23
2/20-7/20	5,000.00	5,648.65	10,648.65
8/20-1/21	5,000.00	5,648.65	10,648.65
2/21-7/21	5,000.00	5,443.65	10,443.65
8/21-1/22	5,000.00	5,443.65	10,443.65
2/22-7/22	5,000.00	5,238.65	10,238.65
8/22-1/23	5,000.00	5,238.65	10,238.65
2/23-7/23	5,416.67	5,033.65	10,450.31
8/23-1/24	5,416.67	5,033.65	10,450.31
2/24-7/24	5,416.67	4,811.56	10,228.23
8/24-1/25	5,416.67	4,811.56	10,228.23
2/25-7/25	5,833.33	4,643.65	10,476.98
8/25-1/26	5,833.33	4,643.65	10,476.98
2/26-7/26	5,833.33	4,462.81	10,296.15
8/26-1/27	5,833.33	4,462.81	10,296.15
2/27-7/27	6,250.00	4,274.69	10,524.69
8/27-1/28	6,250.00	4,274.69	10,524.69
2/28-7/28	6,250.00	4,065.31	10,315.31
8/28-1/29	6,250.00	4,065.31	10,315.31
2/29-7/29	6,666.67	3,840.31	10,506.98
8/29-1/30	6,666.67	3,840.31	10,506.98
2/30-7/30	6,666.67	3,600.31	10,266.98
8/30-2/31	6,666.67	3,600.31	10,266.98
2/31-7/31	7,083.33	3,351.98	10,435.31
8/31-1/32	7,083.33	3,351.98	10,435.31
2/32-7/32	7,083.33	3,088.13	10,171.46
8/32-1/33	7,083.33	3,088.13	10,171.46
2/33-7/33	7,500.00	2,815.42	10,315.42
8/33-1/34	7,500.00	2,815.42	10,315.42
2/34-7/34	7,500.00	2,526.67	10,026.67
8/34-1/35	7,500.00	2,526.67	10,026.67
2/35-7/35	7,916.67	2,237.92	10,154.58
8/35-1/36	7,916.67	2,237.92	10,154.58
2/36-7/36	5,833.33	1,913.33	7,746.67
8/36-1/37	5,833.33	1,913.33	7,746.67
2/37-7/37	5,833.33	1,674.17	7,507.50
8/37-1/38	5,833.33	1,674.17	7,507.50
2/38-7/38	6,250.00	1,435.00	7,685.00
8/38-1/39	6,250.00	1,435.00	7,685.00
2/39-7/39	6,666.67	1,178.75	7,845.42
8/39-1/40	6,666.67	1,178.75	7,845.42
2/40-7/40	4,166.67	905.42	5,072.08
8/40-1/41	4,166.67	905.42	5,072.08
2/41-7/41	4,166.67	734.58	4,901.25
8/41-1/42	4,166.67	734.58	4,901.25
2/42-7/42	4,583.33	563.75	5,147.08
8/42-1/43	4,583.33	563.75	5,147.08
2/43-7/43	4,583.33	375.83	4,959.17
8/43-1/44	4,583.33	375.83	4,959.17
2/44-7/44	4,583.33	187.92	4,771.25
8/44-1/45	4,583.33	187.92	4,771.25
	<u>2,010,000.00</u>	<u>1,230,756.12</u>	<u>3,240,756.12</u>

\$2,010,000

Kentucky Rural Water Finance Corporation
Public Projects Refunding Revenue Bonds, Series 2015 E
Martin County Water District

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/01/2016	Serial Coupon	2.100%	0.950%	30,000.00	100.821%	30,246.30
02/01/2017	Serial Coupon	2.100%	1.400%	50,000.00	101.184%	50,592.00
02/01/2018	Serial Coupon	4.100%	1.600%	55,000.00	106.624%	58,643.20
02/01/2019	Serial Coupon	4.100%	1.850%	55,000.00	108.049%	59,426.95
02/01/2020	Serial Coupon	2.100%	2.100%	55,000.00	100.000%	55,000.00
02/01/2021	Serial Coupon	4.100%	2.300%	60,000.00	109.592%	65,755.20
02/01/2022	Serial Coupon	4.100%	2.500%	60,000.00	109.837%	65,902.20
02/01/2023	Serial Coupon	4.100%	2.650%	60,000.00	110.059%	66,035.40
02/01/2024	Serial Coupon	4.100%	2.850%	65,000.00	109.586%	71,230.90
02/01/2025	Serial Coupon	3.100%	3.100%	65,000.00	100.000%	65,000.00
02/01/2026	Serial Coupon	3.100%	3.250%	70,000.00	98.648%	69,053.60
02/01/2027	Serial Coupon	3.225%	3.350%	70,000.00	98.793%	69,155.10
02/01/2028	Serial Coupon	3.350%	3.450%	75,000.00	98.973%	74,229.75
02/01/2030	Term 1 Coupon	3.600%	3.600%	155,000.00	100.000%	155,000.00
02/01/2032	Term 2 Coupon	3.725%	3.850%	165,000.00	98.465%	162,467.25
02/01/2035	Term 3 Coupon	3.850%	4.000%	265,000.00	97.962%	259,599.30
02/01/2045	Term 4 Coupon	4.100%	4.100%	655,000.00	100.000%	655,000.00
Total	-	-	-	\$2,010,000.00	-	\$2,032,337.15

Bid Information

Par Amount of Bonds	\$2,010,000.00
Reoffering Premium or (Discount)	22,363.40
Gross Production	\$2,032,363.40
Total Underwriter's Discount (1.597%)	\$(32,099.70)
Bid (99.514%)	2,000,263.70
Total Purchase Price	\$2,000,263.70
Bond Year Dollars	\$31,701.08
Average Life	15.772 Years
Average Coupon	3.8823787%
Net Interest Cost (NIC)	3.9131744%
True Interest Cost (TIC)	3.8997856%

RAYMOND JAMES®

April 30, 2015

Mr. John Mills c/o Lauren Gauze
Martin County Utility Board
387 East Main Street, Suite 140
Inez, Kentucky 42114

Sent via Electronic Mail

RE: Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds, Series 2015 E

Dear Mr. Mills:

The purpose of this summary letter is to confirm and itemize the proceeds Martin County Water District (the "Water District") \$2,010,000 loan through the Kentucky Rural Water Finance Corporation ("KRWFC") and to outline the procedure on how to make future bond payments.

Project and Loan Sizing

This loan was issued to refund the Water District's Rural Development outlined below. The component costs funded by the loan are itemized below:

Payoff of the Prior Bonds:	\$2,002,619.84
Underwriting Expenses:	32,099.70
Cost of Issuance Expenses:	35,150.00
Reoffering Premium	(22,363.40)
Sinking Fund transfer	(42,101.25)
Rounding Amount:	<u>4,595.11</u>
Loan Amount:	\$2,010,000.00

The transaction will close on May 12th, and a check will be cut and overnighted to the Morehead Area Rural Development ("RD") office for receipt by May 14th. On that date, the prior RD bonds will be fully defeased. A listing of the payoffs for each bond issue is below:

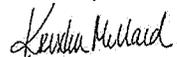
	Principal	Interest	Total
Loan 91-01	\$411,000	\$6,739.27	\$417,739.27
Loan 91-05	\$493,000	\$8,083.90	\$501,083.90
Loan 91-08	\$844,000	\$13,618.45	\$857,618.45
Loan 91-10	\$222,713.74	\$3,388.67	<u>\$226,178.22</u>
Total:			\$2,002,619.84

Annual Reports

Under the Assistance Agreement, you have agreed to provide audited financial statements and other financial information as requested within 120 days of the completion of a fiscal year. This is a requirement that Standard and Poor's imposes on Kentucky Rural Water Finance Corporation's program.

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

Sincerely,



Kristen Millard

Enclosures

cc: Ms. Melissa Ragsdale-Bloom, Regions Bank
Mr. Gary Larimore, Kentucky Rural Water Finance Corporation
Mr. Damon Talley

Kentucky Association of Counties - 2004 Pool

EXHIBIT B - SCHEDULE OF BASE RENTALS

Martin County #2 - Equipment

Variable Rate Lease (Closing) REV 11-2011

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Adjustment Description	Total Base Rental **	Total Annual Debt Service	Lease Balance
			1.00% Admin (30/360)	Total Fiduciary (30/360)	Credit (Act/Act)	0.00% Liquidity (Act/Act)	0.10% Remktg (30/360)					
7/7/2005	<-Lease Closing Date											\$200,000.00
8/20/2005	- #	1,304.11	75.00	-	124.25	-	-			1,503.36		\$200,000.00
9/20/2005	- #	698.63	41.67	-	66.56	-	-			806.86		\$200,000.00
10/20/2005	- #	721.92	41.67	-	68.78	-	-			832.37		\$200,000.00
11/20/2005	- #	698.63	41.67	-	66.56	-	-			806.86		\$200,000.00
12/20/2005	- #	721.92	41.67	-	68.78	-	-			832.37		\$200,000.00
1/20/2006	- #	721.92	41.67	-	68.78	-	-			832.37		\$200,000.00
2/20/2006	- #	652.05	41.67	-	62.13	-	-			755.85		\$200,000.00
3/20/2006	5,000.00 #	721.92	41.67	-	68.78	-	-			5,832.37		\$195,000.00
4/20/2006	- #	681.16	40.63	-	64.90	-	-			786.69		\$195,000.00
5/20/2006	- #	703.87	40.63	-	67.06	-	-			811.56		\$195,000.00
6/20/2006	- #	681.16	40.63	-	64.90	-	-			786.69	14,587.35	\$195,000.00
7/20/2006	- #	703.87	40.63	-	67.06	-	-	(\$670.57) Credit Acq Acct	(529.58)			\$195,000.00
8/20/2006	- #	703.87	40.63	-	67.06	-	-			811.56		\$195,000.00
9/20/2006	- #	681.16	40.63	-	64.90	-	-			786.69		\$195,000.00
10/20/2006	- #	703.87	40.63	-	67.06	-	-	(\$1.87) Credit Acq Acct		807.82		\$195,000.00
11/20/2006	- #	681.16	40.63	-	64.90	-	-			786.69		\$195,000.00
12/20/2006	- #	703.87	40.63	-	67.06	-	-			811.56		\$195,000.00
1/20/2007	- #	703.87	40.63	-	67.06	-	-			811.56		\$195,000.00
2/20/2007	- #	635.75	40.63	-	60.57	-	-			736.95		\$195,000.00
3/20/2007	5,000.00 #	703.87	40.63	-	67.06	-	-			5,811.56		\$190,000.00
4/20/2007	- #	661.89	39.58	-	63.06	-	-			764.53		\$190,000.00
5/20/2007	- #	683.95	39.58	-	65.17	-	-			788.70		\$190,000.00
6/20/2007	- #	661.89	39.58	-	63.06	-	-			764.53	13,152.57	\$190,000.00
7/20/2007	- #	683.95	39.58	-	65.17	-	-			788.70		\$190,000.00
8/20/2007	- #	683.95	39.58	-	65.17	-	-			788.70		\$190,000.00
9/20/2007	- #	661.89	39.58	-	63.06	-	-			764.53		\$190,000.00
10/20/2007	- #	683.95	39.58	-	65.17	-	-			788.70		\$190,000.00
11/20/2007	- #	661.89	39.58	19.17	63.06	-	17.68			801.38		\$190,000.00
12/20/2007	- #	683.95	39.58	19.17	65.17	-	17.68			825.55		\$190,000.00
1/20/2008	- #	683.95	39.58	19.17	65.17	-	17.68			825.55		\$190,000.00
2/20/2008	- #	639.82	39.58	19.17	60.96	-	17.68			777.21		\$190,000.00
3/20/2008	5,000.00 #	683.95	39.58	19.17	65.17	-	17.68			5,825.55		\$185,000.00
4/20/2008	- #	646.23	38.54	19.17	61.57	-	17.27			782.78		\$185,000.00

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Adjustment Description	Total Base Rental **	Total Annual Debt Service	Lease Balance
			1.00%	Total		0.00%	0.10%					
			Admin (30/360)	Fiduciary (30/360)	Credit (Act/Act)	Liquidity (Act/Act)	Remktg (30/360)					
5/20/2008	-	#	471.37	38.54	19.17	63.62	-	17.27		609.97		\$185,000.00
6/20/2008	-	#	456.16	38.54	19.17	61.57	-	17.27		592.71	14,171.33	\$185,000.00
7/20/2008	-	#	471.37	38.54	19.17	63.62	-	17.27		609.97		\$185,000.00
8/20/2008	-	#	471.37	38.54	19.17	63.62	-	17.27		609.97		\$185,000.00
9/20/2008	-	#	456.16	38.54	19.17	61.57	-	17.27		592.71		\$185,000.00
10/20/2008	-	#	471.37	38.54	19.17	63.62	-	17.27		609.97		\$185,000.00
11/20/2008	-	#	456.16	38.54	19.17	61.57	-	17.27		592.71		\$185,000.00
12/20/2008	-	#	471.37	38.54	19.17	63.62	-	17.27		609.97		\$185,000.00
1/20/2009	-	#	471.37	38.54	19.17	63.62	-	17.27		609.97		\$185,000.00
2/20/2009	-	#	425.75	38.54	19.17	57.47	-	17.27		558.20		\$185,000.00
3/20/2009	5,000.00	#	471.37	38.54	19.17	63.62	-	17.27		5,609.97		\$180,000.00
4/20/2009	-	#	443.84	37.50	19.17	59.91	-	16.85		577.27		\$180,000.00
5/20/2009	-	#	458.63	37.50	19.17	61.90	-	16.85		594.05		\$180,000.00
6/20/2009	-	#	443.84	37.50	19.17	59.91	-	16.85		577.27	12,152.03	\$180,000.00
7/20/2009	-		282.82	156.04	19.17	119.17	-	16.85		594.05		\$180,000.00
8/20/2009	-		282.82	156.04	19.17	119.17	-	16.85		594.05		\$180,000.00
9/20/2009	-		273.70	150.00	19.17	115.32	-	16.85		575.04		\$180,000.00
10/20/2009	-		282.82	150.00	19.17	119.17	-	16.85		588.01		\$180,000.00
11/20/2009	-		273.70	150.00	19.17	115.32	-	16.85		575.04		\$180,000.00
12/20/2009	-		282.82	150.00	19.17	119.17	-	16.85		588.01		\$180,000.00
1/20/2010	-		282.82	150.00	19.17	170.24	-	16.85		639.08		\$180,000.00
2/20/2010	-		255.45	150.00	19.17	153.76	-	16.85		595.23		\$180,000.00
3/20/2010	5,000.00		282.82	150.00	19.17	170.24	-	16.85		5,639.08		\$175,000.00
4/20/2010	-		266.10	145.83	19.17	160.17	-	16.43		607.70		\$175,000.00
5/20/2010	-		274.97	145.83	19.17	165.51	-	16.43		621.91		\$175,000.00
6/20/2010	-		266.10	145.83	19.17	160.17	-	16.43		607.70	12,224.90	\$175,000.00
7/20/2010	-		274.97	145.83	19.17	165.51	-	16.43		621.91		\$175,000.00
8/20/2010	-		274.97	145.83	19.17	165.51	-	16.43		621.91		\$175,000.00
9/20/2010	-		266.10	145.83	19.17	160.17	-	16.43		607.70		\$175,000.00
10/20/2010	-		274.97	145.83	19.17	165.51	-	16.43	31.38 underpd March i	653.29		\$175,000.00
11/20/2010	-		266.10	145.83	19.17	160.17	-	16.43		607.70		\$175,000.00
12/20/2010	-		274.97	145.83	19.17	165.51	-	16.43		621.91		\$175,000.00
1/20/2011	-		274.97	145.83	19.17	188.08	-	16.43		644.48		\$175,000.00
2/20/2011	-		248.36	145.83	19.17	169.88	-	16.43		599.67		\$175,000.00
3/20/2011	5,000.00		274.97	145.83	19.17	188.08	-	16.43		5,644.48		\$170,000.00
4/20/2011	-		257.79	141.67	19.17	176.33	-	16.02		610.98		\$170,000.00
5/20/2011	-		266.38	141.67	19.17	182.21	-	16.02		625.45		\$170,000.00
6/20/2011	-		257.79	141.67	19.17	176.33	-	16.02		610.98	12,470.46	\$170,000.00
7/20/2011	-		266.38	141.67	19.17	182.21	-	16.02		625.45		\$170,000.00
8/20/2011	-		266.38	141.67	19.17	182.21	-	16.02		625.45		\$170,000.00
9/20/2011	-		257.79	141.67	19.17	176.33	-	16.02		610.98		\$170,000.00
10/20/2011	-		266.38	141.67	19.17	182.21	-	16.02		625.45		\$170,000.00
11/20/2011	3,778.04		257.79	141.67	19.17	176.33	-	16.02		4,389.02		\$166,221.96

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Adjustment Description	Total Base Rental **	Total Annual Debt Service	Lease Balance
			1.00%	Total		0.00%	0.10%					
			Admin	Fiduciary	Credit	Liquidity	Remktg					
		4.250%	(30/360)	(30/360)	(Act/Act)	(Act/Act)	(30/360)					
12/20/2011	-	260.46	138.52	19.17	178.16	-	15.70		612.01		\$166,221.96	
1/20/2012	-	260.46	138.52	19.17	178.16	-	15.70		612.01		\$166,221.96	
2/20/2012	-	243.66	138.52	19.17	166.66	-	15.70		583.71		\$166,221.96	
3/20/2012	10,000.00	260.46	138.52	19.17	178.16	-	15.70		10,612.01		\$156,221.96	
4/20/2012	-	237.54	130.18	19.17	162.48	-	14.87		564.24		\$156,221.96	
5/20/2012	-	245.46	130.18	19.17	167.90	-	14.87		577.58		\$156,221.96	
6/20/2012	-	237.54	130.18	19.17	162.48	-	14.87		564.24	21,002.15	\$156,221.96	
7/20/2012	-	245.46	130.18	19.17	167.90	-	14.87		577.58		\$156,221.96	
8/20/2012	-	245.46	130.18	19.17	167.90	-	14.87		577.58		\$156,221.96	
9/20/2012	-	237.54	130.18	19.17	162.48	-	14.87		564.24		\$156,221.96	
10/20/2012	-	245.46	130.18	19.17	167.90	-	14.87		577.58		\$156,221.96	
11/20/2012	-	237.54	130.18	19.17	162.48	-	14.87		564.24		\$156,221.96	
12/20/2012	-	245.46	130.18	19.17	167.90	-	14.87		577.58		\$156,221.96	
1/20/2013	-	245.46	130.18	19.17	167.90	-	14.87		577.58		\$156,221.96	
2/20/2013	-	221.71	130.18	19.17	151.65	-	14.87		537.58		\$156,221.96	
3/20/2013	10,000.00	245.46	130.18	19.17	167.90	-	14.87		10,577.58		\$146,221.96	
4/20/2013	-	222.34	121.85	19.17	152.08	-	14.04		529.48		\$146,221.96	
5/20/2013	-	229.75	121.85	19.17	157.15	-	14.04		541.96		\$146,221.96	
6/20/2013	-	222.34	121.85	19.17	152.08	-	14.04		529.48	16,732.46	\$146,221.96	
7/20/2013	-	229.75	121.85	19.17	157.15	-	14.04		541.96		\$146,221.96	
8/20/2013	-	229.75	121.85	19.17	157.15	-	14.04		541.96		\$146,221.96	
9/20/2013	-	222.34	121.85	19.17	152.08	-	14.04		529.48		\$146,221.96	
10/20/2013	-	229.75	121.85	19.17	157.15	-	14.04		541.96		\$146,221.96	
11/20/2013	-	222.34	121.85	19.17	152.08	-	14.04		529.48		\$146,221.96	
12/20/2013	-	229.75	121.85	19.17	157.15	-	14.04		541.96		\$146,221.96	
1/20/2014	-	229.75	121.85	19.17	157.15	-	14.04		541.96		\$146,221.96	
2/20/2014	-	207.52	121.85	19.17	141.94	-	14.04		504.52		\$146,221.96	
3/20/2014	10,000.00	229.75	121.85	19.17	157.15	-	14.04		10,541.96		\$136,221.96	
4/20/2014	-	207.13	113.52	19.17	141.68	-	13.20		494.70		\$136,221.96	
5/20/2014	-	214.04	113.52	19.17	146.40	-	13.20		506.33		\$136,221.96	
6/20/2014	-	207.13	113.52	19.17	141.68	-	13.20		494.70	16,310.97	\$136,221.96	
7/20/2014	-	214.04	113.52	19.17	146.40	-	13.20		506.33		\$136,221.96	
8/20/2014	-	214.04	113.52	19.17	146.40	-	13.20		506.33		\$136,221.96	
9/20/2014	-	207.13	113.52	19.17	141.68	-	13.20		494.70		\$136,221.96	
10/20/2014	-	214.04	113.52	19.17	146.40	-	13.20		506.33		\$136,221.96	
11/20/2014	-	207.13	113.52	19.17	141.68	-	13.20		494.70		\$136,221.96	
12/20/2014	-	214.04	113.52	19.17	146.40	-	13.20		506.33		\$136,221.96	
1/20/2015	-	214.04	113.52	19.17	146.40	-	13.20		506.33		\$136,221.96	
2/20/2015	-	193.32	113.52	19.17	132.23	-	13.20		471.44		\$136,221.96	
3/20/2015	10,000.00	214.04	113.52	19.17	146.40	-	13.20		10,506.33		\$126,221.96	
4/20/2015	-	191.40	105.18	19.17	130.92	-	12.37		459.04		\$126,221.96	
5/20/2015	-	197.78	105.18	19.17	135.28	-	12.37		469.78		\$126,221.96	
6/20/2015	-	191.40	105.18	19.17	130.92	-	12.37		459.04	15,886.68	\$126,221.96	

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Adjustment Description	Total Base Rental **	Total Annual Debt Service	Lease Balance
			1.00%	Total		0.00%	0.10%					
			Admin	Fiduciary	Credit	Liquidity	Remktg					
		4.250%	(30/360)	(30/360)	(Act/Act)	(Act/Act)	(30/360)					
7/20/2015	-	197.78	105.18	19.17	135.28	-	12.37		469.78		\$126,221.96	
8/20/2015	-	197.78	105.18	19.17	135.28	-	12.37		469.78		\$126,221.96	
9/20/2015	-	191.40	105.18	19.17	130.92	-	12.37		459.04		\$126,221.96	
10/20/2015	-	197.78	105.18	19.17	135.28	-	12.37		469.78		\$126,221.96	
11/20/2015	-	191.40	105.18	19.17	130.92	-	12.37		459.04		\$126,221.96	
12/20/2015	-	197.78	105.18	19.17	135.28	-	12.37		469.78		\$126,221.96	
1/20/2016	-	197.78	105.18	19.17	135.28	-	12.37		469.78		\$126,221.96	
2/20/2016	-	185.02	105.18	19.17	126.56	-	12.37		448.30		\$126,221.96	
3/20/2016	10,000.00	197.78	105.18	19.17	135.28	-	12.37		10,469.78		\$116,221.96	
4/20/2016	-	176.72	96.85	19.17	120.88	-	11.54		425.16		\$116,221.96	
5/20/2016	-	182.61	96.85	19.17	124.91	-	11.54		435.08		\$116,221.96	
6/20/2016	-	176.72	96.85	19.17	120.88	-	11.54		425.16	15,470.46	\$116,221.96	
7/20/2016	-	182.61	96.85	19.17	124.91	-	11.54		435.08		\$116,221.96	
8/20/2016	-	182.61	96.85	19.17	124.91	-	11.54		435.08		\$116,221.96	
9/20/2016	-	176.72	96.85	19.17	120.88	-	11.54		425.16		\$116,221.96	
10/20/2016	-	182.61	96.85	19.17	124.91	-	11.54		435.08		\$116,221.96	
11/20/2016	-	176.72	96.85	19.17	120.88	-	11.54		425.16		\$116,221.96	
12/20/2016	-	182.61	96.85	19.17	124.91	-	11.54		435.08		\$116,221.96	
1/20/2017	-	182.61	96.85	19.17	124.91	-	11.54		435.08		\$116,221.96	
2/20/2017	-	164.94	96.85	19.17	112.82	-	11.54		405.32		\$116,221.96	
3/20/2017	10,000.00	182.61	96.85	19.17	124.91	-	11.54		10,435.08		\$106,221.96	
4/20/2017	-	161.52	88.52	19.17	110.48	-	10.70		390.39		\$106,221.96	
5/20/2017	-	166.90	88.52	19.17	114.16	-	10.70		399.45		\$106,221.96	
6/20/2017	-	161.52	88.52	19.17	110.48	-	10.70		390.39	15,046.35	\$106,221.96	
7/20/2017	-	166.90	88.52	19.17	114.16	-	10.70		399.45		\$106,221.96	
8/20/2017	-	166.90	88.52	19.17	114.16	-	10.70		399.45		\$106,221.96	
9/20/2017	-	161.52	88.52	19.17	110.48	-	10.70		390.39		\$106,221.96	
10/20/2017	-	166.90	88.52	19.17	114.16	-	10.70		399.45		\$106,221.96	
11/20/2017	-	161.52	88.52	19.17	110.48	-	10.70		390.39		\$106,221.96	
12/20/2017	-	166.90	88.52	19.17	114.16	-	10.70		399.45		\$106,221.96	
1/20/2018	-	166.90	88.52	19.17	114.16	-	10.70		399.45		\$106,221.96	
2/20/2018	-	150.75	88.52	19.17	103.11	-	10.70		372.25		\$106,221.96	
3/20/2018	10,000.00	166.90	88.52	19.17	114.16	-	10.70		10,399.45		\$96,221.96	
4/20/2018	-	146.31	80.18	19.17	100.08	-	9.87		355.61		\$96,221.96	
5/20/2018	-	151.19	80.18	19.17	103.41	-	9.87		363.82		\$96,221.96	
6/20/2018	-	146.31	80.18	19.17	100.08	-	9.87		355.61	14,624.77	\$96,221.96	
7/20/2018	-	151.19	80.18	19.17	103.41	-	9.87		363.82		\$96,221.96	
8/20/2018	-	151.19	80.18	19.17	103.41	-	9.87		363.82		\$96,221.96	
9/20/2018	-	146.31	80.18	19.17	100.08	-	9.87		355.61		\$96,221.96	
10/20/2018	-	151.19	80.18	19.17	103.41	-	9.87		363.82		\$96,221.96	
11/20/2018	-	146.31	80.18	19.17	100.08	-	9.87		355.61		\$96,221.96	
12/20/2018	-	151.19	80.18	19.17	103.41	-	9.87		363.82		\$96,221.96	
1/20/2019	-	151.19	80.18	19.17	103.41	-	9.87		363.82		\$96,221.96	

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Adjustment Description	Total Base Rental **	Total Annual Debt Service	Lease Balance
			1.00%	Total		0.00%	0.10%					
			Admin	Fiduciary	Credit	Liquidity	Remktg					
		4.250%	(30/360)	(30/360)	(Act/Act)	(Act/Act)	(30/360)					
2/20/2019	-	136.56	80.18	19.17	93.41	-	9.87		339.19		\$96,221.96	
3/20/2019	10,000.00	151.19	80.18	19.17	103.41	-	9.87		10,363.82		\$86,221.96	
4/20/2019	-	130.75	71.85	19.17	89.43	-	9.04		320.24		\$86,221.96	
5/20/2019	-	135.10	71.85	19.17	92.41	-	9.04		327.57		\$86,221.96	
6/20/2019	-	130.75	71.85	19.17	89.43	-	9.04		320.24	14,201.38	\$86,221.96	
7/20/2019	-	135.10	71.85	19.17	92.41	-	9.04		327.57		\$86,221.96	
8/20/2019	-	135.10	71.85	19.17	92.41	-	9.04		327.57		\$86,221.96	
9/20/2019	-	130.75	71.85	19.17	89.43	-	9.04		320.24		\$86,221.96	
10/20/2019	-	135.10	71.85	19.17	92.41	-	9.04		327.57		\$86,221.96	
11/20/2019	-	130.75	71.85	19.17	89.43	-	9.04		320.24		\$86,221.96	
12/20/2019	-	135.10	71.85	19.17	92.41	-	9.04		327.57		\$86,221.96	
1/20/2020	-	135.10	71.85	19.17	92.41	-	9.04		327.57		\$86,221.96	
2/20/2020	-	126.39	71.85	19.17	86.45	-	9.04		312.90		\$86,221.96	
3/20/2020	15,000.00	135.10	71.85	19.17	92.41	-	9.04		15,327.57		\$71,221.96	
4/20/2020	-	108.30	59.35	19.17	74.08	-	7.79		268.69		\$71,221.96	
5/20/2020	-	111.91	59.35	19.17	76.54	-	7.79		274.76		\$71,221.96	
6/20/2020	-	108.30	59.35	19.17	74.08	-	7.79		268.69	18,730.94	\$71,221.96	
7/20/2020	-	111.91	59.35	19.17	76.54	-	7.79		274.76		\$71,221.96	
8/20/2020	-	111.91	59.35	19.17	76.54	-	7.79		274.76		\$71,221.96	
9/20/2020	-	108.30	59.35	19.17	74.08	-	7.79		268.69		\$71,221.96	
10/20/2020	-	111.91	59.35	19.17	76.54	-	7.79		274.76		\$71,221.96	
11/20/2020	-	108.30	59.35	19.17	74.08	-	7.79		268.69		\$71,221.96	
12/20/2020	-	111.91	59.35	19.17	76.54	-	7.79		274.76		\$71,221.96	
1/20/2021	-	111.91	59.35	19.17	76.54	-	7.79		274.76		\$71,221.96	
2/20/2021	-	101.08	59.35	19.17	69.14	-	7.79		256.53		\$71,221.96	
3/20/2021	15,000.00	111.91	59.35	19.17	76.54	-	7.79		15,274.76		\$56,221.96	
4/20/2021	-	85.49	46.85	19.17	58.47	-	6.54		216.52		\$56,221.96	
5/20/2021	-	88.34	46.85	19.17	60.42	-	6.54		221.32		\$56,221.96	
6/20/2021	-	85.49	46.85	19.17	58.47	-	6.54		216.52	18,096.83	\$56,221.96	
7/20/2021	-	88.34	46.85	19.17	60.42	-	6.54		221.32		\$56,221.96	
8/20/2021	-	88.34	46.85	19.17	60.42	-	6.54		221.32		\$56,221.96	
9/20/2021	-	85.49	46.85	19.17	58.47	-	6.54		216.52		\$56,221.96	
10/20/2021	-	88.34	46.85	19.17	60.42	-	6.54		221.32		\$56,221.96	
11/20/2021	-	85.49	46.85	19.17	58.47	-	6.54		216.52		\$56,221.96	
12/20/2021	-	88.34	46.85	19.17	60.42	-	6.54		221.32		\$56,221.96	
1/20/2022	-	88.34	46.85	19.17	60.42	-	6.54		221.32		\$56,221.96	
2/20/2022	-	79.79	46.85	19.17	54.58	-	6.54		206.93		\$56,221.96	
3/20/2022	15,000.00	88.34	46.85	19.17	60.42	-	6.54		15,221.32		\$41,221.96	
4/20/2022	-	62.68	34.35	19.17	42.87	-	5.29		164.36		\$41,221.96	
5/20/2022	-	64.77	34.35	19.17	44.30	-	5.29		167.88		\$41,221.96	
6/20/2022	-	62.68	34.35	19.17	42.87	-	5.29		164.36	17,464.49	\$41,221.96	
7/20/2022	-	64.77	34.35	19.17	44.30	-	5.29		167.88		\$41,221.96	
8/20/2022	-	64.77	34.35	19.17	44.30	-	5.29		167.88		\$41,221.96	

Date	Base Rental Principal	Base Rental Interest *	Fees					Adjustments	Adjustment Description	Total Base Rental **	Total Annual Debt Service	Lease Balance
			1.00%	Total		0.00%	0.10%					
			Admin	Fiduciary	Credit	Liquidity	Remktg					
		4.250%	(30/360)	(30/360)	(Act/Act)	(Act/Act)	(30/360)					
9/20/2022	-	62.68	34.35	19.17	42.87	-	5.29		164.36		\$41,221.96	
10/20/2022	-	64.77	34.35	19.17	44.30	-	5.29		167.88		\$41,221.96	
11/20/2022	-	62.68	34.35	19.17	42.87	-	5.29		164.36		\$41,221.96	
12/20/2022	-	64.77	34.35	19.17	44.30	-	5.29		167.88		\$41,221.96	
1/20/2023	-	64.77	34.35	19.17	44.30	-	5.29		167.88		\$41,221.96	
2/20/2023	-	58.50	34.35	19.17	40.02	-	5.29		157.33		\$41,221.96	
3/20/2023	15,000.00	64.77	34.35	19.17	44.30	-	5.29		15,167.88		\$26,221.96	
4/20/2023	-	39.76	21.85	19.17	27.20	-	4.04		112.02		\$26,221.96	
5/20/2023	-	41.09	21.85	19.17	28.10	-	4.04		114.25		\$26,221.96	
6/20/2023	-	39.76	21.85	19.17	27.20	-	4.04		112.02	16,831.62	\$26,221.96	
7/20/2023	-	41.09	21.85	19.17	28.10	-	4.04		114.25		\$26,221.96	
8/20/2023	-	41.09	21.85	19.17	28.10	-	4.04		114.25		\$26,221.96	
9/20/2023	-	39.76	21.85	19.17	27.20	-	4.04		112.02		\$26,221.96	
10/20/2023	-	41.09	21.85	19.17	28.10	-	4.04		114.25		\$26,221.96	
11/20/2023	-	39.76	21.85	19.17	27.20	-	4.04		112.02		\$26,221.96	
12/20/2023	-	41.09	21.85	19.17	28.10	-	4.04		114.25		\$26,221.96	
1/20/2024	-	41.09	21.85	19.17	28.10	-	4.04		114.25		\$26,221.96	
2/20/2024	-	38.44	21.85	19.17	26.29	-	4.04		109.79		\$26,221.96	
3/20/2024	15,000.00	41.09	21.85	19.17	28.10	-	4.04		15,114.25		\$11,221.96	
4/20/2024	-	17.06	9.35	19.17	11.67	-	2.79		60.04		\$11,221.96	
5/20/2024	-	17.63	9.35	19.17	12.06	-	2.79		61.00		\$11,221.96	
6/20/2024	-	17.06	9.35	19.17	11.67	-	2.79		60.04	16,200.41	\$11,221.96	
7/20/2024	-	17.63	9.35	19.17	12.06	-	2.79		61.00		\$11,221.96	
8/20/2024	-	17.63	9.35	19.17	12.06	-	2.79		61.00		\$11,221.96	
9/20/2024	-	17.06	9.35	19.17	11.67	-	2.79		60.04		\$11,221.96	
10/20/2024	-	17.63	9.35	19.17	12.06	-	2.79		61.00		\$11,221.96	
11/20/2024	-	17.06	9.35	19.17	11.67	-	2.79		60.04		\$11,221.96	
12/20/2024	-	17.63	9.35	19.17	12.06	-	2.79		61.00		\$11,221.96	
1/20/2025	-	17.63	9.35	19.17	12.06	-	2.79		61.00		\$11,221.96	
2/20/2025	-	15.93	9.35	19.17	10.89	-	2.79		58.13		\$11,221.96	
3/20/2025	11,221.96	17.63	9.35	19.17	12.06	-	2.79		11,282.96	11,766.17	\$0.00	
	<u>200,000.00</u>	<u>60,302.95</u>	<u>18,462.23</u>	<u>4,006.53</u>	<u>23,315.19</u>	<u>-</u>	<u>2,350.92</u>	<u>(641.06)</u>	<u>307,124.32</u>	<u>307,124.32</u>		

Computed at prior interest rate(s)

* All-in Yield (discount used to PV all pmts to net proceeds) of 4.457%, with assumed interest rate of 1.850%

Assumed LOC Rate of 1.10% through 12/31/10, then 1.25% (subject to change)

96,221.96 14,903.38

111,125.34

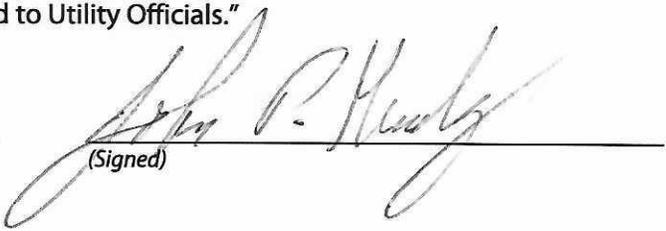
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

John P. Hensley
(Print Name)


(Signed)

Treasurer
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Martin

Subscribed and sworn to before me by John P. Hensley
(Name)

this 1 day of 4, 2011.



NOTARY PUBLIC
State-at-Large

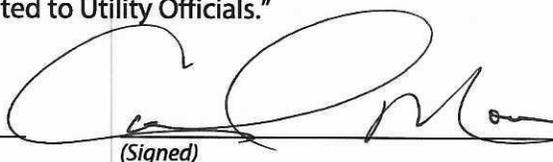
STATEMENT OF DISCLOSURE OF RELATED PARTY TRANSACTIONS

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

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

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

Cassandra moore
(Print Name)


(Signed)

District Clerk
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Meigs

Subscribed and sworn to before me by Cassandra Moore
(Name)

this 1 day of 4, 20 01



NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

Lee Mueller
(Print Name)

Lee Mueller
(Signed)

Commissioner
(Position/Office)

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

COMMONWEALTH OF KENTUCKY

COUNTY OF Martin

Subscribed and sworn to before me by Lee Mueller
(Name)

this 1 day of July, 2021.


NOTARY PUBLIC
State-at-Large

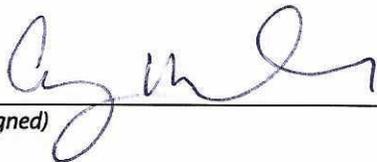
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

Craig Miller
(Print Name)


(Signed)

Division Manager
(Position/Office)

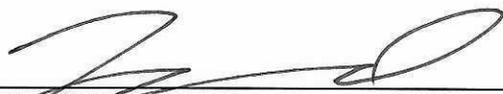
* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a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

COMMONWEALTH OF KENTUCKY

COUNTY OF Martin

Subscribed and sworn to before me by Craig Miller
(Name)

this 1 day of Nov, 2011.



NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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

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

Greg Crum
(Print Name)


(Signed)

Commissioner
(Position/Office)

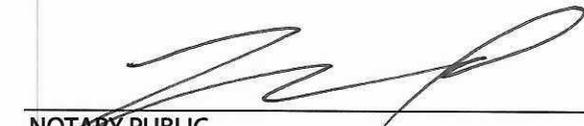
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COMMONWEALTH OF KENTUCKY

COUNTY OF Madison

Subscribed and sworn to before me by Greg Crum
(Name)

this 1 day of April, 2021.


NOTARY PUBLIC
State-at-Large

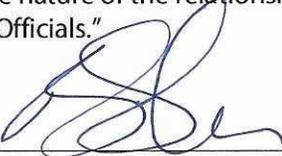
**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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BS Slone
(Print Name)


(Signed)

COMMISSIONER
(Position/Office)

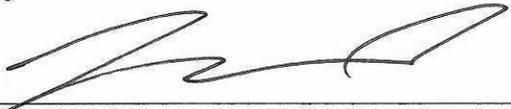
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COMMONWEALTH OF KENTUCKY

COUNTY OF Martin

Subscribed and sworn to before me by B. J. Stone
(Name)

this 1 day of 4, 2016.


NOTARY PUBLIC
State-at-Large

**STATEMENT OF DISCLOSURE OF
RELATED PARTY TRANSACTIONS**

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

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James D Kerr
(Print Name)


(Signed)

Chairman
(Position/Office)

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COMMONWEALTH OF KENTUCKY

COUNTY OF Martin

Subscribed and sworn to before me by James D. Kerr
(Name)

this 1 day of 4, 2021.



NOTARY PUBLIC
State-at-Large

A RESOLUTION OF THE BOARD OF COMMISSIONERS OF THE MARTIN COUNTY WATER DISTRICT PROPOSING ADJUSTMENTS TO ITS WATER RATES AND CHARGES AND AUTHORIZING ALLIANCE WATER RESOURCES TO FILE AN APPLICATION WITH THE PSC SEEKING APPROVAL OF THE PROPOSED RATE ADJUSTMENT

WHEREAS, the Martin County Water District (“District”) is a water district created and organized under the provisions of KRS Chapter 74. The District is subject to the jurisdiction of the Kentucky Public Service Commission (“PSC”);

WHEREAS, prudent financial management dictates that the District take appropriate action to adjust its water rates and charges; and

WHEREAS, KRS 278.180 AND 807 KAR 5:076 provide the legal mechanism for the District to propose adjustments to its water rates and charges;

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF MARTIN COUNTY WATER DISTRICT AS FOLLOWS:

Section 1. The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

Section 2. The District proposes to adjust its monthly water rates and charges as set forth in **Appendix A**, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in **Appendix A** are subject to any

minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

Section 3. Alliance Water Resources is hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small Utilities set forth in 807 KAR 5:076, an Alternative Rate Filing (“ARF”) Application, Tariff Sheets, and all other documents that may be required by the PSC.

Section 4. Alliance Water Resources, Division Manager, and all other appropriate staff are hereby further authorized and directed to take any and all other actions and to execute and deliver any and all other documents as may be reasonably necessary to implement this Resolution.

Section 5. This Resolution shall take effect upon its adoption.

ADOPTED BY THE COMMISSION OF MARTIN COUNTY WATER

DISTRICT at a meeting held on October 27, 2020, signed by the Division Manager, and attested by the Secretary.

ATTEST:

 27 OCT 20

DIVISION MANAGER

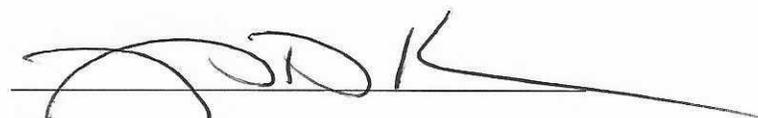


CHAIRMAN

CERTIFICATION

I, Chairman of the Martin County Water District (“District”), do hereby certify that the foregoing is a true copy of a Resolution duly adopted by the Commission of the District at a meeting properly held on October 27, 2020, signed by the Division Manager, attested by me as Chairman, and now in full force and effect.

WITNESS my hand this 27th day of October, 2020.



CHAIRMAN