

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In The Matter of:

ELECTRONIC INVESTIGATION INTO THE)
FINANCIAL AND OPERATING CAPACITY OF)
RATTLESNAKE RIDGE WATER DISTRICT)
INCLUDING RATTLESNAKE RIDGE WATER)
DISTRICT AND ITS INDIVIDUAL)
COMMISSIONERS, AND MANAGER DAVID)
GIFFORD FOR ALLEGED FAILURE TO COMPLY)
WITH KRS 278.300 AS WELL AS POSSIBLE)
VACANCIES ON THE BOARD OF)
COMMISSIONERS OF RATTLESNAKE RIDGE)
WATER DISTRICT)

CASE NO.
2021-00340

RESPONSE OF RATTLESNAKE RIDGE WATER DISTRICT

The Commissioners presented to their former Attorney the documents requested in order to appropriately and timely respond to the requested information of the Public Service Commission (PSC). When it became apparent that information was not being timely provided to the PSC, RATTLESNAKE RIDGE WATER DISTRICT hired new Counsel (the undersigned herein) on January 3, 2023 at its Regular Board Meeting. RATTLESNAKE RIDGE WATER DISTRICT requests that PSC consider this filing herein as an ‘immediate’ filing pursuant to its Order entered December 16, 2022.

COMMISSION ORDER DATED NOVEMBER 7, 2022

1. APPLICATION: Rattlesnake Ridge shall file an application for a general rate adjustment pursuant to 807 KAR 5:001, Section 16, or an application for an alternative rate adjustment pursuant to 807 KAR 5:076 within six months of this Order.

Rattlesnake Ridge Water District (hereinafter RRWD) has begun the process toward applying for a rate increase by securing the information necessary to submit with its application. They have every intention to have the appropriate documents filed within the 6 months stated, i.e., no later than May 7, 2023.

2. WRITTEN RESPONSES: Rattlesnake Ridge District and its unknown Board of Commissioners and Manager, David Gifford, individually and in their respective capacities, shall submit to the Commission individual written responses to the allegations contained in this Order within 20 days of the date of service of this Order.

SEE ATTACHED as Exhibit A (no response by Jason Carroll as he was not a board member at time of truck purchase).

**COMMISSION STAFF’S THIRD REQUEST FOR INFORMATION TO
RATTLESNAKE RIDGE WATER DISTRICT**

1. List the name of each current Rattlesnake Ridge District Commissioner, the date their appointment was made, the date their terms began, and the date on which their term expires.

RESPONSE QUESTION 1 (made by David Gifford):

Name	Date of appointment	Date term began	Date term expires
William (Bill) Gilbert	since 1984	03-01-2021	03-1-2025
Steve Ison	since 2013	7-20-2021	7-31-2025
Randy Steagall	since 3-1-2016	03-10-2000	3-10-2024
Mike Copley		05-01-2020	5-01-2024
Jason Carroll	8-12-2019	8-13-2019	8-13-2023

2. Provide all orders of each County Judge/Executive that address the appointments to the Rattlesnake Ridge District’s current Board of Commissioners.

RESPONSE QUESTION 2 (made by David Gifford):

SEE ATTACHED as Exhibit B – will supplement

Jason Carroll & Steve Ison are attached. In process of securing the additional minutes from the separate counties. Elliott County provided one for Mike Copley, but was not the correct set of minutes. Carter County stated they would send remaining, but are still awaiting same. Anticipate having all within next few days.

3. Provide the salary for each current commissioner for Rattlesnake Ridge District.

RESPONSE QUESTION 3 (made by David Gifford):

William (Bill) Gilbert	\$6,000.00 for 2022
Steve Ison	\$6,000.00 for 2022
Randy Steagall	\$6,000.00 for 2022
Mike Copley	\$6,000.00 for 2022
Jason Carroll	\$6,000.00 for 2022

4. Provide all training dates for 2020, 2021, and 2022 for each of the current commissioners for Rattlesnake Ridge District.

RESPONSE QUESTION 4 (made by David Gifford):

Name	2020 training dates**	2021 training dates*	2022 training dates
William (Bill) Gilbert	????	Dec. 8-9, 2021	December 7, 2022
Steve Ison	????	Dec. 8-9, 2021	December 7, 2022
Randy Steagall	????	Dec. 8-9, 2021	December 7, 2022
Mike Copley	????	Dec. 8-9, 2021	December 7, 2022
Jason Carroll	????	Dec. 8-9, 2021	December 7, 2022

* Copies of certificates available if needed

** These dates would be in PSC records. District has requested verification of the dates and has not received. Will Supplement.

5. Refer to Rattlesnake Ridge District's 2021 Annual Report currently on file with the Commission at numbered page 40 of 67. Rattlesnake Ridge District reported a long-term debt issuance described as a "Dodge Truck Loan".

a. Provide a description of the purpose of the indebtedness, the name of the creditor, and the terms of the debt issuance.

RESPONSE QUESTION 5(a) (made by David Gifford):

Purchase of new dually truck needed to haul RRWD equipment safely (old truck too small); creditor was Commercial Bank of Grayson; 2 year loan for \$20,547.00; Terms: 23 monthly payments of \$467.21 and a final payment of \$11,186.66.

b. Provide the current principal balance of the Dodge Truck Loan.

RESPONSE QUESTION 5(b) (made by David Gifford): \$0 (zero)

c. Provide all documentation (such as promissory notes or loan agreements) concerning the issuance of the Dodge Truck Loan.

RESPONSE QUESTION 5(c) (made by David Gifford):

SEE ATTACHED as Exhibit C

d. Provide the Board of Commissioners minutes where the Dodge Truck Loan was discussed and approved.

RESPONSE QUESTION 5(d) (made by David Gifford):

SEE ATTACHED as Exhibit D

e. Provide the case number where Commission approval was obtained prior to issuing the indebtedness for the Dodge Truck Loan.

RESPONSE QUESTION 5(e) (made by David Gifford):

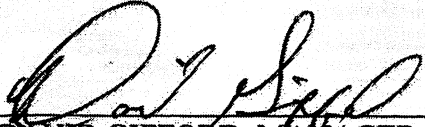
No case number as debt was for no more than 2 years.

6. Confirm that Rattlesnake Ridge District has not paid the PSC Assessment of \$3,801.10 due on June 30, 2022. If Rattlesnake Ridge District has not made the payment, provide the date the Commission will receive the Assessment payment.

RESPONSE QUESTION 6 (made by David Gifford):

Payment was made on 11-17-2022. SEE ATTACHED as Exhibit E

The above Responses are true and correct to the best of my information, knowledge, and belief formed after reasonable inquiry.

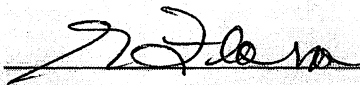


DAVID GIFFORD, MANAGER
RATTLESNAKE RIDGE WATER DISTRICT

COMMONWEALTH OF KENTUCKY
COUNTY OF MASON

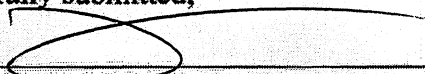
The foregoing instrument was sworn, subscribed, and acknowledged to before me this 4 day of Jan, 2023 by DAVID GIFFORD, Manager of Rattlesnake Ridge Water District, to be his free act and deed.

My commission expires: 1-26-2024



NOTARY PUBLIC, KENTUCKY
NOTARY ID # 593516

Respectfully submitted,



DELORES WOODS BAKER
Local Counsel RRWD
134 W Third St
Maysville, KY 40156
606-564-7969
dwbaker@maysvilleky.net

CERTIFICATE OF SERVICE

I hereby certify that the foregoing with all attachments was served by postage prepaid, first class mail on January 5, 2023 to:

Lewis County Fiscal Court
122 Second Street
Vanceburg, KY 41179

Elliott County Local Government
P.O. Box 710
Sandy Hook, KY 41171

Carter County Fiscal Court
300 West Main Street
Grayson, KY 41143

Lawrence County Fiscal Court
122 South Main Cross Street
Louisa, KY 41230

Morgan County Office Building
450 Prestonsburg Street
West Liberty, KY 41472

Mr. Jim Gazay
Morgan County Judge Executive
450 Prestonsburg Street
West Liberty, KY 41472

And by email on January 4, 2023 to:

John Lewis, Elliott County Attorney: attorneyjohnlewis@yahoo.com

Brian Bayes, Carter County Attorney: bbayes@prosecutors.ky.gov

Ben Harrison, Lewis County Attorney: bharrison@prosecutors.ky.gov

Brandon Burton, Carter County Judge Executive: ccjudgeexecutive@gmail.com

George Sparks, Lewis County Judge Executive: George.sparks@lewiscountyky.gov

Myron Lewis, Elliott County Judge Executive: ejudge@mrtc.com

Johnny Osborne, Lawrence County Attorney: johnny@lcattorney.net

Myles Holbrook, Morgan County Attorney: Mholbrook@prosecutors.ky.gov

Phillip Carter, Lawrence County Judge Executive: pcarter@lycomonline.com

Respectfully submitted,



DELORES WOODS BAKER
Local Counsel RRWD
134 W Third St
Maysville, KY 40156
606-564-7969
dwbaker@maysvilleky.net

EXHIBIT A


1. Responses by each Commissioner

Public Service Commission

1. My name is David Gifford and I am current Manager at Rattlesnake Ridge Water District and I am responding to PSC case # 2021-00340 regarding to the Dodge truck that was purchased by the past Manager. The truck that we were towing the excavator with was too small and was not safe to pull with, so we started calling around the area to try and find a larger truck to pull excavator with and found the Dodge that was already set up to pull what we needed, so the District made a quick discission to purchase this truck while it was available. We did trade the other truck in and only financed the remaining balance for two years.

2. The other issue was with the death or George Wells which was a board member at this time, The Carter County Fiscal court filled this vacancy and appointed Jason Carroll to fill Mr. Wells term and then the court also reinstated Jason Carroll for the following term. The Rattlesnake Ridge board had no input into this issue as the Fiscal court appoints our board.

3. The next issue is the PSC states that we need a rate increase to our customers and we (Rattlesnake Ridge Water District) has sent in with our Phase 13 project for a rate increase of 6% across the board for all of our customers.

Signed 

Title Manager

P.S.C. CASE 2021-00340 11-23-22
Rattlesnake Ridge Water Dist.

Hiring Replacement For George Willis (Death)
is under control of Carter Co Fiscal
Court.

Water Loss.

R.R.W.D. has phase 13 project that was
started 2019, but due to Covid & getting
loan & grants, the project has been bid
but waiting on Rural Development to approve
& waiting on P.S.C. to approve 6% rate inc.
Phase 13 includes replacement of approx
4200 meters & service lines.

Service lines break dirty old (blue) pipe
not good, lots of our old meters are
stuck (maybe 20%) due to parts shortage we
have not been able to get new meters in
last 2 years, resulting in some customers
getting min bill

Truck replacement was done in emergency
due to their truck too small & not heavy
enough to tow our equipment, we needed
a one ton dual wheels to be safer to tow
on hills.

Bill Gilbert
Comm Chairman

Rattlesnake Water District

To: Public Service Commission

From: Steve Ison/ Elliott County Water Commissioner

Mike Copley/ Elliott County Water Commissioner

1. The appointment of Jason Carroll to the RRWD to fill the vacancy of George Weils was completed by the Carter County fiscal court.
2. The 2018 Dodge 3500 was purchased in May of 2019 and paid off with the Commercial Bank of Grayson before a two year time period.

Steve Ison - 12/19/2022

Mike Copley 12/19/22

To whom it may concern I Randy Steagall was appointed by the Carter County Fiscal Court to the Rattle Snake Ridge Water District Board of Commissioners and was present when the truck in question was voted on and approved to purchase . When Jason Carroll was appointed to the board by the Carter County Fiscal Court to take George Wells place. If more information is needed I can be reached at RandySteagall@hotmail.com

EXHIBIT B

- 1. Carter County Minutes dated 8-12-2019 appointing Jason Carroll**
- 2. Elliott County Minutes dated 7-20-2021 appointing Steve Ison**

CARTER COUNTY FISCAL COURT
REGULAR MEETING
AUGUST 12, 2019

The Carter County Fiscal Court met in Regular Session on Monday, August 12, 2019 at 6:00 pm. Members present were Chris Huddle, Morris Shearer, Jack Steele, Donnie Oppenheimer and Brandon Burton, Magistrates; Brian Bayes, County Attorney; Mike Johnston, Fiscal Court Clerk and Mike Malone, County Judge Executive, presiding officer. Meeting was called to order by Judge Malone.

County Attorney, Brian Bayes led the meeting with prayer.

Judge Malone led the Pledge of Allegiance.

Motion made by Morris Shearer to dispense with the reading of the last meeting's minutes. Second by Jack Steele. Unanimous

Motion made by Donnie Oppenheimer to remove Price Lane from the County Road system. Second by Jack Steele. Unanimous

Judge Malone gave a report on Gabe Carroll Cemetery Road.

Motion made by Donnie Oppenheimer to start the process of relocating Gabe Carroll Cemetery Road pending the approval from KACO. Second by Jack Steele. Unanimous

Motion made by Chris Huddle to approve the CDBG Grant Resolution #355 to support the Genesis Recovery Center. Second by Brandon Burton. Unanimous

Motion made by Brandon Burton to give Judge Malone the authority to sign any documentation for the CDBG Grant. Second by Chris Huddle. Unanimous

Motion made by Brandon Burton to approve the July Financial Statement as presented by Treasurer. Second by Morris Shearer. Unanimous

Motion made by Chris Huddle to approve Claims as presented by Treasurer including the add-ons. Second by Donnie Oppenheimer. Unanimous

No Transfers.

Motion made by Donnie Oppenheimer to approve the Extension District tax rate of .04789 for Real Estate and Tangible property. Second by Morris Shearer. Unanimous

Motion made by Chris Huddle to table the County rate. Second by Brandon Burton. Unanimous.

Motion made by Morris Shearer to allow Judge Malone to pursue a interlocal agreement with surrounding counties for Electrical Inspectors. Second by Chris Huddle. Unanimous

Motion made by Jack Steele to authorize the Resolution #356 which allows the County to enter into a

Lease Agreement for financing trucks. Second by Morris Shearer. Unanimous

Motion made by Donnie Oppenheimer to table the Solid Waste Ordinance. Second by Brandon Burton. Unanimous

Motion made by Brandon Burton to place the 2008 Ford Expedition on gov.deals. Second by Donnie Oppenheimer. Unanimous

Motion made by Chris Huddle to declare the 2008 Ford Expedition as Surplus Property. Second by Jack Steele. Unanimous

Judge Malone gave a report on the Buffalo Creek Bridge and other bridges in the County.

Motion made by Donnie Oppenheimer to purchase a 2001 Eager Beaver Lowboy for \$23,500 from Rayburn Excavating. Second by Brandon Burton. Unanimous

Jason Carroll gave a report on the Road Dept.

Mike Brammell gave the Court the Solid Waste Dept. monthly report.

Motion made by Donnie Oppenheimer to go into Executive Session per KRS 61.810, Section B, C and F. Second by Brandon Burton. Unanimous

Motion made by Chris Huddle to return to Regular Session. Second by Brandon Burton. Unanimous

Report from Executive Session: The Court discussed employee issues and took action on the following issues.

Motion made by Donnie Oppenheimer to raise Daniel Barker, Mechanic for Road Dept, to \$18 per hour. Second by Brandon Burton. Unanimous

Motion made by Chris Huddle to move James Travis to full time position at \$13 per hour. Second by Jack Steele. Unanimous

→ Motion made by Jack Steele to appoint Jason Carroll to the Rattlesnake Ridge Board of Directors. Second by Chris Huddle. Unanimous. Judge Malone abstained.

Motion made by Donnie Oppenheimer to allow the Honorable Bruce Leslie, representing the County to counter suit in litigation against the Court. Second by Morris Shearer. Unanimous except Magistrate, Chris Huddle abstained.

Motion made by Brandon Burton to approve the minutes as read. Second by Donnie Oppenheimer. Unanimous

**ELLIOTT COUNTY FISCAL COURT
REGULAR MEETING
July 20TH, 2021**

THE REGULAR MEETING OF THE ELLIOTT COUNTY FISCAL COURT WAS HELD ON July 20TH, 2021 AT 6:00 P.M. AT THE ELLIOTT COUNTY COURT HOUSE WITH THE HONORABLE JUDGE EXECUTIVE MYRON S. LEWIS PRESIDING.

The meeting was called to order at 6:01 P.M. The opening prayer and pledge was led by Dewey Smith.

Those Present: Charles Whitt
Pam Fannin
Dewey Smith
Emily Adkins
Brian Dillon
Chris Dickerson

Absent: Cheyenne Holbrook
John Lewis

IV. COMMENTS FROM CITIZENS AND SPECIAL GUEST

A discussion was held with Rick Stiltner regarding Menifee County's garbage disposal services.

A discussion/update was held with Laurel Matula regarding debris removal within the county.

A motion was made to approve the amendment to the contract with SDR to include tipping rate by Dewey Smith and seconded by Chris Dickerson. All voted aye. None opposed. **Motion carries.**

A discussion was held with Matthew from FIVCO.

A motion was made to let FIVCO finish the CDBG grant for Sandy Hook Water District by Charles Whitt and seconded by Dewey Smith. All voted aye. None opposed. **Motion carries.**

V. OLD BUSINESS

A motion was made to approve the minutes for June 15th, 2021 regular meeting by Dewey Smith and seconded by Pam Fannin. All voted aye. None opposed. **Motion carries.**

A motion was made to approve the minutes for June 30th, 2021 special meeting by Chris Dickerson and seconded by Emily Adkins. All voted aye. None opposed. **Motion carries.**

VI. NEW BUSINESS

A motion was made to approve the Sheriff's Tax Settlement and Unmined Coal Settlement by Charles Whitt and seconded by Brian Dillon. All voted aye. None opposed. **Motion carries.**

* A motion was made to approve to reappoint Steve Ison to the Rattlesnake Ridge Water Board by Dewey Smith and seconded by Chris Dickerson. All voted aye. None opposed. **Motion carries.** *

A motion was made to approve the fourth quarter report and other year-end financial statements by Emily Adkins and seconded by Charles Whitt. All voted aye. None opposed. **Motion carries.**

A motion was made to approve the Walker bid to build a fence at the county maintenance garage by Chris Dickerson and seconded by Pam Fannin. All voted aye. None opposed. **Motion carries.**

A motion was made to approve to begin the process for a pipe arch on Arville Dehart Road by Chris Dickerson and seconded by Emily Adkins. All voted aye. None opposed. **Motion carries.**

A motion was made to approve to pay Sandy Hook Fire Department, Isonville Fire Department, and 504 Fire Department \$26,000 each in ARPA Funds by Brian Dillon and seconded by Pam Fannin. All voted aye. None opposed. **Motion carries.**

A motion was made to approve to pay court security \$10 after attending schooling/training by Emily Adkins and seconded by Chris Dickerson. All voted aye. None opposed. **Motion carries.**

VII. CONSIDERATION OF BILLS AND TRANSFERS

A motion was made to approve to pay the paid and unpaid bills by Dewey Smith and seconded by Chris Dickerson. All voted aye. None opposed. **Motion carries.**

A motion was made to approve the revised interfund transfers by Chris Dickerson and seconded by Emily Adkins. All voted aye. None opposed. **Motion carries.**

A motion was made to approve to pay Rodney Gilliam, Dustin Kelley, and Ray Craft for cell phones by Chris Dickerson and seconded by Charles Whitt. All voted aye. None opposed. **Motion carries.**

A motion was made to approve Pit Stop to fix Mark May's truck by Brian Dillon and seconded by Charles Whitt. All voted aye. None opposed. **Motion carries.**

A motion was made to approve to purchase shirts from Chapman Printing for Crystal Lyons, Nancy Howard, Shyanna Jenkins, and Jim Skaggs by Charles Whitt and seconded by Emily Adkins. All voted aye. None opposed. **Motion carries.**

VIII. COMMUNICATIONS FROM OTHER COUNTY OFFICES

A motion was made to acknowledge the monthly reports from the Ambulance Service, Dispatch, Laurel Gorge Cultural Heritage Center, Rocky Adkins Public Library, Road Department, and

Treasurer's Office by Chris Dickerson and seconded by Emily Adkins. All voted aye. None opposed. **Motion carries.**

IX. ADJOURNMENT

A motion was made to adjourn by Charles Whitt and seconded by Dewey Smith. All voted aye. None opposed. **Motion carries.**

Submitted by: Shyanna Jenkins
Shyanna Jenkins/Elliott County Fiscal Court Clerk

EXHIBIT C

- 1. Commercial Loan application**
- 2. Association Resolution**
- 3. Promissory Note**
- 4. Commercial Security Agreement**
- 5. Retail Purchase Agreement**
- 6. Disbursement Request & Authorization**
- 7. Payment history showing \$0 balance**

COMMERCIAL LOAN APPLICATION

CREDIT REQUESTED				
Amount Requested 20,000.00	Term of Credit Requested 48 mos. w/	Loan Type Commercial	Credit Request <input type="checkbox"/> Applicant Only <input type="checkbox"/> Joint With Co-Applicant(s)	
Marker Survey	Purpose of Credit Request 12 yr. balloon	App #	We intend to apply for joint credit: Applicant _____ Co-Applicant _____	
COMPLETION INSTRUCTIONS FOR APPLICANT				
Complete the Applicant information for the first Applicant. Mark the appropriate box to indicate whether the Applicant is applying as a Borrower, Guarantor, Cosigner, Grantor (of collateral), or Other for a different capacity. If the Applicant is a married individual, he or she may apply for individual credit. (Do Not complete Marital Status question below if application is for individual unsecured credit)				
APPLICANT INFORMATION				
Applicant is a: <input type="checkbox"/> Borrower <input type="checkbox"/> Guarantor <input type="checkbox"/> Cosigner <input type="checkbox"/> Grantor <input type="checkbox"/> Other _____				
Name of Applicant (Business Name or Last Name if Individual) Rattlesnake Ridge Water District		Applicant First Name (if Individual)		SSN/TIN# 61-1037311
Assumed Business Names (if Any)		Filing Dates	Filing Locations	DBA Name
Check Appropriate Box <input type="checkbox"/> If you are applying for individual credit and are relying on your own income or assets and not the income or assets of another person as the basis for repayment of the credit requested, do not complete the section for marital status. <input type="checkbox"/> If you are applying for individual credit, but are relying on income from alimony, child support, or separate maintenance or on the income or assets of another person as the basis for repayment of the credit requested, complete all sections to the extent possible, providing information about the person on whose alimony, support or maintenance payments or income or assets you are relying. <input type="checkbox"/> If you are applying for joint credit with another applicant, complete all sections and attach joint application.				Marital Status (if Individual Borrower) <input type="checkbox"/> Married <input type="checkbox"/> Unmarried <input type="checkbox"/> Separated
Street Address		City	ST	Zip Code
				Phone Number 606-474-9570
Mailing Address PO Box 475		City Sheldon	ST KY	Zip Code 41143
Principal Office Address (if not listed above)		City	ST	Zip Code
State of Organization		Applicant is: <input type="checkbox"/> An Individual <input type="checkbox"/> A Proprietorship <input type="checkbox"/> A Partnership <input type="checkbox"/> A Corporation <input type="checkbox"/> Non-Profit <input checked="" type="checkbox"/> An Association <input type="checkbox"/> A Trust <input type="checkbox"/> A Gov't Entity <input type="checkbox"/> A LLC		
SCHEDULE OF COLLATERAL OFFERED BY THIS APPLICANT				
Description	Value	Total Liens	Ownership Status for This Applicant	Creditor Name
2018 Dodge Ram 3500 Ser# 3CTWRAL2JG331639	47,246	\$	<input checked="" type="checkbox"/> Purchase Money <input type="checkbox"/> Presently Owned	
		\$	<input type="checkbox"/> Purchase Money <input type="checkbox"/> Presently Owned	
		\$	<input type="checkbox"/> Purchase Money <input type="checkbox"/> Presently Owned	
		\$	<input type="checkbox"/> Purchase Money <input type="checkbox"/> Presently Owned	
		\$	<input type="checkbox"/> Purchase Money <input type="checkbox"/> Presently Owned	

Use Additional Sheet if Necessary

FINANCIAL AND INCOME STATEMENT SUMMARY

Allimony, Child Support or Separate Maintenance income need not be revealed if you do not wish to have it considered as a basis for repaying this obligation.

see OIF

Total Assets: \$ _____ Total Annual Income: \$ _____
 Total Liabilities: \$ _____ Total Annual Expenses: \$ _____
 Net Worth: \$ _____ Net Annual Cash Flow: \$ _____

See Attached Financial statements.

RELATIONSHIP INFORMATION - APPLICANT'S HISTORY WITH LENDER

New Customer Customer Since (MM-YYYY): 1983 Last Financial Statement Date (MM-DD-YYYY): _____
 Existing Customer Last Tax Return Date on File (YYYY): _____ Last Credit Report Date (MM-DD-YYYY): _____
 Last Credit Bureau: _____

Liabilities with Lender	Deposits with Lender	Total Credit With Lender
Direct: \$ _____	DDA Avg: \$ _____	New Credit: \$ _____
Contingent: \$ _____	Other Avg: \$ _____	Proposed Total: \$ _____
Total: \$ _____	Total Avg: \$ _____	

SIGNERS FOR THIS APPLICANT

Name	Title	Authorized	Street Address	City	ST	Zip Code	Phone Number
Billy Hulbert	Officer	<input checked="" type="checkbox"/>	3325 Rattlesnake Ridge	Oliver Hill	Ky	41164	606-286-5124
George Wells	Officer	<input checked="" type="checkbox"/>	12 Hillon Br.	Sharon	Ky	41143	606-414-0031
Randy Stragall	Officer	<input checked="" type="checkbox"/>	PO Box 954	Oliver Hill	Ky	41164	606-286-5585
Stephon Olson	Officer	<input checked="" type="checkbox"/>	601 Johnson Creek Rd.	Sandy Hook	Ky	41171	606-738-9246
Michael Cooley			Abraham Lincoln Pk	Sandy Hook	Ky	41171	606-738-4647

Use Additional Sheet If Necessary

I/We hereby apply for the loan or credit described in this application on behalf of the applicant business. I/We certify that I/we made no misrepresentation in this loan application or in any related documents, that all information is true and complete, and that I/we did not omit any important information. I/We agree that any property securing the loan or credit will not be used for any illegal or restricted purpose. Lender is authorized to verify with other parties and to make any investigation of my/our credit, either directly or through any agency employed by the Lender for that purpose. Lender may disclose to any other interested parties information as to Lender's experiences or transactions with my/our account. I/We understand that Lender will retain this application and any other credit information Lender receives, even if no loan or credit is granted. These representations and authorizations extend not only to Lender, but also to any insurer of the loan and to any investor to whom Lender may sell all or any part of the loan. I/We further authorize Lender to provide any such insurer or investor any information and documentation that they may request with respect to my/our application, credit or loan.

APPLICANT:

By: George Wells By: Randy Stragall (Sec)

Use Additional Sheet If Necessary

FOR LENDER'S USE ONLY

Office No. / Name	Approved By	Concurrence By (if Needed)	Committee Date	Decision Date
01				
Branch	Application Date	Application No.	Commitment No.	Loan No.
01	5-9-19			

Decision and Comments: Approved Denied Incomplete Counteroffer Conditional Approval Withdrawal Other: _____

LenderPro, Ver. 15.4.20.089 Copy: Finance USA Corporation 1997, 2019. All Rights Reserved. F:\PLESHCHIK\PL\CTCX\COAA\F2

ASSOCIATION RESOLUTION

Principal \$20,547.00	Loan Date 05-09-2019	Maturity 05-09-2021	Loan No 28560	Call / Coll C / 7	Account [REDACTED]	Officer CAS	Initials
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Association: Rattlesnake Ridge Water District
PO Box 475
Grayson, KY 41143

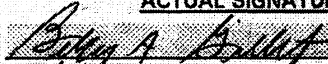



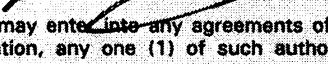
Lender: The Commercial Bank of Grayson
Main Office
208 E. Main St.
P. O. Box 7
Grayson, KY 41143

WE, THE UNDERSIGNED, DO HEREBY CERTIFY THAT:

THE ASSOCIATION'S EXISTENCE. The complete and correct name of the Association is Rattlesnake Ridge Water District ("Association"). The Association is an organization which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the Commonwealth of Kentucky. The Association is duly authorized to transact business in all other states in which the Association is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which the Association is doing business. Specifically, the Association is, and at all times shall be, duly qualified as a foreign association in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. The Association has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. The Association maintains an office at PO Box 475, Grayson, KY 41143. Unless the Association has designated otherwise in writing, the principal office is the office at which the Association keeps its books and records. The Association will notify Lender prior to any change in the location of the Association's state of organization or any change in the Association's name. The Association shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to the Association and the Association's business activities.

RESOLUTIONS ADOPTED. At a meeting of the officers of the Association, duly called and held on May 9, 2019, at which a quorum was present and voting, or by other duly authorized action in lieu of a meeting, the resolutions set forth in this Resolution were adopted.

OFFICERS. The following named persons are officers of Rattlesnake Ridge Water District:

<u>NAMES</u>	<u>TITLES</u>	<u>AUTHORIZED</u>	<u>ACTUAL SIGNATURES</u>
Billy A. Gilbert	Chairman	Y X	
George Wells	Treasurer	Y X	
Randy Steagall	Secretary	Y X	
Stephen Ison	Member	Y X	
Michael Copley	Member	Y X	

ACTIONS AUTHORIZED. Any one (1) of the authorized persons listed above may enter into any agreements of any nature with Lender, and those agreements will bind the Association. Specifically, but without limitation, any one (1) of such authorized persons are authorized, empowered, and directed to do the following for and on behalf of the Association:

Borrow Money. To borrow, as a cosigner or otherwise, from time to time from Lender, on such terms as may be agreed upon between the Association and Lender, such sum or sums of money as in their judgment should be borrowed; however, not exceeding at any one time the amount of Twenty Thousand Five Hundred Forty-seven & 00/100 Dollars (\$20,547.00), in addition to such sum or sums of money as may be currently borrowed by the Association from Lender.

Execute Notes. To execute and deliver to Lender the promissory note or notes, or other evidence of the Association's credit accommodations, on Lender's forms, at such rates of interest and on such terms as may be agreed upon, evidencing the sums of money so borrowed or any of the Association's indebtedness to Lender, and also to execute and deliver to Lender one or more renewals, extensions, modifications, refinancings, consolidations, or substitutions for one or more of the notes, any portion of the notes, or any other evidence of credit accommodations.

Grant Security. To mortgage, pledge, transfer, endorse, hypothecate, or otherwise encumber and deliver to Lender any property now or hereafter belonging to the Association or in which the Association now or hereafter may have an interest, including without limitation all of the Association's real property and all of the Association's personal property (tangible or intangible), as security for the payment of any loans or credit accommodations so obtained, any promissory notes so executed (including any amendments to or modifications, renewals, and extensions of such promissory notes), or any other or further indebtedness of the Association to Lender at any time owing, however the same may be evidenced. Such property may be mortgaged, pledged, transferred, endorsed, hypothecated or encumbered at the time such loans are obtained or such indebtedness is incurred, or at any other time or times, and may be either in addition to or in lieu of any property theretofore mortgaged, pledged, transferred, endorsed, hypothecated or encumbered.

Execute Security Documents. To execute and deliver to Lender the forms of mortgage, deed of trust, pledge agreement, hypothecation agreement, and other security agreements and financing statements which Lender may require and which shall evidence the terms and conditions under and pursuant to which such liens and encumbrances, or any of them, are given; and also to execute and deliver to Lender any other written instruments, any chattel paper, or any other collateral, of any kind or nature, which Lender may deem necessary or proper in connection with or pertaining to the giving of the liens and encumbrances. Notwithstanding the foregoing, any one of the above authorized persons may execute, deliver, or record financing statements.

Negotiate Items. To draw, endorse, and discount with Lender all drafts, trade acceptances, promissory notes, or other evidences of indebtedness payable to or belonging to the Association or in which the Association may have an interest, and either to receive cash for the same or to cause such proceeds to be credited to the Association's account with Lender, or to cause such other disposition of the proceeds derived therefrom as they may deem advisable.

Further Acts. In the case of lines of credit, to designate additional or alternate individuals as being authorized to request advances under such lines, and in all cases, to do and perform such other acts and things, to pay any and all fees and costs, and to execute and deliver such other documents and agreements as the officers may in their discretion deem reasonably necessary or proper in order to carry into

**ASSOCIATION RESOLUTION
(Continued)**

Loan No: 28560

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effect the provisions of this Resolution.

ASSUMED BUSINESS NAMES. The Association has filed or recorded all documents or filings required by law relating to all assumed business names used by the Association. Excluding the name of the Association, the following is a complete list of all assumed business names under which the Association does business: **None.**

NOTICES TO LENDER. The Association will promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any (A) change in the Association's name; (B) change in the Association's assumed business name(s); (C) change in the structure of the Association; (D) change in the authorized signer(s); (E) change in the Association's principal office address; (F) change in the Association's state of organization; (G) conversion of the Association to a new or different type of business entity; or (H) change in any other aspect of the Association that directly or indirectly relates to any agreements between the Association and Lender. No change in the Association's name or state of organization will take effect until after Lender has received notice.


CERTIFICATION CONCERNING OFFICERS AND RESOLUTIONS. The officers named above are duly elected, appointed, or employed by or for the Association, as the case may be, and occupy the positions set opposite their respective names. This Resolution now stands of record on the books of the Association, is in full force and effect, and has not been modified or revoked in any manner whatsoever.


CONTINUING VALIDITY. Any and all acts authorized pursuant to this Resolution and performed prior to the passage of this Resolution are hereby ratified and approved. This Resolution shall be continuing, shall remain in full force and effect and Lender may rely on it until written notice of its revocation shall have been delivered to and received by Lender at Lender's address shown above (or such addresses as Lender may designate from time to time). Any such notice shall not affect any of the Association's agreements or commitments in effect at the time notice is given.


IN TESTIMONY WHEREOF, we have hereunto set our hand and attest that the signatures set opposite the names listed above are their genuine signatures.


We each have read all the provisions of this Resolution, and we each personally and on behalf of the Association certify that all statements and representations made in this Resolution are true and correct. This Association Resolution is dated May 9, 2019.


CERTIFIED TO AND ATTESTED BY:

X 
Billy A. Gilbert, Chairman of Rattlesnake Ridge Water District

X 
George Wells, Treasurer of Rattlesnake Ridge Water District

X 
Randy Stearns, Secretary of Rattlesnake Ridge Water District

X 
Stephen Ison, Member of Rattlesnake Ridge Water District

X 
Michael Copley, Member of Rattlesnake Ridge Water District

NOTE: If the officers signing this Resolution are designated by the foregoing document as one of the officers authorized to act on the Association's behalf, it is advisable to have this Resolution signed by at least one non-authorized officer of the Association.



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PROMISSORY NOTE

Principal \$20,547.00	Loan Date 05-09-2019	Maturity 05-09-2021	Loan No 28560	Call / Coll C / 7	Account [REDACTED]	Officer CAS	Initials [Signature]
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References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing ***** has been omitted due to text length limitations.

Borrower: Rattlesnake Ridge Water District
PO Box 475
Grayson, KY 41143

Lender: The Commercial Bank of Grayson
Main Office
208 E. Main St.
P. O. Box 7
Grayson, KY 41143

Principal Amount: \$20,547.00

Interest Rate: 4.350%

Date of Note: May 9, 2019

PROMISE TO PAY. Rattlesnake Ridge Water District ("Borrower") promises to pay to The Commercial Bank of Grayson ("Lender"), or order, in lawful money of the United States of America, the principal amount of Twenty Thousand Five Hundred Forty-seven & 00/100 Dollars (\$20,547.00), together with interest on the unpaid principal balance from May 9, 2019, calculated as described in the "INTEREST CALCULATION METHOD" paragraph using an interest rate of 4.350% per annum, until paid in full. The interest rate may change under the terms and conditions of the "INTEREST AFTER DEFAULT" section.

PAYMENT. Borrower will pay this loan in 23 regular payments of \$467.21 each and one irregular last payment estimated at \$11,186.66. Borrower's first payment is due June 9, 2019, and all subsequent payments are due on the same day of each month after that. Borrower's final payment will be due on May 9, 2021, and will be for all principal and all accrued interest not yet paid. Payments include principal and interest. Unless otherwise agreed or required by applicable law, payments will be applied to first, any accrued due; then to any accrued unpaid interest due; then to principal; then to any unpaid collection costs; and then to any late charges. Loan payments should be in U.S. dollars and may be made in person, by telephone or electronically at any of the Lender's offices, on Monday through Friday during business hours. Payments made on Saturdays, Sundays and National Holidays or any day the office is closed will be credited on the next business day that the office is open. Mail payments should be in the form of checks or money orders and mailed to Commercial Bank of Grayson, Attention: Loan Department, P. O. Box 7, Grayson, KY 41143. Borrower will pay Lender at Lender's address shown above or at such other place as Lender may designate in writing.

INTEREST CALCULATION METHOD. Interest on this Note is computed on a 365/365 simple interest basis; that is, by applying the ratio of the interest rate over the number of days in a year (365 during leap years), multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding. All interest payable under this Note is computed using this method.

PREPAYMENT. Borrower agrees that all loan fees and other prepaid finance charges are earned fully as of the date of the loan and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Except for the foregoing, Borrower may pay without penalty all or a portion of the amount owed earlier than it is due. Early payments will not, unless agreed to by Lender in writing, relieve Borrower of Borrower's obligation to continue to make payments under the payment schedule. Rather, early payments will reduce the principal balance due and may result in Borrower's making fewer payments. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: The Commercial Bank of Grayson, Loan Department, P. O. Box 7 Grayson, KY 41143.

LATE CHARGE. If a payment is 10 days or more late, Borrower will be charged 5.000% of the regularly scheduled payment or \$5.00, whichever is greater.

INTEREST AFTER DEFAULT. Upon default, including failure to pay upon final maturity, the total sum due under this Note will continue to accrue interest at the interest rate under this Note.

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

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

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

Default in Favor of Third Parties. Borrower or any Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay this Note or perform Borrower's obligations under this Note or any of the related documents.

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

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

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

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

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

Insecurity. Lender in good faith believes itself insecure.

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

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

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

DISHONORED ITEM FEE. Borrower will pay a fee to Lender of \$15.00 if Borrower makes a payment on Borrower's loan and the check or preauthorized charge with which Borrower pays is later dishonored.

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

Commercial Loan



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**PROMISSORY NOTE
(Continued)**

Loan No: 28560

Page 2

law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph.

COLLATERAL. Borrower acknowledges this Note is secured by a Security Agreement of same date on 2018 Dodge Ram 3500 Ser. #3C7WRTAL2JG331639.

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

NOTIFY US OF INACCURATE INFORMATION WE REPORT TO CONSUMER REPORTING AGENCIES. Borrower may notify Lender if Lender reports any inaccurate information about Borrower's account(s) to a consumer reporting agency. Borrower's written notice describing the specific inaccuracy(ies) should be sent to Lender at the following address: The Commercial Bank of Grayson Loan Department P. O. Box 7 Grayson, KY 41143.

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

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

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

BORROWER:

RATTLESNAKE RIDGE WATER DISTRICT

By: *Billy A. Gilbert*
Billy A. Gilbert, Chairman of Rattlesnake Ridge Water District

By: *Randy Spogall*
Randy Spogall, Secretary of Rattlesnake Ridge Water District

By: *Michael Cooper*
Michael Cooper, Member of Rattlesnake Ridge Water District

By: *George Wells*
George Wells, Treasurer of Rattlesnake Ridge Water District

By: *Stephen Ison*
Stephen Ison, Member of Rattlesnake Ridge Water District



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COMMERCIAL SECURITY AGREEMENT

Principal \$20,547.00	Loan Date 05-09-2019	Maturity 05-09-2021	Loan No 28560	Call / Coll C / 7	Account [REDACTED]	Officer CAS	Initials [REDACTED]
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

Grantor: Rattlesnake Ridge Water District
PO Box 475
Grayson, KY 41143

Lender: The Commercial Bank of Grayson
Main Office
208 E. Main St.
P. O. Box 7
Grayson, KY 41143

THIS COMMERCIAL SECURITY AGREEMENT dated May 9, 2019, is made and executed between Rattlesnake Ridge Water District ("Grantor") and The Commercial Bank of Grayson ("Lender").

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

COLLATERAL DESCRIPTION. The word "Collateral" as used in this Agreement means the following described property in which Grantor is giving to Lender a security interest for the payment of the indebtedness and performance of all other obligations under the Note and this Agreement:

2018 Dodge Ram 3500 (VIN 3C7WRTAL2JG331639)

In addition, the word "Collateral" also includes all the following:

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

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

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

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

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

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

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

No Violation. The execution and delivery of this Agreement will not violate any law or agreement governing Grantor or to which Grantor is a party.

Enforceability of Collateral. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the Uniform Commercial Code, the Collateral is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on the Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Collateral except those disclosed to Lender in writing.

Location of the Collateral. Except for vehicles, and except otherwise in the ordinary course of Grantor's business, Grantor agrees to keep the Collateral at Grantor's address shown above or at such other locations as are acceptable to Lender. If the Collateral is a vehicle, Grantor will keep the Collateral at those addresses except for routine travel. Upon Lender's request, Grantor will deliver to Lender in form satisfactory to Lender a schedule of real properties and Collateral locations relating to Grantor's operations, including without limitation the following: (1) all real property Grantor owns or is purchasing; (2) all real property Grantor is renting or leasing; (3) all storage facilities Grantor owns, rents, leases, or uses; and (4) all other properties where Collateral is or may be located.

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

Transactions Involving Collateral. Except for inventory sold or accounts collected in the ordinary course of Grantor's business, or as otherwise provided for in this Agreement, Grantor shall not sell, offer to sell, or otherwise transfer or dispose of the Collateral. Grantor shall not pledge, mortgage, encumber or otherwise permit the Collateral to be subject to any lien, security interest, encumbrance, or charge, other than the security interest provided for in this Agreement, without the prior written consent of Lender. This includes security interests even if junior in right to the security interests granted under this Agreement. Unless waived by Lender, all proceeds from any



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COMMERCIAL SECURITY AGREEMENT (Continued)

Loan No: 28560

Page 2

disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Grantor shall immediately deliver any such proceeds to Lender.

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

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

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

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

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

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

Maintenance of Casualty Insurance. Grantor shall procure and maintain all risks insurance, including without limitation fire, theft and liability coverage together with such other insurance as Lender may require with respect to the Collateral, in form, amounts, coverages and basis reasonably acceptable to Lender and issued by a company or companies reasonably acceptable to Lender. Grantor, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days' prior written notice to Lender and not including any disclaimer of the insurer's liability for failure to give such a notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest, Grantor will provide Lender with such loss payable or other endorsements as Lender may require. If Grantor at any time fails to obtain or maintain any insurance as required under this Agreement, Lender may (but shall not be obligated to) obtain such insurance as Lender deems appropriate, including if Lender so chooses "single interest insurance," which will cover only Lender's interest in the Collateral.

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

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

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

Financing Statements. Grantor authorizes Lender to file a UCC financing statement, or alternatively, a copy of this Agreement to perfect Lender's security interest. At Lender's request, Grantor additionally agrees to sign all other documents that are necessary to perfect, protect, and continue Lender's security interest in the Property. Grantor will pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs. Grantor irrevocably appoints Lender to execute documents necessary to transfer title if there is a default. Lender may file a copy of this Agreement as a financing statement.

GRANTOR'S RIGHT TO POSSESSION. Until default, Grantor may have possession of the tangible personal property and beneficial use of all the Collateral and may use it in any lawful manner not inconsistent with this Agreement or the Related Documents, provided that Grantor's right to possession and beneficial use shall not apply to any Collateral where possession of the Collateral by Lender is required by law to perfect Lender's security interest in such Collateral. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of the Collateral if Lender takes such action for that purpose as Grantor shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Grantor shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the indebtedness.

LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Grantor fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Grantor's failure to



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COMMERCIAL SECURITY AGREEMENT (Continued)

Loan No: 28560

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

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

Payment Default. Grantor fails to make any payment when due under the indebtedness.

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

Default in Favor of Third Parties. Grantor defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Grantor's property or ability to perform Grantor's obligations under this Agreement or any of the Related Documents.

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

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

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

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

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

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

Insecurity. Lender in good faith believes itself insecure.

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

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

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

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

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

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

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

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

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



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**COMMERCIAL SECURITY AGREEMENT
(Continued)**

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and exercise its remedies.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Borrower. The word "Borrower" means Rattlesnake Ridge Water District and includes all co-signers and co-makers signing the Note and all their successors and assigns.

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

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

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

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

Grantor. The word "Grantor" means Rattlesnake Ridge Water District.

Guaranty. The word "Guaranty" means the guaranty from guarantor, endorser, surety, or accommodation party to Lender, including without limitation a guaranty of all or part of the Note.

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

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



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**COMMERCIAL SECURITY AGREEMENT
(Continued)**

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Agreement.

Lender. The word "Lender" means The Commercial Bank of Grayson, its successors and assigns.

Note. The word "Note" means the Note dated May 9, 2019 and executed by Rattlesnake Ridge Water District in the principal amount of \$20,547.00, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

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

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

GRANTOR HAS READ AND UNDERSTOOD ALL THE PROVISIONS OF THIS COMMERCIAL SECURITY AGREEMENT AND AGREES TO ITS TERMS. THIS AGREEMENT IS DATED MAY 9, 2019.

GRANTOR:

RATTLESNAKE RIDGE WATER DISTRICT

By: [Signature]
Billy A. Gilbert, Chairman of Rattlesnake Ridge Water District

By: [Signature]
Andy Stogall, Secretary of Rattlesnake Ridge Water District

By: [Signature]
Michael Copley, Member of Rattlesnake Ridge Water District

By: [Signature]
George Wells, Treasurer of Rattlesnake Ridge Water District

By: [Signature]
Stephen Isom, Member of Rattlesnake Ridge Water District



JEFF WYLER FT. THOMAS, INC
 100 ALEXANDRIA PIKE
 FT. THOMAS KY 41075

CUST# 1641364
 Deal Number: 23003985

RETAIL PURCHASE AGREEMENT

Purchaser's Name(s): RATTLESNAKE RIDGE WATER DISTRICT
 Address: 3563 STATE HWY 1661 PO BOX 475 GRAYSON, KY 41143
 Telephone (1): 606-474-7570 Telephone (2): _____
 E-mail: rrwdwc@yahoo.com

Date: 05/08/2019
 County: _____

By signing below, you represent that you are at least 18 years of age and have authority to enter into this Agreement. The Odometer Reading for the Vehicle you are purchasing is accurate unless indicated otherwise. Please refer to the Federal Mileage Statement for full disclosure.

YEAR 2018	MAKE RAM TRUCKS	MODEL 3500	COLOR PW7 Bright White Clear Coat	STOCK NO. 23003985
VIN/SERIAL NO. 3C7WRTA11G00010000	ODOMETER READING <input type="checkbox"/> Not Accurate 335		SALESPERSON KEITH BROWN	
THE VEHICLE IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED		PRIOR USE DISCLOSURE: <input type="checkbox"/> DEMONSTRATOR <input type="checkbox"/> FACTORY OFFICIAL <input type="checkbox"/> RENTAL <input type="checkbox"/> OTHER		

WARRANTY STATEMENT Any warranties by a manufacturer or supplier other than our Dealership are theirs, not ours, and only such manufacturer or supplier shall be liable for performance under such warranties. We neither assume nor authorize any other person to assume for us any liability in connection with the sale of the Vehicle and the related goods and services. We are selling this Vehicle to you AS-IS and we expressly disclaim all warranties, express and implied, including any implied warranties of merchantability and fitness for a particular purpose, unless the box beside "Used Vehicle Limited Warranty Applies" is marked below or we enter into a service contract with you at the time of, or within 90 days of, the date of this transaction. CONTRACTUAL DISCLOSURE STATEMENT (USED VEHICLES ONLY) The information you see on the window form for this Vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale. Guía para compradores de vehículos usados. La información que ve en el formulario de la ventanilla para este vehículo forma parte del presente contrato. La información del formulario de la ventanilla deja sin efecto toda disposición en contrario contenida en el contrato de venta. <input type="checkbox"/> Used Vehicle Limited Warranty Applies. We are providing a Used Vehicle Limited Warranty in connection with this transaction. Any implied warranties apply for the duration of the Limited Warranty.	CASH PRICE OF VEHICLE	39891.00
	AFTERMARKET/ACCESSORIES	N/A
	8FT SERVICE BODY	7355.00
		N/A
		N/A
		N/A
		N/A
		N/A
		N/A
		N/A

TRADE-IN VEHICLE INFORMATION

Year: 2012	Make: FORD	Model: F250	Color: WHITE	TAXABLE PRICE	47246.00
VIN/Serial No.: 1F1...	Odometer Reading: <input type="checkbox"/> Not Accurate			LESS TRADE ALLOWANCE(S)	7000.00
Trade-In Allowance: 7000.00	Balance Owed & Lienholder: N/A			SALES TAX	N/A
*The Deposit/Down Payment received from you is not refundable, except as set forth in this Retail Purchase Agreement. In the case of a Deposit, we will refrain from selling the vehicle for 0 days.			Trade-In Notice: I understand that the Dealership must provide information about the Vehicle and, upon request, my name, address and telephone number to a subsequent purchaser. I have read and agree to the provisions in this Agreement and in the separate Trade-In Appraisal (if any).		
				LICENSE FEE	2.00
				PAYOFF ON TRADE VEHICLE(S)	N/A

OTHER MATERIAL UNDERSTANDINGS AND INTEGRATED DOCUMENTS

PLEASE SEE THE DELIVERY CONFIRMATION	TOTAL DUE	40248.00
	LESS DEPOSIT/DOWN PAYMENT*	20248.00
	LESS REBATE	N/A
	N/A	N/A
CASH DEAL	LESS CASH DUE AT DELIVERY	N/A
	AMOUNT TO BE FINANCED (See Paragraphs 11 and 14)	20000.00

CONDITIONAL (SPOT) DELIVERY/LIMITED RIGHT TO CANCEL: Purchaser(s) may secure financing for this transaction through the Dealership or a financial institution of Purchaser's choice that is acceptable to the Dealership. If you have elected to secure financing through the Dealership, the provisions of this Conditional (Spot) Delivery/Limited Right to Cancel will apply. If the box is checked, you have been permitted to take possession of the Vehicle before your credit has been verified and financing for the purchase of the Vehicle has not been finalized or approved. In the event the Dealership is unable to assign the Retail Installment Sale Contract ("RISC") signed to complete the transaction to a financial institution with whom the Dealership regularly does business and on terms acceptable to the Dealership within 14 days from the date of this Agreement, either the Dealership or Purchaser may cancel the RISC pursuant to this limited right to cancel. This limited right to cancel will end at the earlier of (a) the date that financing is obtained through a financial institution or (b) the date that financing is obtained through the Dealership.

E-mail: rwdwc@yahoo.com

By signing below, you represent that you are at least 18 years of age and have authority to enter into this Agreement. The Odometer Reading for the Vehicle you are purchasing is accurate unless indicated otherwise. Please refer to the Federal Mileage Statement for full disclosure.


YEAR 2018	MAKE RAM TRUCKS	MODEL 3500	COLOR PW7 Bright White Clearcoat	STOCK NO. 39891	
VIN/SERIAL NO. 3C7WRTAL2JC031639		ODOMETER READING <input type="checkbox"/> Not Accurate 335	SALESPERSON KEITH BROWN		
THE VEHICLE IS: <input checked="" type="checkbox"/> NEW <input type="checkbox"/> USED		PRIOR USE DISCLOSURE: <input type="checkbox"/> DEMONSTRATOR <input type="checkbox"/> FACTORY OFFICIAL <input type="checkbox"/> RENTAL <input type="checkbox"/> OTHER			
WARRANTY STATEMENT			CASH PRICE OF VEHICLE	39891.00	
<p>Any warranties by a manufacturer or supplier other than our Dealership are theirs, not ours, and only such manufacturer or supplier shall be liable for performance under such warranties. We neither assume nor authorize any other person to assume for us any liability in connection with the sale of the Vehicle and the related goods and services. We are selling this Vehicle to you AS-IS and we expressly disclaim all warranties, express and implied, including any implied warranties of merchantability and fitness for a particular purpose, unless the box beside "Used Vehicle Limited Warranty Applies" is marked below or we enter into a service contract with you at the time of, or within 90 days of, the date of this transaction.</p> <p>CONTRACTUAL DISCLOSURE STATEMENT (USED VEHICLES ONLY) The information you see on the window form for this Vehicle is part of this contract. Information on the window form overrides any contrary provisions in the contract of sale. Guía para compradores de vehículos usados. La información que ve en el formulario de la ventanilla para este vehículo forma parte del presente contrato. La información del formulario de la ventanilla deja sin efecto toda disposición en contrario contenida en el contrato de venta.</p> <p><input type="checkbox"/> Used Vehicle Limited Warranty Applies. We are providing a Used Vehicle Limited Warranty in connection with this transaction. Any implied warranties apply for the duration of the Limited Warranty.</p>			AFTERMARKET/ACCESSORIES	N/A	
			9FT SERVICE BODY	7365.00	
			N/A	N/A	
			N/A	N/A	
			N/A	N/A	
			N/A	N/A	
			N/A	N/A	
			N/A	N/A	
TRADE-IN VEHICLE INFORMATION			TAXABLE PRICE	47246.00	
Year: 2012	Make: FORD	Model: F250	Color: WHITE	LESS TRADE ALLOWANCE(S)	7000.00
VIN/Serial No.: 1FTBF2B0000000000		Odometer Reading: <input type="checkbox"/> Not Accurate		SALES TAX	N/A
Trade-In Allowance: 7000.00		Balance Owed & Lienholder: N/A		LICENSE FEE	2.00
*The Deposit/Down Payment received from you is not refundable, except as set forth in this Retail Purchase Agreement. In the case of a Deposit, we will refrain from selling the Vehicle for 0 days.		Trade-In Notice: I understand that the Dealership must provide information about the Vehicle and, upon request, my name, address and telephone number to a subsequent purchaser. I have read and agree to the provisions in this Agreement and in the separate Trade-In Appraisal (if any).		PAYOFF ON TRADE VEHICLE(S)	N/A
OTHER MATERIAL UNDERSTANDINGS AND INTEGRATED DOCUMENTS			TOTAL DUE	40248.00	
PLEASE SEE THE DELIVERY CONFIRMATION			LESS DEPOSIT/DOWN PAYMENT*	20248.00	
			LESS REBATE	N/A	
			N/A	N/A	
CASH DEAL			LESS CASH DUE AT DELIVERY	N/A	
**Documentary Service Fee: This is not an official fee. This fee is charged by the Dealership for performing administrative services and processing documents related to the closing of a sale.			AMOUNT TO BE FINANCED (See Paragraphs 11 and 14)	20000.00	

CONDITIONAL (SPOT) DELIVERY/LIMITED RIGHT TO CANCEL: Purchaser(s) may secure financing for this transaction through the Dealership or a financial institution of Purchaser's choice that is acceptable to the Dealership. If you have elected to secure financing through the Dealership, the provisions of this Conditional (Spot) Delivery/Limited Right to Cancel will apply. If the box is checked, you have been permitted to take possession of the Vehicle before your credit has been verified and financing for the purchase of the Vehicle has not been finalized or approved. In the event the Dealership is unable to assign the Retail Installment Sale Contract ("RISC") signed to complete the transaction to a financial institution with whom the Dealership regularly does business and on terms acceptable to the Dealership within 14 days from the date of this Agreement, either the Dealership or Purchaser may cancel the RISC pursuant to this limited right to cancel. This limited right to cancel will end at the earlier of (a) the date that financing is obtained directly from a financial institution or the RISC is assigned to the financial institution, or (b) the end of the above stated time period. See the Conditional (Spot) Delivery/Limited Right to Cancel Provision in Paragraph 14 of this Agreement for additional terms and conditions.

AGREEMENT TO ARBITRATE: Purchaser(s) and Dealership agree, except as otherwise provided in this Agreement, to resolve by binding arbitration any dispute between them. **THE PARTIES UNDERSTAND THAT EXCEPT FOR THOSE DISPUTES SPECIFICALLY EXEMPTED FROM ARBITRATION, THEY ARE KNOWINGLY AND UNCONDITIONALLY WAIVING THEIR RIGHT TO LITIGATE ANY CLAIMS IN COURT, THEIR RIGHT TO A JURY TRIAL, AND THEIR RIGHT TO PARTICIPATE AS A MEMBER OR REPRESENTATIVE IN ANY CLASS ACTION IN COURT OR THROUGH ARBITRATION.** By signing this Agreement below, Purchaser acknowledges and agrees to this Agreement to Arbitrate and to the terms and conditions set forth in Paragraph 15 of this Agreement.

Waiver of Jury Trial: The Dealership and Purchaser knowingly, voluntarily and intentionally waive any right they may have to a trial by jury in any litigation based upon or arising out of this Agreement, any document related to this transaction, or any course of conduct, dealing, statements (whether oral or written), or any act of the Dealership or Purchaser.

This Agreement and any documents which are a part of this transaction or incorporated herein comprise the entire agreement affecting this Retail Purchase Agreement and no other agreement or understanding of any nature concerning the same has been made or entered into, or will be recognized. I have read all pages and all the terms and conditions of this Agreement, including the Agreement to Arbitrate, and agree to them as if they were printed above my signature. I further acknowledge receipt of a copy of this Agreement. This Agreement shall not become binding until signed and accepted by an Authorized Dealership Representative.

Purchaser: _____ 05/08/2019
 Accepted by Authorized Dealership Representative:  05/08/2019
 DealerCAP N/A
 69302*1*FTCJ-FI CATALOG #8993210-Custom 05/08/2019 03:11 pm



00000388062856000661010609191023

DISBURSEMENT REQUEST AND AUTHORIZATION

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$20,547.00	05-09-2019	05-09-2021	28560	C / 7		CAS	

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

Borrower: Rattlesnake Ridge Water District
 PO Box 475
 Grayson, KY 41143

Lender: The Commercial Bank of Grayson
 Main Office
 208 E. Main St.
 P. O. Box 7
 Grayson, KY 41143

LOAN TYPE. This is a Fixed Rate (4.350%) Nondisclosable Loan to an Unincorporated Association for \$20,547.00 due on May 9, 2021.

PRIMARY PURPOSE OF LOAN. The primary purpose of this loan is for:

- Personal, Family, or Household Purposes or Personal Investment.
- Business (Including Real Estate Investment).

SPECIFIC PURPOSE. The specific purpose of this loan is: purchase vehicle.

DISBURSEMENT INSTRUCTIONS. Borrower understands that no loan proceeds will be disbursed until all of Lender's conditions for making the loan have been satisfied. Please disburse the loan proceeds of \$20,547.00 as follows:

Amount paid to others on Borrower's behalf: \$20,000.00 to Jeff Wyler	\$20,000.00
Other Charges Financed: \$22.00 Recording Fee-Financing Statement \$25.00 VSI	\$47.00
Total Financed Prepaid Finance Charges: \$500.00 Application & Documentation Fee	\$500.00
Note Principal:	\$20,547.00

AUTOMATIC PAYMENTS. Borrower hereby authorizes Lender automatically to deduct from Borrower's Demand Deposit - Checking account, numbered 070688, the amount of any loan payment. If the funds in the account are insufficient to cover any payment, Lender shall not be obligated to advance funds to cover the payment. At any time and for any reason, Borrower or Lender may voluntarily terminate Automatic Payments.

FINANCIAL CONDITION. BY SIGNING THIS AUTHORIZATION, BORROWER REPRESENTS AND WARRANTS TO LENDER THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND CORRECT AND THAT THERE HAS BEEN NO MATERIAL ADVERSE CHANGE IN BORROWER'S FINANCIAL CONDITION AS DISCLOSED IN BORROWER'S MOST RECENT FINANCIAL STATEMENT TO LENDER. THIS AUTHORIZATION IS DATED MAY 9, 2019.

BORROWER:

RATTLESNAKE RIDGE WATER DISTRICT

By: 
 Billy A. Gilbert, Chairman of Rattlesnake Ridge Water District

By: 
 Randy Stegall, Secretary of Rattlesnake Ridge Water District

By: 
 Michael Copley, Member of Rattlesnake Ridge Water District

By: 
 George Wells, Treasurer of Rattlesnake Ridge Water District

By: 
 Stephen Isen, Member of Rattlesnake Ridge Water District

BORROWER NUMBER	NOTE NUMBER	NOTE DATE	NOTE AMOUNT	INTEREST RATE	FREQ TYPE	FINAL MATURITY	OFF ICER	NAME AND ADDRESS	SOCIAL SECURITY	
RATTLESNAKE RIDGE WATER DIST	000000038806	0000028560	05/09/19	20,547.00	04.35000000	3 01	05/09/21	MDS	RATTLESNAKE RIDGE WATER DIST 3563 ST HWY 1661 PO BOX 475 GRAYSON KY 41143-0475	61-1037311

CTL CAT	COLLATERAL CODES/ DESCRIPTIONS	TERMS	REGULAR PAYMENT	IRREG. PAYMENT/SCH
C 7	VEHICLE	M048	467.21	.00

PRIMARY DDA # OFFICER PHONE HOME/BUSINESS (606)316-1970

BRANCH CODE	PROPERTY DESCRIPTION	APPRAISED VALUE	COMMITTED LIABILITY	DDA CHARGE	TER ID	CHARGE OFF CODE	---- BALLOON ----	IND TERM	DUE
0001	2018 DODGE RAM			.00	000000070688	1		Y	24 05/09/21

FINANCIAL STATEMENT DATA - F/S CODE F/S DATE NET WORTH/LIABILITES

ADDITIONAL BORROWER NUMBERS	SPECIAL PART DESC	ADD/ON DISCOUNT	ESCROW PAYMENT	MINIMUM INTEREST
#1				
#2				
#3		.00	.00	.00

LINE/ CREDIT DATE CREDIT APPROVED

# OF TIMES DELQ	# OF TIMES RENEWED	YEAR TO DATE INTEREST	UNPAID LATE CHG	LATE FEES PD
5/10/15/30/60/90		212.92	.00	.00

PRIOR QTR BALANCES			2ND PRIOR QTR		
HI	LO	AVG	HI	LO	AVG
128	115	121	140	128	133

REBATE	ORIG AMT	REBATED	REBATE	ORIG AMT	REBATED
DLR RESERVE	.00	.00	INS #5	.00	.00
INS #1	500.00	.00	INS #6	.00	.00
INS #2	.00	.00	INS #7	.00	.00
INS #3	.00	.00	INS #8	.00	.00
INS #4	.00	.00			

3RD PRIOR QTR			ORIG CRDT SC		CREDIT SCORE	
HI	LO	AVG	1	2	1	2
153	140	146				

INDEBTEDNESS BAL CLOSE LST YEAR 12,817.92
CURRENT INDEBTEDNESS BALANCE .00
ORIGINAL LOAN AMOUNT 20,547.00

REPORT CD	IGL-CD	TYPE/DEALER	MISC CD	PART CD
1	00		00	000

MCMG/ATS	MCMG PYMT METHOD	CARD REL
0	0	

BORR RISK	BSA CODE	ORG RISK	RISK 1	RISK 2
	0	2	2	0

COMAKER(S):

DATE	TRAN CODE	PRINCIPAL AMOUNT	INTEREST AMOUNT	ESCROW AMOUNT	LATE CHARGE	PRINCIPAL BALANCE	ROLL CODE	DATE NEXT DUE	PUBLIC ID
05/09/19	001	20,547.00	.00	.00	.00	20,547.00			CATHY
05/23/19	LTV SUPERVISORY CODE								CATHY
05/23/19	MINIMUM CHARGE					001000			CATHY
05/23/19	COLLATERAL CODES								CATHY
05/23/19	CALL STMT COND CODE					1763			SYSGEN
05/24/19	BALLOON LOAN INDICATOR								CATHY
05/24/19	BALLOON LOAN TERM					0000			CATHY
05/24/19	BALLOON LOAN PMT DATE					000000			CATHY
06/09/19	T076	391.30	75.91	.00	.00	20,155.70	1	07/09/19	

DATE POSTED: 06/10/19

Rel. 57721
[Signature]

DATE	TRAN CODE	PRINCIPAL AMOUNT	INTEREST AMOUNT	ESCROW AMOUNT	LATE CHARGE	PRINCIPAL BALANCE	ROLL CODE	DATE NEXT DUE	PUBLIC ID
06/19/19	M172	22.00	.00	.00	.00	20,133.70		07/09/19	
06/21/19	ORIGINAL RISK CODE					3			CATHY
06/21/19	CURRENT RISK CODE					3			CATHY
07/09/19	T076	395.20	72.01	.00	.00	19,738.50	1	08/09/19	
07/10/19	EXPIRE CTL DATE #1		040120			060919			CATHY
08/09/19	T076	394.28	72.93	.00	.00	19,344.22	1	09/09/19	
09/09/19	T076	395.74	71.47	.00	.00	18,948.48	1	10/09/19	
10/09/19	T076	399.47	67.74	.00	.00	18,549.01	1	11/09/19	
11/09/19	T076	398.68	68.53	.00	.00	18,150.33	1	12/09/19	
DATE POSTED: 11/12/19									
12/09/19	T076	402.32	64.89	.00	.00	17,748.01	1	01/09/20	
01/09/20	T076	401.64	65.57	.00	.00	17,346.37	1	02/09/20	
02/09/20	T076	403.12	64.09	.00	.00	16,943.25	1	03/09/20	
DATE POSTED: 02/10/20									
03/09/20	T076	408.65	58.56	.00	.00	16,534.60	1	04/09/20	
03/12/20	EXPIRE CTL DATE #1					040120			CATHY
03/12/20	EXPIRE CTL DATE #1 COD					1			CATHY
04/09/20	T076	406.12	61.09	.00	.00	16,128.48	1	05/09/20	
05/09/20	T076	409.54	57.67	.00	.00	15,718.94	1	06/09/20	
DATE POSTED: 05/11/20									
05/28/20	PRIMARY OFFICER INITIA MDS					CAS			TINA
06/09/20	T076	409.14	58.07	.00	.00	15,309.80	1	07/09/20	
07/09/20	T076	412.47	54.74	.00	.00	14,897.33	1	08/09/20	
08/09/20	T076	412.17	55.04	.00	.00	14,485.16	1	09/09/20	
DATE POSTED: 08/10/20									
08/13/20	THIRD OFFICER INITIALS CAS								TINA
09/09/20	T076	413.70	53.51	.00	.00	14,071.46	1	10/09/20	
10/09/20	T076	416.90	50.31	.00	.00	13,654.56	1	11/09/20	
11/09/20	T076	416.76	50.45	.00	.00	13,237.80	1	12/09/20	
12/09/20	T076	419.88	47.33	.00	.00	12,817.92	1	01/09/21	
01/09/21	T076	419.86	47.35	.00	.00	12,398.06	1	02/09/21	
DATE POSTED: 01/11/21									
02/09/21	T076	421.40	45.81	.00	.00	11,976.66	1	03/09/21	
03/09/21	T076	427.24	39.97	.00	.00	11,549.42	1	04/09/21	
04/09/21	T076	424.54	42.67	.00	.00	11,124.88	1	05/09/21	
05/07/21	M087	11,124.88	37.12	.00	.00	.00			

LAST PAGE

EXHIBIT D

- 1. Minutes of RRWD dated April 9, 2019 and May 7, 2019**

Minutes

Rattlesnake Ridge Water District

April 9th, 2019

Meeting was called to order at 4:03 pm by Bill Gilbert. Commissioners attending were Bill Gilbert, George Wells, Steve Ison, Mike Copley and Randy Steagall. Employees attending were W.C Gilbert, Becky, David, Jerry, Glen and Lester.

Mike made a motion to dispense the reading of March minutes; George second. All in favor. George Wells made motion to approve March minutes; Mike Copley second. All in favor.

Steve Amburgey acct #130-10810-01 came to meeting asking for help on his water bill. Board told him that he could pay \$50 + his regular water bill each month till it's paid off.

Ella May from Dudley Ridge came to meeting asking about water; board told her that once the project is completed if there are funds available they would consider putting water on Dudley Ridge.

Larry King on Carter Caves, Lost Cavern Rd., had questions to where his meter would be set...Riley spoke to them and told them that meter would be set at gate. Any questions call 286-2459.

WC needs to check with Johnny Justice about cleaning out lagoons.

Mike Copley suggested that RRWD needed to go ahead and advertise and get bids for new dually truck.

Steve Ison made motion to order the new Bobcat for \$25,912.63, with our trade in. George Wells second. All in favor.

Riley, from Bluegrass Engineering, discussed how project was going. Construction on new office will begin Thursday; AML project has suspended all work for now. Much discussion on 486 pump station and how it needs to be closer to the 8inch line. Randy suggested maybe a fire volt would work while jerry suggested that we run a 8in line all the way and WC asked about a booster pump station. Riley will look over the ideas and will discuss the best option at next meeting.

3 checks were written on project Contract #1 for \$134,900.04 – Dehart/Parker Holler/Cave rd. #2 on 504 west tank for \$172,170.02 and #3 to Bluegrass Engineering for \$19,387.60

Minutes

Rattlesnake Ridge Water District

May 7th, 2019

Meeting was called to order at 4:04 pm by Bill Gilbert. Commissioners attending were Bill Gilbert, George Wells, Steve Ison and Mike Copley (Randy Steagall absent). Employees attending were W.C Gilbert, Becky, David, Jerry, Glen and Lester.

George Wells made a motion to dispense the reading of Aprils minutes; Steve Ison second. All in favor. George Wells made motion to approve Aprils minutes; Mike Copley second. All in favor.

Riley from Bluegrass Engineering spoke on the progress of Phase 11 ; Dehart and Cave Road are completed , Parker Hollow almost complete ,Hardy Branch and Huffs Run will be in the coming week. The East tank is up and completed, paint work will start in 2 weeks. Foundation on west tank almost completed. Stone has been laid going to Gregoryville tank and in 10 days they will start on Diamond Ridge.

Pay estimate #2 for Caldwell was \$193,227.01...Pay estimate #2 for Northeast KY Ex. was \$73,309.92...Pay estimate #2 for Bluegrass Engineering was \$19,387.60

Jerry spoke to the board about running water on Rt #1704 if funds are available once project is completed.

Board came to the decision that a 2 inch line would be run to Mike Sparks's property line, off of Hardy Branch.

George made motion to purchase the new Dodge 3500 in the amount of \$40,248.00: RRWD will be paying \$20,000.00 down and trade in Jerrys Ford company truck with a trade in of \$7000.00. Steve Ison second. All in favor.

Lester is pumping out lagoons in hopes of drying them for guys to haul.

George brought up the issue of having at least 2 people in office at all times. Board discussed the issue and Bill asked about Felicia being scheduled on the days that either Carolyn or Becky is off. David and WC are usually in the office unless something comes up and they have to leave.

Shannon Porter told board he needed batteries and someone to show him how to set up the new meters.

Board discussed continue water loss and how to make changes starting with finding and repairing leaks first on the list.

EXHIBIT E

1. Documents confirming payment of assessment

Print

Payment Schedule Confirmation

Your payment has been scheduled! You will receive an email when the payment is processed. Please print a copy of this receipt for your records.

Payment Details

Case Number: 000000567332
Payment ID: 8497705
Payment Date: 11/17/2022

Account Holder Details

RATTLESNAKE RIDGE WATER
PO BOX 475
GRAYSON, KY 41143

Payment Method	Description	Payment Amount
ACH	KY Dept of Revenue Tax Bill	3801.10

Kentucky Department of Revenue
501 High Street
Frankfort, KY 40601
(502) 564-4581

Re: found payment RRWD

From: Rattlesnake Ridge Water District (rrwdwc@yahoo.com)

To: jeffd.cline@ky.gov

Date: Wednesday, November 16, 2022 at 02:35 PM EST

before I forget I'm going to give you all our updated info Rattlesnake Ridge Water District
P.O. Box 475
5302 S State Hwy 7
Grayson Ky. 41143
(606) 474-7570

David Gifford - Manager
Rebecca Kitchen- Assistant Manager
Bill Gilbert - Charman on the Board of Directors

* Bernie McDaniel and W.C. Gilbert are 2 former
employees/managers. They no longer have an association
you can always reach me at the (606)474-7570
or my cell (606)939-0074 or by email rrwdwc@yahoo.com
gifforddavid@yahoo.com

with the company.

On Wednesday, November 16, 2022 at 02:10:07 PM EST, Rattlesnake Ridge Water District <rrwdwc@yahoo.com> wrote:

I'm working on that now lol I'll send u over what I find

On Wednesday, November 16, 2022 at 02:04:53 PM EST, Cline, Jeff D (PSC) <jeffd.cline@ky.gov> wrote:

The check should indeed have been sent to Kentucky Department of Revenue as we discussed so you should have been good to go. Do you by chance know of the check was ever cashed and if so, have a copy of the cancelled check (front and back)?

From: Rattlesnake Ridge Water District <rrwdwc@yahoo.com>

Sent: Wednesday, November 16, 2022 2:03 PM

To: Cline, Jeff D (PSC) <JeffD.Cline@ky.gov>

Subject: found payment RRWD

found payment RRWD

From: Rattlesnake Ridge Water District (rrwdwc@yahoo.com)

To: jeffd.cline@ky.gov

Date: Wednesday, November 16, 2022 at 02:02 PM EST

hello again its Becky from Rattlesnake Ridge Water District and upon looking everywhere I see where I was the one that sent the check out on 6/23/22 in the amount of \$3801.10 check # 66250 but i sent it to the Kentucky department of revenue so that was my bad (this one is on me)



img022.pdf
434.8kB

COMMONWEALTH OF KENTUCKY
DEPARTMENT OF REVENUE
FRANKFORT, KY 40619

NOTICE DATE 06/17/2022	PERIOD 07/01/2022-06/30/2023	CASE 000000567332	TAX PUBLIC SERVICE COMMISSION ASSESSMENT
NOTICE # 111047076	RETURN DUE 07/31/2022	TAXPAYER-ID 000028600	TAXPAYER NAME RATTLESNAKE RIDGE WATER DIST

EXPLANATION OF NOTICE

ANNUAL PUBLIC SERVICE COMMISSION ASSESSMENT FOR THE ABOVE PERIOD.

MESSAGES: PENALTIES PROVIDED PER KRS 278.990(3) INCLUDE \$1,000, PLUS \$25 PER DAY FOR EACH DAY THE ASSESSMENT REMAINS UNPAID. KRS 131.440(1)(A) IMPOSES A COST OF COLLECTION FEE FOR TWENTY-FIVE PERCENT (25%) ON ALL ASSESSMENTS WHICH ARE OR BECOME DUE AND OWING TO THE DEPARTMENT. IF THE AMOUNT DUE IS NOT PAID BY THE DUE DATE, THESE PENALTIES AND FEES MAY BE ADDED TO THIS ASSESSMENT AND REFERRED FOR ENFORCED COLLECTION ACTION.

QUESTIONS CONCERNING THIS ASSESSMENT MAY BE DIRECTED TO THE PUBLIC SERVICE COMMISSION, 211 SOWER BOULEVARD, PO BOX 615, FRANKFORT, KENTUCKY 40602, TELEPHONE NUMBER (502) 564-3940. KRS 278.130 PROVIDES FOR THE ANNUAL ASSESSMENT OF PUBLIC SERVICE COMPANIES.

GROSS INTRASTATE RECEIPTS

TAX LIABILITY

TOTAL LIABILITY

2,545,947.00
TAX LIABILITY 3,801.10
TOTAL LIABILITY 3,801.10

<<<< EXPLANATION OF NOTICE CONTINUED ON NEXT PAGE >>>>

Copy of check stub ↓

KENTUCKY DEPARTMENT		Date: 6/27/2022 12:00:00 AM	Amount: 3,801.10	Check#: 66250
Reference	Date	Amount	Net Amount	Memo
case#000000567332	06/23/2022	3,801.10	3,801.10	

Total Amount: 3,801.10 3,801.10