

North Manchester Water Association

7361 North Highway 421

Manchester, Kentucky 40962

Phone: 606 – 598 – 5403

Fax: 606-598-6148

May 31, 2023

Ms. Linda C. Bridwell

Executive Director

Public Service Commission

211 Sower Boulevard

Frankfort, KY 40601

RE: ARF Application – Water Rates

North Manchester Water Association, Inc.

PSC Case#2023 - 00183

Dear Ms. Bridwell

Enclosed for filing are the original of the North Manchester Water Association, Inc.'s ARF application for an adjustment to its water rates. This ARF application is being filed pursuant to 807 KAR 5:076.

The ARF application uses calendar year 2022 as the test year, with appropriate adjustments to normalize revenues and expenses.

A copy of the ARF application has been provided to the office of rate intervention in the Attorney General's Office.

My electronic mail address is [nmwa@prtcnet.org](mailto:nmwa@prtcnet.org).

Yours Truly,



Steve Davis, President

Enclosures

Cc: Office of the Attorney General, Rate intervention

**SUBMIT ORIGINAL AND FIVE ADDITIONAL COPIES, UNLESS FILING ELECTRONICALLY**

**APPLICATION FOR RATE ADJUSTMENT  
BEFORE THE PUBLIC SERVICE COMMISSION**

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

\_\_\_\_\_  
*(Name of Utility)*

\_\_\_\_\_  
*(Business Mailing Address - Number and Street, or P.O. Box)*

\_\_\_\_\_  
*(Business Mailing Address - City, State, and Zip)*

\_\_\_\_\_  
*(Telephone Number)*

**BASIC INFORMATION**

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

\_\_\_\_\_  
*(Name)*

\_\_\_\_\_  
*(Address - Number and Street or P.O. Box)*

\_\_\_\_\_  
*(Address - City, State, Zip)*

\_\_\_\_\_  
*(Telephone Number)*

\_\_\_\_\_  
*(Email Address)*

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

YES NO N/A

- |    |    |  |  |  |     |
|----|----|--|--|--|-----|
| 1. | a. | In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue.   |  |  |     |
|    | b. | Applicant operates two or more divisions that provide different types of utility service. In its immediate past calendar year of operation, Applicant had \$5,000,000 or less in gross annual revenue from the division for which a rate adjustment is sought. |  |  |     |
| 2. | a. | Applicant has filed an annual report with the Public Service Commission for the past year.   |  |  |     |
|    | b. | Applicant has filed an annual report with the Public Service Commission for the two previous years.  |  |  |     |
| 3. |    | Applicant's records are kept separate from other commonly-owned enterprises.   |  |  | N/A |

YES NO N/A

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

YES NO N/A

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



YES NO N/A

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

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

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

Signed *Arthur Lewis*  
Officer of the Company/Authorized Representative  
 Title President  
 Date 6-1-23

COMMONWEALTH OF KENTUCKY  
 COUNTY OF \_\_\_\_\_

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

\_\_\_\_\_  
 Notary Public  
 My commission expires: \_\_\_\_\_

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

Customer Notice of Proposed Rate Adjustment

“Reasons for Application” Attachment”

Current and Proposed Rates” Attachment

“Statement of Adjusted Operations” Attachment

“Revenue Requirements Calculation” Attachment

Attachment Billing Analysis” Attachment

Depreciation Schedules

Outstanding Debt Instruments (i.e., Bond Resolutions, Mortgages, Promissory Notes, Amortization Schedules.)

State Tax Return

Federal Tax Return

Statement of Disclosure of Related Party Transactions - ARF Form 3

# **Customer Notice**

## NOTICE

North Manchester Water Association (“NMWA”) plans to file with the Public Service Commission, no later than June 1<sup>st</sup>, 2023, a proposed rate schedule, that will increase the rates for water service charged to customers as follows:

<u>5/8" &amp; 3/4" Meter:</u>	<u>Current rates</u>	<u>Proposed Rates</u>	<u>Increase (Dollars)</u>	<u>(Percentage)</u>
First 2,000 gallons	\$ 21.60 Min. bill	\$25.15 Min. bill	\$3.55	16.4%
All Over 2,000 gallons	\$ 6.22 per 1,000 gaL.	\$ 9.16 per 1,000 gaL.	\$2.94	47.3%
<u>1" Meter:</u>				
First 5,000 gallons	\$ 40.21 Min. bill	\$52.63 Min. bill	\$12.42	30.9%
All Over 5,000 gallons	\$ 6.22 per 1,000 gaL.	\$ 9.16 per 1,000 gaL.	\$2.94	47.3%
<u>2" Meter:</u>				
First 15,000 gallons	\$ 102.29 Min. bill	\$144.23 Min. bill	\$41.94	41.0%
All Over 15,000 gallons	\$ 6.22 per 1,000 gaL.	\$ 9.16 per 1,000 gaL.	\$2.94	47.3%
<u>3" Meter:</u>				
First 30,000 gallons	\$ 195.42 Min. bill	\$281.63 Min. bill	\$ 86.21	44.1%
All Over 30,000 gallons	\$ 6.22 per 1,000 gaL.	\$ 9.16 per 1,000 gaL.	\$2.94	47.3%

The average increase for a residential customer on a 5/8" & 3/4" meter using 4,000 gallons is \$9.43 per month or 27.7%

Water flowing through the meter(s) before the effective date will be charged at the current rates while water flowing through the meter(s) on and after the effective date will be charged at the proposed rates.

This filing may be examined at the offices of NMWA located at 7361 N Highway 421 Manchester, KY 40962.

This filing may also be examined at the offices of the Public Service Commission located at 211 Sower Boulevard in Frankfort, Kentucky, Monday – Friday from 8:00 am – 4:30 pm or on the PSC website at <http://psc.ky.gov>.

Comments regarding this filing may be submitted by mail to the Public Service Commission, Post Office Box 615, Frankfort KY 40602; or through its website at <http://psc.ky.gov>.

The rates contained in this notice are the rates proposed by NMWA but the Public Service Commission may order rates that differ from the proposed rates.

Intervention may be requested by submitting a timely written request for intervention by mail to the Public Service Commission, Post Office Box 615, Frankfort, KY 40602. The request for intervention must establish the grounds for the request including the status and interest of the party.

If the Public Service Commission does not receive a written request for intervention within thirty (30) days of the providing this notice, the Public Service Commission may take final action on the filing.

# **Reasons for Application**

## Reasons for Rate Increase

The North Manchester Water Association, Inc. (the "Association") is requesting a rate increase for the following reasons:

1. As directed by the public service commission
2. To enable the Association to pay its annual principal payments on its existing long term debt from water revenue than from depreciation reserves;
3. To enable the Association to meet the requirements set forth in its existing debt instruments;
4. To restore the Association to a sound financial condition by charging rates that recover its cost of providing service; and
5. To enable the Association to enhance its financial capacity so it can continue to operate its system in compliance with the federal Safe Drinking Water Act, as amended in 1996, and KRS Chapter 151.

# **Current and Proposed Rates**

**ARF FORM 1 - ATTACHMENT CPR - SEPTEMBER 2011**

**NORTH MANCHESTER WATER ASSOCIATION**

**EXISTING RATE SCHEDULE – 2/2/2019**

<b>GALLONAGE BLOCK FOR EACH METER SIZE</b>	<b>MONTHLY RATE FOR EACH GALLONAGE BLOCK</b>
<u>5/8 inch x 3/4 inch Meter</u>	
First 2,000 gallons	\$ 21.60 (Minimum Bill)
All Over 2,000 gallons	\$ 6.22 per 1,000 gallons
<u>1 inch Meter</u>	
First 5,000 gallons	\$ 40.21 (Minimum Bill)
All Over 5,000 gallons	\$ 6.22 per 1,000 gallons
<u>2 inch Meter</u>	
First 15,000 gallons	\$ 102.29 (Minimum Bill)
All Over 15,000 gallons	\$ 6.22 per 1,000 gallons
<u>3 inch Meter</u>	
First 30,000 gallons	\$ 195.42 (Minimum Bill)
All Over 30,000 gallons	\$ 6.22 per 1,000 gallons



**ARF FORM 1 - ATTACHMENT CPR - SEPTEMBER 2011**

**NORTH MANCHESTER WATER ASSOCIATION**

**WX21051202**

**PROPOSED RATE SCHEDULE – 5/4/2023**

GALLONAGE BLOCK FOR EACH METER SIZE		MONTHLY RATE FOR EACH GALLONAGE BLOCK
<u>5/8 inch x 3/4 inch Meter</u>		
First	2,000 gallons	\$ 25.15 (Minimum Bill)
All Over	2,000 gallons	\$ 9.16 per 1,000 gallons
<u>1 inch Meter</u>		
First	5,000 gallons	\$ 52.63 (Minimum Bill)
All Over	5,000 gallons	\$ 9.16 per 1,000 gallons
<u>2 inch Meter</u>		
First	15,000 gallons	\$ 144.23 (Minimum Bill)
All Over	15,000 gallons	\$ 9.16 per 1,000 gallons
<u>3 inch Meter</u>		
First	30,000 gallons	\$ 281.63 (Minimum Bill)
All Over	30,000 gallons	\$ 9.16 per 1,000 gallons

# **Revenue Requirement Calculation**

North Manchester Water Association			
KIA Loan Payment Calculation			
5/4/2023			
SME #22015			
\$899,483.88 KIA Loan Balance 2/2023 @ 2.93%			
Date	Fiscal Year 2023		
	KIA Payment	Debt Reserve	Total
		(10%)	
January	\$12,772.42	\$1,277.24	<b>\$14,049.66</b>
February	\$12,770.79	\$1,277.08	<b>\$14,047.87</b>
March	\$12,769.16	\$1,276.92	<b>\$14,046.08</b>
April	\$12,767.53	\$1,276.75	<b>\$14,044.28</b>
May	\$12,765.90	\$1,276.59	<b>\$14,042.49</b>
June	\$12,764.27	\$1,276.43	<b>\$14,040.70</b>
July	\$12,762.64	\$1,276.26	<b>\$14,038.90</b>
August	\$12,761.01	\$1,276.10	<b>\$14,037.11</b>
September	\$12,759.38	\$1,275.94	<b>\$14,035.32</b>
October	\$12,757.75	\$1,275.78	<b>\$14,033.53</b>
November	\$12,756.12	\$1,275.61	<b>\$14,031.73</b>
December	\$12,754.49	\$1,275.45	<b>\$14,029.94</b>
<b>Totals</b>	<b>\$153,161.46</b>	<b>\$15,316.15</b>	<b>\$168,477.61</b>
	2023 Budget shortfall	<b>\$70,000.00</b>	
	Current loan Payment Difference	<b>\$84,477.61</b>	
	Total additional needed monthly	<b>\$154,477.61</b>	
	Total number of customers	<b>1,984</b>	
Rate	Increase per monthly bill	<b>\$6.49</b>	

**North Manchester Water Association****Proposed Budget****SME # 22015****5/4/2023**

	<b>BUDGET YEAR</b>			
	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Operating Revenues	\$936,258.24	\$1,024,791.38	\$1,007,845.92	\$1,097,544.21
Operating Expenses	\$753,058.13	\$952,874.13	\$934,381.65	\$1,017,541.62
Purchased Water				
Employees Salaries				
Employees Benefits				
Contract Services				
Depreciation Expenses	\$105,350.00	\$107,074.00	\$111,245.00	\$121,145.81
Utility Taxes	\$29,564.92	\$48,845.08	\$23,780.56	\$29,564.92
Operating Expenses	\$887,973.05	\$1,108,793.21	\$1,069,416.21	\$1,164,594.25
Vehicle Expense				
Equipment Expense				
Operating Income	\$48,285.19	(\$84,001.83)	(\$61,570.29)	(\$67,050.05)
Total Operating Income	\$48,285.19	(\$84,001.83)	(\$61,570.29)	(\$67,050.05)
Interest	\$21.15	\$34.74	\$45.76	
Total Other income	\$21.15	\$34.74	\$45.76	
Interest Expense	\$20,772.33	\$37,895.42	\$17,515.82	
Toal Interest Expense	\$20,772.33	\$37,895.42	\$17,515.82	

# **Billing Analysis**

### Billing Analysis – Current Rates

<b>5/8" x 3/4" Meter</b>				
<b>Usage</b>	<b>Bills</b>	<b>Gallons</b>		
First 2000 Minimum Bill	23400	46,800,000.00		
All Over 2000 gallons		52,621,606.00		
		99,421,606.00	Total	
<b>Anticipated Revenue Based on Usage</b>	<b>Bills</b>	<b>Gallons</b>	<b>Rates</b>	<b>Total</b>
First 2000 Minimum Bill	23400	46,800,000.00	\$ 21.60	\$ 505,440.00
All Over 2000 gallons		52,621,606.00	\$ 6.22	\$ 327,306.39
				\$ 832,746.39
<b>1" Meter</b>				
<b>Usage</b>	<b>Bills</b>	<b>Gallons</b>		
First 5000 Minimum Bill	252	1,260,000.00		
All Over 5000 gallons		2,480,450.00		
		3,740,450.00	Total	
<b>Anticipated Revenue Based on Usage</b>	<b>Bills</b>	<b>Gallons</b>	<b>Rates</b>	<b>Total</b>
First 5000 Minimum Bill	252	1,260,000.00	\$ 40.21	\$ 10,132.92
All Over 5000 gallons		2,480,450.00	\$ 6.22	\$ 15,428.40
				\$ 25,561.32
<b>2" Meter</b>				
<b>Usage</b>	<b>Bills</b>	<b>Gallons</b>		
First 15,000 Minimum Bill	144	2,160,000.00		
All Over 15,000 gallons		17,848,970.00		
		20,008,970.00	Total	
<b>Anticipated Revenue Based on Usage</b>	<b>Bills</b>	<b>Gallons</b>	<b>Rates</b>	<b>Total</b>
First 15,000 Minimum Bill	144	2,160,000.00	\$ 102.29	\$ 14,729.76
All Over 15,000 gallons		17,848,970.00	\$ 6.22	\$ 111,020.59
				\$ 111,020.59
<b>3" Meter</b>				
<b>Usage</b>	<b>Bills</b>	<b>Gallons</b>		
First 30000 Minimum Bill	24	720,000.00		
All Over 30000 gallons		3,620,900.00		
		4,340,900.00	Total	
<b>Anticipated Revenue Based on Usage</b>	<b>Bills</b>	<b>Gallons</b>	<b>Rates</b>	<b>Total</b>
First 30000 Minimum Bill	24	720,000.00	\$ 195.42	\$ 4,690.08
All Over 30000 gallons		3,620,900.00	\$ 6.22	\$ 22,522.00
				\$ 27,212.08
* This analysis presumes full usage on minimum bill				

## Billing Analysis – Proposed Rates

<b>5/8" x 3/4" Meter</b>				
<b>Usage</b>	<b>Bills</b>	<b>Gallons</b>		
First 2000 Minimum Bill	23400	46,800,000.00		
All Over 2000 gallons		52,621,606.00		
		99,421,606.00	Total	
<b>Anticipated Revenue Based on Usage</b>	<b>Bills</b>	<b>Gallons</b>	<b>Rates</b>	<b>Total</b>
First 2000 Minimum Bill	23400	46,800,000.00	\$ 25.15	\$ 588,510.00
All Over 2000 gallons		52,621,606.00	\$ 9.16	\$ 482,013.91
				\$ 1,070,523.91
<b>1" Meter</b>				
<b>Usage</b>	<b>Bills</b>	<b>Gallons</b>		
First 5000 Minimum Bill	252	1,260,000.00		
All Over 5000 gallons		2,480,450.00		
		3,740,450.00	Total	
<b>Anticipated Revenue Based on Usage</b>	<b>Bills</b>	<b>Gallons</b>	<b>Rates</b>	<b>Total</b>
First 5000 Minimum Bill	252	1,260,000.00	\$ 52.63	\$ 13,262.76
All Over 5000 gallons		2,480,450.00	\$ 9.16	\$ 22,720.92
				\$ 35,983.68
<b>2" Meter</b>				
<b>Usage</b>	<b>Bills</b>	<b>Gallons</b>		
First 15,000 Minimum Bill	144	2,160,000.00		
All Over 15,000 gallons		17,848,970.00		
		20,008,970.00	Total	
<b>Anticipated Revenue Based on Usage</b>	<b>Bills</b>	<b>Gallons</b>	<b>Rates</b>	<b>Total</b>
First 15,000 Minimum Bill	144	2,160,000.00	\$ 144.23	\$ 20,769.12
All Over 15,000 gallons		17,848,970.00	\$ 9.16	\$ 163,496.57
				\$ 163,496.57
<b>3" Meter</b>				
<b>Usage</b>	<b>Bills</b>	<b>Gallons</b>		
First 30000 Minimum Bill	24	720,000.00		
All Over 30000 gallons		3,620,900.00		
		4,340,900.00	Total	
<b>Anticipated Revenue Based on Usage</b>	<b>Bills</b>	<b>Gallons</b>	<b>Rates</b>	<b>Total</b>
First 30000 Minimum Bill	24	720,000.00	\$ 281.63	\$ 6,759.12
All Over 30000 gallons		3,620,900.00	\$ 9.16	\$ 33,167.44
				\$ 39,926.56

# **Depreciation Schedule**



**Table A**

**Depreciation Expense Adjustments**

Asset	Date in service	Original Cost	Reported Life	Deprec Exp	Proforma Life	Deprec Exp	Depreciation Expense Adjustment
Transmission & Distribution Mains Entire Group	various	\$4,374,243.00	50	\$87,483.00	62.5	\$69,988.00	(\$17,495.00)
Meter Installations Entire Group	various	\$205,609.00	50	\$4,111.00	45	\$4,569.00	\$458.00
New Meters and Services Meters	2017	\$14,300.00	50	\$286.00	45	\$318.00	\$318.00
Entire Group	various	\$27,721.00	50	\$554.00	40	\$693.00	\$139.00
Distribution Reservoirs Entire Group	Various	\$49,695.00	50	\$994.00	45	\$1,104.00	\$110.00
Hydrants Hydrants	12/1/1985	\$63,934.00	50	\$1,279.00	45	\$1,279.00	\$0.00
Transportation Equipment Entire Group	10/16/2013	\$33,150.00	5	\$6,630.00	7	\$4,736.00	(\$1,894.00)
<b>Totals</b>				\$101,051.00		\$82,687.00	(\$18,364.00)

# **Outstanding Debt Instrument and Amortization Schedule**

ASSISTANCE AGREEMENT  
BETWEEN KENTUCKY INFRASTRUCTURE AUTHORITY  
AND  
CLAY COUNTY, KENTUCKY

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TRANSCRIPT OF PROCEEDINGS

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Peck, Shaffer & Williams  
Covington, Kentucky

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## INDEX TO TRANSCRIPT OF PROCEEDINGS

In re: Assistance Agreement between Kentucky Infrastructure Authority (the "Authority") and Clay County, Kentucky (the "Governmental Agency"), dated as of May 1, 1994.

1. Opinion of Counsel to the Governmental Agency.
  2. Opinion of Counsel to the Water Association.
  3. General Closing Certificate of the Governmental Agency.
  4. General Closing Certificate of the Water Association.
  5. Assistance Agreement.
  6. Lease.
  7. Resolution of the Governmental Agency authorizing the Assistance Agreement.
  8. Resolution of the Water Association authorizing the Lease.
  9. Extract of Minutes of the Meeting of the Fiscal Court adopting Resolution authorizing Assistance Agreement and Lease.
  10. Extract of Minutes of the Authority authorizing the Assistance Agreement and the Lease.
  11. Commitment Letter, including Credit Analysis.
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DISTRIBUTION LIST

Mr. Cordell Lawrence  
National City Bank, Kentucky  
Corporate Trust Department  
101 South Fifth Street, 3rd Floor  
Louisville, Kentucky 40202

Hon. James Garrison  
Judge/Executive  
Clay County Courthouse  
316 East Main Street, Suite 129  
Manchester, Kentucky 40962

Kentucky Infrastructure Authority  
702 Capitol Avenue, Room 075  
Frankfort, Kentucky 40601

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

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

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COMMONWEALTH OF KENTUCKY  
Office of the Clay County Attorney  
Clay M. Bishop, Jr.  
Clay County Attorney

101 Walters Street  
Manchester, Kentucky 40962  
Telephone: (606) 598-5917

Clint Harris  
Asst. Clay County Attorney

May 1, 1994

Kentucky Infrastructure Authority  
261 Capitol Annex  
Frankfort, Kentucky

RE: Assistance Agreement by and between Kentucky Infrastructure  
Authority and Clay County, Kentucky dated as of May 1, 1994

Ladies and Gentlemen:

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

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

Based upon my review I am of the opinion that:

- 1) The Governmental Agency is a duly organized and existing political subdivision or body politic of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.
- 2) The Assistance Agreement and the Lease have been duly executed and delivered by the Governmental Agency and are valid and binding obligations of the Governmental Agency enforceable in accordance with their terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement or creditors' rights or remedies generally.

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

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

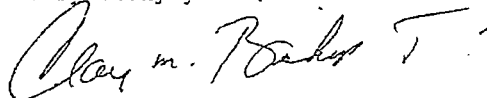
5) The execution and delivery of the Assistance Agreement and the Lease and the performance by the Governmental Agency of its obligations thereunder does not and will not conflict with, violate or constitute a default under any court or administrative order, decree or ruling, or any law, statute, ordinance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

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Governmental Agency (ii) the right or title of the members and officers of the Governmental Agency to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Assistance Agreement or the application of any monies or security therefor, (iv) the authorization, execution, delivery or enforceability of the Lease (v) the construction of the Project, (vi) the validity or enforceability of the Service Charges or (vii) that would have a material adverse impact on the ability of the Governmental Agency to perform its obligations under the Assistance Agreement or the Lease.

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

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "Clay M. Banks".

Clint J. Harris

ATTORNEY

305 Main Street  
Manchester, Kentucky 40962  
Phone: (606) 598-1481

May 27, 1994

Kentucky Infrastructure Authority  
261 Capitol Annex  
Frankfort, Kentucky

RE: Lease Agreement by and between County of Clay,  
Kentucky and North Manchester Water Association  
dated as of May 1, 1994

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the North Manchester Water Association, hereinafter referred to as the "Lessee". I am familiar with the organization and existence of the Lessee and the laws of the Commonwealth applicable thereto. Additionally, I am familiar with the infrastructure project (the "Project") with respect to which the Lease by and between the County of Clay, Kentucky (the "Governmental Agency") and the Lessee (the "Lease") is being authorized, executed and delivered.

I have reviewed the form of Lease by and between the Governmental Agency and the Lessee, the resolution of the Lessee authorizing the execution and delivery of said Lease and the plans, designs and specifications prepared with respect to the Project.

Based upon my review I am of the opinion that:

1) The Lessee is a duly organized and existing water association, validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

2) The Lease has been duly executed and delivered by the Lessee and is a valid and binding obligation of the Lessee enforceable in accordance with its terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

3) The Lessee has all necessary power and authority to



enter into, perform and consummate all transactions contemplated by the Lease.

4) The Service Charges, as defined in the Lease, are in full force and effect and have been duly and lawfully adopted by the Lessee.


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

6) To the best of my knowledge after due inquiry there is no action, suit, proceedings or investigation at law or in equity before any court, public board or body pending or threatened against, affecting or questioning (i) the valid existence of the Lessee, (ii) the right or title of the members and officers of the Lessee to their respective positions, (iii) the authorization, execution, delivery or enforceability of the Lease or the application of any monies or security therefor, (iv) the validity or enforceability of the Service Charges or (v) that would have a material adverse impact on the ability of the Lessee to perform its obligations under the Lease.

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

8) All proceedings and actions of the Lessee with respect to which the Lease are to be delivered were had or taken at meetings properly convened.

Very truly yours,

  
Clint J. Harris

CJH/cks

Re: Assistance Agreement between the Kentucky Infrastructure Authority ("KIA") and Clay County, Kentucky (the "Governmental Agency")

GENERAL CLOSING CERTIFICATE OF GOVERNMENTAL AGENCY

In connection with the above-captioned Assistance Agreement (the "Assistance Agreement"), the Governmental Agency, through its undersigned duly authorized officer hereby certifies, represents, warrants and covenants as follows:

1. No event of default exists, or with the passage of time will exist, under the Assistance Agreement and the representations and warranties set forth in the Assistance Agreement are true and correct as of the date hereof.

2. The Governmental Agency has examined and is familiar with proceedings of the governing body of the Governmental Agency approving the Assistance Agreement and the Lease dated as of May 1, 1994 between the Governmental Agency and North Manchester Water Association (the "Lease") and authorizing their negotiation, execution and delivery and such proceedings were duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such proceedings are in full force and effect and have not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

3. The Governmental Agency is a duly organized and validly county and political subdivision of the Commonwealth of Kentucky with full power to own its properties, conduct its affairs, enter into the Assistance Agreement and consummate the transactions contemplated thereby.

4. The negotiation, execution and delivery of the Assistance Agreement and the Lease by the Governmental Agency and the consummation of the transactions contemplated thereby by the Governmental Agency have been duly authorized by all requisite action of the governing body of the Governmental Agency.

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

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

---

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

8. All actions taken by the Governmental Agency in connection with the Assistance Agreement and the loan described therein, the Lease and the Project, as defined in the Assistance Agreement, have been in full compliance with the provisions of the Kentucky Open Meetings Law, KRS 61.805 to 61.850.

9. The Governmental Agency has all licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project and to enter into the Assistance Agreement and the Lease, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Governmental Agency Project, and has full right, power and authority to perform the acts and things as provided for in the Assistance Agreement and the Lease.

10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Governmental Agency indicated after their respective names and the signatures subscribed above their names are their genuine signatures.

WITNESS our signatures, this 26 day of May, 1994.

GOVERNMENTAL AGENCY:

Clay County, Kentucky

By: James Garrison  
Name: James Garrison  
Title: Judge/Executive

ATTEST:

By: Charlott Smith  
Name: \_\_\_\_\_  
Title: Clerk

1877

Re: Lease Agreement by and between County of Clay, Kentucky (the "Governmental Agency") and North Manchester Water Association (the "Lessee")

GENERAL CLOSING CERTIFICATE OF LESSEE

In connection with the above-captioned Lease (the "Lease"), the Lessee, through its undersigned duly authorized officer hereby certifies, represents, warrants and covenants as follows:

1. No event of default exists, or with the passage of time will exist, under the Lease and the representations and warranties set forth in the Lease are true and correct as of the date hereof.

2. The Lessee has examined and is familiar with proceedings of the governing body of the Lessee approving the Lease and authorizing its negotiation, execution and delivery and such proceedings were duly enacted or adopted at a meeting of the governing body of the Lessee at which a quorum was present and acting throughout; such proceedings are in full force and effect and have not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

3. The Lessee is a duly organized and validly existing water association with full power to own its properties, conduct its affairs, enter into the Lease and consummate the transactions contemplated thereby.

4. The negotiation, execution and delivery of the Lease by the Lessee and the consummation of the transactions contemplated thereby by the Lessee have been duly authorized by all requisite action of the governing body of the Lessee.

5. The Lease has been duly executed and delivered by the Lessee and is a valid and binding obligation of the Lessee enforceable in accordance with their terms, except to the extent that the enforceability thereof may be limited by equitable principles and by bankruptcy, reorganization, moratorium, insolvency or similar laws heretofore or hereafter enacted relating to or affecting the enforcement of creditors' rights or remedies generally.

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

7. The authorization and delivery of the Lease and the consummation of the transactions contemplated thereby will not constitute an event of default or violation or breach, nor an event which, with the giving of notice or the passage of time or both, would constitute an event of default

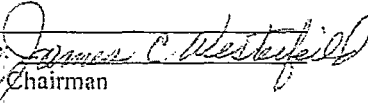
or violation or breach, under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation or other document or law affecting the Lessee or its governing body.

8. The Lessee has all licenses, permits and other governmental approvals required to own, occupy, operate and maintain the Project and to enter into the Lease, is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Project, and has full right, power and authority to perform the acts and things as provided for in the Lease.

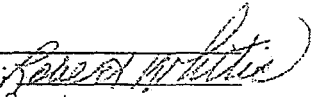
10. The individuals named below are the duly elected or appointed qualified and acting incumbents in the office of the Lessee indicated after their respective names and the signatures subscribed above their names are their genuine signatures.

WITNESS our signatures, this 26<sup>th</sup> day of May, 1994.

North Manchester Water Association

By:   
Name: James C. Westfield  
Title: Chairman

ATTEST:

By:   
Name: Robert W. White  
Title: Secretary

1881

KENTUCKY INFRASTRUCTURE AUTHORITY

ASSISTANCE AGREEMENT

FUND B2

PROJECT NUMBER B292-02

BORROWER: Clay County, Kentucky

BORROWER'S ADDRESS 316 East Main Street, Suite 129  
Manchester, Kentucky 40962

DATE OF ASSISTANCE AGREEMENT: May 1, 1994

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ASSISTANCE AGREEMENT

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## ASSISTANCE AGREEMENT

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

### WITNESSETH

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

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

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

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

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

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

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

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

## ARTICLE I

### DEFINITIONS

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

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

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

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

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

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

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

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

"Commonwealth" shall mean the Commonwealth of Kentucky.

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

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

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

"Governmental Agency" shall mean any agency or unit of government within the Commonwealth; now having or hereafter granted the authority and power to finance, acquire, construct, and operate a Project, including specifically but not by way of limitation, incorporated cities, counties,

sanitation districts, water districts, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another pursuant to any regional or area compact, or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such described powers; and for the purposes of this Assistance Agreement shall mean the Governmental Agency identified in the Project Specifics.

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

"Lease" shall mean the Lease dated as of even date herewith between the Governmental Agency and the Lessee.

"Lessee" shall mean North Manchester Water Association.

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

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

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

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

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

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

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

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

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

"Service Charges" shall mean any monthly, quarterly, semi-annual, or annual charges, surcharges or improvement benefit assessments to be imposed by a Governmental Agency, or by the

Authority, in respect of the Project which Service Charges arises by reason of the existence of, and requirement of, any Assistance Agreement and for the purposes of this Assistance Agreement said Service Charge shall be no less than those set forth in the Schedule of Service Charges.

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

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

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

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

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

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

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

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

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

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

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

(D) There is no controversy or litigation of any nature pending or threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Governmental Agency or its governing body to make payments under this Assistance Agreement or to construct the Project, or to challenge in any manner the authority of the Governmental Agency or its

governing body to take any of the actions which have been taken in the authorization or delivery of this Assistance Agreement or the construction of the Project, or in any way contesting or affecting the validity of this Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Governmental Agency of this Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the Governmental Agency, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Assistance Agreement.

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

(F) Attached hereto as Exhibit D is a true, accurate and complete copy of the resolution or ordinance of the governing body of the Governmental Agency approving and authorizing the execution and delivery of this Assistance Agreement. Such resolution or ordinance was duly enacted or adopted at a meeting of the governing body of the Governmental Agency at which a quorum was present and acting throughout; such resolution or ordinance is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

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

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

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



## ARTICLE III

### AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

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

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

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

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

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

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

Notwithstanding the foregoing, upon the determination by the Authority that it intends to issue revenue bonds secured by a pledge of the payments on the Loan, the Authority shall advise the Governmental Agency (i) of its intention to proceed with the authorization of such bonds (ii) of the limitation on prepayments after such bonds are issued and (iii) that the Governmental Agency has thirty (30) days from its receipt of said notice to exercise its option to prepay the Loan. Upon the expiration of said thirty day period the Governmental Agency's right to prepay the Loan shall be limited to the terms described in such notice.

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

## ARTICLE IV

### CONDITIONS PRECEDENT TO DISBURSEMENT; REQUISITION FOR FUNDS

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

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

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

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

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

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

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

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

(H) The construction contract or contracts shall require the contractor to comply with all provisions of federal and state law legally applicable to such work, and any amendments or

modifications thereto, together with all other applicable provisions of law, to cause appropriate provisions to be inserted in subcontracts to insure compliance therewith by all subcontractors subject thereto, and to be responsible for the submission of any statements required of subcontractors thereunder.

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

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

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

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

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

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

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

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

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

(R) The Governmental Agency shall require that any bid for any portion of the Construction of the Project be accompanied by a bid bond, certified check or other negotiable instrument payable to the Governmental Agency, as assurance that the bidder will, upon acceptance of such bid, execute the necessary contractual documents within the required time.

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

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

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

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

Section 4.2. Disbursements of Loan: Requisition for Funds. The Governmental Agency may submit to the Authority (or the Trustee acting on behalf of the Authority, if so designated) a Requisition for Funds during the first ten days of each month (or such other designated period as is acceptable to the Authority), in substantially the same form as that attached to this Assistance Agreement as Exhibit B and made a part hereof, accompanied by, to the extent requested by the Authority, the following documentation:

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

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

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

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

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

## ARTICLE V

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

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

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

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

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

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

Section 5.5. Covenant to Establish Maintenance and Replacement Reserve. The Governmental Agency shall establish a special account identified as a "Maintenance and Replacement Reserve". On or before each payment date identified in the Schedule of Payments, the Governmental Agency shall deposit into the Maintenance and Replacement Reserve an amount equal to ten percent (10%) of the amount of such Loan payment until the amount on deposit in such fund is equal to five

percent (5%) of the original principal amount of the Loan (the "Required Balance"). Amounts in the Maintenance and Replacement Reserve may be used for extraordinary maintenance expenses related to the Project or for the costs of replacing worn or obsolete portions of the Project. If amounts are withdrawn from such fund, the Governmental Agency shall again make the periodic deposits hereinabove required until the Required Balance is reinstated.

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

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

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

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

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

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

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

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

## ARTICLE VI

### OTHER COVENANTS OF THE GOVERNMENTAL AGENCY

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

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

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

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

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

Section 6.6. Tax Covenant. In the event the Authority issues Bonds which are intended to be excludable from gross income for federal income tax purposes to provide the funds for the Loan, the Governmental Agency shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure such exclusion and shall take such actions as may be directed by the Authority in order to accomplish the foregoing. The Governmental Agency will not acquire or pledge any obligations which would cause the Bonds to be "arbitrage bonds" within the meaning of the Code.

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

Section 6.8. Financial Statements. Within ninety (90) days after the end of each fiscal year of the Governmental Agency, the Governmental Agency shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All



financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principals on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Governmental Agency shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity.

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

Section 6.10. System Not to Be Disposed Of. The Governmental Agency covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of any of the facilities of the System or any part thereof (except that the Governmental Agency may retire obsolete and worn out facilities, and sell same, if appropriate).

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

## ARTICLE VII

### MAINTENANCE, OPERATION, INSURANCE AND CONDEMNATION

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

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

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

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

Section 7.5. Covenant to Insure - Casualty. The Governmental Agency agrees to insure the Project facilities in such amount as like properties are similarly insured by political subdivisions similarly situated, against loss or damage of the kinds usually insured against by political subdivisions similarly situated, by means of policies issued by reputable insurance companies duly qualified to do such business in the Commonwealth.

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

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

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

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

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

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

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

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

## ARTICLE VIII

### EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE IX

### MISCELLANEOUS PROVISIONS

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

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

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

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

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

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

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

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

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

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

ATTEST:

KENTUCKY INFRASTRUCTURE AUTHORITY

Marilyn Estrow Thomas

Title: Secretary/Treasurer

By: Garth E. Byrd

Title: Executive Director

ATTEST:

GOVERNMENTAL AGENCY:  
COUNTY OF CLAY, KENTUCKY

By: Charles Smith

Title: Fiscal Court Clerk

By: James Garrison

Title: Judge/Executive

APPROVED:

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

EXAMINED:

Beck Saffer Williams  
LEGAL COUNSEL TO THE KENTUCKY  
INFRASTRUCTURE AUTHORITY







Grange Mutual Casualty Company ° 650 South Front Street  
P.O. Box 1218 ° Columbus, Ohio 43216-1218

DIRECT BILL

COMMERCIAL PROPERTY COVERAGE PART / DECLARATIONS

POLICY NUMBER F [REDACTED] MOD 05 RENEWAL OF F [REDACTED]  
RENEWAL

NAMED INSURED AND MAILING ADDRESS AGENCY NAME AND ADDRESS

CLAY COUNTY FISCAL COURT  
316 MAIN STREET  
MANCHESTER KY  
40962

A. L. WHITIS INS. AGCY.  
108 ANDERSON AVENUE  
MANCHESTER, KY  
40962

AGENCY NUMBER: [REDACTED]

POLICY PERIOD: FROM MAR. 17, 1994 TO MAR. 17, 1995 AT  
12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS  
POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS  
FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY  
BE SUBJECT TO ADJUSTMENT.

	PREMIUM
COMMERCIAL PROPERTY COVERAGE PART	\$7,648.00
TOTAL PREMIUM:	\$7,648.00
* PAYABLE AT INCEPTION:	\$7,762.75

\* INCLUDES TAXES AND/OR SURCHARGES

KENTUCKY SURCHARGE REQUIRED BY KRS 136.392 APPLIES \$114.75

THESE DECLARATIONS TOGETHER WITH THE COMMERCIAL LINES POLICY JACKET, COMMON  
POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S)  
AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE  
THE ABOVE NUMBERED POLICY.

COUNTERSIGNED 3/31/94 BY Robert White  
(AUTHORIZED REPRESENTATIVE)

FORM NO. COMONDEC 1/86

ISSUED 03/21/94 SHERV

EXHIBIT B

REQUEST FOR PAYMENT WITH RESPECT TO  
ASSISTANCE AGREEMENT DATED \_\_\_\_\_

Request No. \_\_\_\_\_

Dated \_\_\_\_\_

ORIGINAL SENT TO: Kentucky Infrastructure Authority  
Room 261, Capitol Annex,  
Frankfort, Kentucky 40601

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

FROM: \_\_\_\_\_ ("Governmental Agency")

Gentlemen:

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

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

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

ELIGIBLE PROJECT EXPENSES INCURRED

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

Total

ALLOCATION OF FUNDING FOR EXPENSES

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

Totals

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

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

Respectfully submitted,

\_\_\_\_\_  
Governmental Agency

By: \_\_\_\_\_

Title: \_\_\_\_\_

LEASE

This Lease (the "Lease") made and entered into as of the date set forth on the cover page hereof, by and between the Governmental Agency identified on the cover of this Lease, (the "Lessor") and the water association identified on the cover of this Lease (the "Lessee").

WITNESSETH

WHEREAS, the Lessor has determined that it is necessary and desirable to acquire, construct, and finance the Project, as hereinafter defined, and the Kentucky Infrastructure Authority (the "Authority") has determined that the Project is a Project within the meaning of Chapter 224A of the Kentucky Revised Statutes (the "Act"), thereby qualifying for financial assistance from the Authority; and

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

WHEREAS, the Lessor finds that it is to the best interest and service of the taxpayers, citizens and inhabitants of the Lessor that the properties making up the Project (as defined in the Assistance Agreement) be leased to the Lessee;

WHEREAS, the Lessee finds that it is in the best interest of its customers to lease from the Lessor the Project and to pay Lessor for such use the amount of the rentals required to be paid by the terms of the Assistance Agreement by the Lessor to the Authority;

WHEREAS, it is the desire of the Lessor that upon termination of the Assistance Agreement, and all terms and conditions thereof having been performed by all the parties hereto, that any and all right, title and interest in and to the Project be transferred and conveyed by the Lessor to the Lessee.

NOW, THEREFORE, FOR AND IN CONSIDERATION OF LESSEE AGREEING TO PAY ANY AND ALL RENTAL PAYMENTS AND OTHER CHARGES AS SET OUT IN EXHIBIT A TO THE ASSISTANCE AGREEMENT, OR PAYMENTS REQUIRED TO BE PAID UNDER THE ASSISTANCE AGREEMENT, AND ANY AND ALL OTHER CHARGES OR COSTS INCURRED BY THE LESSOR AS A RESULT OF THE ASSISTANCE AGREEMENT AND SUBJECT TO THE TERMS, PROVISIONS AND STIPULATIONS HEREINAFTER SET FORTH, LESSOR DOES HEREBY DEMISE, SUBLET AND LEASE UNTO LESSEE FOR THE TERMS HEREINAFTER SPECIFIED, THE PROJECT.

---

## ARTICLE I

### DEFINITIONS

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

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

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

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

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

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

"Commonwealth" shall mean the Commonwealth of Kentucky.

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

"Lease" means this Lease made and entered into by and between the Lessor and the Lessee, providing for the leasing of the Project from the Lessor to the Lessee.

"Lessee" means the water association identified as the lessee on the cover hereof.

"Lessor" means the governmental unit identified as such on the cover hereof.

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

"Person" shall mean any individual, firm, partnership, association, corporation or governmental agency (as defined in the Act).

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

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

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

"Schedule of Rentals" means the principal and interest requirements of the Loan, which amounts shall automatically and at all times be equal to the amounts set forth in Exhibit F to the Assistance Agreement.

"Schedule of Service Charges" shall mean those general charges to be imposed by the Lessee for services provided by the System, as set forth in Exhibit C hereto, and such other revenues identified in Exhibit C from which the Rentals are to be paid, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority and the Lessor prior to the disbursement of any funds for the Construction of the Project.

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

"System" shall mean the utility system operated by the Lessee and from the earnings of which (represented by the Service Charges) the Lessee shall pay the Rentals hereunder.

#### Section 2. Representations and Warranties of the Lessor.

(A) There is no controversy or litigation of any nature pending or threatened, in any court or before any board, tribunal or administrative body, to challenge in any manner the authority of the Lessor to construct the Project, or to challenge in any manner the authority of the Lessor or its governing body to take any of the actions which have been taken in the authorization or delivery of this Lease or the construction of the Project, or in any way contesting or affecting the validity of this Lease, or in any way questioning the due existence or powers of the Lessor, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with this Lease.

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

(C) Attached hereto as Exhibit A is a true, accurate and complete copy of the resolution or ordinance of the governing body of the Lessor approving and authorizing the execution and delivery of this Lease. Such resolution or ordinance was duly enacted or adopted at a meeting of the governing body of the Lessor at which a quorum was present and acting throughout; such resolution or ordinance is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

Section 3. Representations and Warranties of the Lessee. The Lessee hereby represents and warrants for the benefit of the Lessor and the Authority as follows:

(A) The Lessee is a duly organized and validly existing Water Association, with full power to own its properties, conduct its affairs, enter into this Lease and consummate the transactions contemplated hereby.

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

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

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

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

(F) Attached hereto as Exhibit A is a true, accurate and complete copy of the resolution of the governing body of the Lessee approving and authorizing the execution and delivery of this Lease. Such resolution was duly enacted or adopted at a meeting of the governing body of the Lessee at which a quorum was present and acting throughout; such resolution is in full force and effect and has not been superseded, altered, amended or repealed as of the date hereof; and such meeting was duly called and held in accordance with law.

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

(H) Legal counsel to the Lessee has duly executed and delivered the opinion of legal counsel substantially in the form set forth in Exhibit B hereto.

Section 4. Lease of Project. The Lessor agrees to lease the Project to the Lessee, and the Lessee agrees to lease said Project as aforesaid for the Repayment Term, as defined in Exhibit A to the Assistance Agreement, for rentals amounting to a sum sufficient to amortize the unpaid portion of the cost to the Lessor of the Project as evidenced by the Assistance Agreement, together with the costs of maintaining and insuring said Project, and paying the expenses incident to the repayment of the Loan under the Assistance Agreement.

Section 5. Rentals. The Lessee agrees to lease and rent the Project from the Lessor to be used for lawful purposes as described in the Act for the rentals set forth as loan payments in the Assistance Agreement, plus the costs of maintenance and insurance. Payments under this Lease shall be made in ample time to meet the payments of principal, interest, administrative fees and other costs falling due on the Assistance Agreement. The Lessee shall have the right to use and occupy the Project from the date of this Lease.

In any event, the rental payments due from the Lessee shall be such amounts as may from year to year be necessary to meet the principal and interest requirements on the Loan under the Assistance Agreement, plus the costs of maintaining and insuring the Project.

Section 6. Provisions of Assistance Agreement Incorporated. The terms, conditions and stipulations of the Assistance Agreement are incorporated herein as if fully set forth herein. The Lessee understands and agrees that the Lessee shall perform each of the duties and obligations imposed on the Lessor under the Assistance Agreement, provided, however, that Lessor shall retain ownership of the Project as set forth in Section 7 of this Lease.

Section 7. Conveyance to Lessee on Repayment of Loan under Assistance Agreement. It is understood and agreed that if the Lessee shall pay the rentals above specified to and through the last day of the Lease Term, and by reason of the application of such rentals to the payment of the principal and interest on the Loan under the Assistance Agreement, the Loan under the Assistance Agreement shall have on such date, or at any other time prior thereto, through any other method, been fully paid and retired, the Lessor will convey the Project to the Lessee free of all liens and encumbrances.

Section 8. Application of Insurance Proceeds. It is agreed that in case the Project is totally destroyed by fire, lightning, windstorm or other hazard covered by insurance, the Lessor shall have the right to expend such proceeds to restore the Project; that if such proceeds are not expended by the Lessor for the restoration of the Project at the earliest practicable date, then all such insurance Proceeds shall be used for the purpose of repaying the Loan under the Assistance Agreement, and the Project shall be and become the property of the Lessor, in which case the Lessor shall convey the Project to the Lessee free and clear of all encumbrances. In the event of partial destruction by fire, lightning, windstorm or other hazard covered by insurance, it is agreed between the parties that the proceeds of such insurance shall be used solely and only for the purpose of making the necessary replacements and repairs to the buildings and improvements located thereon, provided further that if following such partial or complete destruction any principal or interest payment is due on the Loan under the Assistance Agreement and there are no other funds available for said payments, such insurance proceeds must be applied to the payments which are due.

Section 9. Maintenance and Insurance. It is agreed and understood that so long as the Lessee continues to lease the Project it will, at its own expense, maintain and keep same in good state of



repair and will procure and pay the cost of insurance on all Project buildings and the contents thereof against loss by fire, lightning, windstorm or other hazard, and that the amount of such insurance shall be at all times the full insurable value of the buildings and the contents thereof or the amount of the Loan outstanding under the Assistance Agreement from time to time, whichever is greater.

Section 10. Supplemental Contract if Supplemental Assistance Agreement Executed. The parties hereto agree that in the event it becomes necessary to incur an additional loan ranking on a parity with the loan under the Assistance Agreement in order to complete the Project, they shall enter into a Supplemental Lease, whereunder the respective rental payments during the term of such supplemental Assistance Agreement are increased by the amount of annual principal and interest requirements of such additional Assistance Agreement.

IN TESTIMONY WHEREOF, the Lessee has caused this instrument to be executed for and on its behalf by its Chairman and Secretary, and the Lessor has caused this instrument to be executed for and on its behalf by its Judge/Executive and Fiscal Court Clerk as of the date above written.

NORTH MANCHESTER WATER ASSOCIATION

By: James Chesapeake  
Chairman

Attest:

Robert White  
Secretary

COUNTY OF CLAY, KENTUCKY

By: James Harrison  
Judge/Executive

Attest:

Charlton Smith  
Fiscal Court Clerk

COMMONWEALTH OF KENTUCKY )  
 ) SS  
COUNTY OF CLAY )

The undersigned, Notary Public in and for the State and County aforesaid, hereby certifies that on this day the foregoing instrument was acknowledged before me in said County by James Weckel Chairman, and Robert White Secretary of the North Manchester Water Association, to be their act and deed as Chairman and Secretary of said Association and the act and deed of said Association as authorized by a Resolution of said Association.

Witness my signature this 20 day of May, 1994.

My commission expires 8-13-97.

Clint Harris  
Notary Public, State at Large  
Kentucky

(Seal of Notary)

COMMONWEALTH OF KENTUCKY )  
 ) SS  
COUNTY OF CLAY )

The undersigned, Notary Public in and for the State and County aforesaid, hereby certifies that on this day the foregoing instrument was acknowledged before me in said County by James Garrison, Judge/Executive, and Clint Harris Fiscal Court Clerk of the County of Clay, Kentucky, to be their act and deed as Judge/Executive and Fiscal Court Clerk of said County.

Witness my signature this 20 day of May, 1994.

My commission expires 8-13-97.

Clint Harris  
Notary Public, State at Large  
Kentucky

(Seal of Notary)

The foregoing instrument was prepared by Dirk M. Bedarff, Peck, Shaffer & Williams, Covington, Kentucky 41011.

Dirk Bedarff  
Dirk M. Bedarff

RESOLUTION NO. 1

RESOLUTION OF THE NORTH MANCHESTER WATER ASSOCIATION  
 APPROVING AND AUTHORIZING A LEASE BETWEEN THE COUNTY OF CLAY,  
 KENTUCKY AND THE NORTH MANCHESTER WATER ASSOCIATION

WHEREAS, the Fiscal Court of the County of Clay, Kentucky (the "Lessor") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements (The "Project"); and

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

WHEREAS, in order to obtain such monies, the Lessor is required to enter into an Assistance Agreement with the Authority (the "Assistance Agreement"); and

WHEREAS, the North Manchester Water Association (the "Association") proposes to lease the Project from the Lessor pursuant to a Lease dated as of May 1, 1994 (the "Lease") for rental payments sufficient to enable the Lessor to make payments to the Authority under the Assistance Agreement.

NOW, THEREFORE, BE IT RESOLVED by the North Manchester Water Association, as follows:

SECTION 1. That the Association hereby approves and authorizes the Lease between the Lessor and the Association substantially in the form on file with the Association for the purpose of providing the necessary financing for the Project.

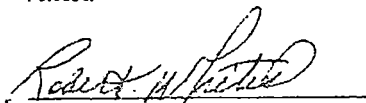
SECTION 2. That any officer of the Association be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Association to effect the leasing of the Project.

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

ADOPTED on May 26, 1994.

  
 Chairman

Attest:

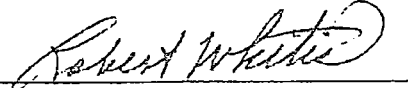


Title: Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of North Manchester Water Association; that the foregoing is a full, true and correct copy of a Resolution adopted by the North Manchester Water Association at a meeting duly held on May 26th, 1994; that said official action appears as a matter of record in the official records of journal of the North Manchester Water Association; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 26th day of May, 1994.

  
Secretary

RESOLUTION \_\_\_\_\_

RESOLUTION OF THE COUNTY OF CLAY, KENTUCKY APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE COUNTY OF CLAY, KENTUCKY AND THE KENTUCKY INFRASTRUCTURE AUTHORITY AND A LEASE BETWEEN THE COUNTY OF CLAY, KENTUCKY AND THE NORTH MANCHESTER WATER ASSOCIATION.

WHEREAS, the Fiscal Court ("governing authority") of the County of Clay, Kentucky, ("Governmental Agency") has previously determined that it is in the public interest to acquire and construct certain water facilities and improvements (the "Project"); and

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

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

WHEREAS, the Governmental Agency proposes to lease the Project to the North Manchester Water Association (the "Lessee") pursuant to a Lease dated as of May 1, 1994 (the "Lease").

NOW, THEREFORE, BE IT RESOLVED by the County of Clay, Kentucky, as follows:

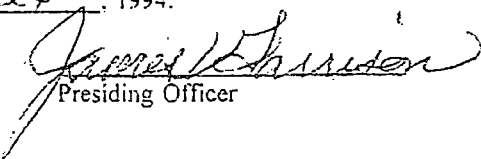
SECTION 1. That the governing authority hereby approves and authorizes the Assistance Agreement between the Governmental Agency and the Authority substantially in the form on file with the Governmental Agency for the purpose of providing the necessary financing to the Governmental Agency for the Project.

SECTION 2. That the governing authority hereby approves and authorizes the Lease between the Governmental Agency and the Lessee substantially in the form on file with the Governmental Agency for the purposes of leasing the Project to the Lessee.

SECTION 3. That any officer of the Governmental Agency be and hereby is authorized, directed and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Governmental Agency to effect the financing and lease of the Project.

SECTION 4. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on May 26, 1994.

  
Presiding Officer

Attest:

  
Title: Fiscal Court Clerk

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Recording Officer of Clay County, Kentucky; that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of said County at a meeting duly held on May 26, 1994; that said official action appears as a matter of public record in the official records or journal of the governing authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 26 day of May, 1994.

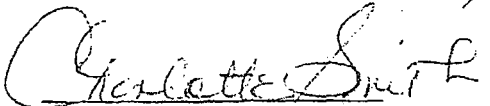
  
Recording Officer

Table B				
Debt Service Schedule				
North Manchester Water Association, Inc.				
CY 2022 - 2026				
KIA Loan B292-02				
CY	Principal	Interest	Service Fee	Totals
2022	\$134,036.56	\$16,945.28	\$1,148.83	\$152,130.67
2023	\$138,044.55	\$12,937.29	\$937.68	\$151,919.52
2024	\$142,172.39	\$8,809.45	\$597.26	\$151,579.10
2025	\$146,423.64	\$4,558.20	\$309.03	\$151,290.87
2026	\$150,674.89	\$665.30	\$50.37	\$151,390.56
5 Yr. Average	\$142,270.41	\$8,783.10	\$608.63	\$151,662.14
Average Principal & Interest Coverage				\$151,662.14
				\$30,332.00

**Kentucky Infrastructure Authority - Loan Amortization Schedule**  
**Clay County Fiscal Court - Loan Number**

**Loan Summary**

Borrower: **Clay County Fiscal Court**

Approval Date: **11-04-2010**

Loan ID: [REDACTED]

KIA Loan Number: [REDACTED]

Maturity Date: **06-01-2026**

Status: **Active**

Interest Rate: **2.95%**

R & M Reserve: **\$131,050.00**

Loan Amount: **\$2,621,001.00**

Pmt. Frequency: **Monthly**

AA Date: **05-01-1994**

Supp. AA Date:

**Amortization Table**

Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
09-01-2010	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$7,968.93	\$12,640.00	\$1,779,452.52	\$0.00	\$0.00
10-01-2010	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
11-01-2010	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
12-01-2010	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
01-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
02-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
03-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
04-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
05-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
06-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
07-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
08-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
09-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
10-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
11-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$0.00	\$0.00
12-01-2011	\$0.00	\$4,374.49	\$4,374.49	\$296.58	\$2,528.23	\$7,199.30	\$1,779,452.52	\$13,105.00	\$13,105.00
01-01-2012	\$8,207.33	\$4,374.49	\$12,581.82	\$296.58	\$0.00	\$12,878.39	\$1,771,245.19	\$0.00	\$13,105.00
02-01-2012	\$8,227.51	\$4,354.31	\$12,581.82	\$295.21	\$0.00	\$12,877.02	\$1,763,017.69	\$0.00	\$13,105.00
03-01-2012	\$8,247.73	\$4,334.09	\$12,581.82	\$293.84	\$0.00	\$12,875.65	\$1,754,769.96	\$0.00	\$13,105.00
04-01-2012	\$8,268.01	\$4,313.81	\$12,581.82	\$292.46	\$0.00	\$12,874.28	\$1,746,501.95	\$0.00	\$13,105.00
05-01-2012	\$8,288.34	\$4,293.48	\$12,581.82	\$291.08	\$0.00	\$12,872.90	\$1,738,213.62	\$0.00	\$13,105.00
06-01-2012	\$8,308.71	\$4,273.11	\$12,581.82	\$289.70	\$0.00	\$12,871.52	\$1,729,904.91	\$0.00	\$13,105.00
07-01-2012	\$8,329.14	\$4,252.68	\$12,581.82	\$288.32	\$0.00	\$12,870.13	\$1,721,575.77	\$0.00	\$13,105.00
08-01-2012	\$8,349.61	\$4,232.21	\$12,581.82	\$286.93	\$0.00	\$12,868.75	\$1,713,226.17	\$0.00	\$13,105.00
09-01-2012	\$8,370.14	\$4,211.68	\$12,581.82	\$285.54	\$0.00	\$12,867.35	\$1,704,858.03	\$0.00	\$13,105.00
10-01-2012	\$8,390.72	\$4,191.10	\$12,581.82	\$284.14	\$0.00	\$12,865.96	\$1,696,465.31	\$0.00	\$13,105.00
11-01-2012	\$8,411.34	\$4,170.48	\$12,581.82	\$282.74	\$0.00	\$12,864.56	\$1,688,053.98	\$0.00	\$13,105.00
12-01-2012	\$8,432.02	\$4,149.80	\$12,581.82	\$281.34	\$0.00	\$12,863.16	\$1,679,621.96	\$13,105.00	\$26,210.00
01-01-2013	\$8,452.76	\$4,129.07	\$12,581.82	\$279.94	\$0.00	\$12,861.75	\$1,671,169.21	\$0.00	\$26,210.00
02-01-2013	\$8,473.53	\$4,108.29	\$12,581.82	\$278.53	\$0.00	\$12,860.34	\$1,662,696.69	\$0.00	\$26,210.00
03-01-2013	\$8,494.36	\$4,087.46	\$12,581.82	\$277.12	\$0.00	\$12,858.93	\$1,654,201.33	\$0.00	\$26,210.00
04-01-2013	\$8,515.24	\$4,066.58	\$12,581.82	\$275.70	\$0.00	\$12,857.52	\$1,645,686.09	\$0.00	\$26,210.00
05-01-2013	\$8,536.18	\$4,045.64	\$12,581.82	\$274.28	\$0.00	\$12,856.10	\$1,637,149.92	\$0.00	\$26,210.00
06-01-2013	\$8,557.16	\$4,024.66	\$12,581.82	\$272.86	\$0.00	\$12,854.68	\$1,628,592.76	\$0.00	\$26,210.00
07-01-2013	\$8,578.20	\$4,003.62	\$12,581.82	\$271.43	\$0.00	\$12,853.25	\$1,620,014.56	\$0.00	\$26,210.00
08-01-2013	\$8,599.28	\$3,982.54	\$12,581.82	\$270.00	\$0.00	\$12,851.82	\$1,611,415.29	\$0.00	\$26,210.00
09-01-2013	\$8,620.42	\$3,961.40	\$12,581.82	\$268.57	\$0.00	\$12,850.39	\$1,602,794.87	\$0.00	\$26,210.00



**Kentucky Infrastructure Authority - Loan Amortization Schedule**  
**Clay County Fiscal Court - Loan Number**

Amortization Table

Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
10-01-2013	\$8,841.62	\$3,940.20	\$12,581.82	\$267.13	\$0.00	\$12,848.95	\$1,594,153.25	\$0.00	\$26,210.00
11-01-2013	\$8,662.86	\$3,918.98	\$12,581.82	\$265.69	\$0.00	\$12,847.51	\$1,585,490.39	\$0.00	\$26,210.00
12-01-2013	\$8,684.16	\$3,897.66	\$12,581.82	\$264.25	\$0.00	\$12,846.07	\$1,576,806.24	\$13,105.00	\$39,315.00
01-01-2014	\$8,705.50	\$3,876.32	\$12,581.82	\$262.80	\$0.00	\$12,844.62	\$1,568,100.74	\$0.00	\$39,315.00
02-01-2014	\$8,726.91	\$3,854.91	\$12,581.82	\$261.35	\$0.00	\$12,843.17	\$1,559,373.83	\$0.00	\$39,315.00
03-01-2014	\$8,748.36	\$3,833.46	\$12,581.82	\$259.90	\$0.00	\$12,841.71	\$1,550,625.48	\$0.00	\$39,315.00
04-01-2014	\$8,769.87	\$3,811.95	\$12,581.82	\$258.44	\$0.00	\$12,840.25	\$1,541,855.61	\$0.00	\$39,315.00
05-01-2014	\$8,791.42	\$3,790.40	\$12,581.82	\$256.98	\$0.00	\$12,838.79	\$1,533,064.19	\$0.00	\$39,315.00
06-01-2014	\$8,813.04	\$3,768.78	\$12,581.82	\$255.51	\$0.00	\$12,837.33	\$1,524,251.16	\$0.00	\$39,315.00
07-01-2014	\$8,834.70	\$3,747.12	\$12,581.82	\$254.04	\$0.00	\$12,835.86	\$1,515,416.46	\$0.00	\$39,315.00
08-01-2014	\$8,856.42	\$3,725.40	\$12,581.82	\$252.57	\$0.00	\$12,834.39	\$1,506,560.04	\$0.00	\$39,315.00
09-01-2014	\$8,878.19	\$3,703.63	\$12,581.82	\$251.09	\$0.00	\$12,832.91	\$1,497,681.86	\$0.00	\$39,315.00
10-01-2014	\$8,900.02	\$3,681.80	\$12,581.82	\$249.61	\$0.00	\$12,831.43	\$1,488,781.84	\$0.00	\$39,315.00
11-01-2014	\$8,921.90	\$3,659.92	\$12,581.82	\$248.13	\$0.00	\$12,829.95	\$1,479,859.94	\$0.00	\$39,315.00
12-01-2014	\$8,943.83	\$3,637.99	\$12,581.82	\$246.64	\$0.00	\$12,828.46	\$1,470,916.12	\$13,105.00	\$52,420.00
01-01-2015	\$8,965.82	\$3,616.00	\$12,581.82	\$245.15	\$0.00	\$12,826.97	\$1,461,950.30	\$0.00	\$52,420.00
02-01-2015	\$8,987.86	\$3,593.96	\$12,581.82	\$243.66	\$0.00	\$12,825.48	\$1,452,962.44	\$0.00	\$52,420.00
03-01-2015	\$9,009.95	\$3,571.87	\$12,581.82	\$242.16	\$0.00	\$12,823.98	\$1,443,952.50	\$0.00	\$52,420.00
04-01-2015	\$9,032.10	\$3,549.72	\$12,581.82	\$240.66	\$0.00	\$12,822.48	\$1,434,920.40	\$0.00	\$52,420.00
05-01-2015	\$9,054.31	\$3,527.51	\$12,581.82	\$239.15	\$0.00	\$12,820.97	\$1,425,868.09	\$0.00	\$52,420.00
06-01-2015	\$9,076.57	\$3,505.25	\$12,581.82	\$237.64	\$0.00	\$12,819.46	\$1,416,789.53	\$0.00	\$52,420.00
07-01-2015	\$9,098.88	\$3,482.94	\$12,581.82	\$236.13	\$0.00	\$12,817.95	\$1,407,680.66	\$0.00	\$52,420.00
08-01-2015	\$9,121.25	\$3,460.57	\$12,581.82	\$234.62	\$0.00	\$12,816.43	\$1,398,549.40	\$0.00	\$52,420.00
09-01-2015	\$9,143.67	\$3,438.15	\$12,581.82	\$233.09	\$0.00	\$12,814.91	\$1,389,425.74	\$0.00	\$52,420.00
10-01-2015	\$9,166.16	\$3,415.67	\$12,581.82	\$231.57	\$0.00	\$12,813.39	\$1,380,259.59	\$0.00	\$52,420.00
11-01-2015	\$9,188.68	\$3,393.14	\$12,581.82	\$230.04	\$0.00	\$12,811.86	\$1,371,070.91	\$0.00	\$52,420.00
12-01-2015	\$9,211.27	\$3,370.55	\$12,581.82	\$228.51	\$0.00	\$12,810.33	\$1,361,859.85	\$13,105.00	\$65,525.00
01-01-2016	\$9,233.92	\$3,347.90	\$12,581.82	\$226.98	\$0.00	\$12,808.79	\$1,352,625.73	\$0.00	\$65,525.00
02-01-2016	\$9,256.62	\$3,325.20	\$12,581.82	\$225.44	\$0.00	\$12,807.25	\$1,343,369.11	\$0.00	\$65,525.00
03-01-2016	\$9,279.37	\$3,302.45	\$12,581.82	\$223.89	\$0.00	\$12,805.71	\$1,334,089.75	\$0.00	\$65,525.00
04-01-2016	\$9,302.18	\$3,279.64	\$12,581.82	\$222.35	\$0.00	\$12,804.17	\$1,324,787.57	\$0.00	\$65,525.00
05-01-2016	\$9,325.05	\$3,256.77	\$12,581.82	\$220.80	\$0.00	\$12,802.61	\$1,315,462.52	\$0.00	\$65,525.00
06-01-2016	\$9,347.97	\$3,233.85	\$12,581.82	\$219.24	\$0.00	\$12,801.06	\$1,306,114.56	\$0.00	\$65,525.00
07-01-2016	\$9,370.96	\$3,210.86	\$12,581.82	\$217.69	\$0.00	\$12,799.50	\$1,296,743.60	\$0.00	\$65,525.00
08-01-2016	\$9,393.99	\$3,187.83	\$12,581.82	\$216.12	\$0.00	\$12,797.94	\$1,287,349.61	\$0.00	\$65,525.00
09-01-2016	\$9,417.09	\$3,164.73	\$12,581.82	\$214.56	\$0.00	\$12,796.38	\$1,277,932.53	\$0.00	\$65,525.00
10-01-2016	\$9,440.24	\$3,141.58	\$12,581.82	\$212.99	\$0.00	\$12,794.81	\$1,268,492.29	\$0.00	\$65,525.00
11-01-2016	\$9,463.44	\$3,118.38	\$12,581.82	\$211.42	\$0.00	\$12,793.23	\$1,259,028.85	\$0.00	\$65,525.00
12-01-2016	\$9,486.71	\$3,095.11	\$12,581.82	\$209.84	\$0.00	\$12,791.65	\$1,249,542.15	\$13,105.00	\$78,630.00
01-01-2017	\$9,510.03	\$3,071.79	\$12,581.82	\$208.26	\$0.00	\$12,790.07	\$1,240,032.12	\$0.00	\$78,630.00
02-01-2017	\$9,533.41	\$3,048.41	\$12,581.82	\$206.67	\$0.00	\$12,788.49	\$1,230,498.71	\$0.00	\$78,630.00
03-01-2017	\$9,556.84	\$3,024.98	\$12,581.82	\$205.08	\$0.00	\$12,786.90	\$1,220,941.88	\$0.00	\$78,630.00
04-01-2017	\$9,580.34	\$3,001.48	\$12,581.82	\$203.49	\$0.00	\$12,785.31	\$1,211,361.54	\$0.00	\$78,630.00
05-01-2017	\$9,603.89	\$2,977.93	\$12,581.82	\$201.89	\$0.00	\$12,783.71	\$1,201,757.65	\$0.00	\$78,630.00

**Kentucky Infrastructure Authority - Loan Amortization Schedule**  
**Clay County Fiscal Court - Loan Number [REDACTED]**

Amortization Table

Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
06-01-2017	\$9,627.50	\$2,954.32	\$12,581.82	\$200.29	\$0.00	\$12,782.11	\$1,192,130.15	\$0.00	\$78,630.00
07-01-2017	\$9,651.17	\$2,930.65	\$12,581.82	\$198.69	\$0.00	\$12,780.51	\$1,182,478.99	\$0.00	\$78,630.00
08-01-2017	\$9,674.89	\$2,906.93	\$12,581.82	\$197.08	\$0.00	\$12,778.90	\$1,172,804.10	\$0.00	\$78,630.00
09-01-2017	\$9,698.68	\$2,883.14	\$12,581.82	\$195.47	\$0.00	\$12,777.28	\$1,163,105.42	\$0.00	\$78,630.00
10-01-2017	\$9,722.52	\$2,859.30	\$12,581.82	\$193.85	\$0.00	\$12,775.67	\$1,153,382.91	\$0.00	\$78,630.00
11-01-2017	\$9,746.42	\$2,835.40	\$12,581.82	\$192.23	\$0.00	\$12,774.05	\$1,143,636.49	\$0.00	\$78,630.00
12-01-2017	\$9,770.38	\$2,811.44	\$12,581.82	\$190.61	\$0.00	\$12,772.42	\$1,133,866.11	\$13,105.00	\$91,735.00
01-01-2018	\$9,794.40	\$2,787.42	\$12,581.82	\$188.98	\$0.00	\$12,770.79	\$1,124,071.72	\$0.00	\$91,735.00
02-01-2018	\$9,818.48	\$2,763.34	\$12,581.82	\$187.35	\$0.00	\$12,769.16	\$1,114,253.24	\$0.00	\$91,735.00
03-01-2018	\$9,842.61	\$2,739.21	\$12,581.82	\$185.71	\$0.00	\$12,767.53	\$1,104,410.63	\$0.00	\$91,735.00
04-01-2018	\$9,866.81	\$2,715.01	\$12,581.82	\$184.07	\$0.00	\$12,765.89	\$1,094,543.83	\$0.00	\$91,735.00
05-01-2018	\$9,891.07	\$2,690.75	\$12,581.82	\$182.42	\$0.00	\$12,764.24	\$1,084,652.76	\$0.00	\$91,735.00
06-01-2018	\$9,915.38	\$2,666.44	\$12,581.82	\$180.78	\$0.00	\$12,762.59	\$1,074,737.38	\$0.00	\$91,735.00
07-01-2018	\$9,939.76	\$2,642.06	\$12,581.82	\$179.12	\$0.00	\$12,760.94	\$1,064,797.63	\$0.00	\$91,735.00
08-01-2018	\$9,964.19	\$2,617.63	\$12,581.82	\$177.47	\$0.00	\$12,759.28	\$1,054,833.44	\$0.00	\$91,735.00
09-01-2018	\$9,988.69	\$2,593.13	\$12,581.82	\$175.81	\$0.00	\$12,757.62	\$1,044,844.75	\$0.00	\$91,735.00
10-01-2018	\$10,013.24	\$2,568.58	\$12,581.82	\$174.14	\$0.00	\$12,755.96	\$1,034,831.52	\$0.00	\$91,735.00
11-01-2018	\$10,037.86	\$2,543.96	\$12,581.82	\$172.47	\$0.00	\$12,754.29	\$1,024,793.66	\$0.00	\$91,735.00
12-01-2018	\$10,062.54	\$2,519.28	\$12,581.82	\$170.80	\$0.00	\$12,752.62	\$1,014,731.12	\$13,105.00	\$104,840.00
01-01-2019	\$10,087.27	\$2,494.55	\$12,581.82	\$169.12	\$0.00	\$12,750.94	\$1,004,643.88	\$0.00	\$104,840.00
02-01-2019	\$10,112.07	\$2,469.75	\$12,581.82	\$167.44	\$0.00	\$12,749.26	\$994,531.79	\$0.00	\$104,840.00
03-01-2019	\$10,136.93	\$2,444.89	\$12,581.82	\$165.76	\$0.00	\$12,747.57	\$984,394.86	\$0.00	\$104,840.00
04-01-2019	\$10,161.85	\$2,419.97	\$12,581.82	\$164.07	\$0.00	\$12,745.88	\$974,233.02	\$0.00	\$104,840.00
05-01-2019	\$10,186.83	\$2,394.99	\$12,581.82	\$162.37	\$0.00	\$12,744.19	\$964,046.19	\$0.00	\$104,840.00
06-01-2019	\$10,211.87	\$2,369.95	\$12,581.82	\$160.67	\$0.00	\$12,742.49	\$953,834.32	\$0.00	\$104,840.00
07-01-2019	\$10,236.98	\$2,344.84	\$12,581.82	\$158.97	\$0.00	\$12,740.79	\$943,597.35	\$0.00	\$104,840.00
08-01-2019	\$10,262.14	\$2,319.68	\$12,581.82	\$157.27	\$0.00	\$12,739.08	\$933,335.21	\$0.00	\$104,840.00
09-01-2019	\$10,287.37	\$2,294.45	\$12,581.82	\$155.56	\$0.00	\$12,737.37	\$923,047.84	\$0.00	\$104,840.00
10-01-2019	\$10,312.66	\$2,269.16	\$12,581.82	\$153.84	\$0.00	\$12,735.66	\$912,735.19	\$0.00	\$104,840.00
11-01-2019	\$10,338.01	\$2,243.81	\$12,581.82	\$152.12	\$0.00	\$12,733.94	\$902,397.18	\$0.00	\$104,840.00
12-01-2019	\$10,363.43	\$2,218.39	\$12,581.82	\$150.40	\$0.00	\$12,732.22	\$892,033.75	\$13,105.00	\$117,945.00
01-01-2020	\$10,388.90	\$2,192.92	\$12,581.82	\$148.67	\$0.00	\$12,730.49	\$881,644.86	\$0.00	\$117,945.00
02-01-2020	\$10,414.44	\$2,167.38	\$12,581.82	\$146.94	\$0.00	\$12,728.76	\$871,230.42	\$0.00	\$117,945.00
03-01-2020	\$10,440.05	\$2,141.77	\$12,581.82	\$145.21	\$0.00	\$12,727.02	\$860,790.37	\$0.00	\$117,945.00
04-01-2020	\$10,465.71	\$2,116.11	\$12,581.82	\$143.47	\$0.00	\$12,725.28	\$850,324.67	\$0.00	\$117,945.00
05-01-2020	\$10,491.44	\$2,090.38	\$12,581.82	\$141.72	\$0.00	\$12,723.54	\$839,833.23	\$0.00	\$117,945.00
06-01-2020	\$10,517.23	\$2,064.59	\$12,581.82	\$139.97	\$0.00	\$12,721.79	\$829,316.00	\$0.00	\$117,945.00
07-01-2020	\$10,543.08	\$2,038.74	\$12,581.82	\$138.22	\$0.00	\$12,720.04	\$818,772.93	\$0.00	\$117,945.00
08-01-2020	\$10,569.00	\$2,012.82	\$12,581.82	\$136.46	\$0.00	\$12,718.28	\$808,203.93	\$0.00	\$117,945.00
09-01-2020	\$10,594.99	\$1,986.83	\$12,581.82	\$134.70	\$0.00	\$12,716.52	\$797,608.94	\$0.00	\$117,945.00
10-01-2020	\$10,621.03	\$1,960.79	\$12,581.82	\$132.93	\$0.00	\$12,714.75	\$786,987.92	\$0.00	\$117,945.00
11-01-2020	\$10,647.14	\$1,934.68	\$12,581.82	\$131.16	\$0.00	\$12,712.98	\$776,340.78	\$0.00	\$117,945.00
12-01-2020	\$10,673.32	\$1,908.50	\$12,581.82	\$129.39	\$0.00	\$12,711.21	\$765,667.46	\$13,105.00	\$131,050.00
01-01-2021	\$10,699.66	\$1,882.27	\$12,581.82	\$127.61	\$0.00	\$12,709.43	\$754,967.91	\$0.00	\$131,050.00

**Kentucky Infrastructure Authority - Loan Amortization Schedule**  
**Clay County Fiscal Court - Loan Number [REDACTED]**

Amortization Table

Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
02-01-2021	\$10,725.86	\$1,855.96	\$12,581.82	\$125.83	\$0.00	\$12,707.84	\$744,242.06	\$0.00	\$131,050.00
03-01-2021	\$10,752.22	\$1,829.60	\$12,581.82	\$124.04	\$0.00	\$12,705.86	\$733,489.84	\$0.00	\$131,050.00
04-01-2021	\$10,778.66	\$1,803.16	\$12,581.82	\$122.25	\$0.00	\$12,704.07	\$722,711.18	\$0.00	\$131,050.00
05-01-2021	\$10,805.16	\$1,776.66	\$12,581.82	\$120.45	\$0.00	\$12,702.27	\$711,906.03	\$0.00	\$131,050.00
06-01-2021	\$10,831.72	\$1,750.10	\$12,581.82	\$118.65	\$0.00	\$12,700.47	\$701,074.31	\$0.00	\$131,050.00
07-01-2021	\$10,858.35	\$1,723.47	\$12,581.82	\$116.85	\$0.00	\$12,698.66	\$690,215.96	\$0.00	\$131,050.00
08-01-2021	\$10,885.04	\$1,696.78	\$12,581.82	\$115.04	\$0.00	\$12,696.85	\$679,330.93	\$0.00	\$131,050.00
09-01-2021	\$10,911.80	\$1,670.02	\$12,581.82	\$113.22	\$0.00	\$12,695.04	\$668,419.13	\$0.00	\$131,050.00
10-01-2021	\$10,938.62	\$1,643.20	\$12,581.82	\$111.40	\$0.00	\$12,693.22	\$657,480.51	\$0.00	\$131,050.00
11-01-2021	\$10,965.51	\$1,616.31	\$12,581.82	\$109.58	\$0.00	\$12,691.40	\$646,515.01	\$0.00	\$131,050.00
12-01-2021	\$10,992.47	\$1,589.35	\$12,581.82	\$107.75	\$0.00	\$12,689.57	\$635,522.54	\$0.00	\$131,050.00
01-01-2022	\$11,019.49	\$1,562.33	\$12,581.82	\$105.92	\$0.00	\$12,687.74	\$624,503.05	\$0.00	\$131,050.00
02-01-2022	\$11,046.58	\$1,535.24	\$12,581.82	\$104.08	\$0.00	\$12,685.90	\$613,456.48	\$0.00	\$131,050.00
03-01-2022	\$11,073.74	\$1,508.08	\$12,581.82	\$102.24	\$0.00	\$12,684.06	\$602,382.74	\$0.00	\$131,050.00
04-01-2022	\$11,100.96	\$1,480.86	\$12,581.82	\$100.40	\$0.00	\$12,682.21	\$591,281.78	\$0.00	\$131,050.00
05-01-2022	\$11,128.25	\$1,453.57	\$12,581.82	\$98.55	\$0.00	\$12,680.36	\$580,153.54	\$0.00	\$131,050.00
06-01-2022	\$11,155.61	\$1,426.21	\$12,581.82	\$96.69	\$0.00	\$12,678.51	\$568,997.93	\$0.00	\$131,050.00
07-01-2022	\$11,183.03	\$1,398.79	\$12,581.82	\$94.83	\$0.00	\$12,676.65	\$557,814.90	\$0.00	\$131,050.00
08-01-2022	\$11,210.53	\$1,371.29	\$12,581.82	\$92.97	\$0.00	\$12,674.79	\$546,604.38	\$0.00	\$131,050.00
09-01-2022	\$11,238.08	\$1,343.74	\$12,581.82	\$91.10	\$0.00	\$12,672.92	\$535,366.30	\$0.00	\$131,050.00
10-01-2022	\$11,265.71	\$1,316.11	\$12,581.82	\$89.23	\$0.00	\$12,671.04	\$524,100.59	\$0.00	\$131,050.00
11-01-2022	\$11,293.41	\$1,288.41	\$12,581.82	\$87.35	\$0.00	\$12,669.17	\$512,807.19	\$0.00	\$131,050.00
12-01-2022	\$11,321.17	\$1,260.65	\$12,581.82	\$85.47	\$0.00	\$12,667.28	\$501,486.02	\$0.00	\$131,050.00
01-01-2023	\$11,349.00	\$1,232.82	\$12,581.82	\$83.58	\$0.00	\$12,665.40	\$490,137.02	\$0.00	\$131,050.00
02-01-2023	\$11,376.90	\$1,204.92	\$12,581.82	\$81.69	\$0.00	\$12,663.51	\$478,760.13	\$0.00	\$131,050.00
03-01-2023	\$11,404.87	\$1,176.95	\$12,581.82	\$79.79	\$0.00	\$12,661.61	\$467,355.26	\$0.00	\$131,050.00
04-01-2023	\$11,432.90	\$1,148.92	\$12,581.82	\$77.89	\$0.00	\$12,659.71	\$455,922.36	\$0.00	\$131,050.00
05-01-2023	\$11,461.01	\$1,120.81	\$12,581.82	\$75.99	\$0.00	\$12,657.80	\$444,461.38	\$0.00	\$131,050.00
06-01-2023	\$11,489.19	\$1,092.63	\$12,581.82	\$74.08	\$0.00	\$12,655.89	\$432,972.17	\$0.00	\$131,050.00
07-01-2023	\$11,517.43	\$1,064.39	\$12,581.82	\$72.16	\$0.00	\$12,653.98	\$421,454.74	\$0.00	\$131,050.00
08-01-2023	\$11,545.74	\$1,036.08	\$12,581.82	\$70.24	\$0.00	\$12,652.06	\$409,909.01	\$0.00	\$131,050.00
09-01-2023	\$11,574.13	\$1,007.69	\$12,581.82	\$68.32	\$0.00	\$12,650.13	\$398,334.88	\$0.00	\$131,050.00
10-01-2023	\$11,602.58	\$979.24	\$12,581.82	\$66.39	\$0.00	\$12,648.21	\$386,732.30	\$0.00	\$131,050.00
11-01-2023	\$11,631.10	\$950.72	\$12,581.82	\$64.46	\$0.00	\$12,646.27	\$375,101.21	\$0.00	\$131,050.00
12-01-2023	\$11,659.70	\$922.12	\$12,581.82	\$62.52	\$0.00	\$12,644.33	\$363,441.51	\$0.00	\$131,050.00
01-01-2024	\$11,688.36	\$893.46	\$12,581.82	\$60.57	\$0.00	\$12,642.39	\$351,753.15	\$0.00	\$131,050.00
02-01-2024	\$11,717.09	\$864.73	\$12,581.82	\$58.63	\$0.00	\$12,640.44	\$340,038.07	\$0.00	\$131,050.00
03-01-2024	\$11,745.90	\$835.92	\$12,581.82	\$56.67	\$0.00	\$12,638.49	\$328,290.17	\$0.00	\$131,050.00
04-01-2024	\$11,774.77	\$807.05	\$12,581.82	\$54.72	\$0.00	\$12,636.53	\$316,515.40	\$0.00	\$131,050.00
05-01-2024	\$11,803.72	\$778.10	\$12,581.82	\$52.75	\$0.00	\$12,634.57	\$304,711.68	\$0.00	\$131,050.00
06-01-2024	\$11,832.74	\$749.08	\$12,581.82	\$50.79	\$0.00	\$12,632.60	\$292,878.95	\$0.00	\$131,050.00
07-01-2024	\$11,861.83	\$719.99	\$12,581.82	\$48.81	\$0.00	\$12,630.63	\$281,017.12	\$0.00	\$131,050.00
08-01-2024	\$11,890.99	\$690.83	\$12,581.82	\$46.84	\$0.00	\$12,628.65	\$269,126.13	\$0.00	\$131,050.00
09-01-2024	\$11,920.22	\$661.60	\$12,581.82	\$44.85	\$0.00	\$12,626.67	\$257,205.92	\$0.00	\$131,050.00

**Kentucky Infrastructure Authority - Loan Amortization Schedule**  
**Clay County Fiscal Court - Loan Number [REDACTED]**

Amortization Table

Payment Date	Principal Due	Interest Due	Principal & Interest	Service Fee	Credit Due	Total Payment	Principal Balance	R&M Reserve Due	R&M Reserve Total
10-01-2024	\$11,949.52	\$632.30	\$12,581.82	\$42.87	\$0.00	\$12,624.69	\$245,256.40	\$0.00	\$131,050.00
11-01-2024	\$11,978.90	\$602.92	\$12,581.82	\$40.88	\$0.00	\$12,622.69	\$233,277.50	\$0.00	\$131,050.00
12-01-2024	\$12,008.35	\$573.47	\$12,581.82	\$38.88	\$0.00	\$12,620.70	\$221,269.16	\$0.00	\$131,050.00
01-01-2025	\$12,037.87	\$543.95	\$12,581.82	\$36.88	\$0.00	\$12,618.69	\$209,231.29	\$0.00	\$131,050.00
02-01-2025	\$12,067.46	\$514.36	\$12,581.82	\$34.87	\$0.00	\$12,616.69	\$197,163.83	\$0.00	\$131,050.00
03-01-2025	\$12,097.13	\$484.69	\$12,581.82	\$32.86	\$0.00	\$12,614.68	\$185,066.71	\$0.00	\$131,050.00
04-01-2025	\$12,126.86	\$454.96	\$12,581.82	\$30.84	\$0.00	\$12,612.66	\$172,939.85	\$0.00	\$131,050.00
05-01-2025	\$12,156.68	\$425.14	\$12,581.82	\$28.82	\$0.00	\$12,610.64	\$160,783.17	\$0.00	\$131,050.00
06-01-2025	\$12,186.56	\$395.26	\$12,581.82	\$26.80	\$0.00	\$12,608.61	\$148,596.62	\$0.00	\$131,050.00
07-01-2025	\$12,216.52	\$365.30	\$12,581.82	\$24.77	\$0.00	\$12,606.58	\$136,380.10	\$0.00	\$131,050.00
08-01-2025	\$12,246.55	\$335.27	\$12,581.82	\$22.73	\$0.00	\$12,604.55	\$124,133.55	\$0.00	\$131,050.00
09-01-2025	\$12,276.66	\$305.16	\$12,581.82	\$20.69	\$0.00	\$12,602.51	\$111,856.90	\$0.00	\$131,050.00
10-01-2025	\$12,306.84	\$274.98	\$12,581.82	\$18.64	\$0.00	\$12,600.46	\$99,550.06	\$0.00	\$131,050.00
11-01-2025	\$12,337.09	\$244.73	\$12,581.82	\$16.59	\$0.00	\$12,598.41	\$87,212.97	\$0.00	\$131,050.00
12-01-2025	\$12,367.42	\$214.40	\$12,581.82	\$14.54	\$0.00	\$12,596.35	\$74,845.66	\$0.00	\$131,050.00
01-01-2026	\$12,397.82	\$184.00	\$12,581.82	\$12.47	\$0.00	\$12,594.29	\$62,447.74	\$0.00	\$131,050.00
02-01-2026	\$12,428.30	\$153.52	\$12,581.82	\$10.41	\$0.00	\$12,592.22	\$50,019.44	\$0.00	\$131,050.00
03-01-2026	\$12,458.86	\$122.96	\$12,581.82	\$8.34	\$0.00	\$12,590.15	\$37,560.69	\$0.00	\$131,050.00
04-01-2026	\$12,489.48	\$92.34	\$12,581.82	\$6.26	\$0.00	\$12,588.08	\$25,071.11	\$0.00	\$131,050.00
05-01-2026	\$12,520.19	\$61.63	\$12,581.82	\$4.18	\$0.00	\$12,586.00	\$12,550.92	\$0.00	\$131,050.00
06-01-2026	\$12,550.93	\$30.85	\$12,581.78	\$2.09	\$0.00	\$12,583.87	\$0.00	\$0.00	\$131,050.00
<b>Totals:</b>	<b>\$1,779,453.09</b>	<b>\$479,775.39</b>	<b>\$2,259,228.48</b>	<b>\$32,527.23</b>	<b>\$45,892.38</b>	<b>\$2,337,647.53</b>		<b>\$131,050.00</b>	

Principal: \$28,588.00 at 5.49% (Ordinary Interest)  
 Issued: 7/28/2022 with first payment on 9/10/2022  
 Payment: \$468.00 Monthly (Principal + Interest)

APR % 5.4888%	FINANCE CHARGE \$5,094.62	Amount Financed \$28,588.00	Total of Payments \$33,682.62
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Number of Payments 71 1	Amount of Payments \$468.00 \$454.62	When Payments Are Due Monthly beginning 9/10/2022 8/10/2028
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PMT #	Date	Principal Payment	Interest Payment	Principal Balance	Memo
	7/28/2022			\$28,588.00	
1	9/10/2022	\$281.31	\$186.69	\$28,306.69	[ ]
2	10/10/2022	\$338.50	\$129.50	\$27,968.19	[ ]
3	11/10/2022	\$340.05	\$127.95	\$27,628.14	[ ]
4	12/10/2022	\$341.60	\$126.40	\$27,286.54	[ ]
	2022 Totals	\$1,301.46	\$570.54		
	Paid To Date	\$1,301.46	\$570.54		
5	1/10/2023	\$343.16	\$124.84	\$26,943.38	[ ]
6	2/10/2023	\$344.73	\$123.27	\$26,598.65	[ ]
7	3/10/2023	\$346.31	\$121.69	\$26,252.34	[ ]
8	4/10/2023	\$347.90	\$120.10	\$25,904.44	[ ]
9	5/10/2023	\$349.49	\$118.51	\$25,554.95	[ ]
10	6/10/2023	\$351.09	\$116.91	\$25,203.86	[ ]
11	7/10/2023	\$352.69	\$115.31	\$24,851.17	[ ]
12	8/10/2023	\$354.31	\$113.69	\$24,496.86	[ ]
13	9/10/2023	\$355.93	\$112.07	\$24,140.93	[ ]
14	10/10/2023	\$357.56	\$110.44	\$23,783.37	[ ]
15	11/10/2023	\$359.19	\$108.81	\$23,424.18	[ ]
16	12/10/2023	\$360.83	\$107.17	\$23,063.35	[ ]
	2023 Totals	\$4,223.19	\$1,392.81		
	Paid To Date	\$5,524.65	\$1,963.35		
17	1/10/2024	\$362.49	\$105.51	\$22,700.86	[ ]
18	2/10/2024	\$364.14	\$103.86	\$22,336.72	[ ]
19	3/10/2024	\$365.81	\$102.19	\$21,970.91	[ ]
20	4/10/2024	\$367.48	\$100.52	\$21,603.43	[ ]
21	5/10/2024	\$369.16	\$98.84	\$21,234.27	[ ]
22	6/10/2024	\$370.85	\$97.15	\$20,863.42	[ ]
23	7/10/2024	\$372.55	\$95.45	\$20,490.87	[ ]
24	8/10/2024	\$374.25	\$93.75	\$20,116.62	[ ]
25	9/10/2024	\$375.97	\$92.03	\$19,740.65	[ ]
26	10/10/2024	\$377.69	\$90.31	\$19,362.96	[ ]
27	11/10/2024	\$379.41	\$88.59	\$18,983.55	[ ]
28	12/10/2024	\$381.15	\$86.85	\$18,602.40	[ ]
	2024 Totals	\$4,460.95	\$1,155.05		
	Paid To Date	\$9,985.60	\$3,118.40		
29	1/10/2025	\$382.89	\$85.11	\$18,219.51	[ ]
30	2/10/2025	\$384.65	\$83.35	\$17,834.86	[ ]
31	3/10/2025	\$386.41	\$81.59	\$17,448.45	[ ]
32	4/10/2025	\$388.17	\$79.83	\$17,060.28	[ ]
33	5/10/2025	\$389.95	\$78.05	\$16,670.33	[ ]
34	6/10/2025	\$391.73	\$76.27	\$16,278.60	[ ]
35	7/10/2025	\$393.53	\$74.47	\$15,885.07	[ ]

PMT #	Date	Principal Payment	Interest Payment	Principal Balance	Memo
36	8/10/2025	\$395.33	\$72.67	\$15,489.74	[ ]
37	9/10/2025	\$397.13	\$70.87	\$15,092.61	[ ]
38	10/10/2025	\$398.95	\$69.05	\$14,693.66	[ ]
39	11/10/2025	\$400.78	\$67.22	\$14,292.88	[ ]
40	12/10/2025	\$402.61	\$65.39	\$13,890.27	[ ]
2025 Totals		\$4,712.13	\$903.87		
Paid To Date		\$14,697.73	\$4,022.27		
41	1/10/2026	\$404.45	\$63.55	\$13,485.82	[ ]
42	2/10/2026	\$406.30	\$61.70	\$13,079.52	[ ]
43	3/10/2026	\$408.16	\$59.84	\$12,671.36	[ ]
44	4/10/2026	\$410.03	\$57.97	\$12,261.33	[ ]
45	5/10/2026	\$411.90	\$56.10	\$11,849.43	[ ]
46	6/10/2026	\$413.79	\$54.21	\$11,435.64	[ ]
47	7/10/2026	\$415.68	\$52.32	\$11,019.96	[ ]
48	8/10/2026	\$417.58	\$50.42	\$10,602.38	[ ]
49	9/10/2026	\$419.49	\$48.51	\$10,182.89	[ ]
50	10/10/2026	\$421.41	\$46.59	\$9,761.48	[ ]
51	11/10/2026	\$423.34	\$44.66	\$9,338.14	[ ]
52	12/10/2026	\$425.28	\$42.72	\$8,912.86	[ ]
2026 Totals		\$4,977.41	\$638.59		
Paid To Date		\$19,675.14	\$4,660.86		
53	1/10/2027	\$427.22	\$40.78	\$8,485.64	[ ]
54	2/10/2027	\$429.18	\$38.82	\$8,056.46	[ ]
55	3/10/2027	\$431.14	\$36.86	\$7,625.32	[ ]
56	4/10/2027	\$433.11	\$34.89	\$7,192.21	[ ]
57	5/10/2027	\$435.10	\$32.90	\$6,757.11	[ ]
58	6/10/2027	\$437.09	\$30.91	\$6,320.02	[ ]
59	7/10/2027	\$439.09	\$28.91	\$5,880.93	[ ]
60	8/10/2027	\$441.09	\$26.91	\$5,439.84	[ ]
61	9/10/2027	\$443.11	\$24.89	\$4,996.73	[ ]
62	10/10/2027	\$445.14	\$22.86	\$4,551.59	[ ]
63	11/10/2027	\$447.18	\$20.82	\$4,104.41	[ ]
64	12/10/2027	\$449.22	\$18.78	\$3,655.19	[ ]
2027 Totals		\$5,257.67	\$358.33		
Paid To Date		\$24,932.81	\$5,019.19		
65	1/10/2028	\$451.28	\$16.72	\$3,203.91	[ ]
66	2/10/2028	\$453.34	\$14.66	\$2,750.57	[ ]
67	3/10/2028	\$455.42	\$12.58	\$2,295.15	[ ]
68	4/10/2028	\$457.50	\$10.50	\$1,837.65	[ ]
69	5/10/2028	\$459.59	\$8.41	\$1,378.06	[ ]
70	6/10/2028	\$461.70	\$6.30	\$916.36	[ ]
71	7/10/2028	\$463.81	\$4.19	\$452.55	[ ]
72	8/10/2028	\$452.55	\$2.07	\$0.00	[ ]
2028 Totals		\$3,655.19	\$75.43		
Paid To Date		\$28,588.00	\$5,094.62		

Last payment was: \$454.62

Total payments made: 72

Total interest: \$5,094.62

3/31/2023 12:16:53 PM



# DON FRANKLIN CHEVROLET BUICK & GMC INC

345 South Highway 27 - Somerset, KY 42501 - 606-678-4141 (P) 606-451-8971 (F)

## PURCHASE ORDER

Date 07/27/22	Price of Vehicle \$ 47,932.00
Salesman JEFF WELLS	State Tax, License and Transfer \$ 67.00
Purchaser Name NORTH MANCHESTER WATER ASSOC A	Dealer Services Fee \$ 589.00
Address 7361 N HIGHWAY 421	Rebate (if Applicable) \$ N/A
City MANCHESTER State KY ZIP 40962	F&I PRODUCTS \$ N/A
DOB N/A Phone N/A	F&I PRODUCT TAXES \$ N/A
Cell Phone (606)599-9771 E-mail	Total Selling Price \$ 48,588.00
Co-Purchaser Name	Less Trade-In(s) \$ N/A
Address N/A	Amount Owed on Trade-In(s) \$ N/A
City N/A State N/A ZIP N/A	Difference \$ 48,588.00
DOB N/A Phone N/A	Cash Down Payment \$ 20,000.00
Cell Phone E-mail	GAP \$ N/A
<b>NEW VEHICLE PURCHASED</b>	Balance Due on Delivery \$ 28,588.00
Year 2022 Make CHEVROLET	Unpaid Difference (Financed) \$ 28,588.00
Model SILVERADO 1500	<b>PURCHASER CERTIFICATION</b> 1. I hereby certify that this order includes all of the terms and conditions on both the face and the reverse side hereof, that this order cancels and supersedes any prior agreement and as of the date hereof comprises the complete and exclusive statement of the terms of the agreement relating to the subject matters covered hereby, and that THIS ORDER SHALL NOT BECOME BINDING UNTIL ACCEPTED BY DEALER OR HIS AUTHORIZED REPRESENTATIVE; AND 2. All equipment (including tires) as appraised on my trade-in will remain. 3. I certify that I am 18 years of age or older, and that I have read the printed matter on the front and back hereof, and agree to it as a part of this order the same as if it were printed above my signature. A dealer service fee is not an official fee and is not required by law, but may be charged to a buyer for the handling of documents and the performing of services related to the closing of a sale. A buyer may avoid payment of the fees by handling these documents and performing these services.
VIN # 1GCUDAED4NZ581027	
Mileage 2 Color SUMMIT WHITE	
<b>TRADE-IN INFORMATION</b>	<b>COMMENTS</b> GM Financial PO Box 1510 Cockeysville MD, 21030
Year Make	
Model	
VIN #	
Mileage Color	<b>WARRANTY</b> _____ As-Is No Warranty – This vehicle does not come with any warranty and customer is responsible for all repairs from this day forward. _____ Factory Warranty – This vehicle is covered by a factory warranty as disclosed by the manufacturer of it. _____ Extended Warranty – This vehicle is covered by an extended warranty for a certain period of time. The period of time for this extended warranty is as follows: _____
Salvage Title <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>PAYOFF ON TRADE-IN</b>	
Amount N/A	
Where N/A	<b>SIGNATURE OF MANAGEMENT FOR DON FRANKLIN CHEVROLET BUICK &amp; GMC INC</b>
Good Until N/A Per Diem	
<b>SECOND TRADE-IN INFORMATION</b>	
Year Make	
VIN #	<b>SIGNATURE OF CO-PURCHASER</b>
Mileage Color	
Salvage Title <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>PAYOFF ON SECOND TRADE-IN</b>	
Amount N/A	<b>SIGNATURE OF PURCHASER</b>
Where N/A	
Good Until N/A Per Diem	
Signature of Purchaser	





**ITEMIZATION OF AMOUNT FINANCED**

1 Cash Price (including \$ <u>N/A</u> sales tax)	\$ <u>47,932.00</u> (1)
2 Total Downpayment =	
Trade-In <u>N/A</u>	
(Year) (Make) (Model)	
Gross Trade-In Allowance	\$ <u>N/A</u>
Less Pay Off Made By Seller to <u>N/A</u>	\$ <u>N/A</u>
Equals Net Trade In	\$ <u>N/A</u>
+ Cash	\$ <u>20,000.00</u>
+ Other <u>N/A</u>	\$ <u>N/A</u>
+ Other <u>N/A</u>	\$ <u>N/A</u>
+ Other <u>N/A</u>	\$ <u>N/A</u>
(If total downpayment is negative, enter "0" and see 4I below)	
3 Unpaid Balance of Cash Price (1 minus 2)	\$ <u>20,000.00</u> (2)
4 Other Charges Including Amounts Paid to Others on Your Behalf	\$ <u>27,932.00</u> (3)
(Seller may keep part of these amounts):	
A Cost of Optional Credit Insurance Paid to Insurance Company or Companies.	
Life \$ <u>N/A</u>	\$ <u>N/A</u>
Disability \$ <u>N/A</u>	\$ <u>N/A</u>
B Vendor's Single Interest Insurance Paid to Insurance Company	\$ <u>N/A</u>
C Other Optional Insurance Paid to Insurance Company or Companies	\$ <u>N/A</u>
D Optional Gap Contract	\$ <u>N/A</u>
E Official Fees Paid to Government Agencies	
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
F Government Taxes Not Included in Cash Price	\$ <u>N/A</u>
G Government License and/or Registration Fees	\$ <u>N/A</u>
<u>N/A</u>	\$ <u>N/A</u>
H Government Certificate of Title Fees	\$ <u>67.00</u>
I Other Charges (Seller must identify who is paid and describe purpose.)	
to <u>N/A</u> for Prior Credit or Lease Balance	\$ <u>N/A</u>
to <u>DON FRANKLIN CHEVROL</u> for <u>PROCESSING FEE</u>	\$ <u>589.00</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
to <u>N/A</u> for <u>N/A</u>	\$ <u>N/A</u>
Total Other Charges and Amounts Paid to Others on Your Behalf	\$ <u>656.00</u> (4)
5 Amount Financed (3 + 4)	\$ <u>28,588.00</u> (5)

OPTION:  You pay no finance charge if the Amount Financed, item 5, is paid in full on or before N/A, Year N/A. SELLER'S INITIALS N/A

VENDOR'S SINGLE INTEREST INSURANCE (VSI insurance): If the preceding box is checked, the Creditor requires VSI insurance for the initial term of the contract to protect the Creditor for loss or damage to the vehicle (collision, fire, theft, concealment, skip). VSI insurance is for the Creditor's sole protection. This insurance does not protect your interest in the vehicle. You may choose the insurance company through which the VSI insurance is obtained. If you elect to purchase VSI insurance through the Creditor, the cost of this insurance is \$ N/A and is also shown in Item 4B of the Itemization of Amount Financed. The coverage is for the initial term of the contract.

**Insurance.** You may buy the physical damage insurance this contract requires from anyone you choose who is reasonably acceptable to us. You may also provide the physical damage insurance through an existing policy owned or controlled by you that is acceptable to us. You are not required to buy any other insurance to obtain credit unless the box indicating Vendor's Single Interest Insurance is required is checked below.

If any insurance is checked below, policies or certificates from the named insurance companies will describe the terms and conditions.

Check the insurance you want and sign below:

**Optional Credit Insurance**

Credit Life:  Buyer  Co-Buyer  Both

Credit Disability:  Buyer  Co-Buyer  Both

Premium: Credit Life \$ N/A

Credit Disability \$ N/A

Insurance Company Name N/A

Home Office Address N/A

Credit life insurance and credit disability insurance are not required to obtain credit. Your decision to buy or not buy credit life insurance or credit disability insurance will not be a factor in the credit approval process. They will not be provided unless you sign and agree to pay the extra cost. If you choose this insurance, the cost is shown in Item 4A of the Itemization of Amount Financed. Credit life insurance is based on your original payment schedule. This insurance may not pay all you owe on this contract if you make late payments. Credit disability insurance does not cover any increase in your payment or in the number of payments. Coverage for credit life insurance and credit disability insurance ends on the original due date for the last payment unless a different term for the insurance is shown below.

**Other Optional Insurance**

N/A N/A  
Type of Insurance Term

Premium \$ N/A

Insurance Company Name N/A

Home Office Address N/A

N/A N/A  
Type of Insurance Term

Premium \$ N/A

Insurance Company Name N/A

Home Office Address N/A

Other optional insurance is not required to obtain credit. Your decision to buy or not to buy other optional insurance will not be a factor in the credit approval process. It will not be provided unless you sign and agree to pay the extra cost.

I want the insurance checked above.

N/A N/A  
Buyer Signature Date

N/A N/A  
Co-Buyer Signature Date

**THIS INSURANCE DOES NOT INCLUDE INSURANCE FOR PERSONAL LIABILITY AND PROPERTY DAMAGE CAUSED TO OTHERS.**

# **Federal Tax Return**

**2021 Exempt Organization Business Tax Return**  
prepared for:

**NORTH MANCHESTER WATER ASSOC., INC.**  
7361 N HWY 421  
MANCHESTER, KY 40962

**Teddy G. Woods, CPA**  
305 Main St  
Manchester, KY 40962

**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except private foundations)

**2021**

Department of the Treasury  
Internal Revenue Service

▶ Do not enter social security numbers on this form as it may be made public.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for instructions and the latest information.

**Open to Public Inspection**

**A** For the **2021** calendar year, or tax year beginning **2021**, and ending **2020**

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Final return/terminated  
 Amended return  
 Application pending

**C** Name of organization **NORTH MANCHESTER WATER ASSOC., INC.**  
 Doing business as \_\_\_\_\_  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
**7361 N HWY 421**  
 City or town, state or province, country, and ZIP or foreign postal code  
**MANCHESTER, KY 40962**

**D** Employer identification number \_\_\_\_\_  
**E** Telephone number  
**(606) 598-5403**

**F** Name and address of principal officer:  
**STEVE DAVIS, N HWY 11, MANCHESTER, KY 40962**

**G** Gross receipts **\$1,024,826.**

**H(a)** Is this a group return for subordinates?  Yes  No  
**H(b)** Are all subordinates included?  Yes  No  
 If "No," attach a list. See instructions.  
**H(c)** Group exemption number ▶ \_\_\_\_\_

**I** Tax-exempt status:  501(c)(3)  501(c) ( 12 ) ◀ (insert no.)  4947(a)(1) or  527

**J** Website: ▶ **N/A**

**K** Form of organization:  Corporation  Trust  Association  Other ▶ \_\_\_\_\_

**L** Year of formation: **1975** **M** State of legal domicile: **KY**

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b>	Briefly describe the organization's mission or most significant activities: <u>PROVIDE WATER TO RURAL COMMUNITY IN A DEPRESSED PART OF THE COUNTRY.</u>		
	<b>2</b>	Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b>	Number of voting members of the governing body (Part VI, line 1a)	<b>3</b> 1,997	
	<b>4</b>	Number of independent voting members of the governing body (Part VI, line 1b)	<b>4</b> 1,997	
	<b>5</b>	Total number of individuals employed in calendar year 2021 (Part V, line 2a)	<b>5</b> 14	
	<b>6</b>	Total number of volunteers (estimate if necessary)	<b>6</b> 8	
	<b>7a</b>	Total unrelated business revenue from Part VIII, column (C), line 12	<b>7a</b> 35.	
<b>b</b>	Net unrelated business taxable income from Form 990-T, Part I, line 11	<b>7b</b> 0.		
<b>Revenue</b>	<b>8</b>	Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b>	Program service revenue (Part VIII, line 2g)	936,258.	1,024,791.
	<b>10</b>	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	21.	35.
	<b>11</b>	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)		
	<b>12</b>	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	936,279.	1,024,826.
<b>Expenses</b>	<b>13</b>	Grants and similar amounts paid (Part IX, column (A), lines 1–3)		
	<b>14</b>	Benefits paid to or for members (Part IX, column (A), line 4)		
	<b>15</b>	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	163,669.	221,172.
	<b>16a</b>	Professional fundraising fees (Part IX, column (A), line 11e)		
	<b>b</b>	Total fundraising expenses (Part IX, column (D), line 25) ▶		
	<b>17</b>	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24e)	745,076.	925,517.
	<b>18</b>	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	908,745.	1,146,689.
<b>19</b>	Revenue less expenses. Subtract line 18 from line 12	27,534.	-121,863.	
<b>Net Assets or Fund Balances</b>	<b>20</b>	Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	<b>21</b>	Total liabilities (Part X, line 26)	2,749,633.	2,595,466.
	<b>22</b>	Net assets or fund balances. Subtract line 21 from line 20	1,349,018.	1,316,714.
			1,400,615.	1,278,752.

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature of officer \_\_\_\_\_ Date **11/15/2022**  
**STEVE DAVIS, PRESIDENT**  
 Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name Preparer's signature Date Check  if self-employed PTIN  
**Teddy G. Woods, CPA** **Teddy G. Woods, CPA** **11/15/2022** \_\_\_\_\_  
 Firm's name ▶ **Teddy G. Woods, CPA** Firm's EIN ▶ \_\_\_\_\_  
 Firm's address ▶ **305 Main St, Manchester, KY 40962** Phone no. **(606) 598-1488**

May the IRS discuss this return with the preparer shown above? See instructions  Yes  No

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response or note to any line in this Part III  Yes  No

**1** Briefly describe the organization's mission:  
PROVIDE WATER TO RURAL COMMUNITY IN A DEPRESSED PART OF THE COUNTRY.

**2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No  
If "Yes," describe these new services on Schedule O.

**3** Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No  
If "Yes," describe these changes on Schedule O.

**4** Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

**4a** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )  
THE ENTITY PROVIDES WATER SERVICE TO 1,953 WATER SUBSCRIBERS.

**4b** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4c** (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

**4d** Other program services (Describe on Schedule O.)  
(Expenses \$ including grants of \$ ) (Revenue \$ )

**4e** Total program service expenses ▶

**Part IV Checklist of Required Schedules**

	Yes	No
<b>1</b> Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A . . . . .</i>		X
<b>2</b> Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> ? See instructions . . . . .		X
<b>3</b> Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I . . . . .</i>		X
<b>4</b> <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II . . . . .</i>		
<b>5</b> Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Rev. Proc. 98-19? <i>If "Yes," complete Schedule C, Part III . . . . .</i>		X
<b>6</b> Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I . . . . .</i>		X
<b>7</b> Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II . . . . .</i>		X
<b>8</b> Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III . . . . .</i>		X
<b>9</b> Did the organization report an amount in Part X, line 21, for escrow or custodial account liability, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV . . . . .</i>		X
<b>10</b> Did the organization, directly or through a related organization, hold assets in donor-restricted endowments or in quasi endowments? <i>If "Yes," complete Schedule D, Part V . . . . .</i>		X
<b>11</b> If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X, as applicable.		
<b>a</b> Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI . . . . .</i>	X	
<b>b</b> Did the organization report an amount for investments—other securities in Part X, line 12, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII . . . . .</i>		X
<b>c</b> Did the organization report an amount for investments—program related in Part X, line 13, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII . . . . .</i>		X
<b>d</b> Did the organization report an amount for other assets in Part X, line 15, that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX . . . . .</i>		X
<b>e</b> Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X . . . . .</i>	X	
<b>f</b> Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X . . . . .</i>		X
<b>12a</b> Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII . . . . .</i>		X
<b>b</b> Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional . . . . .</i>		X
<b>13</b> Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E . . . . .</i>		X
<b>14a</b> Did the organization maintain an office, employees, or agents outside of the United States? . . . . .		X
<b>b</b> Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV. . . . .</i>		X
<b>15</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or other assistance to or for any foreign organization? <i>If "Yes," complete Schedule F, Parts II and IV . . . . .</i>		X
<b>16</b> Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or other assistance to or for foreign individuals? <i>If "Yes," complete Schedule F, Parts III and IV. . . . .</i>		X
<b>17</b> Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I. See instructions . . . . .</i>		X
<b>18</b> Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II . . . . .</i>		X
<b>19</b> Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III . . . . .</i>		X
<b>20a</b> Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H . . . . .</i>		X
<b>b</b> If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return? . . . . .		
<b>21</b> Did the organization report more than \$5,000 of grants or other assistance to any domestic organization or domestic government on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II . . . . .</i>		X

**Part IV Checklist of Required Schedules** *(continued)*

	Yes	No
<b>22</b> Did the organization report more than \$5,000 of grants or other assistance to or for domestic individuals on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i>		X
<b>23</b> Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i>		X
<b>24a</b> Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25a</i>		X
<b>b</b> Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		
<b>c</b> Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		
<b>d</b> Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		
<b>25a Section 501(c)(3), 501(c)(4), and 501(c)(29) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i>		
<b>b</b> Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i>		
<b>26</b> Did the organization report any amount on Part X, line 5 or 22, for receivables from or payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons? <i>If "Yes," complete Schedule L, Part II</i>		X
<b>27</b> Did the organization provide a grant or other assistance to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor or employee thereof, a grant selection committee member, or to a 35% controlled entity (including an employee thereof) or family member of any of these persons? <i>If "Yes," complete Schedule L, Part III</i>		X
<b>28</b> Was the organization a party to a business transaction with one of the following parties (see the Schedule L, Part IV, instructions for applicable filing thresholds, conditions, and exceptions):		
<b>a</b> A current or former officer, director, trustee, key employee, creator or founder, or substantial contributor? <i>If "Yes," complete Schedule L, Part IV</i>		X
<b>b</b> A family member of any individual described in line 28a? <i>If "Yes," complete Schedule L, Part IV</i>		X
<b>c</b> A 35% controlled entity of one or more individuals and/or organizations described in line 28a or 28b? <i>If "Yes," complete Schedule L, Part IV</i>		X
<b>29</b> Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i>		X
<b>30</b> Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i>		X
<b>31</b> Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i>		X
<b>32</b> Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i>		X
<b>33</b> Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i>		X
<b>34</b> Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Part II, III, or IV, and Part V, line 1</i>		X
<b>35a</b> Did the organization have a controlled entity within the meaning of section 512(b)(13)?		X
<b>b</b> If "Yes" to line 35a, did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
<b>36 Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i>		
<b>37</b> Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i>		X
<b>38</b> Did the organization complete Schedule O and provide explanations on Schedule O for Part VI, lines 11b and 19? <b>Note:</b> All Form 990 filers are required to complete Schedule O		X

**Part V Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response or note to any line in this Part V

	Yes	No
<b>1a</b> Enter the number reported in box 3 of Form 1096. Enter -0- if not applicable		
<b>b</b> Enter the number of Forms W-2G included on line 1a. Enter -0- if not applicable		
<b>c</b> Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance (continued)

Yes No

Table with 3 main columns: Question/Description, Yes, No. Rows include 2a-2b, 3a-3b, 4a-4b, 5a-5c, 6a-6b, 7 Organizations that may receive deductible contributions under section 170(c), 8 Sponsoring organizations maintaining donor advised funds, 9 Sponsoring organizations maintaining donor advised funds, 10 Section 501(c)(7) organizations, 11 Section 501(c)(12) organizations, 12a Section 4947(a)(1) non-exempt charitable trusts, 13 Section 501(c)(29) qualified nonprofit health insurance issuers, 14a-14b, 15, 16, 17 Section 501(c)(21) organizations.



Part VI Governance, Management, and Disclosure. For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes on Schedule O. See instructions. Check if Schedule O contains a response or note to any line in this Part VI [X]

Section A. Governing Body and Management

Table with 3 columns: Question, Yes, No. Rows include: 1a Enter the number of voting members of the governing body at the end of the tax year. 1b Enter the number of voting members included on line 1a, above, who are independent. 2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee? 3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors, trustees, or key employees to a management company or other person? 4 Did the organization make any significant changes to its governing documents since the prior Form 990 was filed? 5 Did the organization become aware during the year of a significant diversion of the organization's assets? 6 Did the organization have members or stockholders? 7a Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body? 7b Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body? 8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following: 8a The governing body? 8b Each committee with authority to act on behalf of the governing body? 9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses on Schedule O.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 3 columns: Question, Yes, No. Rows include: 10a Did the organization have local chapters, branches, or affiliates? 10b If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes? 11a Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form? 11b Describe on Schedule O the process, if any, used by the organization to review this Form 990. 12a Did the organization have a written conflict of interest policy? If "No," go to line 13 12b Were officers, directors, or trustees, and key employees required to disclose annually interests that could give rise to conflicts? 12c Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe on Schedule O how this was done. 13 Did the organization have a written whistleblower policy? 14 Did the organization have a written document retention and destruction policy? 15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision? 15a The organization's CEO, Executive Director, or top management official 15b Other officers or key employees of the organization. If "Yes" to line 15a or 15b, describe the process on Schedule O. See instructions. 16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year? 16b If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed KY
18 Section 6104 requires an organization to make its Forms 1023 (1024 or 1024-A, if applicable), 990, and 990-T (section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
[ ] Own website [ ] Another's website [ ] Upon request [ ] Other (explain on Schedule O)
19 Describe on Schedule O whether (and if so, how) the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, address, and telephone number of the person who possesses the organization's books and records NORTH MANCHESTER WATER ASSOC., INC., 7362 N HWY 421, MANCHESTER, KY 40962 (606)598-5043

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response or note to any line in this Part VII

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See the instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (box 5 of Form W-2, Form 1099-MISC, and/or box 1 of Form 1099-NEC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

See the instructions for the order in which to list the persons above.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) STEVE DAVIS PRESIDENT	0.00 0.00			X				0.	0.	0.
(2) CARL DAVID CRAWFORD VICE PRESIDENT	0.00 0.00			X				0.	0.	0.
(3) BOBBY WOLFE TREASURER	0.00 0.00			X				0.	0.	0.
(4) CARL HOSKINS SECRETARY	0.00 0.00			X				0.	0.	0.
(5) MICHAEL COMBS BOARD MEMBER	0.00 0.00	X						0.	0.	0.
(6) TED WOODS BOARD MEMBER	0.00 0.00	X						0.	0.	0.
(7) HENRY SMITH BOARD MEMBER	0.00 0.00	X						0.	0.	0.
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** (continued)

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC/1099-NEC)	(E) Reportable compensation from related organizations (W-2/1099-MISC/1099-NEC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(15)										
(16)										
(17)										
(18)										
(19)										
(20)										
(21)										
(22)										
(23)										
(24)										
(25)										
<b>1b Subtotal</b>							0.	0.	0.	
<b>c Total from continuation sheets to Part VII, Section A</b>										
<b>d Total (add lines 1b and 1c)</b>							0.	0.	0.	

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization ▶

	Yes	No
<b>3</b> Did the organization list any <b>former</b> officer, director, trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization ▶

**Part VIII Statement of Revenue**

Check if Schedule O contains a response or note to any line in this Part VIII

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512-514	
<b>Contributions, Gifts, Grants, and Other Similar Amounts</b>	<b>1a</b>	Federated campaigns . . . . .	<b>1a</b>					
	<b>b</b>	Membership dues . . . . .	<b>1b</b>					
	<b>c</b>	Fundraising events . . . . .	<b>1c</b>					
	<b>d</b>	Related organizations . . . . .	<b>1d</b>					
	<b>e</b>	Government grants (contributions)	<b>1e</b>					
	<b>f</b>	All other contributions, gifts, grants, and similar amounts not included above	<b>1f</b>					
	<b>g</b>	Noncash contributions included in lines 1a-1f . . . . .	<b>1g</b> \$					
	<b>h</b>	<b>Total.</b> Add lines 1a-1f . . . . . ▶						
<b>Program Service Revenue</b>	<b>2a</b>	WATER BILL PAYMENTS	Business Code 900099	1,024,791.	1,024,791.	0.	0.	
	<b>b</b>	-----						
	<b>c</b>	-----						
	<b>d</b>	-----						
	<b>e</b>	-----						
	<b>f</b>	All other program service revenue . .						
	<b>g</b>	<b>Total.</b> Add lines 2a-2f . . . . . ▶			1,024,791.			
<b>Other Revenue</b>	<b>3</b>	Investment income (including dividends, interest, and other similar amounts) . . . . . ▶		35.	0.	35.	0.	
	<b>4</b>	Income from investment of tax-exempt bond proceeds ▶						
	<b>5</b>	Royalties . . . . . ▶						
	<b>6a</b>	Gross rents . . . . .	(i) Real	(ii) Personal				
			<b>6a</b>					
			<b>6b</b>					
	<b>c</b>	Rental income or (loss)	<b>6c</b>					
	<b>d</b>	Net rental income or (loss) . . . . . ▶						
	<b>7a</b>	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			<b>7a</b>					
			<b>7b</b>					
	<b>c</b>	Gain or (loss) . . . . .	<b>7c</b>					
	<b>d</b>	Net gain or (loss) . . . . . ▶						
	<b>8a</b>	Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c). See Part IV, line 18 . . . . .	<b>8a</b>					
	<b>b</b>	Less: direct expenses . . . . .	<b>8b</b>					
<b>c</b>	Net income or (loss) from fundraising events . . ▶							
<b>9a</b>	Gross income from gaming activities. See Part IV, line 19 . . . . .	<b>9a</b>						
<b>b</b>	Less: direct expenses . . . . .	<b>9b</b>						
<b>c</b>	Net income or (loss) from gaming activities . . . ▶							
<b>10a</b>	Gross sales of inventory, less returns and allowances . . . . .							
		<b>10a</b>						
		<b>10b</b>						
<b>c</b>	Net income or (loss) from sales of inventory . . . ▶							
<b>Miscellaneous Revenue</b>	<b>11a</b>	-----	Business Code					
	<b>b</b>	-----						
	<b>c</b>	-----						
	<b>d</b>	All other revenue . . . . .						
	<b>e</b>	<b>Total.</b> Add lines 11a-11d . . . . . ▶						
<b>12</b>	<b>Total revenue.</b> See instructions . . . . . ▶			1,024,826.	1,024,791.	35.	0.	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX

**Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.**

	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
<b>1</b> Grants and other assistance to domestic organizations and domestic governments. See Part IV, line 21				
<b>2</b> Grants and other assistance to domestic individuals. See Part IV, line 22				
<b>3</b> Grants and other assistance to foreign organizations, foreign governments, and foreign individuals. See Part IV, lines 15 and 16				
<b>4</b> Benefits paid to or for members				
<b>5</b> Compensation of current officers, directors, trustees, and key employees	191,301.	191,301.		
<b>6</b> Compensation not included above to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
<b>7</b> Other salaries and wages				
<b>8</b> Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)				
<b>9</b> Other employee benefits				
<b>10</b> Payroll taxes	29,871.	29,871.		
<b>11</b> Fees for services (nonemployees):				
<b>a</b> Management				
<b>b</b> Legal				
<b>c</b> Accounting				
<b>d</b> Lobbying				
<b>e</b> Professional fundraising services. See Part IV, line 17				
<b>f</b> Investment management fees				
<b>g</b> Other. (If line 11g amount exceeds 10% of line 25, column (A), amount, list line 11g expenses on Schedule O.)				
<b>12</b> Advertising and promotion				
<b>13</b> Office expenses				
<b>14</b> Information technology				
<b>15</b> Royalties				
<b>16</b> Occupancy				
<b>17</b> Travel				
<b>18</b> Payments of travel or entertainment expenses for any federal, state, or local public officials				
<b>19</b> Conferences, conventions, and meetings				
<b>20</b> Interest	37,895.	37,895.		
<b>21</b> Payments to affiliates				
<b>22</b> Depreciation, depletion, and amortization	107,074.	107,074.		
<b>23</b> Insurance	11,439.	11,439.		
<b>24</b> Other expenses. Itemize expenses not covered above. (List miscellaneous expenses on line 24e. If line 24e amount exceeds 10% of line 25, column (A), amount, list line 24e expenses on Schedule O.)				
<b>a</b> PURCHASED WATER	401,720.	401,720.		
<b>b</b> SUPPLIES	129,255.	129,255.		
<b>c</b> BILLING EXPENSE	12,267.	12,267.		
<b>d</b> UTILITIES	38,561.	38,561.		
<b>e</b> All other expenses	187,306.	187,306.		
<b>25</b> <b>Total functional expenses.</b> Add lines 1 through 24e	1,146,689.	1,146,689.		
<b>26</b> <b>Joint costs.</b> Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720)				

**Part X Balance Sheet**

Check if Schedule O contains a response or note to any line in this Part X

		(A)		(B)
		Beginning of year		End of year
<b>Assets</b>	<b>1</b> Cash—non-interest-bearing . . . . .	159,403.	<b>1</b>	76,406.
	<b>2</b> Savings and temporary cash investments . . . . .		<b>2</b>	
	<b>3</b> Pledges and grants receivable, net . . . . .		<b>3</b>	
	<b>4</b> Accounts receivable, net . . . . .	112,908.	<b>4</b>	150,963.
	<b>5</b> Loans and other receivables from any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons . . . . .		<b>5</b>	
	<b>6</b> Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), and persons described in section 4958(c)(3)(B) . . . . .		<b>6</b>	
	<b>7</b> Notes and loans receivable, net . . . . .		<b>7</b>	
	<b>8</b> Inventories for sale or use . . . . .		<b>8</b>	
	<b>9</b> Prepaid expenses and deferred charges . . . . .	2,151.	<b>9</b>	0.
	<b>10a</b> Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	<b>10a</b> 5,052,226.		
	<b>b</b> Less: accumulated depreciation . . . . .	<b>10b</b> 2,684,129.	2,475,171.	<b>10c</b> 2,368,097.
	<b>11</b> Investments—publicly traded securities . . . . .		<b>11</b>	
	<b>12</b> Investments—other securities. See Part IV, line 11 . . . . .		<b>12</b>	
	<b>13</b> Investments—program-related. See Part IV, line 11 . . . . .		<b>13</b>	
	<b>14</b> Intangible assets . . . . .		<b>14</b>	
	<b>15</b> Other assets. See Part IV, line 11 . . . . .		<b>15</b>	
<b>16 Total assets.</b> Add lines 1 through 15 (must equal line 33) . . . . .		2,749,633.	<b>16</b>	2,595,466.
<b>Liabilities</b>	<b>17</b> Accounts payable and accrued expenses . . . . .	154,767.	<b>17</b>	154,769.
	<b>18</b> Grants payable . . . . .		<b>18</b>	
	<b>19</b> Deferred revenue . . . . .		<b>19</b>	
	<b>20</b> Tax-exempt bond liabilities . . . . .		<b>20</b>	
	<b>21</b> Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .		<b>21</b>	
	<b>22</b> Loans and other payables to any current or former officer, director, trustee, key employee, creator or founder, substantial contributor, or 35% controlled entity or family member of any of these persons . . . . .		<b>22</b>	
	<b>23</b> Secured mortgages and notes payable to unrelated third parties . . . . .		<b>23</b>	
	<b>24</b> Unsecured notes and loans payable to unrelated third parties . . . . .	1,039,484.	<b>24</b>	969,484.
	<b>25</b> Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17–24). Complete Part X of Schedule D . . . . .	154,767.	<b>25</b>	192,461.
	<b>26 Total liabilities.</b> Add lines 17 through 25 . . . . .		1,349,018.	<b>26</b>
<b>Net Assets or Fund Balances</b>	<b>Organizations that follow FASB ASC 958, check here</b> <input type="checkbox"/> <b>and complete lines 27, 28, 32, and 33.</b>			
	<b>27</b> Net assets without donor restrictions . . . . .		<b>27</b>	
	<b>28</b> Net assets with donor restrictions . . . . .		<b>28</b>	
	<b>Organizations that do not follow FASB ASC 958, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 29 through 33.</b>			
	<b>29</b> Capital stock or trust principal, or current funds . . . . .	619,000.	<b>29</b>	619,000.
	<b>30</b> Paid-in or capital surplus, or land, building, or equipment fund . . . . .	1,793,096.	<b>30</b>	1,793,096.
	<b>31</b> Retained earnings, endowment, accumulated income, or other funds . . . . .	-1,011,481.	<b>31</b>	-1,133,344.
<b>32</b> Total net assets or fund balances . . . . .		1,400,615.	<b>32</b>	1,278,752.
<b>33</b> Total liabilities and net assets/fund balances . . . . .		2,749,633.	<b>33</b>	2,595,466.

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response or note to any line in this Part XI

<b>1</b>	Total revenue (must equal Part VIII, column (A), line 12)	<b>1</b>	1,024,826.
<b>2</b>	Total expenses (must equal Part IX, column (A), line 25)	<b>2</b>	1,146,689.
<b>3</b>	Revenue less expenses. Subtract line 2 from line 1	<b>3</b>	-121,863.
<b>4</b>	Net assets or fund balances at beginning of year (must equal Part X, line 32, column (A))	<b>4</b>	1,400,615.
<b>5</b>	Net unrealized gains (losses) on investments	<b>5</b>	
<b>6</b>	Donated services and use of facilities	<b>6</b>	
<b>7</b>	Investment expenses	<b>7</b>	
<b>8</b>	Prior period adjustments	<b>8</b>	
<b>9</b>	Other changes in net assets or fund balances (explain on Schedule O)	<b>9</b>	
<b>10</b>	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 32, column (B))	<b>10</b>	1,278,752.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response or note to any line in this Part XII

	Yes	No
<b>1</b> Accounting method used to prepare the Form 990: <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain on Schedule O.		
<b>2a</b> Were the organization's financial statements compiled or reviewed by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
<b>b</b> Were the organization's financial statements audited by an independent accountant? If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both: <input type="checkbox"/> Separate basis <input type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separate basis		X
<b>c</b> If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain on Schedule O.		
<b>3a</b> As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?		X
<b>b</b> If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why on Schedule O and describe any steps taken to undergo such audits.		

SCHEDULE D (Form 990)

Supplemental Financial Statements

OMB No. 1545-0047

Complete if the organization answered "Yes" on Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b. Attach to Form 990.

2021

Open to Public Inspection

Department of the Treasury Internal Revenue Service

Go to www.irs.gov/Form990 for instructions and the latest information.

Name of the organization: NORTH MANCHESTER WATER ASSOC., INC. Employer identification number:

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.

Complete if the organization answered "Yes" on Form 990, Part IV, line 6.

Table with 3 columns: Line number, Description, (a) Donor advised funds, (b) Funds and other accounts. Includes rows for total number, aggregate value, and donor advisement questions.

Part II Conservation Easements.

Complete if the organization answered "Yes" on Form 990, Part IV, line 7.

Table with 3 columns: Line number, Description, Held at the End of the Tax Year. Includes rows for purpose of easements, acreage, and monitoring expenses.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.

Complete if the organization answered "Yes" on Form 990, Part IV, line 8.

Table with 3 columns: Line number, Description, Amount. Includes rows for art collection reporting requirements.



**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets** *(continued)*

**3** Using the organization's acquisition, accession, and other records, check any of the following that make significant use of its collection items (check all that apply):

- a**  Public exhibition
- b**  Scholarly research
- c**  Preservation for future generations
- d**  Loan or exchange program
- e**  Other .....

**4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.

**5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?  **Yes**  **No**

**Part IV Escrow and Custodial Arrangements.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

**1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?  **Yes**  **No**

**b** If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
<b>1c</b> Beginning balance	
<b>1d</b> Additions during the year	
<b>1e</b> Distributions during the year	
<b>1f</b> Ending balance	

**2a** Did the organization include an amount on Form 990, Part X, line 21, for escrow or custodial account liability?  **Yes**  **No**

**b** If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided on Part XIII

**Part V Endowment Funds.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
<b>1a</b> Beginning of year balance					
<b>b</b> Contributions					
<b>c</b> Net investment earnings, gains, and losses					
<b>d</b> Grants or scholarships					
<b>e</b> Other expenditures for facilities and programs					
<b>f</b> Administrative expenses					
<b>g</b> End of year balance					

**2** Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:

- a** Board designated or quasi-endowment ▶ ..... %
- b** Permanent endowment ▶ ..... %
- c** Term endowment ▶ ..... %

The percentages on lines 2a, 2b, and 2c should equal 100%.

**3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

- (i)** Unrelated organizations
- (ii)** Related organizations

	Yes	No
<b>3a(i)</b>		
<b>3a(ii)</b>		
<b>3b</b>		

**b** If "Yes" on line 3a(ii), are the related organizations listed as required on Schedule R?

**4** Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11a. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
<b>1a</b> Land	0.	5,032.		5,032.
<b>b</b> Buildings				
<b>c</b> Leasehold improvements				
<b>d</b> Equipment		5,047,194.	2,684,129.	2,363,065.
<b>e</b> Other				
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10c.)				2,368,097.

**Part VII Investments—Other Securities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11b. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives . . . . .		
(2) Closely held equity interests . . . . .		
(3) Other _____		
(A) _____		
(B) _____		
(C) _____		
(D) _____		
(E) _____		
(F) _____		
(G) _____		
(H) _____		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) . ▶		

**Part VIII Investments—Program Related.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11c. See Form 990, Part X, line 13.

(a) Description of investment	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) . ▶		

**Part IX Other Assets.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11d. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) . . . . . ▶	

**Part X Other Liabilities.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 11e or 11f. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) OTHER LIABILITIES	192,461.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) . . . . . ▶	192,461.

2. Liability for uncertain tax positions. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FASB ASC 740. Check here if the text of the footnote has been provided in Part XIII .





**SCHEDULE O  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or Form 990-EZ.

▶ Go to [www.irs.gov/Form990](http://www.irs.gov/Form990) for the latest information.

OMB No. 1545-0047

**2021**

**Open to Public  
Inspection**

Name of the organization

NORTH MANCHESTER WATER ASSOC., INC.

Employer identification number

Pt VI, Line 11b: Organization's process to review Form 990 No review was or  
will be done. The Association is in the process of having an actual audit of  
the financial and organization.

Pt VI, Line 19: Governing documents disclosure explanation: All documents are  
available at the main office for public inspection and a monthly meeting is conducted  
and all subscribers are allowed to come.

Pt III, Line 4d:

Description: THE ENTITY PROVIDES WATER SERVICE TO 1,953 WATER SUBSCRIBERS.

Pt IX, Line 24e:

Description: EMPLOYEE BENEFITS

Total: \$29,871

Program services: \$29,871

Description: SALES AND UTILITY TAXES

Total: \$33,287

Program services: \$33,287

Description: BANK SERVICE CHARGES

Total: \$243

Program services: \$243

Description: CUSTOMER REFUNDS

Total: \$80

Program services: \$80

Description: MISCELLANEOUS EXPENSES

Total: \$68,487

Program services: \$68,487

Description: UNIFORMS

Name of the organization

Employer identification number

NORTH MANCHESTER WATER ASSOC., INC.

Total: \$5,722

Program services: \$5,722

Description: GAS, FUEL & OIL

Total: \$19,713

Program services: \$19,713

Description: LEGAL & ACCOUNTING

Total: \$29,903

Program services: \$29,903

**IRS e-file Signature Authorization for a Tax Exempt Entity**

For calendar year 2021, or fiscal year beginning \_\_\_\_\_, 2021, and ending \_\_\_\_\_, 20\_\_\_\_\_

**2021**

Department of the Treasury  
Internal Revenue Service

**Do not send to the IRS. Keep for your records.**  
**Go to [www.irs.gov/Form8879TE](http://www.irs.gov/Form8879TE) for the latest information.**

Name of filer

EIN or SSN

NORTH MANCHESTER WATER ASSOC., INC.

Name and title of officer or person subject to tax

STEVE DAVIS, PRESIDENT

**Part I Type of Return and Return Information**

Check the box for the return for which you are using this Form 8879-TE and enter the applicable amount, if any, from the return. Form 8038-CP and Form 5330 filers may enter dollars and cents. For all other forms, enter whole dollars only. If you check the box on line 1a, 2a, 3a, 4a, 5a, 6a, 7a, 8a, 9a, or 10a below, and the amount on that line for the return being filed with this form was blank, then leave line 1b, 2b, 3b, 4b, 5b, 6b, 7b, 8b, 9b, or 10b, whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

<b>1a</b> Form 990 check here . . . <input checked="" type="checkbox"/>	<b>b</b> Total revenue, if any (Form 990, Part VIII, column (A), line 12) . . .	<b>1b</b> 1,024,826.
<b>2a</b> Form 990-EZ check here . . . <input type="checkbox"/>	<b>b</b> Total revenue, if any (Form 990-EZ, line 9) . . . . .	<b>2b</b> _____
<b>3a</b> Form 1120-POL check here <input type="checkbox"/>	<b>b</b> Total tax (Form 1120-POL, line 22) . . . . .	<b>3b</b> _____
<b>4a</b> Form 990-PF check here . . . <input type="checkbox"/>	<b>b</b> Tax based on investment income (Form 990-PF, Part V, line 5) . . .	<b>4b</b> _____
<b>5a</b> Form 8868 check here . . . <input type="checkbox"/>	<b>b</b> Balance due (Form 8868, line 3c) . . . . .	<b>5b</b> _____
<b>6a</b> Form 990-T check here . . . <input type="checkbox"/>	<b>b</b> Total tax (Form 990-T, Part III, line 4) . . . . .	<b>6b</b> _____
<b>7a</b> Form 4720 check here . . . <input type="checkbox"/>	<b>b</b> Total tax (Form 4720, Part III, line 1) . . . . .	<b>7b</b> _____
<b>8a</b> Form 5227 check here . . . <input type="checkbox"/>	<b>b</b> FMV of assets at end of tax year (Form 5227, Item D) . . . . .	<b>8b</b> _____
<b>9a</b> Form 5330 check here . . . <input type="checkbox"/>	<b>b</b> Tax due (Form 5330, Part II, line 19) . . . . .	<b>9b</b> _____
<b>10a</b> Form 8038-CP check here <input type="checkbox"/>	<b>b</b> Amount of credit payment requested (Form 8038-CP, Part III, line 22)	<b>10b</b> _____

**Part II Declaration and Signature Authorization of Officer or Person Subject to Tax**

Under penalties of perjury, I declare that  I am an officer of the above entity or  I am a person subject to tax with respect to (name of entity) \_\_\_\_\_, (EIN) \_\_\_\_\_ and that I have examined a copy of the 2021 electronic return and accompanying schedules and statements, and, to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the return to the IRS and to receive from the IRS (a) an acknowledgement of receipt or reason for rejection of the transmission, (b) the reason for any delay in processing the return or refund, and (c) the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the electronic return and, if applicable, the consent to electronic funds withdrawal.

**PIN: check one box only**

I authorize \_\_\_\_\_ to enter my PIN \_\_\_\_\_ as my signature  
ERO firm name

Five digit PIN entry box

Enter five numbers, but do not enter all zeros

on the tax year 2021 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

As an officer or person subject to tax with respect to the entity, I will enter my PIN as my signature on the tax year 2021 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Signature of officer or person subject to tax ▶

Date ▶ 11/15/2022

**Part III Certification and Authentication**

**ERO's EFIN/PIN.** Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

Six digit EFIN/PIN entry box

Do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2021 electronically filed return indicated above. I confirm that I am submitting this return in accordance with the requirements of Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS e-file Providers for Business Returns.

ERO's signature ▶

Date ▶ 11/15/2022

**ERO Must Retain This Form — See Instructions**  
**Do Not Submit This Form to the IRS Unless Requested To Do So**





# **Statement of Disclosure**

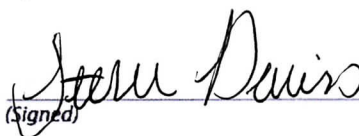
**STATEMENT OF DISCLOSURE OF  
RELATED PARTY TRANSACTIONS**

I swear or affirm to the best of my knowledge and belief the information set forth below represents all present transactions and those transactions occurring within the past twenty-four (24) months between 5/29 - 5/23 ("Utility") and related parties that exceed \$25.00 in value. For the purpose of this statement, "related party transactions" include, all transactions and payments in excess of \$25.00, except regular salary, wages and benefits, made directly to or on behalf of: 1) the Utility's current or former employees; 2) current or former members of the Utility's board of commissioners or board of directors; 3) persons who have a 10 percent or greater ownership interest in the Utility; 4) family members\* of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or 5) a business enterprise in which any current or former Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or a family member of such person has an ownership interest.

Name of Related Party (Individual or Business)	Type of Service Provided By Related Party	Amount of Compensation

- Check this box if the Utility has no related party transactions.
- Check box if additional transactions are listed on the supplemental page.
- Check box if any employee of the Utility is a family member of the Utility's chief executive officer, a Utility commissioner, or any person with a 10 percent or greater ownership interest in the Utility. The name of each employee and the official to whom they are related and the nature of the relationship are listed on the supplemental page entitled "Employees Related to Utility Officials."

Steve Davis  
(Print Name)

  
(Signed)

President  
(Position/Office)

\* "Family Member" means any person who is the spouse, parent, sibling, child, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, or grandchild of any current Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility; or is a dependent for tax purposes of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility or his or her spouse; or who is a member of the household of any Utility employee, director, commissioner or person with a 10 percent or greater ownership interest in the Utility.

COMMONWEALTH OF KENTUCKY

COUNTY OF Clay

Subscribed and sworn to before me by Steve Davis  
(Name)

this 31<sup>ST</sup> day of May, 2023.

Katie M Smith  
NOTARY PUBLIC  
State-at-Large



# Resolution

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTH MANCHESTER WATER ASSOCIATION, INC. PROPOSING ADJUSTMENTS TO ITS WATER RATES AND CHARGES AND AUTHORIZING ITS PRESIDENT TO FILE AN APPLICATION WITH THE PSC SEEKING APPROVAL OF THE PROPOSED RATE ADJUSTMENT.**

**WHEREAS**, the North Manchester Water Association, Inc. (“Association”) is a water association created and organized under the provisions of KRS Chapter 273. The Association is subject to the jurisdiction of the Kentucky Public Service Commission (“PSC”);

**WHEREAS**, prudent financial management dictates that the Association take appropriate action to adjust its water rates and charges; and

**WHEREAS**, KRS 278.180 and 807 KAR 5:076 provide the legal mechanism for the Association to propose adjustments to its water rates and charges;

**NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF NORTH MANCHESTER WATER ASSOCIATION, INC. AS FOLLOWS:**

**Section 1.** The facts, recitals, and statements contained in the foregoing preamble of this Resolution are true and correct and are hereby affirmed and incorporated as a part of this Resolution.

**Section 2.** The Association proposes to adjust its monthly water rates and charges as set forth in Appendix A, which is attached hereto and is incorporated herein by reference as a part of this Resolution. The proposed rates and charges set forth in Appendix A are subject to any minor adjustments that may be made by the PSC. The proposed rate adjustment shall not become effective until PSC approval has been obtained.

**Section 3.** The President is hereby authorized and directed to prepare, execute, and file with the PSC, by utilizing the Alternative Rate Adjustment Procedure for Small