

TRANSCRIPT OF PROCEEDINGS
RATTLESNAKE RIDGE WATER DISTRICT
LOAN IN THE AMOUNT OF \$3,170,000

FROM THE

KENTUCKY RURAL WATER FINANCE CORPORATION
PUBLIC PROJECTS REFUNDING REVENUE
BONDS (FLEXIBLE TERM PROGRAM)
SERIES 2021A
DATED JUNE 8, 2021
IN THE AMOUNT OF \$8,585,000

APPROVING LEGAL OPINION

By

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

TRANSCRIPT OF PROCEEDINGS INDEX

Re: Loan in the amount of \$3,170,000, dated June 8, 2021, to the Rattlesnake Ridge Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A.

ASSISTANCE AGREEMENT AND CLOSING DOCUMENTATION

- a. Resolution of the Board of Commissioners, dated March 3, 2020.
- b. Minutes of Meeting of the Board of Commissioners on March 3, 2020.
- c. Assistance Agreement.
- d. Supplemental Tax Certificate.
- e. Arbitrage Certificate.
- f. Certificate of Officers.
- g. PSC Certificate of Public Convenience and Necessity.
- h. Certificate as to Debt Service Savings.
- i. Letter of the State Local Debt Officer.
- j. Legal Opinion of Rubin & Hays.
- k. Form 8038-G, Information Return for Tax-Exempt Governmental Obligations.
- l. Distribution List.

RESOLUTION

RESOLUTION OF THE RATTLESNAKE RIDGE WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF REFUNDING CERTAIN OBLIGATIONS OF THE DISTRICT.

WHEREAS, the Board of Commissioners (“Governing Authority”) of the Rattlesnake Ridge Water District (the “District”) has determined that it is in the public interest to currently refund the following outstanding bonds (collectively, the “Prior Bonds”) all of which are held by the Rural Development of the Department of Agriculture, in order for the District to obtain substantial interest cost savings:

- a. Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1989, dated June 6, 1989, in the original authorized principal amount of \$195,000,
- b. Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1992, dated September 2, 1992, in the original authorized principal amount of \$365,000,
- c. Rattlesnake Ridge Water District Water System Revenue Bonds, 1994 Series A and B, dated May 8, 1995, in the original authorized principal amount of \$631,000,
- d. Rattlesnake Ridge Water District Waterworks Revenue Bonds, 1995 Series A and B, dated September 6, 1996, in the original authorized principal amount of \$545,000,
- e. Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2000, dated October 2, 2001, in the original authorized principal amount of \$1,325,000, consisting of \$900,000 of Series A Bonds and \$425,000 of Series B Bonds,
- f. Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2001B, dated June 21, 2001, in the original authorized principal amount of \$60,000, and
- g. Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2004, dated June 4, 2004, consisting of \$1,340,000 of Series A Bonds and \$549,000 of Series B Bonds; and

WHEREAS, the District desires the Kentucky Rural Water Finance Corporation (the “Corporation”) to act as its agency and instrumentality for the purpose of providing monies to currently refund the outstanding Prior Bonds and has made an application to the Corporation therefore; and

WHEREAS, in order to obtain such monies, the District is required to enter into an Assistance Agreement with the Corporation;

NOW, THEREFORE, BE IT RESOLVED by the Governing Authority of the Rattlesnake Ridge Water District as follows:

1. Authorization of Assistance Agreement and the Obligations Thereunder. For the purpose of paying the costs, not otherwise provided, of the current refunding of the Prior Bonds, the District hereby authorizes and approves the issuance of its obligations pursuant to the Assistance Agreement in the aggregate principal amount of \$3,170,000 (subject to adjustment of up to 10%) (which aggregate principal amount may be adjusted downward in the event that the Chairman determines it is in the District's best interest to not refund one or more of the Prior Bonds) [the "Obligations"], which amount as adjusted shall be the maximum amount of such Obligations to be outstanding at any one time under the Assistance Agreement, issued as fully registered Obligations, in said maturities and terms as more fully provided for in the Assistance Agreement. The Obligations shall bear interest at such rates and shall be payable in such amounts and at such times as specified in the Assistance Agreement, all as agreed upon by the District and the Corporation.

2. Approval and Authorization of Execution of Assistance Agreement. The Assistance Agreement by and between the District and the Corporation in the respective form attached to this Resolution, is hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the Chairman, such approval to be conclusively evidenced by the execution of said Assistance Agreement, in order to effectuate the purposes of this Resolution; and the Chairman, or any other officer of the District, is hereby authorized to execute and acknowledge same for and on behalf of the District; and the Secretary is authorized to attest same and to affix thereto the corporate seal of the District. The Assistance Agreement is hereby ordered to be filed in the office of the Secretary with this Resolution in the official records of the District.

3. Disbursement of Proceeds of Obligations. The District's officers, employees and agents are authorized to carry out the procedures specified in the Assistance Agreement for the current refunding of the Prior Bonds and for the payment from time to time of the costs and related expenses associated therewith.

4. Revenues of the System. The revenues of the District's waterworks system (the "System") are determined to be sufficient to pay the principal of and interest on the Obligations, as the same become due and payable; and said revenues, pursuant to the terms of the Assistance Agreement, are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Assistance Agreement.

5. Chairman and Other District Officials to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, Treasurer, Secretary and all other appropriate officials of the District are hereby authorized and directed to file any and all applications necessary to obtain approval of the issuance of the Obligations from the Kentucky Public Service Commission and to take any and all further action and to execute and deliver all other documents as may be reasonably necessary to effect the issuance and delivery of the Obligations and the Assistance Agreement.

6. Severability Clause. If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of

such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

7. **Captions of Clauses.** The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

8. **Provisions in Conflict Repealed.** All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

9. **Effective Date of Resolution.** This Resolution shall take effect from and after its adoption and approval.

Adopted on March 3, 2020.

RATTLESNAKE RIDGE WATER
DISTRICT

By 
Chairman

Attest:

By 
Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Governing Authority of the District at a meeting duly held on March 3, 2020; 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 61.823; 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 March 3, 2020.


Secretary

Minutes

Rattlesnake Ridge Water District

March 3, 2020

Meeting was called to order at 4:10pm by Bill Gilbert. Commissioners attending were Bill Gilbert, Jason Carroll, Steve Ison, Randy Steagall and Mike Copley. Employees attending were W.C Gilbert, Becky, Carolyn, David, Jerry, Shannon, Glen, Tyler and Lester.

Randy made a motion to dispense the reading of February minutes; Jason second. All in favor. Randy made motion to approve February minutes; Steve second. All in favor.

Someone on the Jesse Skaggs account came in over bill being high for several months. Board told her that they would change her meter with a new one and see if that changes and will also have old meter tested...if meter comes back good, she will still be responsible for the bill.

Josh Balanowski was caught stealing water acct #115-13200-10 came to board to ask what he could pay to get water back on. Board told him that the bill in full plus all fees associated would need to be paid in full with a total of \$437.68 ...he agreed and paid in full to get reconnected.

Riley from Bluegrass Engineering went over Phase 12 breakdown with cost estimates. He will work on grants such as the block grant and ARC grant and the board gave the go ahead to get phase #12 rolling. Riley spoke on contract 1 and contract 4. He spoke on the cost of the filter at plant with a cost of \$54,000.00 and said the next filter would probably cost more.

Lester spoke to board about a floating intake said the approximate cost would be around \$300,000.00.

There was discussion on what would happen to the old office building ...W.C. said that he spoke with Doug and it could be sold but the money has to go back into the reserve account which can be used if needed.

Bill spoke on the slip on Diamond Ridge and wanted the guys input on what they think needs to be done about the road that continues to slip: Guys said they could place the line in behind piling @ a cost of \$10,000.00.

Board spoke about the Cheri Claxon account ...she had a leak over a year ago and never got the leak fixed so now wants help with the bill...Board said to send letter asking to pay \$200 a month plus regular water bill until the amount is paid in full.

The Mary Jane McDavid account needs to be put on the same plan \$200.00 a month plus regular water bill till paid in full.

Mike asked guys how the hand held pumps were doing, all guys would like to have one. Mike spoke to board and 4 new pumps are to be ordered with screen along with the full waders for all field personal.

Viper locks need ordered and are to be placed on each locked-out meter for non-payment; Board said they wanted at least 5 per truck ordered and 2 keys.

The Donald Buckler account was discussed #115-42420-00 they can make payments and we can do a 3-month adjustment.

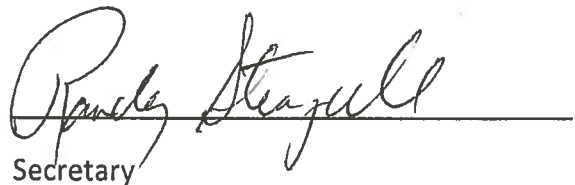
Jason Carroll made motion to accept resolution #for bond refinance on 7 bonds. Randy Steagall second. All in favor.

W.C. passed out financial report.

Mike made motion to accept bills paid. Randy second. All in favor.



Chairman



Secretary

ASSISTANCE AGREEMENT

BETWEEN

KENTUCKY RURAL WATER FINANCE CORPORATION

AND

RATTLESNAKE RIDGE WATER DISTRICT

DATED

JUNE 8, 2021

IN THE AMOUNT OF \$3,170,000

This document was prepared by:

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

By

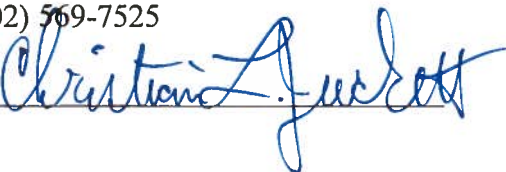


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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of June 8, 2021 (the “Assistance Agreement”) by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the “Issuer”) and the Rattlesnake Ridge Water District, 5302 S. St. Hwy 7, Grayson, Kentucky 41143 (the “Governmental Agency”):

WITNESSETH

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A (the “Series 2021A Bonds”) in the aggregate principal amount of \$8,585,000, pursuant to a Supplemental Trust Indenture No. 81, dated as of June 8, 2021 by and between the Issuer and the Trustee, which Series 2021A Bonds will rank on a parity with the other outstanding bonds issued under the terms of the Indenture and the proceeds of which will be used by certain governmental agencies to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental agencies and the Issuer; and

WHEREAS, the Governmental Agency has outstanding its:

1. Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1989, dated June 6, 1989, in the original authorized principal amount of \$195,000,
2. Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1992, dated September 2, 1992, in the original authorized principal amount of \$365,000,
3. Rattlesnake Ridge Water District Water System Revenue Bonds, 1994 Series A and B, dated May 8, 1995, in the original authorized principal amount of \$631,000,
4. Rattlesnake Ridge Water District Waterworks Revenue Bonds, 1995 Series A and B, dated September 6, 1996, in the original authorized principal amount of \$545,000,

5. Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2000, dated October 2, 2001, in the original authorized principal amount of \$1,325,000, consisting of \$900,000 of Series A Bonds and \$425,000 of Series B Bonds, and
6. Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2004, dated June 4, 2004, in the original authorized principal amount of \$1,889,000, consisting of \$1,340,000 of Series A Bonds and \$549,000 of Series B Bonds

(collectively, the “Refunded Bonds”), which bonds were issued by the Governmental Agency to make improvements and extensions to the Governmental Agency’s waterworks system (the “System”); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to currently refund the Refunded Bonds, in order to effect substantial debt service savings (the “Refunding Program”), and the Issuer has determined that the Refunding Program is a project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Issuer; and

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

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

WHEREAS, in and by the Prior Bond Legislation (as hereinafter defined), the right and privilege was reserved by the Governmental Agency under conditions and restrictions set out in said Prior Bond Legislation, of issuing additional bonds from time to time, payable from the income and revenues of the System and ranking on a parity with the Governmental Agency’s outstanding Prior Bonds (as hereinafter defined), for the purpose, among other things, of financing the cost of extensions, additions and improvements to the System and refinancing certain outstanding indebtedness, which conditions and restrictions are found to currently exist and prevail so as to permit the issuance of certain proposed additional bonds so as to rank, when issued, on a parity with the outstanding Prior Bonds; and

WHEREAS, it is deemed necessary and advisable for the best interests of the Governmental Agency that it enter into this Assistance Agreement with the Issuer in order to borrow funds (the “Loan”) in the amount of \$3,170,000 for the Refunding Program, and to reaffirm the conditions and restrictions under which similar bonds or obligations may be subsequently issued ranking on a parity therewith; and

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

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in making available the Loan pursuant to the Act and the Indenture to be applied to the Refunding Program

upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

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

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

Section 1. Definitions.

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

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

“*Assistance Agreement*” refers to this Assistance Agreement authorizing the Loan and the obligations hereunder.

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

“*Bond Legislation of 1989*” or “*1989 Bond Legislation*” refer to the Resolution authorizing the Series 1989 Bonds, duly adopted by the Governing Body of the Governmental Agency on February 3, 1989.

“*Bond Legislation of 1992*” or “*1992 Bond Legislation*” refer to the Resolution authorizing the Series 1992 Bonds, duly adopted by the Governing Body of the Governmental Agency on May 4, 1992.

“*Bond Legislation of 1994*” or “*1994 Bond Legislation*” refer to the Resolution authorizing the Series 1994 Bonds, duly adopted by the Governing Body of the Governmental Agency on October 7, 1994.

“*Bond Legislation of 1995*” or “*1995 Bond Legislation*” refer to the Resolution authorizing the Series 1995 Bonds, duly adopted by the Governing Body of the Governmental Agency on November 6, 1995.

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

“*Bond Legislation of 2001*” or “*2000 Bond Legislation*” refer to the Resolution authorizing the Series 2001 Bonds, duly adopted by the Governing Body of the Governmental Agency on January 26, 2001.

“*Bond Legislation of 2004*” or “*2004 Bond Legislation*” refer to the Resolution authorizing the Series 2004 Bonds, duly adopted by the Governing Body of the Governmental Agency on January 5, 2004.

“*Bond Legislation of 2011*” or “*2011 Bond Legislation*” refer to the Resolution authorizing the Series 2011 Bonds, duly adopted by the Governing Body of the Governmental Agency on December 6, 2010.

“*Bond Legislation of 2015*” or “*2015 Bond Legislation*” refer to the Resolution authorizing the Series 2015 Bonds, duly adopted by the Governing Body of the Governmental Agency on February 10, 2015.

“*Bond Legislation of 2019*” or “*2019 Bond Legislation*” refer to the Resolution authorizing the Series 2019 Bonds, duly adopted by the Governing Body of the Governmental Agency on November 6, 2018.

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

“*Bonds*” refers to the Loan, the Prior Bonds and any additional Parity Bonds.

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

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

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

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

“*Fiscal Year*” refers to the annual accounting period of the Governmental Agency, beginning on January 1 and ending on December 31 of each year.

“*Funds*” refers collectively to the Revenue Fund, the Sinking Fund, the Sinking Fund of 2011, the Operation and Maintenance Fund, and the Governmental Agency Account.

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

“*Governmental Agency*” refers to the Rattlesnake Ridge Water District, 5302 S. St. Hwy 7, Grayson, Kentucky 41143.

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

“*Governmental Agency Clerk*” refers to the Secretary of the Governmental Agency.

“*Indenture*” means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified, or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 81, dated June 8, 2021, by and between the Issuer and the Trustee.

“*Interest Payment Date*” shall mean the 1st day of each month, commencing July 1, 2021 and continuing through and including January 1, 2044 or until the Loan has been paid in full.

“*Issuer*” refers to the Kentucky Rural Water Finance Corporation, 1151 Old Porter Pike, Bowling Green, Kentucky 42103.

“*KADD Lease*” refers to the Kentucky Area Development District Financing Trust Lease to the District, dated April 14, 2005, in the original principal amount of \$135,000.

“*Loan*” refers to the loan authorized by this Assistance Agreement from the Issuer to the Governmental Agency, in the principal amount of \$3,170,000, maturing January 1, 2044, to defray the cost of the Refunding Program.

“*Operation and Maintenance Fund*” refers to the Rattlesnake Ridge Water District Operation and Maintenance Fund described in Section 401 of the Bond Legislation of 2018 and which Operation and Maintenance Fund will continue to be maintained for the benefit of the System.

“*Outstanding Bonds*” refers collectively to all outstanding Prior Bonds, the Loan and any outstanding Parity Bonds and does not refer to any bonds that have been defeased.

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

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

(a) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to

repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in Kentucky;

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

1. United States Treasury;
2. Export-Import Bank of the United States;
3. Farmers Home Administration;
4. Government National Mortgage Corporation; and
5. Merchant Marine bonds;

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

1. Federal Home Loan Mortgage Corporation;
2. Federal Farm Credit Banks;
3. Bank for Cooperatives;
4. Federal Intermediate Credit Banks;
5. Federal Land Banks;
6. Federal Home Loan Banks;
7. Federal National Mortgage Association; and
8. Tennessee Valley Authority;

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

(e) Uncollateralized certificates of deposit issued by any bank or savings and loan institution having a physical presence in Kentucky rated in one (1) of the three (3) highest categories by a competent rating agency;

(f) Bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a competent rating agency;

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

(h) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;

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

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

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

(k) Individual equity securities if the funds being invested are managed by a professional investment manager regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed twenty-five percent (25%) of the equity allocation; and

(l) Individual high-quality corporate bonds that are managed by a professional investment manager that:

1. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
2. Have a standard maturity of no more than ten (10) years; and
3. Are rated in the three (3) highest rating categories by at least two (2) competent credit rating agencies.

(m) Any other lawful investment authorized by the Kentucky Revised Statutes to be utilized by local governments with a rating equal to or higher than the rating of the Bonds, as rated by each rating agency then rating the Bonds, including an investment agreement with investment agreement provider whose obligations have a current rating at least equal to the rating on the Bonds.

"Prior Bond Legislation" refers collectively to the 2001 Bond Legislation, the 2008C Assistance Agreement, 2011 Bond Legislation, the 2015 Bond Legislation, and the 2019 Bond Legislation.

"Prior Bonds" refers collectively to the Series 2001 Bonds, KADD Lease, Series 2008C Loan.

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

“Program Administrator” refers to the Kentucky Rural Water Association, Inc., Bowling Green, Kentucky.

“Program Reserve Fund” refers to the Reserve Fund created and established pursuant to Section 4.2 of the Indenture.

“Project” refers specifically to the construction of the extensions, additions and improvements to the System that were financed with proceeds of the Refunded Bonds.

“Refunded Bonds” refers to the outstanding Series 1989 Bonds, Series 1992 Bonds, Series 1994 Bonds, Series 1995 Bonds, Series 2000 Bonds, and Series 2004 Bonds.

“Refunding Program” refers to the current refunding of the Refunded Bonds with the proceeds of the Loan.

“Revenue Fund” refers to the Rattlesnake Ridge Water District Water Revenue Fund created in the Prior Bond Legislation and which Revenue Fund will continue to be maintained for the benefit of all of the Bonds.

“Second Lien Bonds” refers to the outstanding Series 2011 Bonds, the Series 2015 Bonds, and the Series 2019 Bonds.

“Series 1989 Bonds” refers to the outstanding Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1989, dated June 6, 1989, in the original authorized principal amount of \$195,000.

“Series 1992 Bonds” refers to the outstanding Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1992, dated September 2, 1992, in the original authorized principal amount of \$365,000.

“Series 1994 Bonds” refers to the outstanding Rattlesnake Ridge Water District Water System Revenue Bonds, 1994 Series A and B, dated May 8, 1995, in the original authorized principal amount of \$631,000.

“Series 1995 Bonds” refers to the outstanding Rattlesnake Ridge Water District Waterworks Revenue Bonds, 1995 Series A and B, dated September 6, 1996, in the original authorized principal amount of \$545,000.

“Series 2000 Bonds” refers to the Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2000, dated October 2, 2001, in the original authorized principal amount of \$1,325,000, consisting of \$900,000 of Series A Bonds and \$425,000 of Series B Bonds.

“Series 2004 Bonds” refers to the Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2004, dated June 4, 2004, in the original authorized principal amount of \$1,889,000, consisting of \$1,340,000 of Series A Bonds and \$549,000 of Series B Bonds.

“*Series 2001 Bonds*” refers to the Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2001, dated June 21, 2001, in the original authorized principal amount of \$960,000, consisting of \$900,000 of Series A Bonds and \$60,000 of Series B Bonds.

“*Series 2008C Loan*” refers to the loan in the amount of \$665,000, dated May 29, 2008, to the Rattlesnake Ridge Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Bonds (Flexible Term Program), Series 2008C.

“*Series 2008C Assistance Agreement*” refers to the Assistance Agreement between the Kentucky Rural Water Finance Corporation and the Governmental Agency, dated May 29, 2008, authorizing the Series 2008C Loan.

“*Series 2011 Bonds*” refers to the Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2011, dated June 12, 2012, in the original authorized principal amount of \$2,482,000, consisting of \$1,336,000 of Series A Bonds and \$1,146,000 of Series B Bonds.

“*Series 2015 Bonds*” refers to the Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2015, dated March 13, 2015, in the original authorized principal amount of \$200,000.

“*Series 2019 Bonds*” refers to the Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2019, dated October 10, 2019, in the principal amount of \$2,490,000.

“*Sinking Fund*” refers to the fund created in the Prior Bond Legislation as the Rattlesnake Ridge Water District Bond and Interest Sinking Fund.

“*Sinking Fund of 2011*” refers to the fund created in the Prior Bond Legislation as the Rattlesnake Ridge Water District Sinking Fund of 2011.

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

“*Treasurer*” refers to the Treasurer of the Governmental Agency.

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

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

Section 2. Reaffirmation of Declaration of Waterworks System.

That all proceedings heretofore taken for the establishment of and the supplying of water service in and to said Governmental Agency as a waterworks system are hereby in all respects

ratified and confirmed; and so long as the Loan herein authorized or permitted to be issued remains outstanding, said System shall be owned, controlled, operated and maintained for the security and source of payment of the Loan. Said System is hereby declared to constitute a public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

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

That pursuant to the Constitution and laws of Kentucky, and particularly the Act, the Governmental Agency hereby authorizes the borrowing of \$3,170,000 from the Program, to provide funds for the Refunding Program.

The Loan is payable on the Interest Payment Date in such principal and interest amounts as set forth in **Exhibit A** attached hereto.

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

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

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

Section 4. Redemption.

(a) *Optional Redemption.* Subject to the prior written approval of the Compliance Group, the Loan payments due on or after January 1, 2030 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2029 at a redemption price equal to 100% of the principal amount of the Loan payments called for redemption, plus unpaid interest accrued to the date of redemption.

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

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

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

Section 5. Loan Payable Out of Gross Revenues on a Parity with Prior Bonds.

The Loan, the Prior Bonds and any additional Parity Bonds that may be issued under the conditions and restrictions hereinafter set forth, shall be secured by and payable out of the gross revenues of the System.

Section 6. Compliance with Parity Coverage Requirements of the Prior Bond Legislation.

It is hereby declared that in accordance with the provisions of the Prior Bond Legislation and prior to the issuance of the Loan herein authorized, there will be procured and filed with the Governmental Agency Clerk of said Governmental Agency any and all statements or certifications for the purpose of having both principal and interest on the Prior Bonds and the Loan payable on a parity from the income and revenues of said System with said outstanding Prior Bonds.

Section 7. Flow of Funds.

All proceedings preliminary to and in connection with the issuance of the Prior Bonds, whereby provision was made for the receipt, custody, and application of the proceeds of the Prior Bonds; for the operation of said System on a revenue-producing basis; for the segregation, allocation, and custody of the revenues derived from the operation of the System; and for the enforcement and payment of the Prior Bonds; and all other covenants for the benefit of the bondholders set out in the Prior Bond Legislation, are hereby ratified and confirmed and shall continue in force and inure to the security and benefit of the Bonds, the same as if such provisions and proceedings were repeated in full herein; provided, further, that, hereafter, the income and revenues of the System shall be collected, segregated, accounted for, and distributed as follows:

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

B. Sinking Fund. There shall be set aside and transferred on or before the 20th day of each month from the Revenue Fund, as a first charge thereon, and deposited in the Sinking Fund sums sufficient to pay when due the principal and interest requirements on the Loan and the Prior Bonds. Specifically, there shall be paid into the Sinking Fund on or before the 20th day of each month, on account of the Loan and the Prior Bonds, not less than the following:

- (1) An amount equal to one-sixth (1/6) of the next succeeding six-month interest payment to become due on the Loan and the Prior Bonds, plus
- (2) A sum equal to one-twelfth (1/12) of the principal due on the Loan and principal due on any Prior Bonds maturing on the next succeeding principal payment date.

In the event additional Parity Bonds are issued pursuant to the conditions and restrictions hereinafter prescribed, the monthly deposits to the Sinking Fund shall be increased to provide for payment of interest thereon and the principal thereof as the same respectively become due.

If for any reason there should be a failure to pay into the Sinking Fund the full amounts above stipulated, then an amount equivalent to such deficiency shall be set apart and paid into the Sinking Fund from the first available income and revenues of the System, subject to the aforesaid priorities.

No further payments need to be made into the Sinking Fund if and when the amount held therein and in any other available fund is at least equal to the amount required to retire all Loan and the Prior Bonds and Parity Bonds and paying all interest that will accrue thereon.

B. Sinking Fund of 2011. After the monthly transfers required in the preceding paragraphs have been paid from the Revenue Fund, there shall next be transferred monthly from said Revenue Fund and deposited into the Sinking Fund of 2011 on or before the 20th day of each month, for payment of interest on and principal of the Second Lien Bonds, a sum equal to the total of the following:

- (1) An amount equal to one-sixth (1/6) of the next succeeding six-month interest payment to become due on the Second Lien Bonds, plus
- (2) A sum equal to one-twelfth (1/12) of the principal of any Second Lien Bonds maturing on the next succeeding principal payment date.

The Sinking Fund of 2011 is hereby pledged for the payment of the interest and the principal of the Second Lien Bonds, but subject to the vested rights and priorities of the Prior Bonds.

Pursuant to Section 4.3(b)(iv) of the Indenture, the money and investments in the Principal and Interest Account (as defined in the Indenture) may be returned to the Governmental Agency and applied to the final Loan Payment (as defined in the Indenture) for the Governmental Agency.

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

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

Provided, however, notwithstanding anything to the contrary in any Prior Bond Legislation, the Governmental Agency shall be allowed a credit to the extent of moneys on deposit in the Program Reserve Fund for the purpose of meeting any parity requirements in any Prior Bond Legislation; subject however, to the limitation that moneys in the Program Reserve Fund may only be used to make payments of the Government Agency due under this Assistance Agreement, if necessary, and; provided further, that the Trustee may not seek payment for any reserve funds held by the Governmental Agency under any Prior Bond Legislation for payment of any amounts due from the Governmental Agency under this Assistance Agreement.

Section 8. Disposition of Proceeds of the Loan; Governmental Agency Account.

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

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

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

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled “Rattlesnake Ridge Water District Governmental Agency Account” (the “Governmental Agency Account”) has been created and maintained by the Trustee pursuant to the Indenture; and such amount on deposit in said Governmental Agency Account shall be transferred to the Rural Development (the “RD”) of the Department of Agriculture of the United States of America, the holder of the Refunded Bonds, as may be required:

(1) To pay the interest on the Refunded Bonds to and including June 10, 2021;
and

(2) To redeem on June 10, 2021, at a price equal to 100% of principal amount, the Refunded Bonds that as of that date have not been redeemed, retired or otherwise paid, thereby defeasing the pledge of revenues and the property securing the Refunded Bonds.

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

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

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

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

Section 9. Arbitrage Limitations.

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

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

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

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

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

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

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

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

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

(4) That it is anticipated that amounts on deposit in the Sinking Fund will be used within 13 months from the date of deposit for the payment of debt service on the Loan and all Prior Bonds payable from said Sinking Fund.

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

(6) That it is not reasonably anticipated that amounts accumulated in a depreciation fund will be used for payment of debt service on any bonds payable from the

revenues of the System, even though such depreciation fund will be so available if necessary to prevent a default in the payment of principal and interest on such bonds.

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

Section 10. Parity Bonds.

The lien and security of and for any bonds or obligations hereafter issued that are payable from the income and revenues of the System, shall, except as set out herein, be subject to the priority of the Prior Bonds and the Loan as may from time to time be outstanding; provided the Governmental Agency has in said Prior Bond Legislation reserved the right and privilege, and does hereby reserve the right and privilege, of issuing additional bonds from time to time payable from the income and revenues of the System ranking on a parity with the Prior Bonds and with the Loan, but only under the conditions specified in the Prior Bond Legislation, which conditions are hereinafter repeated, taking into account the issuance of the Loan.

No other bonds or other obligations shall be issued by the Governmental Agency and made payable from the revenues of the System unless the pledge of revenues for the same is expressly made subordinate and inferior to the lien and pledge herein created; provided, however, the Governmental Agency hereby reserves the right and privilege of issuing additional bonds, from time to time, payable from the revenues of the System, ranking on a basis of equality and parity as to security and source of payment with the Loan, and heretofore issued and outstanding parity bonds, for the following purposes and subject to the following conditions and restrictions:

(A) The Governmental Agency shall have the right to add new System facilities and related auxiliary facilities by the issuance of one or more additional series of bonds to be secured by a parity lien on and ratably payable from the revenues and any other security pledged to the Loan, provided in each instance that:

(i) facility or facilities to be built from the proceeds of the additional parity bonds is or are made a part of the System and its or their revenues are pledged as additional security for the additional parity bonds and the Outstanding Bonds;

(ii) the Governmental Agency is in compliance with all covenants and undertakings in connection with all of its bonds then outstanding and payable from the income and revenues of the System or any part thereof;

(iii) the annual net revenues, defined as gross revenues less Current Expenses of the System for the fiscal year next preceding the issuance of additional parity bonds,

are certified by an independent certified public accountant to have been equal to at least one and twenty hundredths (1.20) times the average annual requirements for principal and interest on all bonds then outstanding and payable from the revenues of the System. The term "Current Expenses," as used herein, includes all reasonable and necessary costs of operating, repairing, maintaining and insuring the System, but shall exclude any allowance for depreciation, payments into a depreciation fund for extensions, improvements and extraordinary repairs and maintenance, and payments into a sinking fund and a debt service reserve;

(iv) the estimated average annual net revenues of the facility or facilities to be constructed or acquired with the proceeds of such additional bonds (and any other funds pledged as security), when added to the estimated future average annual net revenues of the then existing System, shall be at least one and twenty hundredths (1.20) times the average annual debt service requirements for principal and interest on all outstanding bonds payable from the revenues of the System and on the additional bonds to be issued. Future net revenue estimates shall be furnished by a recognized independent Consulting Engineer and shall be forecast over a period not exceeding ten (10) years from the date of the additional bonds proposed to be issued. Provided, however, the foregoing conditions and limitations prescribed in subparagraph (iii) and this subparagraph (iv) may be waived or modified by the written consent of the holders of at least seventy-five percent (75%) in principal amount of the Outstanding Bonds and parity bonds.

(B) The Governmental Agency hereby covenants and agrees that in the event additional series of parity bonds are issued, it shall:

(i) adjust the monthly deposits into the Sinking Fund on the same basis as that prescribed in Section 7 hereof to reflect the annual debt service on the additional bonds; and

(ii) adjust and increase appropriately the monthly amount to be deposited into a depreciation fund in accord with controlling resolutions to give recognition to the facilities and equipment to be constructed or acquired with the proceeds of such additional bonds.

(C) The additional parity bonds (sometimes herein referred to as "permitted" to be issued), the issuance of which is restricted and conditioned by this Section, shall be understood to mean bonds or obligations payable from the revenues of the System on a basis of equality and parity with the Loan, and shall not be deemed to include other bonds or obligations, the security and source of payment of which are subordinate and subject to the priority of the Loan and parity bonds herein authorized or permitted to be issued. The Governmental Agency expressly reserves the right to issue the Loan or other obligations payable from the revenues herein pledged, and not ranking on a basis of equality and parity with the Loan and parity bonds herein otherwise referred to, without any proof of previous earnings or net revenues, but only if such bonds or other obligations are issued to provide for additions or extensions or improvements of the System, and only if the same are issued in express recognition of the priorities, liens and rights created and existing for the security, source of payment, and protection of the Loan and parity

bonds herein authorized and permitted to be issued. Provided, however, that nothing in this Section is intended or shall be construed as a restriction upon the ordinary refunding of the Loan, and/or of any bonds which may have been issued and are outstanding under any of the provisions of this Assistance Agreement, if such refunding does not operate to increase, in any year until the final maturity of the refunding bonds, the aggregate of the principal and interest requirements of the bonds to remain outstanding and the bonds proposed to be refunded.

Section 11. Rates and Charges for Services of the System.

While any Bonds are outstanding and unpaid, the rates for all services of the System rendered by the Governmental Agency to its citizens, corporations, or others requiring the same, shall be reasonable and just, taking into account and consideration the cost and value of said System, the cost of maintaining and operating the same, the proper and necessary allowances for depreciation thereof, and the amounts necessary for the retirement of the Outstanding Bonds and the accruing interest on all such Bonds as may be outstanding under the provisions of this Assistance Agreement and the Prior Bond Legislation, and there shall be charged such rates and amounts as shall be adequate to meet all requirements of the provisions of this Assistance Agreement. Prior to the issuance of the Loan a schedule of rates and charges for the services rendered by the System to all users adequate to meet all requirements of this Assistance Agreement has been established and adopted.

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

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

Section 12. All Obligations of this Loan Are Equal.

The obligations authorized and permitted to be issued hereunder, and from time to time outstanding, shall not be entitled to priority one over the other in the application of the income and revenues of the System regardless of the time or times of their issuance, it being the intention

that there shall be no priority among the obligations authorized or permitted to be issued under the provisions of this Assistance Agreement, regardless of the fact that they may be actually issued and delivered at different times.

Section 13. Defeasance and/or Refunding of the Loan.

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

Section 14. Contractual Nature of Assistance Agreement.

The provisions of this Assistance Agreement shall constitute a contract between the Governmental Agency and the Issuer; and after the issuance of the Loan, no change, variation or alteration of any kind in the provisions of this Assistance Agreement, nor of the Prior Bond Legislation, shall be made in any manner except as herein or therein provided until such time as all of the Bonds authorized thereby and the interest thereon have been paid or provided for in full, or as otherwise provided herein; provided that the Governing Body may enact legislation for any other purpose not inconsistent with the terms of this Assistance Agreement, and which shall not impair the security of the Issuer and/or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any ordinance or other proceedings pertaining hereto.

Section 15. Appointment and Duties of Trustee.

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

Its duties as Trustee shall be as follows:

- (a) To register the Loan in the name of the Issuer;
- (b) To cancel and destroy (or remit to the Governmental Agency for destruction, if so requested by the Governmental Agency) all exchanged, matured, retired and redeemed Loan obligations, and to maintain adequate records relevant thereto;

(c) To remit, but only to the extent that all required funds are made available to the Trustee by the Governmental Agency, semiannual interest payments directly to the Issuer's accounts for the Program;

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

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

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

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

Section 16. Provisions in Conflict Repealed.

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

Section 17. Covenant of Governmental Agency to Take All Action Necessary to Assure Compliance with the Internal Revenue Code of 1986.

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

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

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

Section 18. Insurance.

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

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

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

(b) *Liability Insurance on Facilities.* So long as the Loan is outstanding, the Governmental Agency shall, procure and maintain, public liability insurance relating to the operation of the facilities of the System, with limits of not less than \$200,000 for one person and

\$1,000,000 for more than one person involved in one accident, to protect the Governmental Agency from claims for bodily injury and/or death; and not less than \$200,000 from claims for damage to property of others which may arise from the Governmental Agency's operations of the System and any other facilities constituting a portion of the System.

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

Section 19. Event of Default; Remedies.

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

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

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

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

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

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

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

Section 20. Annual Reports.

The Governmental Agency hereby agrees to provide or cause to be provided to the Issuer and the Compliance Group audited financial statements prepared in accordance with generally accepted accounting principles (commencing with the Fiscal Year ended prior to the Fiscal Year in which this Agreement is executed) and such other financial information and/or operating data as requested by the Issuer or the Compliance Group.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each Fiscal Year.

Section 21. Supplemental Assistance Agreement.

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

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

Section 22. No Remedy Exclusive.

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

Section 23. 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 24. Agreement to Pay Attorneys' Fees and Expenses.

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

Section 25. Signatures of Officers.

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

Section 26. Severability Clause.

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

[Signature Page Follows]

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

By *Randy Steagall*
Secretary/Treasurer

RATTLESNAKE RIDGE WATER DISTRICT

By *Bill Grant*
Chairman

Attest:

By *Randy Steagall*
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By John M. Dix
President

Attest:

By [Signature]
Secretary/Treasurer

RATTLESNAKE RIDGE WATER DISTRICT

By _____
Chairman

Attest:

By _____
Secretary

EXHIBIT A

Debt Service Schedule

KRWFC Flexible Term Program Series 2020 I
Sinking Fund Payment Schedule

Borrower: Rattlesnake Ridge Water District
Closing Date: 06/08/21

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
		-	-
7/21	12,142.86	9,030.48	21,173.34
8/21-1/22	12,142.86	9,030.48	21,173.34
2/22-7/22	12,500.00	7,838.02	20,338.02
8/22-1/23	12,500.00	7,838.02	20,338.02
2/23-7/23	12,916.67	7,306.77	20,223.44
8/23-1/24	12,916.67	7,306.77	20,223.44
2/24-7/24	13,333.33	6,757.81	20,091.15
8/24-1/25	13,333.33	6,757.81	20,091.15
2/25-7/25	14,166.67	6,191.15	20,357.81
8/25-1/26	14,166.67	6,191.15	20,357.81
2/26-7/26	14,583.33	5,589.06	20,172.40
8/26-1/27	14,583.33	5,589.06	20,172.40
2/27-7/27	15,416.67	4,969.27	20,385.94
8/27-1/28	15,416.67	4,969.27	20,385.94
2/28-7/28	14,583.33	4,314.06	18,897.40
8/28-1/29	14,583.33	4,314.06	18,897.40
2/29-7/29	15,416.67	3,694.27	19,110.94
8/29-1/30	15,416.67	3,694.27	19,110.94
2/30-7/30	15,833.33	3,347.40	19,180.73
8/30-2/31	15,833.33	3,347.40	19,180.73
2/31-7/31	14,166.67	2,991.15	17,157.81
8/31-1/32	14,166.67	2,991.15	17,157.81
2/32-7/32	14,583.33	2,672.40	17,255.73
8/32-1/33	14,583.33	2,672.40	17,255.73
2/33-7/33	15,000.00	2,344.27	17,344.27
8/33-1/34	15,000.00	2,344.27	17,344.27
2/34-7/34	12,083.33	2,006.77	14,090.11
8/34-1/35	12,083.33	2,006.77	14,090.11
2/35-7/35	10,000.00	1,734.90	11,734.90
8/35-1/36	10,000.00	1,734.90	11,734.90
2/36-7/36	10,000.00	1,509.90	11,509.90
8/36-1/37	10,000.00	1,509.90	11,509.90
2/37-7/37	10,416.67	1,284.90	11,701.56
8/37-1/37	10,416.67	1,284.90	11,701.56
2/38-7/38	10,833.33	1,050.52	11,883.86
8/38-1/39	10,833.33	1,050.52	11,883.86
2/39-7/39	10,833.33	793.23	11,626.56
8/39-1/40	10,833.33	793.23	11,626.56
2/40-7/40	5,000.00	535.94	5,535.94
8/40-1/41	5,000.00	535.94	5,535.94
2/41-7/41	5,000.00	404.69	5,404.69
8/41-1/42	5,000.00	404.69	5,404.69
2/42-7/42	5,000.00	273.44	5,273.44
8/42-1/43	5,000.00	273.44	5,273.44
2/43-7/43	5,416.67	142.19	5,558.86
8/43-1/44	5,416.67	142.19	5,558.86
2/44-7/44	-	-	-
8/44-1/45	-	-	-
	<u>3,170,000.00</u>	<u>876,238.61</u>	<u>4,152,105.32</u>

SUPPLEMENTAL TAX CERTIFICATE

Re: Loan in the amount of \$3,170,000, dated June 8, 2021, to the Rattlesnake Ridge Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A.

THIS SUPPLEMENTAL TAX CERTIFICATE (the "Supplemental Tax Certificate") is made and entered into as of June 8, 2021, by and between the Kentucky Rural Water Finance Corporation ("KRWFC") and the Rattlesnake Ridge Water District (the "District"):

WITNESSETH:

WHEREAS, the District has agreed, in an Assistance Agreement dated the date hereof (the "Agreement") to borrow \$3,170,000 (the "Loan") pursuant to a Program administered by KRWFC and funded with a portion of the proceeds of the \$8,585,000 Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A that were issued on June 8, 2021 (the "Bonds") by KRWFC pursuant to and secured by a Trust Indenture, dated as of April 4, 2001 between the Issuer and Regions Bank, Nashville, Tennessee (as successor in interest to Fifth Third Bank and The Bank of New York Trust Company, N.A.), as supplemented by a Supplemental Trust Indenture No. 81, dated June 8, 2021 (collectively the "Indenture"), between the Issuer and Regions Bank;

WHEREAS, the District has agreed in the Agreement to use the proceeds of the Loan to finance the current refunding of the outstanding: (i) Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1989, dated June 6, 1989, in the original authorized principal amount of \$195,000, (ii) Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1992, dated September 2, 1992, in the original authorized principal amount of \$365,000, (iii) Rattlesnake Ridge Water District Water System Revenue Bonds, 1994 Series A and B, dated May 8, 1995, in the original authorized principal amount of \$631,000, (iv) Rattlesnake Ridge Water District Waterworks Revenue Bonds, 1995 Series A and B, dated September 6, 1996, in the original authorized principal amount of \$545,000, (v) Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2000, dated October 2, 2001, in the original authorized principal amount of \$1,325,000, consisting of \$900,000 of Series A Bonds and \$425,000 of Series B Bonds, and (vi) Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2004, dated June 4, 2004, in the original authorized principal amount of \$1,889,000, consisting of \$1,340,000 of Series A Bonds and \$549,000 of Series B Bonds (collectively, the "Refunded Bonds") (the refunding of the Refunded Bonds is referred to herein as the "Project"). The proceeds of the Refunded Bonds were used for extensions, additions and improvements to the District's waterworks system (the "System"); and

WHEREAS, it is necessary for the parties hereto to enter into this Supplemental Tax Certificate to ensure that interest paid on the Bonds and on the Loan shall all be and shall all remain excludable from gross income for Federal income purposes, pursuant to the Internal Revenue Code of 1986, as amended (the "Code") and is not and will not become a specific item of tax preference under Section 57(a)(5)(C) of the Code for the federal alternative minimum tax

and to comply with the requirements of KRWFC's Tax Certificate (the "Tax Certificate") dated as of April 4, 2001 issued with respect to the Bonds.

NOW, THEREFORE, the parties hereto agree and bind themselves as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions. In addition to words and terms defined elsewhere in this Supplemental Tax Certificate, the Code and Regulations (each as herein defined), the Arbitrage Certificate (as hereinafter defined), the Indenture and the Agreement, the following capitalized words and terms used in this Supplemental Tax Certificate shall have the following meanings, unless some other meaning is plainly intended:

"*Arbitrage Bond*" means any obligation of a Governmental Entity that is treated as an arbitrage bond under Sections 103(b)(2) and 148 of the Code.

"*Arbitrage Certificate*" means the Tax Certificate under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended, for the Bonds given by KRWFC, including certifications given with respect thereto by the Financial Advisor, the Underwriter and KRWFC, and for the Loan given by the District.

"*Closing Date*" means the date of this Supplemental Tax Certificate.

"*Cost of Issuance*" means any expenditure incurred in connection with the issuance of the Loan or the District's share of such expenditures relating to the Bonds, including such costs as underwriters' spread, rating agency fees, appraisal costs, attorneys' and accountants' fees and printing costs, but excluding Qualified Guarantee Fees or expenditures incurred in connection with the Project.

"*Disposition Proceeds*" means the amounts, including property, received from the sale, exchange or other disposition of the Project.

"*Federally-Guaranteed*" means having the payment of either the principal of or interest on any portion of the Loan or any loan made with the Proceeds of any portion of the Loan guaranteed, in whole or in part, directly or indirectly, by the United States, or acquiring any Investment Property that is, directly or indirectly federally-insured, except as otherwise permitted by Section 149(b) of the Code.

"*Governmental Entity*" means any State and any political subdivision and agency of any State.

"*Gross Proceeds*" means Sale Proceeds and Replacement Proceeds, determined pursuant to Treas. Regs. §1.148-1(b) and -1(c), all until spent.

“Investment Proceeds” means any amounts actually or constructively earned or received from investing the Proceeds in Investment Property.

“Investment Property” means any security (as defined in Section 165(g)(2)(A) or (B) of the Code), obligation (including any Tax-Exempt Bond), annuity contract or other investment-type property.

“Non-Governmental Entity” means any person or entity, other than a Governmental Entity.

“Pledged Fund” means any amount pledged, directly or indirectly, to pay principal of or interest on the Loan and that provides reasonable assurance of such amounts being paid even if the District experiences financial difficulties, including amounts subject to a negative pledge.

“Private Loan” means any loan, directly or indirectly, of any of the Proceeds of an obligation of a Governmental Entity to any Non-Governmental Entity.

“Private Use” means the use of any Proceeds of the Loan or any facilities financed with such Proceeds by Private Users.

“Private User” means any Non-Governmental Entity, other than a natural person not engaged in a trade or business.

“Rebate Amount” means the amount determined by KRWFC pursuant to the Tax Certificate.

“Rebate Payments” means any payment of the Rebate Amount made to the United States Treasury.

“Redemption Date” means the date on which the last of the principal of and interest on the Loan has been paid, whether upon maturity, redemption or acceleration thereof.

“Replacement Proceeds” means amounts replaced by Proceeds of the Loan, including any sinking fund, Pledged Fund, restricted gifts (not including qualified endowment funds, pursuant to Treas. Reg. §1.148-6(d)(3)(iii)(C)) or reserve or replacement fund, or other funds that would be available, directly or indirectly, to pay debt service on the Loan, within the meaning of Treas. Reg. §1.148-1(c).

“Research Agreement” means an agreement between the District and a Private User under which the District or the Private User uses any portion of the System to carry on research.

“Sale Proceeds” means the Loan amount.

“*Service Contract*” means a contract between the District and a Service Provider under which the Service Provider provides services involving any portion or function of a Governmental Facility financed with Governmental Bonds.

“*Service Provider*” means any Private User that provides management or other services.

“*State*” means any state and possession of the United States and the District of Columbia.

“*Treasury Regulation*” and “*Treas. Reg.*” means any Regulation, Proposed Regulation or Temporary Regulation, as may be applicable, issued by the United States Treasury Department pursuant to the Code or the 1954 Code, as appropriate.

“*Yield*” means, pursuant to Treas. Regs. §1.148-4 and -5, that discount rate that, when computing the present value of all payments of principal and interest to be paid on an obligation, produces an amount equal to, in the case of the Loan, the Issue Price and in the case of any Investment Property, the fair market value, as provided in Treas. Reg. §1.148-5(d).

“*Yield Reduction Amount*” means the amount determined by KRWFC pursuant to the Tax Certificate.

“*Yield Reduction Payment*” means any payment of the Yield Reduction Amount made to the United States Treasury.

Section 1.02. Interpretative Rules. For all purposes of this Supplemental Tax Certificate, except as otherwise expressly provided or unless the context otherwise requires (a) “Supplemental Tax Certificate” means this instrument, as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof; (b) all references in this instrument to designated “Articles”, “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed; (c) the words “herein”, “hereof”, “hereunder”, “herewith” and other words of similar import refer to this Supplemental Tax Certificate as a whole and not to any particular Article, Section or other subdivision; (d) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; (e) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; (f) the terms defined elsewhere in this Supplemental Tax Certificate shall have the meanings therein prescribed for them; (g) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders; (h) the headings used in this Supplemental Tax Certificate are for convenience of reference only and shall not define or limit the provisions hereof.

ARTICLE II
COVENANTS, REPRESENTATIONS, ACKNOWLEDGMENTS AND DIRECTIONS

Section 2.01. Authority and Organization. (a) The District represents for the benefit of KRWFC that it is a political subdivision of the Commonwealth of Kentucky with the power, among others, to enter into the Agreement in furtherance of its corporate purposes, including financing the cost of the Project.

(b) KRWFC represents for the benefit of the District that (i) KRWFC is duly organized and validly existing under the laws of the Commonwealth of Kentucky; and (ii) KRWFC has full power and authority to establish a program to enter into loans and assistance agreements with political subdivisions and public agencies of the Commonwealth of Kentucky.

Section 2.02. Use of Proceeds. The District represents that:

(a) *Deposit and Use of Proceeds.*

- i. \$3,364,149.94 (Loan proceeds in the amount of \$3,249,499.97, plus transfers from the Refunded Bonds sinking fund in the amount of \$114,649.97) will be used to currently refund the Refunded Bonds;
- ii. \$56,140.00 of the face amount of the Loan will be used on the date hereof to pay costs associated with the making of the Loan; and
- iii. A rounding amount of \$3,390.82 will be deposited to the Sinking Fund (as defined in the Agreement) and used to pay interest on the Loan.

The remaining difference between the face amount of the Loan and the above deposits results from the fact that the Loan is being acquired from the District at a premium from its face amount in the amount of \$139,030.79 (original issue premium of \$192,918.30 less underwriter's discount of \$53,887.51).

(b) *No Private Use of Proceeds.* No more than 5% of the Proceeds of the Loan will be used for private business use, in accordance with the rules contained in Treas. Reg. 1.141-3. The District expects to use the System for the entire stated term of the Agreement.

(c) *Expectations.* Reserved.

(d) *Use of the System.* The District will own and operate the System during the entire term of the Agreement and will not change the use or ownership of any part of the System during the entire term of the Agreement without the prior written consent of KRWFC.

(e) *Reimbursement Allocations.* Reserved.

(f) Investment Limitations. (i) The District will invest the Gross Proceeds of the Loan and any Disposition Proceeds of the Loan under the Investment Agreement unless otherwise authorized in writing by KRWFC.

(ii) If at any time, either the District determines or is informed that the Yield on the investment of moneys held by itself or any other person must be restricted or limited in order to prevent the Bonds from becoming Arbitrage Bonds, the District shall, and shall so instruct any holder of the Sale Proceeds or Investment Proceeds of the Loan, to take such action or actions as may be necessary to restrict or limit the yield on such investments as set forth in, and in accordance with, such instruction.

(g) Temporary period for amounts in District's Governmental Agency Account. Reserved.

(h) Federal Guarantees. The Gross Proceeds will not be invested in any Investment Property that is Federally-Guaranteed.

(i) No Transferred Proceeds. All of the proceeds of the Refunded Bonds have been expended and there are therefore no Transferred Proceeds with respect to the Refunded Bonds.

Section 2.03. Service Contracts. The District represents that it will not enter into any Service Contracts or management contracts with respect to the System without the prior written consent of KRWFC and agrees that any Service Contracts or management contracts relating to bond-financed property will comply with the management contract safe harbors of Rev. Proc. 97-13.

Section 2.04. Research Agreements. The District represents that it will not enter into any Research Agreements with respect to the System without the prior written consent of KRWFC.

Section 2.05. Changes in Use or User of System. The District represents that (a) no part of the System will be sold, or otherwise disposed of without the prior written consent of KRWFC; (b) it will not permit any use of its System by any person or entity other than itself without the prior written consent of KRWFC; (c) any portion of the System consisting of personal property may be sold in the ordinary course of an established governmental program if (i) the weighted average maturity of the portion of the Loan financing the personal property was not greater than one hundred twenty percent (120%) of the reasonably expected actual use of such personal property by the District, (ii) the District expected at the date of the Agreement that the fair market value of the personal property at the time of disposition would not be greater than twenty-five percent (25%) of its cost and (iii) at the time of disposition, the personal property is no longer suitable for the governmental purpose for which it was acquired.

Section 2.06. Investments. The District will expend the proceeds of the Loan on the date hereof and does not contemplate investing the Gross Proceeds of the Loan.

Section 2.07. Loan is a Purpose Obligation of the Bonds. The Bonds were issued to establish a program to make loans to Governmental Agencies pursuant to assistance agreements and therefore constitute a governmental program for the acquisition of purpose investments. At least 95% of the payments made by the District pursuant to the Agreement will be used to pay principal, interest, or redemption prices on the Bonds, or to pay administrative costs of the Bonds. The District covenants not to acquire the Bonds or other bonds of KRWFC related to the Program. The yield on the Loan to the District does not exceed the yield on the Bonds by more than 1.5 percent.

Section 2.08. No Abusive Arbitrage Device. Both KRWFC and the District agree that they will not take any action that will enable KRWFC or the District to take any action that (a) has the effect of enabling KRWFC or the District to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or (b) overburdens the market for tax-exempt obligations in any manner. The amount of proceeds of the Loan is not reasonably expected to exceed the amount necessary for the District to accomplish the governmental purposes described in the Agreement.

Section 2.09. Records. The District represents that proper records and accounts, containing complete and correct entries of all transactions relating to the Agreement, the use of the Gross Proceeds of the Agreement and the expenditures made in connection with the Project, will be maintained. The information described in this Section will be retained for at least six (6) years after the Redemption Date.

Section 2.10. Payment of Arbitrage Compliance Amounts. The District represents that all actions necessary to comply with the Yield limitations applicable to investments of the Sale Proceeds and Investment Proceeds of the Loan and the rebate requirements contained in Section 148(f) of the Code and the Treasury Regulations thereunder will be taken. Immediately upon the request of KRWFC, the District will assemble copies of records concerning investments of Gross Proceeds of the Loan, including any amounts held by any provider of a letter of credit or guarantor under a reimbursement or other similar agreement. In particular, the District will provide KRWFC with information that will enable KRWFC to determine if any Rebate Amount is payable. The District will pay any Rebate Payment and any Yield Reduction Payment owed with respect to the Gross Proceeds of the Loan, as determined by KRWFC. The information described in this Section will be retained for at least six (6) years after the Redemption Date.

Section 2.11. Election to Apply Rebate Exception Separately to the Loan. The District hereby elects and KRWFC has previously elected to have the spending exceptions of Treas. Reg. 1.148-7 and the small-issuer exceptions of Treas. Reg. 1.148-8 applied separately to the Loan.

The applicable beginning date in applying the spending exceptions of Treas. Reg. 1.148-7 is the Closing Date. The spending exceptions include the six-month exception described in Treas. Reg. 1.148-7(c), the eighteen-month exception described in Treas. Reg. 1.148-7(d), and the two-year exception described in Treas. Reg. 1.148-7(e).

Section 2.12. Information Reporting Requirements. The District represents that it will timely execute and file any information reports required under Section 149(e) of the Code (Form 8038-G) or as required by KRWFC.

Section 2.13. Compliance with Supplemental Tax Certificate. (a) The District may, at any time, employ bond counsel, independent certified public accountants, or other qualified experts acceptable to KRWFC to perform any of the requirements imposed upon the District by this Supplemental Tax Certificate.

(b) KRWFC and the District agree, to the extent reasonably possible, to comply with any amendments to the Code or any applicable Regulations, effective retroactively, and KRWFC and the District shall take all actions necessary to amend this Supplemental Tax Certificate to comply therewith.

(c) Whenever any action or direction is required of the District hereunder, such action or direction may, or in the absence of any such action or direction shall, be made by KRWFC.

(d) Any restriction or covenant contained in this Supplemental Tax Certificate need not be observed or may be changed if KRWFC and the District receive an opinion of Tax Counsel to the effect that such nonobservance or change will not adversely effect the exclusion of interest on any of the Bonds from gross income for purposes of Federal income taxation.

IN WITNESS WHEREOF, KRWFC and the District have each caused this Supplemental Tax Certificate to be executed in its own name and on its behalf by its duly authorized officers, all as of the date set forth above.

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
Treasurer

RATTLESNAKE RIDGE WATER DISTRICT

By  _____
Chairman

Section 2.12. Information Reporting Requirements. The District represents that it will timely execute and file any information reports required under Section 149(e) of the Code (Form 8038-G) or as required by KRWFC.

Section 2.13. Compliance with Supplemental Tax Certificate. (a) The District may, at any time, employ bond counsel, independent certified public accountants, or other qualified experts acceptable to KRWFC to perform any of the requirements imposed upon the District by this Supplemental Tax Certificate.

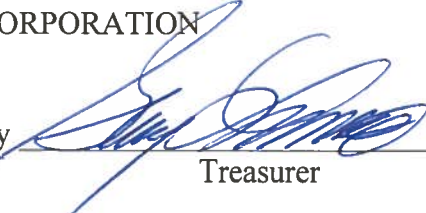
(b) KRWFC and the District agree, to the extent reasonably possible, to comply with any amendments to the Code or any applicable Regulations, effective retroactively, and KRWFC and the District shall take all actions necessary to amend this Supplemental Tax Certificate to comply therewith.

(c) Whenever any action or direction is required of the District hereunder, such action or direction may, or in the absence of any such action or direction shall, be made by KRWFC.

(d) Any restriction or covenant contained in this Supplemental Tax Certificate need not be observed or may be changed if KRWFC and the District receive an opinion of Tax Counsel to the effect that such nonobservance or change will not adversely effect the exclusion of interest on any of the Bonds from gross income for purposes of Federal income taxation.

IN WITNESS WHEREOF, KRWFC and the District have each caused this Supplemental Tax Certificate to be executed in its own name and on its behalf by its duly authorized officers, all as of the date set forth above.

KENTUCKY RURAL WATER FINANCE CORPORATION

By  _____
Treasurer

RATTLESNAKE RIDGE WATER DISTRICT

By _____
Chairman

ARBITRAGE CERTIFICATE

Re: Loan in the amount of \$3,170,000, dated June 8, 2021, to the Rattlesnake Ridge Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A.

The undersigned officer of the Rattlesnake Ridge Water District (the "District") hereby certifies with respect to the loan in the amount of \$3,170,000 (the "Loan"): (a) the Loan is made pursuant to an Assistance Agreement (the "Agreement") by and between the Kentucky Rural Water Finance Corporation ("KRWFC") and the District, derived from the proceeds of the \$8,585,000 Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A (the "Bonds") issued by KRWFC; and (b) the Agreement is entered into for the purpose of currently refunding certain obligations of the District, is secured by the District's existing waterworks system (the "System"), and is dated the date hereof (the "Closing Date"), which is also the date of delivery of and payment for the Loan.

The undersigned officer of the District also certifies that the following facts, estimates and circumstances regarding the amount and use of the Proceeds (as defined in Treas. Reg. §1.148-1(b), issued under the Internal Revenue Code of 1986, as amended (the "Code")) of the Loan are as of the Closing Date and according to the District's best knowledge, information and belief, reasonably expected to exist or to occur:

1. Proceeds. The Proceeds of the Loan consist, and will consist, of the Sale Proceeds and Investment Proceeds, each as defined in Treas. Reg. §1.148-1(b), issued under the Code, and equal the Loan amount.

2. Purpose of Loan.

a. The Sale Proceeds of the Loan, together with certain other funds, will be used to provide funds to pay the costs of issuance of the Loan and to finance the current refunding of the outstanding: (i) Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1989, dated June 6, 1989, in the original authorized principal amount of \$195,000, (ii) Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1992, dated September 2, 1992, in the original authorized principal amount of \$365,000, (iii) Rattlesnake Ridge Water District Water System Revenue Bonds, 1994 Series A and B, dated May 8, 1995, in the original authorized principal amount of \$631,000, (iv) Rattlesnake Ridge Water District Waterworks Revenue Bonds, 1995 Series A and B, dated September 6, 1996, in the original authorized principal amount of \$545,000, (v) Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2000, dated October 2, 2001, in the original authorized principal amount of \$1,325,000, consisting of \$900,000 of Series A Bonds and \$425,000 of Series B Bonds, and (vi) Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2004, dated June 4, 2004, in the original authorized principal amount of \$1,889,000, consisting of \$1,340,000 of Series A Bonds and \$549,000 of Series B Bonds (collectively, the "Refunded Bonds"); which constitutes a valid governmental purpose (the "Governmental Purpose").

b. The total amount of Proceeds received by the District will not exceed the amount necessary to finance the Governmental Purpose. The Agreement is being entered into at this time in such amount because the Borrower expects to redeem the Refunded Bonds on June 10, 2021.

3. Yield on the Loan.

a. The price at which the Loan was sold to the Issuer, which intends to hold the Loan for investment purposes and not for resale to the general public, is equal to the Loan Amount.

b. The Yield on the Loan, as defined in Treas. Reg. §1.148-4, issued under the Code, is **2.0118072%**. The term “yield”, as used herein, means that yield which, when used in computing the present worth of all payments of principal and interest on an obligation, produces an amount equal to, in the case of the Bonds, the amount actually received by the District as a result of the sale of the Bonds (including any accrued interest).

4. Application of Proceeds. The Sale Proceeds will be used to pay the cost of the Governmental Purpose, including issuance expenses and any accrued interest to the Closing Date. No amount received as Proceeds of the Loan will be used in a manner not set forth in this section.

5. Expenditure of Proceeds for the Project. An amount of the “Net Sales Proceeds” (defined in Treas. Reg. §1.148-1(b) as Sales Proceeds less an amount that is the lesser of five percent (5%) of the Sales Proceeds or \$100,000) of the Loan as specified in the Supplemental Tax Certificate executed by the District and dated of even date herewith will be deposited into the Governmental Agency Account with Regions Bank, Nashville, Tennessee, then transferred to the Rural Development (the “RD”) of the Department of Agriculture of the United States of America, the holder of the Refunded Bonds, as may be required:

a. To pay the interest on the Refunded Bonds to and including June 10, 2021; and

b. To redeem on June 10, 2021, at a price equal to 100% of principal amount, the Refunded Bonds that as of that date have not been redeemed, retired or otherwise paid, thereby defeasing the pledge of revenues and the property securing the Refunded Bonds.

6. Investment of Proceeds.

a. The District has agreed in the Supplemental Tax Certificate executed by the District and dated of even date herewith that it will not invest any of the Proceeds of the Loan without the express consent of KRWFC, and any such investments will be done so that such investment will not cause interest on either the Loan or the Bonds to be includable in the holder’s gross income for purposes of federal income taxation or the debt to be treated as “arbitrage bonds” under Sections 103(b)(2) and 148 of the Code and the Treasury Regulations thereunder.

b. Not more than fifty percent (50%) of the Proceeds of the Loan will be invested in investments that both do not carry out the Governmental Purpose of the Agreement and have a substantially guaranteed yield for at least four (4) years.

c. Amounts deposited in the District’s Sinking Fund will be used to pay the principal of and interest on the Loan, and the District reasonably expects that there will be no other funds that will be so used or that will be pledged to payment of the Loan

under circumstances such that the holder of the Loan is reasonably assured that such fund will be available for payment of debt service on the Loan. The Sinking Fund is a fund that is used primarily to achieve a proper matching of revenues and debt service within each bond year. Money deposited in the Sinking Fund will be used within thirteen (13) months from the date of deposit for the payment of debt service on the District's outstanding Loan and other parity obligations and, except for an amount equal to not more than the greater of (i) one-twelfth (1/12) of debt service requirements of such Loan and other parity obligations for the then ensuing year or (ii) one year's earnings on the Sinking Fund, the Sinking Fund will be depleted annually through such application for current debt service requirements of the Loan and other parity obligations. Any income earned from the investment of amounts deposited in the Sinking Fund will be retained in the Sinking Fund and expended within one year from the date of receipt.

d. Any unexpended portion of the Proceeds of the Loan, including any amounts in any reasonably required reserve or replacement fund, will be invested in the investment contract described in the Trust Indenture for the Bonds and other than any funds described herein invested during a temporary period permitted under Treas. Regs. §1.148-1 through -11, issued under the Code, if any, or any amounts in any reasonably required reserve or replacement fund, as described in Treas. Reg. §1.148-2(f), no Proceeds of the Loan, or any moneys that may become Replacement Proceeds, as defined in Treas. Reg. §1.148-1(c), of the Loan, in excess of the lesser of (i) five percent (5%) of such Proceeds or (ii) \$100,000, have been invested in "higher yielding investments", as defined in the Code and the Treasury Regulations thereunder.

7. General.

a. The District reasonably expects that neither the project financed with the proceeds of the Refunded Bonds, nor any part thereof, will be sold or otherwise disposed of by the District prior to the final principal maturity date of the Loan.

b. There are no amounts, other than any funds specifically contributed by the District and the Gross Proceeds of the Loan, that are available for the Governmental Purpose and the term of the Loan is no longer than reasonably necessary for the Governmental Purpose.

c. Any Rebate Payments and any Yield Reduction Payments (each as defined in the Supplemental Tax Certificate), owed pursuant to Section 148(f) of the Code, will be remitted to the United States Treasury as directed by KRWFC, pursuant to the Supplemental Tax Certificate entered into with respect to the Bonds.

d. The District has not employed in connection with the Loan a transaction or series of transactions that attempts to circumvent the provisions of Sections 103(b)(2) and 148 of the Code and the Treasury Regulations thereunder, enabling the District to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage and/or increasing the burden on the market for tax-exempt obligations through actions such as issuing more obligations, issuing obligations sooner or allowing them to remain outstanding longer than would otherwise be necessary for the Governmental Purpose.

e. KRWFC has never been advised of any listing or contemplated listing by the Internal Revenue Service to the effect that the District's certification with respect to its obligations may not be relied upon and no notice to that effect has been published in the Internal Revenue Bulletin.

f. Certain of the facts, estimates and circumstances contained herein are based upon representations made by KRWFC in the attached certificate, or in other letters and reports that accompany the sundry closing documents related to the sale and delivery of the Loan. The District is not aware of any facts, estimates or circumstances that would cause it to question the accuracy of such representations. To the best of the knowledge, information and belief of the undersigned, who is authorized by the District to sign this certificate on behalf of the District, the above expectations of the District as stated herein are reasonable and there are no other facts, estimates or circumstances that would materially change the foregoing conclusion.

This certificate is being executed and delivered pursuant to Treas. Regs. §1.148-1 through -11 issued under the Code, of which the undersigned, with the advice of counsel, is generally familiar. On the basis of the foregoing, it is, not expected that the proceeds of the Loan will be used in a manner that would cause the Loan or the Bonds to be "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code or the Treasury Regulations thereunder.

Dated as of June 8, 2021.

RATTLESNAKE RIDGE WATER
DISTRICT

By:  _____
Chairman

**CERTIFICATE OF OFFICERS OF
RATTLESNAKE RIDGE WATER DISTRICT**



Re: Loan in the amount of \$3,170,000, dated June 8, 2021, to the Rattlesnake Ridge Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A.

The undersigned officials of the Rattlesnake Ridge Water District (the "District") under the Assistance Agreement (the "Agreement") between the District and the Kentucky Rural Water Finance Corporation ("KRWFC"), dated the date hereof, do hereby certify as follows:

1. That they are the duly elected or appointed, qualified and acting incumbents of their respective offices of the District, as set forth after their signatures hereto, and as such are familiar with the books, records and affairs of the District.

2. That the District is a body politic and corporate, validly organized, existing and in good standing under and by virtue of the laws of the Commonwealth of Kentucky with all requisite power and authority to operate a waterworks system (the "System") and to carry on its business as now being conducted.

3. That the below-named persons were on the date or dates of the execution of the Agreement and are on the date of this Certificate the duly elected or appointed and qualified incumbents of the respective offices of the District set forth opposite their names and that the signatures set forth opposite their names are their genuine signatures:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
Bill Gilbert	Chairman	
Randy Steagall	Secretary	

4. That included in the transcript of which this Certificate forms a part is a true, correct and complete copy of the resolution duly adopted by the Governing Body of the District on March 3, 2020 (the "Resolution"), authorizing the appropriate officials of the District to execute the Agreement. The Resolution was duly adopted in accordance with all applicable laws.

5. The Resolution duly authorized the current refunding of the following outstanding bonds of the District:

- a. Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1989, dated June 6, 1989, in the original authorized principal amount of \$195,000;
- b. Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1992, dated September 2, 1992, in the original authorized principal amount of \$365,000;
- c. Rattlesnake Ridge Water District Water System Revenue Bonds, 1994 Series A

- and B, dated May 8, 1995, in the original authorized principal amount of \$631,000;
- d. Rattlesnake Ridge Water District Waterworks Revenue Bonds, 1995 Series A and B, dated September 6, 1996, in the original authorized principal amount of \$545,000;
 - e. Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2000, dated October 2, 2001, in the original authorized principal amount of \$1,325,000, consisting of \$900,000 of Series A Bonds and \$425,000 of Series B Bonds; and
 - f. Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2004, dated June 4, 2004, in the original authorized principal amount of \$1,889,000, consisting of \$1,340,000 of Series A Bonds and \$549,000 of Series B Bonds. (collectively, the “Refunded Bonds”).

6. The Agreement has been duly authorized, executed and delivered by the District and constitutes a legal, valid and binding obligation of the District, enforceable against the District in accordance with its terms.

7. The representations and warranties of the District made in the Agreement are true and correct in all material respects on and as of the date hereof as if made on and as of the date hereof; the Resolution has not been amended or supplemented and is in full force and effect; and the Agreement has been entered into and is in full force and effect.

8. That we are familiar with the provisions of the Agreement, and we hereby certify that at the time of or immediately after the issuance, sale and delivery of the Loan, the proceeds of the Loan authorized by the Agreement were applied or will be applied as itemized in the Distribution of Loan Proceeds Schedule attached hereto as **Exhibit A**, and this certification constitutes the instruction to and authorization of the Trustee to make such payments and deposits specified in said **Exhibit A**.

9. The District is not in default under or in violation of (i) any provisions of applicable law, (ii) the Agreement, or (iii) any indenture, mortgage, lien, agreement, contract, deed, lease, loan agreement, note, bond, order, judgment, decree or other instrument or restriction of any kind or character to which it is a party or by which it or its properties are or may be bound, or to which it or any of its assets is subject, which default would have a material adverse effect on the condition, financial or otherwise, of the District or on the ability of the District to perform its obligations under the Agreement. Neither the execution and delivery of the Agreement nor compliance by the District with the terms, conditions and provisions of the Agreement will conflict with or result in a breach of, or constitute a default under, any of the foregoing.

10. Since the date of the financial information provided to KRWFC, there have not been any material adverse changes in the business, properties, condition (financial or otherwise) or results of operations of the District, whether or not arising from transactions in the ordinary course of business, and since such date, except in the ordinary course of business, the District has not entered into any transaction or incurred any liability material to the financial position of the District.

11. There is no claim, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, or public board or body, pending or, to the best of our knowledge, threatened against or affecting the District wherein an unfavorable decision, ruling or finding would materially adversely affect the business, properties, condition (financial or otherwise) or the results of operations of the District or the ability of the District to perform its obligations under the Agreement.

12. All authorizations, consents and approvals of, notices to, registrations or filings with, or other actions in respect of or by, any governmental body, agency or other instrumentality or court required in connection with the execution, delivery and performance by the District of the Agreement have been duly obtained, given or taken (and copies thereof have been provided to KRWFC).

13. Any certificate signed by any official of the District and delivered to KRWFC will be deemed to be a representation by the District to KRWFC as to the statements made therein.

WITNESS our hands this June 8, 2021.

RATTLESNAKE RIDGE WATER
DISTRICT

By 
Chairman

Attest:

By 
Secretary

EXHIBIT A

DISTRIBUTION OF LOAN PROCEEDS SCHEDULE

Re: Loan in the amount of \$3,170,000, dated June 8, 2021, to the Rattlesnake Ridge Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A.

SOURCES OF FUNDS

Par Amount of Loan	\$3,170,000.00
Plus Original Issue Premium	192,918.30
Transfer from Refunded Bonds Sinking Fund	<u>114,649.97</u>
Total Sources	\$3,477,568.27

USES OF FUNDS

Underwriter's Discount	\$ 53,887.51
Deposit to Costs of Issuance Account	56,140.00
Deposit to Rattlesnake Ridge Water District Governmental Agency Account to refund the Refunded Bonds	3,364,149.94
Deposit to Rattlesnake Ridge Water District Sinking Fund for debt service on the Loan (rounding proceeds)	<u>3,390.82</u>
Total Uses	\$3,477,568.27

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF THE)	
RATTLESNAKE RIDGE WATER DISTRICT TO)	
ISSUE SECURITIES IN THE APPROXIMATE)	
PRINCIPAL AMOUNT OF \$3,420,000 FOR)	CASE NO.
THE PURPOSE OF REFUNDING CERTAIN)	2020-00086
OUTSTANDING OBLIGATIONS OF THE)	
DISTRICT PURSUANT TO THE PROVISIONS)	
OF KRS 278.300 AND 807 KAR 5:001)	

ORDER

On May 21, 2020, Rattlesnake Ridge Water District (Rattlesnake Ridge District) filed an application (Application) seeking Commission authority to enter into a Loan Agreement (Loan) with Kentucky Rural Water Finance Corporation (KRWFC) to borrow approximately \$3,420,000 (subject to adjustment of up to 10 percent) to refinance six outstanding debt obligations and to pay the costs of issuance of the KRWFC Loan. There are no intervenors in this case, and the matter is submitted to the Commission for a decision based upon the evidentiary record.

Rattlesnake Ridge District, a water district organized pursuant to KRS Chapter 74, owns and operates facilities that provide retail water service to 4,089 customers in Carter, Elliott, Lawrence, Lewis, and Morgan counties, Kentucky.¹

¹ Annual Report of Laurel County Water District No. 2 to the Public Service Commission of the Commonwealth of Kentucky for the Calendar year Ended December 31, 2018 (2018 Annual Report) at 12 and 49.

The Commission notes that in Rattlesnake Ridge District's 2018 Annual Report a water loss of 59.53 percent was reported.² Commission regulation 807 KAR 5:066, Section 6(3), states that for rate making purposes a utility's water loss shall not exceed 15 percent of total water produced and purchased, excluding water consumed by a utility in its own operations. Reduction of Rattlesnake Ridge District's water loss to 15 percent would result in a decrease to its cost of water.

The Commission is placing greater emphasis on monitoring utilities that consistently exceed the 15 percent water loss threshold and strongly encourages Rattlesnake Ridge District to pursue reasonable actions to reduce its water loss. Failure by Rattlesnake Ridge District to make significant progress towards reducing water loss may cause the Commission to pursue additional action with the utility.

Rattlesnake Ridge District proposes to execute a Loan with KRWFC to borrow \$3,420,000.³ The proposed Loan will have a 31-year term subject to interest rates that will vary from 3.20 percent to 5.20 percent per annum.⁴ Rattlesnake Ridge District proposes to use the proceeds from the KRWFC Loan to fully refund the Waterworks Revenue Bonds of the District, Series 1989, with an original principal amount of \$195,000, Waterworks Revenue Bonds, Series 1992, with an original principal amount of \$365,000, Waterworks Revenue Bonds, Series 1994 A and B, with original principal amounts of \$434,000, and \$197,000 respectively, Waterwork Revenue Bonds Series 1995 A and B, with original principal amounts of \$445,000, and \$100,000 respectively, Waterworks

² *Id.* at 57.

³ Application, paragraph 5.

⁴ *Id.*, Exhibit A.

Revenue Bonds Series 2000 A and B, with original principal amounts of \$900,000, and \$425,000 respectively, and Waterworks Revenue Bonds Series 2004 A and B with original principal amounts of \$1,340,000, and \$549,000 respectively (collectively, Prior Bonds).⁵

Rattlesnake Ridge District estimates that it will expend \$3,707,009 to refund the Prior Bonds.⁶ The estimated cost that will be expended to refinance the outstanding indebtedness includes a reoffering premium of \$233,859.25.⁷ Rattlesnake Ridge District provided a Debt Service Comparison that indicates that the refinancing would save \$483,997⁸ over the life of the proposed Loan, resulting in a net present value (NPV) cash flow savings of \$417,564.⁹

The Commission has reviewed the proposed refinancing and finds Rattlesnake Ridge District's proposal to be reasonable due to the lower effective interest rate and cash flow savings Rattlesnake Ridge District would realize over the period of the Loan. However, if the new interest rate on the proposed refinancing is higher than the range of interest rates set forth in the Application, Rattlesnake Ridge District should not proceed with the refinancing unless the NPV of the refinancing results in positive cash flow. The

⁵ *Id.*, paragraph 5.

⁶ *Id.*, Exhibit B, Sources and uses. Uses of Funds: \$51,300.00 (Total Underwriter's Discount) + \$54,800.00 (Costs of Issuances) + \$3,596,347.74 (Deposit to Current Refunding Fund) + \$4,561,51 (Rounding Amount) = \$3,707,009.25. Sources of Funds: \$3,420,000.00 (Par Amount of Bonds) + \$233,859.25 (Reoffering Premium) + \$63,150.00 (Transfers from Prior Issue Debt Service Funds) = \$3,707,009.25.

⁷ *Id.*

⁸ *Id.*, Exhibit C.

⁹ *Id.*

Commission commends Rattlesnake Ridge District for taking advantage of the financing alternatives available to it, thereby securing savings for itself and its customers.

After consideration of the evidence of record and being sufficiently advised, the Commission finds that:

1. The proposed Loan from KRWFC is for lawful objects within the corporate purposes of Rattlesnake Ridge District, is necessary and appropriate for and consistent with the proper performance by the utility of its service to the public, will not impair its ability to perform that service, is reasonable, necessary, and appropriate for such purposes and should be approved.

2. Rattlesnake Ridge District should execute its note as security for the proposed Loan in the manner described in its Application.

3. The final amounts of the RD payoff, the legal fees, and the new KRWFC Loan will not be known until the refinancing transaction is finalized. Therefore, Rattlesnake Ridge District should provide the Commission an updated version of the Application, Exhibit C, reflecting the cash flow analysis of the new KRWFC Loan within ten days of finalizing the transaction.

4. The Commission directs Rattlesnake Ridge District to the Commission's March 16, 2020 and March 24, 2020 Orders in Case No. 2020-00085¹⁰ regarding filings with the Commission. The Commission expects the original documents to be filed with the Commission within 30 days of the lifting of the current state of emergency.

¹⁰ Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 16, 2020), Order at 5–6. Case No. 2020-00085, *Electronic Emergency Docket Related to the Novel Coronavirus COVID-19* (Ky. PSC Mar. 24, 2020), Order at 1–3.

5. The proceeds from the proposed Loan should be used only for the lawful purposes set out in Rattlesnake Ridge District's Application.

6. The terms and conditions of the new KRWFC Loan should be consistent with the KRWFC assistance program as described in Rattlesnake Ridge District's Application.

IT IS THEREFORE ORDERED that:

1. Rattlesnake Ridge District is authorized to enter into a Loan with KRWFC to borrow no more than the total amount to pay off the RD indebtedness proposed to be refinanced as identified in the application on the condition that the final NPV of the savings, determined upon closing, generate positive cash flow. The Loan maturity date and interest rate shall be in accordance with the KRWFC assistance program as described in Rattlesnake Ridge District's Application.

2. Rattlesnake Ridge District shall execute the KRWFC Loan documents as authorized herein.

3. Rattlesnake Ridge District shall comply with all matters set out in finding paragraphs 3 through 6 as if they were individually so ordered.

4. Any documents filed in the future pursuant to finding paragraphs 3 and 4 shall reference this case number and shall be retained in the post-case correspondence file.

5. This case is closed and removed from the Commission's docket.

Nothing contained herein shall be deemed a warranty or finding of value of securities or financing authorized herein on the part of the Commonwealth of Kentucky or any agency thereof.

By the Commission

ENTERED
JUL 13 2020
rcs
KENTUCKY PUBLIC
SERVICE COMMISSION

ATTEST:



Acting Executive Director

Case No. 2020-00086

*Kristen Millard
Raymond James Financial Services
300 West Vine Street
Lexington, KENTUCKY 40507

*Rattlesnake Ridge Water District
3563 State Highway 1661
P. O. Box 475
Grayson, KY 41143-0475

*W.C. Gilbert
Rattlesnake Ridge Water District
P. O. Box 475
Grayson, KY 41143

*Honorable W. Randall Jones
Attorney at Law
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KENTUCKY 40202

CERTIFICATE AS TO DEBT SERVICE SAVINGS

Re: Loan in the amount of \$3,170,000, dated June 8, 2021, to the Rattlesnake Ridge Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A.

In connection with the issuance of the above-referenced loan to the Rattlesnake Ridge Water District (the "District"), the undersigned hereby certifies as follows:

1. That we are the financial advisor in connection with the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A, the proceeds of which bonds fund the above-referenced Series 2021A Loan to the District.
2. That we have been advised that on June 10, 2021 the District intends to refund the outstanding:
 - a. Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1989, dated June 6, 1989, in the original authorized principal amount of \$195,000,
 - b. Rattlesnake Ridge Water District Water System Revenue Bonds, Series of 1992, dated September 2, 1992, in the original authorized principal amount of \$365,000,
 - c. Rattlesnake Ridge Water District Water System Revenue Bonds, 1994 Series A and B, dated May 8, 1995, in the original authorized principal amount of \$631,000,
 - d. Rattlesnake Ridge Water District Waterworks Revenue Bonds, 1995 Series A and B, dated September 6, 1996, in the original authorized principal amount of \$545,000,
 - e. Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2000, dated October 2, 2001, in the original authorized principal amount of \$1,325,000, consisting of \$900,000 of Series A Bonds and \$425,000 of Series B Bonds, and
 - f. Rattlesnake Ridge Water District Waterworks Revenue Bonds, Series 2004, dated June 4, 2004, in the original authorized principal amount of \$1,889,000, consisting of \$1,340,000 of Series A Bonds and \$549,000 of Series B Bonds.

(the "Refunded Bonds") with the proceeds of the Series 2021A Loan, which loan is scheduled to close on June 8, 2021.

3. That we have prepared a schedule titled Debt Service Comparison, which compares the debt service for the Series 2021A Loan with the debt service for the Refunded Bonds. A copy of such schedule is attached hereto as **Exhibit A**.
4. That based upon (a) said examination and studies, (b) upon such further examination as was deemed appropriate and necessary by the undersigned, it is hereby certified that the debt service requirements for the proposed Series 2021A Loan, in any year of maturities thereof after the redemption of the Refunded Bonds scheduled to be refunded through the issuance of the proposed Series 2021A Loan, does not exceed the scheduled debt service requirements applicable to the then outstanding Refunded Bonds, for any year prior to the issuance of the proposed Series 2021A Loan and the refunding of the Refunded Bonds.

IN TESTIMONY WHEREOF, witness my signature on behalf of Raymond James & Associates, Inc. this June 8, 2021.

RAYMOND JAMES & ASSOCIATES, INC.


By Kristen Millard (Jun 4, 2021 15:56 EDT)
Authorized Representative

Preliminary

\$3,170,000

Rattlesnake Ridge Water District

Kentucky Rural Water Finance Corporation

Public Projects Refunding Revenue Bonds, Series 2021 A

Debt Service Comparison

Date	Total P+I	Expenses	Net New D/S	Old Net D/S	Savings
12/31/2021	-	-	-	73,879.94	73,879.94
12/31/2022	195,241.52	450.00	195,691.52	272,263.45	76,571.93
12/31/2023	240,868.76	450.00	241,318.76	272,627.20	31,308.44
12/31/2024	239,387.51	450.00	239,837.51	272,704.06	32,866.55
12/31/2025	237,693.76	450.00	238,143.76	272,591.75	34,447.99
12/31/2026	240,681.26	450.00	241,131.26	271,796.70	30,665.44
12/31/2027	238,350.01	450.00	238,800.01	272,778.89	33,978.88
12/31/2028	240,700.01	450.00	241,150.01	272,610.20	31,460.19
12/31/2029	223,050.01	450.00	223,500.01	259,433.88	35,933.87
12/31/2030	227,250.01	450.00	227,700.01	260,032.32	32,332.31
12/31/2031	228,031.26	450.00	228,481.26	260,653.01	32,171.75
12/31/2032	203,981.26	450.00	204,431.26	239,533.51	35,102.25
12/31/2033	205,100.01	450.00	205,550.01	238,817.13	33,267.12
12/31/2034	206,106.26	450.00	206,556.26	238,286.62	31,730.36
12/31/2035	167,450.01	450.00	167,900.01	203,902.88	36,002.87
12/31/2036	139,468.76	450.00	139,918.76	174,354.70	34,435.94
12/31/2037	136,768.76	450.00	137,218.76	175,380.01	38,161.25
12/31/2038	139,012.51	450.00	139,462.51	176,588.13	37,125.62
12/31/2039	141,062.51	450.00	141,512.51	176,587.82	35,075.31
12/31/2040	137,975.01	450.00	138,425.01	173,366.88	34,941.87
12/31/2041	65,643.76	450.00	66,093.76	102,545.31	36,451.55
12/31/2042	64,068.76	450.00	64,518.76	102,416.57	37,897.81
12/31/2043	62,493.76	450.00	62,943.76	102,806.26	39,862.50
12/31/2044	65,853.13	450.00	66,303.13	105,150.94	38,847.81
TOTAL	\$4,046,238.61	\$10,350.00	\$4,056,588.61	\$4,971,108.16	\$914,519.55

PV Analysis Summary (Net to Net)

Gross PV Debt Service Savings	732,700.21
Effects of changes in Expenses	(7,909.61)
Net PV Cashflow Savings @ 2.434%(AIC)	724,790.61
Transfers from Prior Issue Debt Service Fund	(114,649.97)
Contingency or Rounding Amount	3,390.82
Net Benefit	803,260.40
Net Present Value Benefit	\$612,962.82
Net PV Benefit / \$3,298,900 Refunded Principal	18.581%
Net PV Benefit / \$3,170,000 Refunding Principal	19.336%

Refunding Bond Information

Refunding Dated Date	6/08/2021
Refunding Delivery Date	6/08/2021

Raymond James



**OFFICE OF THE GOVERNOR
DEPARTMENT FOR LOCAL GOVERNMENT**

Andy Beshear
Governor

100 Airport Road, Third Floor
Frankfort, Kentucky 40601
Phone: (502) 573-2382
Fax: (502) 227-8691
www.kydlgweb.ky.gov

Dennis Keene
Commissioner

July 8, 2021

Mr. Christian L. Juckett
Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, KY 40202-1410

RE: \$3,170,000 Rattlesnake Ridge Water District, Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A, dated June 8, 2021 (Refunds Bond IDs #6488, dated June 6, 1989; #8501, dated September 2, 1992; #9309 and #9310, dated May 8, 1995; #10102 and #10103, dated September 6, 1996; and #11487 and #11488, dated August 7, 2001)

Dear Mr. Juckett:

This letter will acknowledge receipt of notification regarding the issuance of the above referenced bonds in conformity with KRS 65.117.

The information received complies with the requirements of this office and the above referenced statute.

If I may be of further assistance, please feel free to contact me.

Sincerely,

A handwritten signature in blue ink that reads "D. Keene".

DENNIS KEENE
Commissioner and State Local Debt Officer

**TEAM
KENTUCKY™**

An Equal Opportunity Employer M/F/D

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT
NICHOLAS J. LOCOCO

June 8, 2021

Kentucky Rural Water Finance Corporation
1151 Old Porter Pike
Bowling Green, Kentucky 42103

Regions Bank
Corporate Trust Department
150 Fourth Avenue North, 9th Floor
Nashville, Tennessee 37219

Re: Loan in the amount of \$3,170,000, dated June 8, 2021, to the Rattlesnake Ridge Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A.

We have examined a certified copy of the transcript of proceedings of the Rattlesnake Ridge Water District, a political subdivision of the Commonwealth of Kentucky (the "District") relating to the authorization and issuance of its Assistance Agreement, dated as of June 8, 2021, (the "Assistance Agreement") by and between the District and the Kentucky Rural Water Finance Corporation, representing a loan in the aggregate principal amount of \$3,170,000 (the "Loan").

The Loan has been authorized and issued pursuant to the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), including particularly Chapters 58 and 74 of the Kentucky Revised Statutes (the "Act"), in accordance with the Assistance Agreement.

We have examined such portions of the Constitution, Statutes and laws of the United States, the Constitution, Statutes and laws of the Commonwealth, and such applicable court decisions, regulations, rulings and opinions as we have deemed necessary or relevant for the purposes of the opinions set forth below.

We have also made such investigation as we have deemed necessary for the purposes of such opinions and relied upon certificates of officials of the Commonwealth and the District as to certain factual matters.

Based upon the foregoing, it is our opinion, under the law existing on the date of this opinion, that:

1. The District is a political subdivision of the Commonwealth, duly organized and validly existing under the laws of the Commonwealth and has the legal right and authority to borrow the Loan.

2. The Assistance Agreement has been duly authorized, executed and delivered by the District and is a valid and binding obligation of the District enforceable in accordance with its terms.

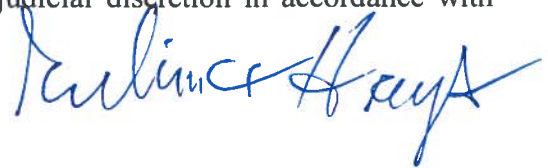
3. The Loan has been duly authorized by the District and is a valid and binding limited and special obligation of the District enforceable in accordance with its terms.

4. The Loan is payable as to principal, premium, if any, and interest from and is secured by a pledge of and a lien on the revenues of the District's System, as defined in the Assistance Agreement.

5. Interest on the Loan is excludable from gross income for federal income tax purposes. In addition, the Loan is not a "private activity bond" as defined in Section 141(a) of the Internal Revenue Code of 1986, as amended (the "Code").

6. Interest on the Loan is exempt from Kentucky income taxation and the Loan is exempt from ad valorem taxation by the Commonwealth and any of its political subdivisions.

Our opinion set forth above is subject to the qualification that the enforceability of the Assistance Agreement, the Loan and agreements relating thereto may be limited by bankruptcy, reorganization, moratorium, insolvency, or other similar laws relating to or affecting the enforcement of creditors' rights, and to the exercise of judicial discretion in accordance with general equitable principles.

A handwritten signature in blue ink, appearing to read "Pauline Hays". The signature is written in a cursive style with a long, sweeping tail on the final letter.

Rubin & Hays

ATTORNEYS AT LAW

Kentucky Home Trust Building, 450 South Third Street, Louisville, Kentucky 40202-1410
Telephone (502) 569-7525 Telefax (502) 569-7555 www.rubinhays.com

CHARLES S. MUSSON
W. RANDALL JONES
CHRISTIAN L. JUCKETT
NICHOLAS J. LOCOCO

June 10, 2021

VIA UNITED PARCEL SERVICE - Next Day Air
Internal Revenue Submission Processing Center
1973 Rulon White Blvd.
Ogden, UT 84201

Re: Loan in the amount of \$3,170,000, dated June 8, 2021, to the Rattlesnake Ridge Water District from the Kentucky Rural Water Finance Corporation Flexible Term Program.

Ladies and Gentlemen:

Enclosed is Form 8038-G, Information Return for Tax-Exempt Governmental Obligations, which we are requesting to be filed with the Internal Revenue Service for the above-referenced loan issue.

Very truly yours,

Rubin & Hays

By 
Christian L. Juckett

Enclosure

Form **8038-G**

Information Return for Tax-Exempt Governmental Bonds

(Rev. September 2018)

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Rattlesnake Ridge Water District		2 Issuer's employer identification number (EIN) 61-1037311	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) Christian L. Juckett		3b Telephone number of other person shown on 3a 502-569-7525	
4 Number and street (or P.O. box if mail is not delivered to street address) Room/suite 450 South Third Street, Third Floor		5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Louisville, Kentucky 40202		7 Date of issue 06/08/2021	
8 Name of issue Loan from Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A		9 CUSIP number N/A	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Mr. W. C. Gilbert, Manager		10b Telephone number of officer or other employee shown on 10a (606) 474-7570	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17	3,362,918	30
18 Other. Describe ►	18		
19a If bonds are TANs or RANs, check only box 19a <input type="checkbox"/>			
b If bonds are BANs, check only box 19b <input type="checkbox"/>			
20 If bonds are in the form of a lease or installment sale, check box <input type="checkbox"/>			

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	01/01/2044	\$ 3,362,918.30	\$ 3,170,000	10.960 years	2.0118 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)						
22	Proceeds used for accrued interest				0	00
23	Issue price of entire issue (enter amount from line 21, column (b))				3,362,918	30
24	Proceeds used for bond issuance costs (including underwriters' discount)		110,027	51		
25	Proceeds used for credit enhancement		0	00		
26	Proceeds allocated to reasonably required reserve or replacement fund		0	00		
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V		3,249,499	97		
28	Proceeds used to refund prior taxable bonds. Complete Part V		0	00		
29	Total (add lines 24 through 28)				3,359,527	48
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)				3,390	82

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.			
31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded		See Sch A years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded		n/a years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)		06/10/2021
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		See Sch A

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2018)

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a		
b Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ <input checked="" type="checkbox"/> and enter the following information:			
b Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____		06/08/2021	
c Enter the EIN of the issuer of the master pool bond ▶ _____		61-1286160	
d Enter the name of the issuer of the master pool bond ▶ <u>Kentucky Rural Water Finance Corporation</u>			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶			<input type="checkbox"/>
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶			<input type="checkbox"/>
41a If the issuer has identified a hedge, check here ▶ <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box ▶			<input type="checkbox"/>
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶			<input type="checkbox"/>
44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶			<input type="checkbox"/>
45a If some portion of the proceeds was used to reimburse expenditures, check here ▶ <input type="checkbox"/> and enter the amount of reimbursement ▶ _____			
b Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
		6/8/21	▶ Bill Gilbert, Chairman Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed
	Christian L. Juckett		6/8/21	P01391045
	Firm's name ▶ Rubin & Hays	Firm's EIN ▶ 31-1488290		Phone no. 502-569-7525
Firm's address ▶ 450 South Third Street, Third Floor, Louisville, KY 40202				

SCHEDULE A

Form 8038-G Information Return for Tax-Exempt Governmental Bonds

Rattlesnake Ridge Water District EIN: 61-1037311

Part 3 Description of Refunded Bonds. Complete this part only for refunding bonds.

	Series 1989	Series 1992	Series 1994A	Series 1994B	Series 1995A	Series 1995B	Series 2000A	Series 2000B	Series 2004A	Series 2004B
	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds
31	3,764	5,435	7,231	7,167	7,72	7,799	10,874	10,849	13,499	13,497
32	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
33	06/10/2021	06/10/2021	06/10/2021	06/10/2021	06/10/2021	06/10/2021	06/10/2021	06/10/2021	06/10/2021	06/10/2021
34	06/06/1989	09/02/1992	05/08/1995	05/08/1995	09/06/1996	09/06/1996	10/02/2001	10/02/2001	06/04/2004	06/04/2004

Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded

Enter the remaining weighted average maturity of the taxable bonds to be refunded

Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)

Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)

**KENTUCKY RURAL WATER FINANCE CORPORATION
FLEXIBLE TERM FINANCE PROGRAM**

Distribution List

Re: Loan in the amount of \$3,170,000, dated June 8, 2021, to the Rattlesnake Ridge Water District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2021A.

Kentucky Rural Water Finance Corporation

Mr. Gary Larimore, Executive Director
Mr. Andy Lange, Assistant Director
1151 Old Porter Pike
Bowling Green, Kentucky 42103
Phone: (270) 843-2291
Fax: (270) 796-8623
g.larimore@krwa.org
a.lange@krwa.org

KRWFC Counsel

Damon R. Talley
Stoll Keenon Ogden PLLC
PO Box 150
112 N Lincoln Blvd.
Hodgenville, KY 42748
Phone: (270) 358-3187
Fax: (270) 358-9560
damon.talley@skofirm.com

Trustee/Administrator

Mr. Daniel Olson (615) 770-4357
Ms. Inna Culp (615) 770-4352
Regions Bank
Corporate Trust Department
150 Fourth Avenue North
Suite 1500, 15th floor
Nashville, TN 37219
Facsimile: (615) 770-4350
daniel.olson@regions.com
inna.culp@regions.com

Borrower

Mr. W.C. Gilbert
Rattlesnake Ridge Water District
P.O. Box 475
Grayson, Kentucky 41143
Phone: (606) 474-7570
rrwdwc@yahoo.com

Financial Advisor

Mr. Bob Pennington (859) 232-8211
Ms. Kristen Millard (859) 232-8249
Raymond James & Associates, Inc.
489 East Main Street
Lexington, Kentucky 40507
Toll-free: (800) 937-0161
Fax: (859) 232-8255
bob.pennington@raymondjames.com
kristen.millard@raymondjames.com

Bond Counsel

Mr. Charles Musson
Mr. Randy Jones
Mr. Christian Juckett
Rubin & Hays
Kentucky Home Trust Building
450 South 3rd Street
Louisville, Kentucky 40202
Phone: (502) 569-7525
Fax: (502) 569-7555
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wrjones@rubinhays.com
cljuckett@rubinhays.com