
ASSISTANCE AGREEMENT

by and between

THE KENTUCKY INFRASTRUCTURE AUTHORITY

and

MARTIN COUNTY WATER DISTRICT

TRANSCRIPT OF PROCEEDINGS

Prepared by:

Dinsmore & Shohl LLP
101 South Fifth Street
Suite 2500
Louisville, Kentucky 40202

DISTRIBUTION LIST

Chairman
Martin County Water District
387 East Main Street, Suite 140
Inez, Kentucky 41224

Meg Link
Kentucky Infrastructure Authority
100 Airport Road, 3rd Floor
Frankfort, Kentucky 40601

Buddy Griffin
Water Infrastructure Branch
Energy and Environment Cabinet
300 Sower Boulevard
Frankfort, Kentucky 40601

Charles Lush, Jr.
U.S. Bank Trust Company, National Association
Corporate Trust Services
435 North Whittington Parkway
Louisville, Kentucky 40222

Mark Franklin
Dinsmore & Shohl LLP
101 South Fifth Street
Suite 2500
Louisville, Kentucky 40202

TRANSCRIPT INDEX

Re: Assistance Agreement dated as of January 29, 2024, by and between the
Kentucky Infrastructure Authority and Martin County Water District

1. Assistance Agreement dated as of January 29, 2024, by and between the Kentucky Infrastructure Authority (the “Authority”) and Martin County Water District (the “Borrower”)
2. Resolution of the Board of Commissioners of the Borrower
3. Extract of Minutes of the Meeting of the Board of Commissioners of the Borrower adopting the Resolution
4. Extract of Minutes of the Authority authorizing the Assistance Agreement
5. Opinion of Counsel to the Borrower
6. General Closing Certificate of the Borrower
7. Commitment Letter of the Authority
8. PSC Order

**KENTUCKY INFRASTRUCTURE AUTHORITY
ASSISTANCE AGREEMENT**

FUND B3

LOAN NUMBER:	B324-001
BORROWER:	Martin County Water District
BORROWER'S ADDRESS:	387 East Main Street Inez, Kentucky 41221
DATE OF ASSISTANCE AGREEMENT:	January 29, 2024

ASSISTANCE AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	1
ARTICLE I DEFINITIONS	2
ARTICLE II REPRESENTATIONS AND WARRANTIES	5
Section 2.1 Representations and Warranties of the Authority	5
Section 2.2 Representations and Warranties of the Borrower	6
ARTICLE III AUTHORITY’S AGREEMENT TO MAKE LOAN; TERMS.....	7
Section 3.1 Determination of Eligibility	7
Section 3.2 Principal Amount of Loan Established; Loan Payments; Disbursement of Funds	7
Section 3.3 Borrower’s Right to Prepay Loan	8
Section 3.4 Subordination of Loan	9
ARTICLE IV CONDITIONS PRECEDENT TO DISBURSEMENT AND REQUISITION FOR FUNDS	9
Section 4.1 Covenants of the Borrower and the Conditions of the Loan.....	9
Section 4.2 Disbursements of Loan Funds; Requisition for Funds.....	11
ARTICLE V CERTAIN COVENANTS OF THE BORROWER PLEDGE OF REVENUES; PAYMENTS TO BE MADE BY THE BORROWER TO THE AUTHORITY	12
Section 5.1 Imposition of Service Charges; Pledge of Revenues	12
Section 5.2 Borrower’s Obligation to Repay Loan.....	12
Section 5.3 Covenant to Adjust Service Charges.....	12
Section 5.4 Adequacy of Service Charges	12
Section 5.5 Covenant to Establish Maintenance and Replacement Reserve.....	13
Section 5.6 Reports; Inspection	13
Section 5.7 Segregation of Funds	13
Section 5.8 Mandatory Sewer Connection.....	13
Section 5.9 Termination of Water Services to Delinquent Users	13
ARTICLE VI OTHER COVENANTS OF THE BORROWER.....	14
Section 6.1 Further Assurance	14
Section 6.2 Completion of Projects subject to Construction.....	14
Section 6.3 Establishment of Completion Date	14
Section 6.4 Commitment to Operate.....	14
Section 6.5 Continue to Operate	14
Section 6.6 Accounts and Reports	14
Section 6.7 Audit Requirements	14

Section 6.8	General Compliance with all Duties	15
Section 6.9	System Not to Be Disposed of	15
Section 6.10	General.....	15
ARTICLE VII MAINTENANCE, OPERATION, INSURANCE, AND CONDEMNATION		15
Section 7.1	Maintain the System.....	15
Section 7.2	Additions and Improvements	15
Section 7.3	Compliance with State and Federal Standards.....	15
Section 7.4	Access to Records	15
Section 7.5	Covenant to Insure – Casualty	15
Section 7.6	Authority as Named Insured	15
Section 7.7	Covenant to Insure – Liability	16
Section 7.8	Covenant Regarding Worker’s Compensation.....	16
Section 7.9	Application of Casualty Insurance Proceeds.....	16
Section 7.10	Eminent Domain	16
Section 7.11	Flood Insurance.....	16
ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES.....		17
Section 8.1	Events of Default Defined.....	17
Section 8.2	Remedies on Default.....	17
Section 8.3	Appointment of Receiver.....	17
Section 8.4	No Remedy Exclusive.....	18
Section 8.5	Consent to Powers of the Authority under the Act	18
Section 8.6	Waivers	18
Section 8.7	Agreement to Pay Attorneys’ Fees and Expenses.....	18
ARTICLE IX MISCELLANEOUS PROVISIONS		18
Section 9.1	Approval not to be Unreasonably Withheld.....	18
Section 9.2	Approval	18
Section 9.3	Effective Date	18
Section 9.4	Binding Effect.....	18
Section 9.5	Severability	18
Section 9.6	Assignability	19
Section 9.7	Execution in Counterparts.....	19
Section 9.8	Applicable Law	19
Section 9.9	Captions	19
Section 9.10	Interpretation.....	19
SIGNATURE PAGE		S-1
EXHIBIT A – LOAN SPECIFICS		A-1

EXHIBIT B – SCHEDULE OF SERVICE CHARGES.....	B-1
EXHIBIT C – FORM OF AUTHORIZING ACTION	C-1
EXHIBIT D – FORM OF LEGAL OPINION	D-1
EXHIBIT E – LOAN TERM SCHEDULE	E-1
EXHIBIT F – ADDITIONAL COVENANTS AND AGREEMENTS	F-1

[Continued on the following page]

ASSISTANCE AGREEMENT

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

WITNESSETH

WHEREAS, all capitalized terms used in this preamble shall have the meanings set forth in ARTICLE I hereof; and

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

WHEREAS, the General Assembly, pursuant to H.B. 758 of the General Assembly of the Commonwealth of Kentucky, 2022 General Session, as enacted and vetoed in part, directed the Authority to establish implement a program to assist governmental agencies that provide drinking water and wastewater services with the financial resources for both capital and non-capital expenses, including without limitation, (i) developing technical, operational, and maintenance resources and expertise, (ii) improving utility infrastructure planning, repair, maintenance, renovation, and management of plants and assets, (iii) obtaining technical expertise in areas of rate-setting, cost-of-service, and proper utility accounting standards for the utility type, (iv) performing and correcting deficiencies from drinking water, wastewater, and financial audits, (v) providing finance for financial inadequacies, including debt service coverage through relief or refinance of the drinking water or wastewater system’s debt, (vi) payment assistance for other financial inadequacies such as excessive maintenance costs, fines and penalties from past violations, or consultants, and (vii) extending finance for inadequately maintained distribution, collection, or treatment works, including service extensions to unserved or underserved areas and the renovation of treatment works to conserve resources; and

WHEREAS, the Authority has established its Program, as hereinafter defined, for the purpose of providing Governmental Agencies, as defined in the Act, the above-identified assistance; and

WHEREAS, the Borrower has determined that it is necessary and desirable to incur capital and/or non-capital expenses for one or more purposes provided by the Act and the Program, and the Authority has determined that each such capital expense or non-capital expense is a qualified expenditure in accordance with the Act, thereby qualifying for financial assistance from the Authority; and

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

WHEREAS, the Authority is willing to cooperate with the Borrower in making available the Loan in accordance with the Act to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Borrower herein contained to levy, collect, enforce, and remit adequate Service Charges, as hereinafter defined, for the services provided by the Borrower’s System, as hereinafter defined, and to apply the necessary portion of the Service Charges to the repayment of the Loan and the payment of interest and Administrative Fees thereon, if any; and

WHEREAS, the Authority and the Borrower have determined to enter into this Assistance Agreement in accordance with the terms of the Act and to set forth their respective duties, rights, covenants, and obligations with respect to the Borrower's use of the Loan proceeds and the repayment of the Loan and the payment of interest and Administrative Fees thereon, if any;

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

ARTICLE I DEFINITIONS

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

“ACH Authorization Form” has the meaning provided in Section 3.2(E) hereof.

“ACH Debit Direct Payment Method” has the meaning provided in Section 3.2(E) hereof.

“Act” means Chapter 224A of the Kentucky Revised Statutes, as amended from time to time, including, without limitation, as particularly amended by H.B. 758 of the General Assembly of the Commonwealth of Kentucky, 2022 General Session, as enacted and vetoed in part.

“Administrative Fee” means, with respect to any Loan Payment Date, the charge of the Authority for the servicing of the Loan, if any, which is equal to the annual percentage charged against the unpaid principal balance of the Loan and payable by the Borrower to the Authority on such Loan Payment Date in accordance with the Loan Term Schedule.

“Amortization Commencement Date” means the date set forth on the Loan Term Schedule when the first payment of principal of and interest on the Loan is due under the Schedule of Payments.

“Assistance Agreement” means this agreement made and entered into by and between the Authority and the Borrower, as authorized by the Act, providing for the Authority to make a Loan to the Borrower, and for the Borrower to repay the Loan to the Authority in accordance with the terms and conditions established herein, as the same may be amended by the parties hereto from time to time.

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

“Authorizing Action” means the resolution or ordinance of the Borrower substantially in the form attached hereto as Exhibit C authorizing the execution of this Assistance Agreement.

“Borrower” means the Governmental Agency identified on the cover page of this Assistance Agreement and in the Loan Specifics.

“Business Day” means any day other than a Saturday, Sunday, or other legal holiday on which the general offices of the Commonwealth are closed.

“Capital Expenditures” means expenditures paid or to be paid by the Borrower that will be capitalized in the financial records of the Borrower for one or more of the following purposes:

- (i) improving infrastructure planning, repair, maintenance, renovation, and management of the System’s plants and assets;
- (ii) performing and correcting deficiencies from audits of the System;
- (iii) improving or renovating inadequately maintained distribution, collection, or treatment works, including service extensions to unserved or underserved areas and the renovation of treatment works to conserve resources; and
- (iv) any other expenditure resulting in a long-term asset for financial reporting purposes permitted by the Program and the Act.

“Commonwealth” means the Commonwealth of Kentucky.

“Construct” means to engage in the act of Construction.

“Construction” means construction as defined by the Act.

“Debt Obligations” means the outstanding obligations of the Borrower outstanding as of the date of this Assistance Agreement or issued in the future in accordance with the terms hereof, payable from all or a portion of the Revenues of the System. For purposes of clarity, a statement of the Debt Obligations of the Borrower payable from all or a portion of the Revenues of the System as of the date of this Agreement has been provided by the Borrower to the Authority and is set forth in the Loan Specifics.

“Default Rate” means the rate of interest per annum identified in the Loan Term Schedule that shall apply to the Loan for all purposes effective upon and including the date of an occurrence of an Event of Default hereunder and shall continue to apply to and including the date such Event of Default is fully remedied by the Borrower in accordance with the terms and conditions set forth hereunder.

“Effective Date” means the date set forth on the cover page of this Assistance Agreement.

“Eligible Expenditures” means Capital Expenditures and Non-Capital Expenditures, each being permissible uses of Loan proceeds under the Act.

“Engineers” means the firm of consulting engineers employed by the Borrower identified in the Loan Specifics.

“Event of Default” has the meaning provided in Section 8.1 hereof.

“Governmental Agency” means any agency or unit of government within the Commonwealth, now having or hereafter granted the authority and power to incur and finance an Eligible Expenditure, including specifically but not by way of limitation, incorporated cities, counties, including any counties containing a metropolitan sewer district, sanitation districts, water districts, water associations, public authorities, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone, or in combination with one another in accordance with any regional or area compact, or multi-municipal agreement), now or hereafter established in accordance with the laws of the Commonwealth having and possessing such described powers.

“Indebtedness” means and includes, as of any date, all obligations that would be included in determining total liabilities as shown on the financial statements of the Borrower pertaining to the System, including all indebtedness, for the payment of borrowed money and other similar obligations for the payment of the purchase price of property or any other assets purchased by the Borrower, by excluding any reserves for estimated obligations, deferred income, and offsets to asset values, all as recorded under and in accordance with generally accepted accounting standards.

“Loan” means the loan effected under this Assistance Agreement from the Authority to the Borrower in the principal amount set forth in the Loan Term Schedule, for the purpose financing the cost of the Eligible Expenditures for the benefit of the Borrower.

“Loan Payment Date” means any date a payment of principal of, interest on, or Administrative Fees for the Loan are due and payable by the Borrower to the Authority as provided in the Loan Term Schedule.

“Loan Rate” means the rate per annum of interest identified in the Loan Term Schedule that shall apply to the Loan absent the occurrence of an Event of Default hereunder. For purposes of clarity, the Loan Rate identified in the Loan Term Schedule shall not be less than zero.

“Loan Term Schedule” means the payment information and terms of the Loan identified and set forth in Exhibit E attached hereto and includes any amendments or supplements thereto.

“Maintenance and Replacement Reserve” means the account, if any, required to be established and utilized by the Borrower hereunder in accordance with Section 5.5 hereof and the Loan Specifics.

“Non-Capital Expenditures” means expenditures paid or to be paid by the Borrower, but not capitalized in the financial records of the Borrower, for one or more of the following purposes:

- (i) developing technical, operational, and maintenance resources and expertise;
- (ii) improving infrastructure planning, repair, maintenance, renovation, and management of the System’s plants and assets;
- (iii) obtaining technical expertise in areas of rate-setting, cost-of-service, and property utility accounting standards for the System;
- (iv) performing and correcting deficiencies from financial audits;
- (v) providing financing for financial inadequacies, including debt service coverage, through relief or refinancing of System indebtedness;
- (vi) payment assistance for other financial inadequacies such as excess maintenance costs, fines and penalties from past violations, or consultants; and
- (vii) any other working capital expenditure permitted by the Program and the Act.

“Person” means any individual, firm, partnership, association, limited liability company, corporation, or Governmental Agency.

“Program” means the program authorized by Sections 224A.316 and 224A.318 of the Kentucky Revised Statutes as the “water management assistance fund” for financing Eligible Expenditures through Loans by the Authority to Governmental Agencies and shall not be deemed to mean or include any other programs of the Authority.

“Project” means either (i) one or more Non-Capital Expenditures being financed by the proceeds of the Loan and identified in the Loan Specifics attached hereto as Exhibit A; (ii) one or more Capital Expenditures being financed by the proceeds of the Loan and identified in the Loan Specifics attached hereto as Exhibit A; or (iii) a combination of clause (i) and (ii) of this definition. For purposes of clarity, a “Project” that consists of a collection of Capital Expenditures subject to Construction may comprise an infrastructure project under the Act.

“Refinanced Indebtedness” means Indebtedness of the Borrower identified in the Loan Specifics that is refinanced with all or a portion of the proceeds of the Loan as a Non-Capital Expenditure.

“Requisition for Funds” means the Program form provided by the Authority to the Borrower to be utilized by the Borrower in obtaining disbursements of the Loan from the Authority for the purpose of paying any Project cost.

“Revenues” means the totality of (i) a service rates, rentals, and charges (including all Service Charges), and all other income of any and all types and varieties imposed, enforced, and collected by the Borrower for any services, products, or items rendered or provided by the Borrower in connection with the System; (ii) any investment income; and (iii) any other income received by the Borrower from any federal or state governmental agency as representing income or operating subsidies of the System, as distinguished from any capital grants, to the extent such income is not otherwise required to be treated and applied.

“Schedule of Payments” means the debt service schedule of the Loan as set forth in the Loan Term Schedule.

“Schedule of Service Charges” means those general charges to be imposed by the Borrower for services provided by the System, as set forth in Exhibit B hereto, which Schedule of Service Charges shall be in full force and effect to the satisfaction of the Authority before the disbursement of any portion of the Loan hereunder.

“Service Charges” means any monthly, quarterly, semi-annual, or annual charges, surcharges, or improvement benefit assessments to be imposed by a Governmental Agency, or by the Authority, with respect to the System which Service Charges arise by reason of the existence of, and requirement of, any Assistance Agreement; and for the purposes of this Assistance Agreement any such Service Charge shall be no less than those set forth in the Schedule of Service Charges. For purposes of clarity, Services Charges comprise a portion of the Revenues of the System.

“Site” means the location of any Capital Expenditure financed with the proceeds of the Loan.

“System” means the drinking water utility system owned and operated by the Borrower.

ARTICLE II REPRESENTATIONS AND WARRANTIES

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

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

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

(C) To the knowledge of the Authority, there is no litigation or proceeding pending or threatened against the Authority or any other Person affecting the right of the Authority to execute or deliver this Assistance Agreement or to comply with its obligations under this Assistance Agreement. Neither the execution and delivery of this Assistance Agreement by the Authority, nor compliance by the Authority with its obligations under this Assistance Agreement, require the approval of any regulatory body or any other entity, except such approvals that have been obtained.

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

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

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

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

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

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

(E) The authorization and delivery of this Assistance Agreement and the consummation of the transactions contemplated hereby will not constitute an event of default or violation or breach, or an event which, with the giving of notice or the passage of time or both, would constitute an event of default or violation or breach under any contract, agreement, instrument, indenture, lease, judicial or administrative order, decree, rule or regulation, or other document or law affecting the Borrower or its governing body.

(F) In accordance with the Authorizing Action of the governing body, the Borrower has approved and authorized the execution and delivery of this Assistance Agreement. The Authorizing Action was duly enacted or adopted at a duly called meeting or meetings held in accordance with the law of the governing body of the Borrower at which a quorum was present and acting throughout; is in full force and effect; and has not been superseded, altered, amended, or repealed as of the date hereof.

(G) All actions taken by the Borrower in connection with this Assistance Agreement, the Loan, and the acquisition, implementation, or Construction of the Project have been in full compliance with the provisions of the Kentucky Open Meeting Law, Sections 61.805 to 61.850, inclusive, of the Kentucky Revised Statutes.

(H) The Borrower has obtained all licenses, permits, and other governmental approvals (including all required approvals of the Kentucky Public Service Commission) required to own, occupy, operate, and maintain the System, to acquire, implement, or Construct the Project, to charge and collect the Service Charges, and to enter into this Assistance Agreement. The Borrower is not in violation of and has not received any notice of an alleged violation of any zoning or land use laws applicable to the Construction of the Project and has full right, power, and authority to perform the acts required of the Borrower by this Assistance Agreement.

(I) Legal counsel to the Borrower has duly executed and delivered the opinion of legal counsel substantially in the form set forth as Exhibit D attached hereto.

(J) The Borrower is in full compliance with all federal and state labor and procurement laws in connection with the acquisition, implementation, or Construction of the Project to which any such laws may apply.

ARTICLE III AUTHORITY'S AGREEMENT TO MAKE LOAN; TERMS

Section 3.1 Determination of Eligibility. In accordance with the terms of the Act, the Authority has determined that the Borrower's Project is an eligible Capital Expenditure or eligible Non-Capital Expenditure under the Act and the Borrower is entitled to financial assistance from the Authority to finance the costs of the Project.

Section 3.2 Principal Amount of Loan Established; Loan Payments; Disbursement of Funds.

(A) Principal and Principal Payments. The principal amount of the Loan shall be the Loan Amount as identified in the Loan Term Schedule, subject to such adjustments as may be established in any amendment or supplement to the Loan Term Schedule. Principal payments shall be made in the amounts and on the Loan Payment Dates established by the Schedule of Payments, which Schedule of Payments shall provide for approximately level debt service payments over the repayment term set forth in the Schedule of Payments, commencing on the Amortization Commencement Date.

(B) Interest and Interest Payments. The outstanding principal balance of the Loan shall bear interest at the Loan Rate as set forth in the Loan Term Schedule. Interest on the Loan shall be calculated on the actual number of days and an assumed 360-day year. If the Loan Term Schedule reflects a 0.00% interest rate, then the Loan shall not bear interest. Beginning on the Amortization Commencement Date, interest, if any, on the Loan shall be payable in the amounts and on the Loan Payment Dates set forth in the Schedule of Payments.

(C) Disbursement of Loan Proceeds.

(1) Disbursements for Non-Capital Expenditures or One-Time Capital Expenditures. The Authority shall advance any portion of the Loan to be used by the Borrower to pay Project costs comprising Non-Capital Expenditures or one-time Capital Expenditures in a lump sum payment upon the submission by the Borrower of a Requisition for Funds in substantially the same form provided by the Authority. The Borrower shall submit such Requisition of Funds commensurate with the effectuation of this Assistance Agreement by the parties hereto. Notwithstanding any other provision hereunder, if any proceeds of the Loan are to be used by the Borrower to pay and discharge Refinanced Indebtedness of the Borrower, the Requisition for Funds shall include wire or other payment information appropriate to enable the Authority to wire or otherwise pay Loan proceeds to the related third parties to pay and discharge such Refinanced Indebtedness. Except as otherwise provided upon an Event of Default, such advance shall bear interest at the Loan Rate from the date of the disbursement. The Borrower shall pay interest, if any, on the unpaid balance of the advance at the Loan Rate payable on each Loan Payment Date before the Amortization Commencement Date.

(2) Disbursements for Capital Expenditures. The Authority shall disburse any portion of the Loan to pay Project costs comprising Capital Expenditures for Construction as Construction progresses upon the submission by the Borrower of a Requisition for Funds in substantially the same form provided by the Authority from time to time. Except as otherwise provided upon an Event of Default, each disbursement under a Requisition for Funds representing a portion of the principal amount of the Loan shall bear interest at the Loan Rate from the date of the disbursement. The Borrower shall pay interest on the unpaid balance of disbursements at the Loan Rate payable on each Loan Payment Date before the Amortization Commencement Date.

(D) Default Rate. Notwithstanding any other provision herein, the Loan shall bear interest at the Default Rate from and including the date of an occurrence of an Event of Default to and including the date the Borrower fully remedies such Event of Default. The Default Rate shall apply to all principal unpaid hereunder, together with all unpaid interest accrued but unpaid to the date of such Event of Default, all due but unpaid fees set out on the Loan Term Schedule, and all reasonable costs and expenses of the Authority incurred as a result of such Event of Default in accordance with Section 8.1 hereof from and including the date of incurrence thereof to and including the date of reimbursement therefor by the Borrower.

Notwithstanding any other provision herein, upon an Event of Default, the Authority may, in its sole discretion, direct the Borrower to make all Loan payments on the first day of each calendar month, in amounts calculated and determined by the Authority in accordance with this Assistance Agreement, during the continuation of such Event of Default.

(E) Method of Payment. All payments of principal and interest on the Loan shall be payable in lawful money of the United States of America at the principal office of the Authority. If so requested by the Authority, Loan payments hereunder shall be made by the Borrower in accordance with 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") as provided by the Authority to the Borrower, which ACH Authorization Form shall be completed, signed, and forwarded to the Authority before the Borrower shall receive any disbursement of the proceeds of the Loan from the Authority.

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

Section 3.4 Subordination of Loan. The Authority hereby agrees that, subject to compliance by the Borrower with the covenants and conditions set forth in this Assistance Agreement, the source of payment for the Loan shall be inferior and subordinate to the security interest and source of payment for the Debt Obligations of the Borrower payable from the Revenues of the System outstanding at the time this Assistance Agreement is executed as identified in the Loan Specifics. Notwithstanding the foregoing, (i) the source of payment for the Loan shall be on a parity with the security interest and source of payment for any Debt Obligations of the Borrower payable from the Revenues of the System outstanding at the time this Assistance Agreement is executed that are not identified in the Loan Specifics, unless otherwise consented to in writing by an authorized representative of the Authority; (ii) the source of payment for the Loan shall be on a parity with the security interest and source of payment for any Debt Obligations of the Borrower issued after the Effective Date of this Assistance Agreement; and (iii) the Authority shall receive notice of the additional incurrence of Indebtedness by the Borrower in accordance with Section 5.6(C) hereof.

ARTICLE IV CONDITIONS PRECEDENT TO DISBURSEMENT AND REQUISITION FOR FUNDS

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

(A) That the Authority and any appropriate regulatory agency of the Commonwealth as may be designated by the Authority, and their respective duly authorized agents, shall have the right at all reasonable times, subject to prior notice to the Borrower, to enter upon any Site during Construction and to examine and inspect same, and the Borrower will assure that any contractor or contractors retained or utilized by the Borrower for the Construction will provide facilities for such access and inspection.

(B) All real estate and interests in real estate and all personal property constituting any portion of the Project and the related Sites heretofore or hereafter acquired shall at all times be and remain the property of the Borrower and constitute a part of the System.

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

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

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

(F) Unless Construction of any portion of the Project has already been initiated as of the Effective Date, in accordance with due compliance with applicable state law and regulations, the Project will not be advertised or placed on the market for Construction bidding by the Borrower until the final plans, designs, and specifications therefor have been approved by such state and federal agencies and

authorities as may be legally required, and until written notification of such approvals has been received by the Borrower and furnished to the Authority.

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

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

(I) Before the award of any Construction contract and before the commencement of Construction, the Borrower will arrange and conduct a conference regarding the Project; the conference shall include representatives of the Authority, the Borrower, and any other participating federal or state agency, the Engineers, and all Construction contractors. Such conference shall be held in accordance with guidelines established by the Authority. A written brief of the conference summarizing the Construction schedule, fund requirements schedule, payment authorizations, responsible parties for approval of all facets of the Construction and payment therefor, and other pertinent matters shall be prepared and distributed to each party involved, and all Construction contractors and Engineers. Provided, however, that if Construction shall have been initiated as of the date of this Assistance Agreement, this provision may be waived by the Authority in its sole discretion.

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

(K) The Borrower shall promptly submit any change or changes in a Construction contract to the Authority and any required state or federal agencies.

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

(M) The Borrower will proceed expeditiously with and complete the Project in accordance with the approved surveys, plans, specifications, and designs or amendments thereto, prepared by the Engineers for the Borrower and approved by state and federal agencies.

(N) If requested, the Borrower will erect at any Site, signs satisfactory to the Authority noting the participation of the Authority in the financing of the Project.

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

(P) The Borrower shall keep complete and accurate records of the costs of acquiring any Sites and the costs of Construction. The Borrower shall permit the duly authorized representatives of the Authority, and any Kentucky or federal agencies to inspect all books, documents, papers, and records relating to the Project at any and all reasonable times for the purpose of audit and examination. The

Borrower shall submit to the Authority such documents and information as such may reasonably require in connection with the administration of any federal or state assistance.

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

(R) The Borrower shall require that each of its contractors and all subcontractors maintain during the life of the Construction contract, worker's compensation insurance, public liability insurance, property damage insurance, and vehicle liability insurance in amounts and on terms satisfactory to the Authority. Until any portion of the Project subject to Construction is completed and accepted by the Borrower, the contractor shall maintain builders risk insurance (fire and extended coverage) on a 100% basis (completed value form) on the insurable portion of the Project, such insurance to be made payable to the order of the Authority, the Borrower, the prime contractor, and all subcontractors, as their interests may appear.

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

(T) The Borrower shall demonstrate to the satisfaction of the Authority the legal capability of the Borrower to enact, adopt, levy, charge, collect, enforce, and remit to the Authority the Service Charges of the Borrower described in the Schedule of Service Charges attached hereto as Exhibit B and submit proof satisfactory to the Authority that the Service Charges are in full force and effect as of the submission of the first Requisition for Funds hereunder.

(U) For any Non-Capital Expenditure not comprising Refunded Indebtedness, documentation satisfactory to the Authority evidencing the appropriateness of such expenditure for the purposes set forth in the Act and that such expenditure is due and payable, or upon approval by the Authority, shall become due and payable by the Borrower.

(V) For any Non-Capital Expenditure comprising Refunded Indebtedness, payoff information sufficient to enable the Authority to pay, terminate, and discharge such Refunded Indebtedness on a date certain, including, without limitation, payoff letters, etc.

Section 4.2 Disbursements of Loan Funds; Requisition for Funds. For disbursements of Loan proceeds to pay costs of any portion of the Project subject to Construction, the Borrower shall submit to the Authority a Requisition for funds before the fifth day of each month (or such other designated period as is acceptable to the Authority), in substantially the same form provided by the Authority to the Borrower from time to time, accompanied by, to the extent requested by the Authority, the following documentation:

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

(B) A full and complete accounting of any costs of the Project costs paid by the Borrower from its own funds with the approval of the Authority and excluded from any previous accounting for which the Borrower seeks reimbursement.

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

(D) The contractor's estimate of work performed during the preceding month in accordance with Construction contracts for the Project and payment due thereunder, together with the Engineer and Borrower's approval thereof for disbursement by the Authority.

Upon the Authority's receipt of the Requisition for Funds and such additional documentation as it may require, the Authority may remit the amount requested to the Borrower as a draw upon the Loan. If directed by the Authority, the Borrower shall utilize an electric fund transfer system, which may be an ACH Payment Method. The Borrower, if so directed by the Authority, shall establish itself as a vendor under the Commonwealth's eMars system.

ARTICLE V
CERTAIN COVENANTS OF THE BORROWER
PLEDGE OF REVENUES; PAYMENTS TO BE MADE BY
THE BORROWER TO THE AUTHORITY

Section 5.1 Imposition of Service Charges; Pledge of Revenues. The Borrower hereby irrevocably covenants and agrees to comply with all of the terms, conditions, and requirements of this Assistance Agreement, in accordance with which the Loan is to be made by the Authority to the Borrower as specified herein, and in the Act. The Borrower hereby further irrevocably covenants and agrees that it already has, or will, to the extent necessary, immediately impose Service Charges upon all Persons to whom or which services are provided by the System; such Service Charges to be no less than as set forth on Exhibit B attached hereto.

There are hereby pledged for the payment of the principal of and interest on the Loan, in accordance with the terms and the provisions hereof, the Authorizing Action, and the Act, (i) the Revenues; and (ii) any disbursements made under the Loan in accordance with Section 4.2 hereof until expended by the Borrower for the payment of any Project cost.

Section 5.2 Borrower's Obligation to Repay Loan. The obligation of the Borrower to repay the Loan from the Revenues shall not be revocable, and if services supplied by any portion of the System shall cease, or be suspended for any reason, the Borrower shall continue to be obligated to repay the Loan from the Service Charges.

Section 5.3 Covenant to Adjust Service Charges. If, for any reason, the Schedule of Service Charges shall be insufficient to (i) provide for the required coverage of all debt service payments on obligations payable from the Revenues of the System as set forth in Section 5.4 hereof; (ii) provide for the operation of the System as required under this Assistance Agreement; and (iii) make the required deposits to the Maintenance and Replacement Reserve, the Borrower hereby covenants and agrees that it will, upon notice by the Authority, to the full extent authorized by law, both federal and Kentucky, immediately adjust and increase such Schedule of Service Charges or immediately commence proceedings for a rate adjustment and increase with all applicable regulatory authorities so as to provide funds sufficient to pay the debt service requirements set forth in the Schedule of Payments and the Authority's Administrative Fee, to provide for the operation of the System as required under this Assistance Agreement, and to make required deposits to the Maintenance and Replacement Reserve.

Section 5.4 Adequacy of Service Charges. The Borrower hereby covenants during the term of this Assistance Agreement to impose Service Charges in each of the Borrower's fiscal years adequate to

pay at least the sum of the following for each such fiscal year: (i) 110% of the debt service and Administrative Fees coming due during each such fiscal year on this Loan and all other Debt Obligations and other indebtedness secured and payable from the Revenues of the System, in each case computed as of the beginning of each such fiscal year (except to the extent the Borrower has by binding ordinance or resolution committed reserves to the payment of any such debt service); (ii) the amounts required to provide for the operation of the System during each such fiscal year as required by this Assistance Agreement; and (iii) the amounts to be deposited hereunder to the Maintenance and Replacement Reserve for each such fiscal year. The Borrower hereby further covenants that the Service Charges identified on Exhibit B attached hereto are sufficient to permit the Borrower to achieve the foregoing debt service coverage ratio for the fiscal year of the Borrower during which this Assistance Agreement will become effective.

Section 5.5 Covenant to Establish Maintenance and Replacement Reserve. The Borrower shall establish a special account identified as a “Maintenance and Replacement Reserve”. The Borrower shall deposit funds into the Maintenance and Replacement Reserve on the dates and in the amounts set forth in the Loan Specifics. The Borrower may expend funds held within the Maintenance and Replacement Reserve to pay extraordinary maintenance expenses related to the System or to pay unbudgeted costs of replacing worn or obsolete portions of the System, subject to the prior written approval of the Authority.

Section 5.6 Reports; Inspection. The Borrower hereby irrevocably covenants and agrees with the Authority:

(A) That the Borrower will furnish to the Authority and the Cabinet not less than annually reports of the operations and Revenues of the System and will permit authorized agents of the Authority to inspect all records, accounts, and data of the System at all reasonable times.

(B) That the Borrower will collect, account for, and promptly remit to the Authority those specific revenues, funds, income, and proceeds derived from the Revenues of the System incident to this Assistance Agreement.

(C) That the Borrower will notify the Authority in writing of its intention to incur Indebtedness payable from the Revenues of the System not less than thirty days before the execution of any agreement obligating the Borrower to incur any such Indebtedness.

Section 5.7 Segregation of Funds. The Borrower shall at all times account for the Revenues of the System and distinguish same from all other revenues, monies, and funds of the Borrower, if any.

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

Section 5.9 Termination of Water Services to Delinquent Users. If any portion of the Project consists of water facilities the Borrower covenants and agrees that it shall, in accordance with applicable provisions of law, to the maximum extent authorized by law, enforce and collect the Service Charges

imposed, and will promptly cause water service to be discontinued to any premises where any billing for such facilities and services shall not be paid in a timely manner.

ARTICLE VI OTHER COVENANTS OF THE BORROWER

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

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

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

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

Section 6.5 Continue to Operate. The Borrower hereby covenants and agrees to continuously operate and maintain the System in accordance with applicable provisions of federal and Kentucky law and to maintain adequate records relating to the System's operation. The Borrower shall make all such records available to the Authority at all reasonable times upon the Authority's request.

Section 6.6 Accounts and Reports. The Borrower shall at all times keep, or cause to be kept, proper books of record and account in accordance with the "Uniform System of Accounts" established by the Commonwealth, in which complete and accurate entries shall be made of all its transactions relating to the System and which shall at all reasonable times be subject to the inspection of the Authority.

Section 6.7 Audit Requirements. Within 180 days after the end of each fiscal year of the Borrower, the Borrower shall provide to the Authority, itemized financial statements of income and expense and a balance sheet in reasonable detail, including disclosure of the Maintenance and Replacement Reserve, certified as accurate by a firm of independent certified public accountants or the Auditor of Public Accounts of the Commonwealth. All financial information must be satisfactory to the Authority as to form and content and be prepared in accordance with generally accepted accounting principles on a basis consistent with prior practice unless specifically noted thereon. With such financial statements, the Borrower shall furnish to the Authority a certificate stating that, to the best knowledge of the authorized representative signing such certificate, no default under this Assistance Agreement exists on the date of such certificate, or if any such default shall then exist, describing such default with specificity.

Section 6.8 General Compliance with all Duties. The Borrower shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the Commonwealth, and by the terms and provisions of the Act and this Assistance Agreement and any other Debt Obligations.

Section 6.9 System Not to Be Disposed of. The Borrower covenants and agrees that, until satisfaction in full of its obligations hereunder, it will not, without the prior written consent of the Authority, which consent shall not be unreasonably withheld, sell, mortgage, or in any manner dispose of, or surrender control or otherwise dispose of, any of the facilities of the System or any part thereof (except that the Borrower may retire obsolete and worn out facilities, and sell same, if appropriate).

Section 6.10 General. The Borrower shall do and perform or cause to be done and performed all acts and things required to be done or performed by or on behalf of the Borrower under the provisions of the Act and this Assistance Agreement in accordance with the terms of such provisions including the Additional Covenants and Agreements, if any, set forth in Exhibit G attached hereto.

ARTICLE VII MAINTENANCE, OPERATION, INSURANCE, AND CONDEMNATION

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

Section 7.2 Additions and Improvements. The Borrower shall have the privilege of making additions, modifications, and improvements to any Site, and to the Project, from time to time provided that the additions, modifications, and improvements do not impair the operation or objectives of such Project. The Borrower shall pay the cost of such additions, modifications, and improvements and the same shall be the property of the Borrower and shall be included under the terms of this Assistance Agreement as part of the Site of the Project, or the Project, as the case may be. Nothing herein contained shall be construed as precluding the Authority and the Borrower from entering into one or more supplementary Assistance Agreements providing for a reallocation, an increase in the Loan, or an additional Loan or Loans in respect of additional projects undertaken by the Borrower.

Section 7.3 Compliance with State and Federal Standards. The Borrower shall operate and maintain the System at all times to comply with the water quality standards, if any, established by any state or federal agency. The Borrower shall retain a qualified operating personnel properly certified by the Commonwealth to operate the System during the entire term of this Assistance Agreement.

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

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

Section 7.6 Authority as Named Insured. For so long as any amounts are due and payable under this Assistance Agreement, any insurance policy issued in accordance with Section 7.5 hereof, shall be so

written or endorsed as to make losses, if any, payable to the Borrower, and to the Authority, as their interests may appear.

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

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

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

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

(A) The restoration of the improvements located on the Sites to substantially the same condition as before the exercise of the power of eminent domain; or

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

Any balance of the net proceeds of the award in such eminent domain proceedings after the carrying out of the mandatory proceedings stipulated in (A) and (B) of this Section, shall be paid to the Borrower upon delivery to the Authority of a certificate signed by an authorized officer of the Borrower to the effect that the Borrower has complied with either subparagraph (A) or (B), or both, of this Section, and written approval of the certificate by an authorized officer of the Authority. The Borrower shall not voluntarily settle or consent to the settlement of any prospective or pending condemnation proceedings with respect to the Project or any part thereof without the prior written consent of the Authority.

Section 7.11 Flood Insurance. For so long as any amounts are due and payable under this Assistance Agreement, all structures located in flood prone areas shall be covered by flood insurance carried by the Borrower for an amount equal to the replacement cost excluding the cost of land and any uninsurable

improvements, or for the maximum limit available under the National Flood Insurance Act of 1968, as amended, whichever is less.

ARTICLE VIII EVENTS OF DEFAULT AND REMEDIES

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

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

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

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

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

Section 8.2 Remedies on Default. Whenever any Event of Default referred to in Section 8.1 hereof has occurred and is continuing (other than an Event of Default arising under Section 6.10 hereof), the Authority may, without any further demand or notice, take one or any combination of the following remedial steps:

(A) Declare the principal of and interest on the Loan, and all other payments due hereunder, to be immediately due and payable.

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

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

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

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

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

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

Section 8.7 Agreement to Pay Attorneys' Fees and Expenses. If either party hereto defaults 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 therefor to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party.

ARTICLE IX MISCELLANEOUS PROVISIONS

Section 9.1 Approval not to be Unreasonably Withheld. Any approval of the Authority required by this Assistance Agreement shall not be unreasonably withheld. Any provision of this Assistance Agreement requiring the approval of the Authority or the satisfaction or the evidence of satisfaction of the Authority shall be interpreted as requiring action by an authorized officer of the Authority granting, authorizing, or expressing such approval or satisfaction, as the case may be, unless such provision expressly provides otherwise.

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

Section 9.3 Effective Date. This Assistance Agreement shall become effective on the Effective Date and shall continue in full force and effect until the date the obligations of the Borrower pursuant to the provisions of this Assistance Agreement have been fully satisfied.

Section 9.4 Binding Effect. This Assistance Agreement shall be binding upon and shall inure to the benefit of the parties hereto, and to any person, officer, board, department, agency, municipal corporation, or body politic and corporate succeeding by operation of law to the powers and duties of either of the parties hereto. This Assistance Agreement shall not be revocable by either of the parties, without the written consent of the other party.

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

Section 9.6 Assignability. The rights of the Authority under this Assistance Agreement shall be assignable by the Authority without the consent of the Borrower, but none of the rights, duties, or obligations of the Borrower under this Assistance Agreement shall be assignable by the Borrower without the prior written consent of the Authority.

Section 9.7 Execution in Counterparts. This Assistance Agreement may be simultaneously executed in several counterparts, each of which will be an original and all of which will constitute but one and the same instrument.

Section 9.8 Applicable Law. This Assistance Agreement will be governed by and construed in accordance with the laws of the Commonwealth.

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

Section 9.10 Interpretation. All accounting terms not otherwise defined in this Assistance Agreement have the meanings assigned to them in accordance with generally accepted accounting principles then in effect. Words of the feminine gender shall be deemed and construed to include correlative words of the masculine and neuter genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural and vice versa. Unless the context shall otherwise indicate, the word “or” is used in the inclusive sense of “or” and the word “including” (and with correlative meaning “include”) means including without limiting the generality of any description preceding such term. Headings of articles and sections herein are solely for the convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof. All references in this instrument to designated “Articles,” “Sections,” “Exhibits” and other subdivisions or attachments are to the designated Articles, Sections, Exhibits and other subdivisions and attachments of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Assistance Agreement as a whole and not to any particular Article, Section, Exhibit or other subdivision or attachment unless the context indicates otherwise.

[Signature page to follow]

IN WITNESS WHEREOF, the parties hereto have caused this Assistance Agreement to be executed by their respective duly authorized officers as of the Effective Date.

KENTUCKY INFRASTRUCTURE
AUTHORITY

By: *J. Keon*
Chairman

ATTEST:

By: *Margaret F. Link*
Secretary of
Kentucky Infrastructure Authority

BORROWER:
MARTIN COUNTY WATER DISTRICT

By: *James D. Kerr*
Chair

ATTEST:

By: *Brian J. Stone*
Secretary of
Borrower

APPROVED:

By: *Holly M. Johnson*
Secretary/Finance and Administration
Cabinet of the Commonwealth of Kentucky

EXAMINED:

By: *Natalie Lile*
Legal Counsel to the
Kentucky Infrastructure Authority

APPROVED AS TO FORM AND LEGALITY

By: *Brian C. Thomas*
Approved, Finance and
Administration Cabinet

EXHIBIT A
TO
ASSISTANCE AGREEMENT

LOAN SPECIFICS

* * * * *

(See attachment)

EXHIBIT A
MARTIN COUNTY WATER DISTRICT
PROJECT SPECIFICS
B324-001

GOVERNMENTAL AGENCY:

Name: Martin County Water District
 387 E Main St
 Inez, KY 41224

Contact Person: Jimmy Kerr
 Chairman

SYSTEM: Wastewater

PROJECT:

The Martin County Water District (MCWD) is requesting a Water Management Assistance Fund loan in the amount of \$1,323,623.15 to consolidate outstanding debt owed by the MCWD. Funding will be utilized to restructure KIA Loan B293-02 in the amount of \$219,313.49 and a Kentucky Rural Water Finance Corporation Flexible Term Finance Program note in an amount of \$1,104,309.66. This loan will assist the MCWD by reducing current payments and provide it more operating capital for necessary repairs.

PROJECT BUDGET:

	Total
KRWFC Note	\$ 1,104,309.66
KIA Loan B293-02	\$ 219,313.49
Total	\$ 1,323,623.15

FUNDING SOURCES:

	Amount	%
WMAF Loan	\$ 1,323,623.15	100%
Total	\$ 1,323,623.15	100%

KIA DEBT SERVICE:

Construction Loan	\$ 1,323,623.15
Less: Principal Forgiveness	0
Amortized Loan Amount	\$ 1,323,623.15
Interest Rate	0.00%
Loan Term (Years)	20
Estimated Annual Debt Service	\$ 66,181.16
Administrative Fee (0.20%)	0
Total Estimated Annual Debt Service	\$ 66,181.16

AMORTIZATION SCHEDULE OF PAYMENTS: March 1

Full principal payments will commence monthly on March 1 immediately succeeding the date of last draw of funds (estimated 02/01/24). All principal repayments shall be made by Automated Clearing House "ACH" transfers.

ADMINISTRATIVE FEE: 0.20%

DEFAULT RATE: 8.00%

DEBT OBLIGATIONS CURRENTLY OUTSTANDING:

	<u>Outstanding</u>	<u>Maturity</u>
KRW Series 2015E Bonds	\$ 1,645,000.00	2045
KACO Equipment Lease	\$ 41,222.00	2025
Total	\$ 1,686,222.00	

LIABILITY INSURANCE COVERAGE:

Death or Personal Injury (per person)	<u>\$1,000,000</u>
Death or Personal Injury (per occurrence)	<u>\$1,000,000</u>
Property Damage on System	<u>\$3,000,000</u>

EXHIBIT B
TO
ASSISTANCE AGREEMENT

SCHEDULE OF SERVICE CHARGES

* * * * *

(See attachment)

For: Martin County, Kentucky

PSC KY Number: _____

6th Revised Sheet No. 4

Cancelling PSC KY Number: _____

5th Revised Sheet No. 4

Martin County Water District

(Name of Utility)

A. MONTHLY RATES:

5/8- x 3/4-Inch Meter

First 2,000 Gallons
Over 2,000 Gallons

\$41.42 Minimum Bill
0.01049 per Gallon

(I)

1-Inch Meter

First 5,000 Gallons
Over 5,000 Gallons

\$72.83 Minimum Bill
0.01049 per Gallon

1 1/2-Inch Meter

First 10,000 Gallons
Over 10,000 Gallons

\$125.18 Minimum Bill
0.01049 per Gallon

2-Inch Meter

First 20,000 Gallons
Over 20,000 Gallons

\$229.89 Minimum Bill
0.01049 per Gallon

3-Inch Meter

First 30,000 Gallons
Over 30,000 Gallons

\$334.61 Minimum Bill
0.01049 per Gallon

4-Inch Meter

First 50,000 Gallons
Over 50,000 Gallons

\$544.02 Minimum Bill
0.01049 per Gallon

Debt Service Surcharge

\$2.63 per Month

Management/Infrastructure Charge

\$4.72 per Month

DATE OF ISSUE 2/28/2022
Month / Day / Year

DATE EFFECTIVE 2/8/2022
Month / Day / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman of the Board

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2021-00154 DATED FEBRUARY 08, 2022

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director



EFFECTIVE

2/8/2022

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Martin County, Kentucky

PSC KY NO. _____

1st Revised SHEET NO. 5

CANCELLING PSC KY NO. _____

Original SHEET NO. 5

Martin County Water District
(NAME OF UTILITY)

B. DEPOSITS:

5/8" X 3/4"	\$ 90.00	(I)
1 Inch Meter	\$ 95.00	(I)
1 ½ Inch Meter	\$ 160.00	(I)
2 Inch Meter	\$ 295.00	(I)
3 Inch Meter	\$ 430.00	(I)
4 Inch Meter	\$ 700.00	(I)
		(D)
		(D)

DATE OF ISSUE October 8, 2015

MONTH / DATE / YEAR

DATE EFFECTIVE October 6, 2015

MONTH / DATE / YEAR

ISSUED BY Joe Hammond

SIGNATURE OF OFFICER

TITLE Business Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION

IN CASE NO. 2015-0005 DATED October 6, 2015

KENTUCKY PUBLIC SERVICE COMMISSION
Aaron D. Greenwell ACTING EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 10/6/2015 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Martin County, Kentucky

PSC KY NO. _____

1st Revised SHEET NO. 6

CANCELLING PSC KY NO. _____

Original SHEET NO. 6

Martin County Water District
(NAME OF UTILITY)

C. METER CONNECTION / TAP-ON CHARGE:

5/8" X 3/4"

\$ 1,000.00 (I)

All Larger Meters

Actual Cost

DATE OF ISSUE October 8, 2015
MONTH / DATE / YEAR

DATE EFFECTIVE October 6, 2015
MONTH / DATE / YEAR

ISSUED BY *Joe Herriman*
SIGNATURE OF OFFICER

TITLE *Business Manager*

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2015-0005 DATED October 6, 2015

KENTUCKY PUBLIC SERVICE COMMISSION
Aaron D. Greenwell ACTING EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 10/6/2015 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

For: Martin County, Kentucky

PSC KY Number: _____


3rd Revised Sheet No. 7

Cancelling PSC KY Number: _____

2nd Revised Sheet No. 7

Martin County Water District
(Name of Utility)

D. SPECIAL NON-RECURRING CHARGES

Meter Disconnection Charge	\$20.00	(R)
Meter Turn-On Charge	\$20.00	
Meter Turn-On Charge (After Hours)	\$55.00	
Meter Re-read Charge	\$20.00	
Meter Test Charge (Customer Request)	\$53.00	
Service Call/Investigation	\$20.00	
Service Call/Investigation (After Hours)	\$55.00	
Meter Relocation	Actual Cost	
Meter Service Damage	Actual Cost	
Meter Reconnection Charge	\$20.00	(R)
Meter Reconnection Charge (After Hours)	\$55.00	(R)
Returned Check Charge	\$25.00	(I)
Late Payment Penalty	10%	

DATE OF ISSUE 2/28/2022
Month / Day / Year

DATE EFFECTIVE 2/8/2022
Month / Day / Year

ISSUED BY 
(Signature of Officer)

TITLE Chairman of the Board

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. 2021-00154 DATED FEBRUARY 08, 2022

**KENTUCKY
PUBLIC SERVICE COMMISSION**

Linda C. Bridwell
Executive Director



EFFECTIVE

2/8/2022

PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

For: Martin County, Ky

PSC KY Number: Martin County

Original Sheet No. 7A

Cancelling PSC KY Number: _____

Sheet No. _____

Martin County Water & Sanitation

(Name of Utility)

Credit / Debit Cards

All customers may pay their bill by credit or debit card. This method of payment may be made in person at the utility office or by telephone.

If on the bill due date an attempt to pay by credit card or debit card is made and the card is declined for any reason, payment is still due in full on that date and will be considered late after that date. All late charges and penalties will be applied. If a customer is paying on our disconnect day and the card is denied, the same rules as above apply, in addition to service being disconnected.

When a customer makes a payment by credit or debit card, the utility will assess a fee equal to that charged to the utility by the credit or debit card processing company to process the transaction. This fee is generally calculated using a formula applied to the balance of the amount charged to the credit or debit account but may be a flat fee per transaction.

Prior to processing the transaction, the customer will be informed of the fee amount and, upon request by the customer, the formula employed to arrive at this fee amount.

DATE OF ISSUE 10/2/2012
Month / Day / Year

DATE EFFECTIVE 11/2/2012
Month / Day / Year

ISSUED BY *John M. [Signature]*
(Signature of Officer)

TITLE General Manager

BY AUTHORITY OF ORDER OF THE PUBLIC SERVICE COMMISSION
IN CASE NO. _____ DATED _____

KENTUCKY PUBLIC SERVICE COMMISSION
JEFF R. DEROUEN EXECUTIVE DIRECTOR
TARIFF BRANCH <i>Brent Kirtley</i>
EFFECTIVE 11/24/2012 PURSUANT TO 807 KAR 5:011 SECTION 9 (1)

FOR Martin County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 8

CANCELLING P.S.C. KY. NO. _____

SHEET NO. _____

Martin County Water District
(Name of Utility)

RATES AND CHARGES

E. PURCHASED WATER RATES:

<u>Supplier</u>	<u>Rate</u>
Mountain Water District	\$1.80 per 1,000 Gallons
Kermit Municipal Waterworks	\$1.63 Per 1,000 Gallons

F. LEAK ADJUSTMENT RATE: \$2.00 Per 1,000 Gallons

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 03 2001

PURSUANT TO 807 KAR 5:011,
SECTION 9 (1)

BY: Stephan O. Bue
SECRETARY OF THE COMMISSION

DATE OF ISSUE _____ DATE EFFECTIVE _____
Month / Date / Year Month / Date / Year

ISSUED BY [Signature] TITLE _____
(Signature of Officer)

ISSUED BY THE AUTHORITY BY AN ORDER OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY IN
CASE NO. _____ DATED _____.

FOR Martin County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 9

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Martin County Water District
(Name of Utility)

RATES AND CHARGES

G. WHOLESALE WATER RATES:

Not Applicable

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 03 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan B. B. B.
SECRETARY OF THE COMMISSION

DATE OF ISSUE _____ DATE EFFECTIVE _____
Month / Date / Year Month / Date / Year

ISSUED BY [Signature] TITLE _____
(Signature of Officer)

ISSUED BY THE AUTHORITY BY AN ORDER OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY IN
CASE NO. _____ DATED _____

FOR Martin County, Kentucky
Community, Town or City

P.S.C. KY. NO. _____

Original SHEET NO. 10

CANCELLING P.S.C. KY. NO. _____

_____ SHEET NO. _____

Martin County Water District
(Name of Utility)

RATES AND CHARGES

H. FIRE SPRINKLER SYSTEM RATES:

Not Applicable

PUBLIC SERVICE COMMISSION
OF KENTUCKY
EFFECTIVE

JAN 03 2001

PURSUANT TO 807 KAR 5.011,
SECTION 9 (1)

BY: Stephan O. Bell
SECRETARY OF THE COMMISSION

DATE OF ISSUE _____ DATE EFFECTIVE _____
Month / Date / Year Month / Date / Year

ISSUED BY *Joseph R. Fallett* TITLE _____
(Signature of Officer)

ISSUED BY THE AUTHORITY BY AN ORDER OF THE PUBLIC SERVICE COMMISSION OF KENTUCKY IN

CASE NO. _____ DATED _____

EXHIBIT C
TO
ASSISTANCE AGREEMENT
FORM OF AUTHORIZING ACTION

* * * * *

(See attachment)

RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE MARTIN COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY TO PROVIDE UP TO \$1,323,623.15 OF LOAN FUNDS FOR LOAN NUMBER B324-001.

WHEREAS, the Board of Commissioners (the "Governing Authority") of the Martin County Water District, (the "Borrower") has previously determined that it is in the public interest to incur indebtedness to finance the costs of certain capital and/or non-capital expenses described in Section 224A.316 of the Kentucky Revised Statutes, as amended (collectively, the "Expenditures") for the benefit of the Borrower's drinking water system (the "System"); and

WHEREAS, the Borrower applied to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to finance the costs of the Expenditures; and

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

NOW, THEREFORE, IT IS RESOLVED by the Martin County Water District, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Borrower and the Authority regarding Loan Number B324-001 substantially in the form on file with the Borrower for the purpose of providing the necessary financing to the Borrower for the Expenditures.

SECTION 2. That the Chair and Secretary of the Borrower be and hereby are authorized, directed, and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Borrower to effect such financing.

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

ADOPTED on _____.

Chair

Attest:

Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Martin County Water District (the "Borrower"); that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of the Borrower at a meeting duly held on _____, 2024; that the official action appears as a matter of public record in the official records or journal of the governing authority; that the meeting was held in accordance with all applicable requirements of Kentucky law, including Sections 61.805 to 61.850, inclusive, of the Kentucky Revised Statutes; that a quorum was present at the meeting; that the 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 _____, 2024.

Secretary

EXHIBIT D
TO
ASSISTANCE AGREEMENT
FORM OF LEGAL OPINION

* * * * *

(See attachment)

[LETTERHEAD OF COUNSEL TO BORROWER]

January 29, 2024

Kentucky Infrastructure Authority
100 Airport Road, Third Floor
Frankfort, Kentucky

Re: Assistance Agreement by and between Kentucky Infrastructure Authority and Martin County Water District, regarding Loan Number B324-001

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Martin County Water District (the "Borrower"). I am familiar with the organization and existence of the Borrower and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the capital and/or non-capital expenses described in Section 224A.316 of the Kentucky Revised Statutes, as amended (collectively, the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Borrower (the "Assistance Agreement") is being authorized, executed, and delivered. Capitalized but undefined terms utilized herein shall have the meanings provided in the Assistance Agreement.

I have reviewed the form of Assistance Agreement by and between the Authority and the Borrower, the legislation of the governing authority authorizing the execution and delivery of the Assistance Agreement and the plans, designs, and specifications, if any, prepared by the Engineers for the Borrower with respect to the Project.

Based upon my review I am of the opinion that:

1. The Borrower is a duly organized and existing municipal corporation and political subdivision of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

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

3. The Borrower has all necessary power and authority (i) to enter into, perform, and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the Construction of any portion of the Project financed by the Loan.

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

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

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

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

8. To the best of my knowledge, the Borrower has fully complied with all federal and state labor and procurement laws in connection with the Construction of the Project.

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

Very truly yours,

EXHIBIT E
TO
ASSISTANCE AGREEMENT

LOAN TERM SCHEDULE

* * * * *

The final Loan Term Schedule will be provided by the Authority to the Borrower upon completion all disbursements of Loan proceeds hereunder and completion of the Project and will be automatically incorporated into this Assistance Agreement by reference. Each of the Authority and the Borrower agree to include a copy of the final Loan Term Schedule with their copies of this Assistance Agreement. The factors to be utilized by the Authority in the calculation of the final Loan Term Schedule will be as follows:

Principal Amount of Loan:	Up to \$1,323,623.15
Loan Interest Rate	0.00%
Default Interest Rate:	8.00%
Authority's Administrative Fee:	0.00%
Loan Payment Dates:	The first day of each calendar month, beginning March 1, 2024
Amortization Commencement Date:	March 1, 2024
Repayment Term:	Twenty years

The Loan has been awarded principal forgiveness in the amount of 50% of the principal amount of the Loan outstanding as of July 1, 2027, not to exceed \$661,811.57, which will be credited against the outstanding principal balance of the Loan on that date if the two following conditions are met:

(a) The Borrower has not incurred an Event of Default from the Effective Date through and including July 1, 2027; and

(b) The Borrower has complied with all agreements and orders of the Kentucky Public Service Commission from the Effective Date through and including July 1, 2027.

It is understood and agreed by the parties to this Assistance Agreement that this Term Loan Schedule (Exhibit E) is an integral part of the Assistance Agreement between the Borrower and the Authority. This Term Loan Schedule may be amended, supplemented, or modified by the mutual agreement of the Borrower and the Authority provided that such amendment, supplement, or modification shall be in writing and executed by the respective duly authorized officers of the Borrower and the Authority. Upon the execution and delivery of any amended, supplemented, or modified Term Loan Schedule, the Assistance Agreement and the Term Loan Schedule shall be, and be deemed to be, amended, supplemented, and modified in accordance therewith, and the respective rights, duties, and obligations under the Assistance Agreement of the Borrower and the Authority shall thereafter be determined, exercised, and enforced under the Assistance Agreement subject in all respects to such amendments, supplements, and modifications.

KENTUCKY INFRASTRUCTURE AUTHORITY
 ANTICIPATED REPAYMENT SCHEDULE
 LOAN #B324-001
 MARTIN COUNTY WATER DISTRICT

0.00% Interest \$5,632.44 P & I Calculation

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
								\$1,323,623.00		
03/01/24	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,317,990.56	\$0.00	\$0.00
04/01/24	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,312,358.12	\$0.00	\$0.00
05/01/24	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,306,725.68	\$0.00	\$0.00
06/01/24	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,301,093.24	\$0.00	\$0.00
07/01/24	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,295,460.80	\$0.00	\$0.00
08/01/24	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,289,828.36	\$0.00	\$0.00
09/01/24	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,284,195.92	\$0.00	\$0.00
10/01/24	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,278,563.48	\$0.00	\$0.00
11/01/24	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,272,931.04	\$0.00	\$0.00
12/01/24	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,267,298.60	\$0.00	\$0.00
01/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,261,666.16	\$0.00	\$0.00
02/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,256,033.72	\$0.00	\$0.00
03/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,250,401.28	\$0.00	\$0.00
04/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,244,768.84	\$0.00	\$0.00
05/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,239,136.40	\$0.00	\$0.00
06/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,233,503.96	\$0.00	\$0.00
07/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,227,871.52	\$0.00	\$0.00
08/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,222,239.08	\$0.00	\$0.00
09/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,216,606.64	\$0.00	\$0.00
10/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,210,974.20	\$0.00	\$0.00
11/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,205,341.76	\$0.00	\$0.00
12/01/25	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,199,709.32	\$0.00	\$0.00
01/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,194,076.88	\$0.00	\$0.00
02/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,188,444.44	\$0.00	\$0.00
03/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,182,812.00	\$0.00	\$0.00
04/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,177,179.56	\$0.00	\$0.00
05/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,171,547.12	\$0.00	\$0.00
06/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,165,914.68	\$0.00	\$0.00
07/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,160,282.24	\$0.00	\$0.00
08/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,154,649.80	\$0.00	\$0.00
09/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,149,017.36	\$0.00	\$0.00
10/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,143,384.92	\$0.00	\$0.00
11/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,137,752.48	\$0.00	\$0.00
12/01/26	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,132,120.04	\$0.00	\$0.00
01/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,126,487.60	\$0.00	\$0.00
02/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,120,855.16	\$0.00	\$0.00
03/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,115,222.72	\$0.00	\$0.00
04/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,109,590.28	\$0.00	\$0.00
05/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,103,957.84	\$0.00	\$0.00
06/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,098,325.40	\$0.00	\$0.00
07/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,092,692.96	\$0.00	\$0.00
08/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,087,060.52	\$0.00	\$0.00

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
09/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,081,428.08	\$0.00	\$0.00
10/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,075,795.64	\$0.00	\$0.00
11/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,070,163.20	\$0.00	\$0.00
12/01/27	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,064,530.76	\$0.00	\$0.00
01/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,058,898.32	\$0.00	\$0.00
02/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,053,265.88	\$0.00	\$0.00
03/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,047,633.44	\$0.00	\$0.00
04/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,042,001.00	\$0.00	\$0.00
05/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,036,368.56	\$0.00	\$0.00
06/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,030,736.12	\$0.00	\$0.00
07/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,025,103.68	\$0.00	\$0.00
08/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,019,471.24	\$0.00	\$0.00
09/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,013,838.80	\$0.00	\$0.00
10/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,008,206.36	\$0.00	\$0.00
11/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$1,002,573.92	\$0.00	\$0.00
12/01/28	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$996,941.48	\$0.00	\$0.00
01/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$991,309.04	\$0.00	\$0.00
02/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$985,676.60	\$0.00	\$0.00
03/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$980,044.16	\$0.00	\$0.00
04/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$974,411.72	\$0.00	\$0.00
05/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$968,779.28	\$0.00	\$0.00
06/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$963,146.84	\$0.00	\$0.00
07/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$957,514.40	\$0.00	\$0.00
08/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$951,881.96	\$0.00	\$0.00
09/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$946,249.52	\$0.00	\$0.00
10/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$940,617.08	\$0.00	\$0.00
11/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$934,984.64	\$0.00	\$0.00
12/01/29	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$929,352.20	\$0.00	\$0.00
01/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$923,719.76	\$0.00	\$0.00
02/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$918,087.32	\$0.00	\$0.00
03/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$912,454.88	\$0.00	\$0.00
04/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$906,822.44	\$0.00	\$0.00
05/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$901,190.00	\$0.00	\$0.00
06/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$895,557.56	\$0.00	\$0.00
07/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$889,925.12	\$0.00	\$0.00
08/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$884,292.68	\$0.00	\$0.00
09/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$878,660.24	\$0.00	\$0.00
10/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$873,027.80	\$0.00	\$0.00
11/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$867,395.36	\$0.00	\$0.00
12/01/30	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$861,762.92	\$0.00	\$0.00
01/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$856,130.48	\$0.00	\$0.00
02/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$850,498.04	\$0.00	\$0.00
03/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$844,865.60	\$0.00	\$0.00
04/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$839,233.16	\$0.00	\$0.00
05/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$833,600.72	\$0.00	\$0.00
06/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$827,968.28	\$0.00	\$0.00
07/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$822,335.84	\$0.00	\$0.00
08/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$816,703.40	\$0.00	\$0.00
09/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$811,070.96	\$0.00	\$0.00

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
10/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$805,438.52	\$0.00	\$0.00
11/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$799,806.08	\$0.00	\$0.00
12/01/31	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$794,173.64	\$0.00	\$0.00
01/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$788,541.20	\$0.00	\$0.00
02/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$782,908.76	\$0.00	\$0.00
03/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$777,276.32	\$0.00	\$0.00
04/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$771,643.88	\$0.00	\$0.00
05/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$766,011.44	\$0.00	\$0.00
06/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$760,379.00	\$0.00	\$0.00
07/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$754,746.56	\$0.00	\$0.00
08/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$749,114.12	\$0.00	\$0.00
09/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$743,481.68	\$0.00	\$0.00
10/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$737,849.24	\$0.00	\$0.00
11/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$732,216.80	\$0.00	\$0.00
12/01/32	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$726,584.36	\$0.00	\$0.00
01/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$720,951.92	\$0.00	\$0.00
02/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$715,319.48	\$0.00	\$0.00
03/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$709,687.04	\$0.00	\$0.00
04/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$704,054.60	\$0.00	\$0.00
05/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$698,422.16	\$0.00	\$0.00
06/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$692,789.72	\$0.00	\$0.00
07/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$687,157.28	\$0.00	\$0.00
08/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$681,524.84	\$0.00	\$0.00
09/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$675,892.40	\$0.00	\$0.00
10/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$670,259.96	\$0.00	\$0.00
11/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$664,627.52	\$0.00	\$0.00
12/01/33	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$658,995.08	\$0.00	\$0.00
01/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$653,362.64	\$0.00	\$0.00
02/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$647,730.20	\$0.00	\$0.00
03/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$642,097.76	\$0.00	\$0.00
04/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$636,465.32	\$0.00	\$0.00
05/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$630,832.88	\$0.00	\$0.00
06/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$625,200.44	\$0.00	\$0.00
07/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$619,568.00	\$0.00	\$0.00
08/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$613,935.56	\$0.00	\$0.00
09/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$608,303.12	\$0.00	\$0.00
10/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$602,670.68	\$0.00	\$0.00
11/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$597,038.24	\$0.00	\$0.00
12/01/34	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$591,405.80	\$0.00	\$0.00
01/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$585,773.36	\$0.00	\$0.00
02/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$580,140.92	\$0.00	\$0.00
03/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$574,508.48	\$0.00	\$0.00
04/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$568,876.04	\$0.00	\$0.00
05/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$563,243.60	\$0.00	\$0.00
06/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$557,611.16	\$0.00	\$0.00
07/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$551,978.72	\$0.00	\$0.00
08/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$546,346.28	\$0.00	\$0.00
09/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$540,713.84	\$0.00	\$0.00
10/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$535,081.40	\$0.00	\$0.00

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
11/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$529,448.96	\$0.00	\$0.00
12/01/35	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$523,816.52	\$0.00	\$0.00
01/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$518,184.08	\$0.00	\$0.00
02/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$512,551.64	\$0.00	\$0.00
03/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$506,919.20	\$0.00	\$0.00
04/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$501,286.76	\$0.00	\$0.00
05/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$495,654.32	\$0.00	\$0.00
06/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$490,021.88	\$0.00	\$0.00
07/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$484,389.44	\$0.00	\$0.00
08/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$478,757.00	\$0.00	\$0.00
09/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$473,124.56	\$0.00	\$0.00
10/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$467,492.12	\$0.00	\$0.00
11/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$461,859.68	\$0.00	\$0.00
12/01/36	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$456,227.24	\$0.00	\$0.00
01/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$450,594.80	\$0.00	\$0.00
02/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$444,962.36	\$0.00	\$0.00
03/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$439,329.92	\$0.00	\$0.00
04/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$433,697.48	\$0.00	\$0.00
05/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$428,065.04	\$0.00	\$0.00
06/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$422,432.60	\$0.00	\$0.00
07/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$416,800.16	\$0.00	\$0.00
08/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$411,167.72	\$0.00	\$0.00
09/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$405,535.28	\$0.00	\$0.00
10/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$399,902.84	\$0.00	\$0.00
11/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$394,270.40	\$0.00	\$0.00
12/01/37	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$388,637.96	\$0.00	\$0.00
01/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$383,005.52	\$0.00	\$0.00
02/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$377,373.08	\$0.00	\$0.00
03/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$371,740.64	\$0.00	\$0.00
04/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$366,108.20	\$0.00	\$0.00
05/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$360,475.76	\$0.00	\$0.00
06/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$354,843.32	\$0.00	\$0.00
07/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$349,210.88	\$0.00	\$0.00
08/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$343,578.44	\$0.00	\$0.00
09/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$337,946.00	\$0.00	\$0.00
10/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$332,313.56	\$0.00	\$0.00
11/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$326,681.12	\$0.00	\$0.00
12/01/38	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$321,048.68	\$0.00	\$0.00
01/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$315,416.24	\$0.00	\$0.00
02/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$309,783.80	\$0.00	\$0.00
03/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$304,151.36	\$0.00	\$0.00
04/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$298,518.92	\$0.00	\$0.00
05/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$292,886.48	\$0.00	\$0.00
06/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$287,254.04	\$0.00	\$0.00
07/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$281,621.60	\$0.00	\$0.00
08/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$275,989.16	\$0.00	\$0.00
09/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$270,356.72	\$0.00	\$0.00
10/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$264,724.28	\$0.00	\$0.00
11/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$259,091.84	\$0.00	\$0.00

Payment Date	Principal Due	Interest Due	Interest Rate	Principal & Interest	Servicing Fee	Credit Due	Total Payment	Principal Balance	R & M Reserve	Total Reserve
12/01/39	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$253,459.40	\$0.00	\$0.00
01/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$247,826.96	\$0.00	\$0.00
02/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$242,194.52	\$0.00	\$0.00
03/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$236,562.08	\$0.00	\$0.00
04/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$230,929.64	\$0.00	\$0.00
05/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$225,297.20	\$0.00	\$0.00
06/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$219,664.76	\$0.00	\$0.00
07/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$214,032.32	\$0.00	\$0.00
08/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$208,399.88	\$0.00	\$0.00
09/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$202,767.44	\$0.00	\$0.00
10/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$197,135.00	\$0.00	\$0.00
11/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$191,502.56	\$0.00	\$0.00
12/01/40	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$185,870.12	\$0.00	\$0.00
01/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$180,237.68	\$0.00	\$0.00
02/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$174,605.24	\$0.00	\$0.00
03/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$168,972.80	\$0.00	\$0.00
04/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$163,340.36	\$0.00	\$0.00
05/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$157,707.92	\$0.00	\$0.00
06/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$152,075.48	\$0.00	\$0.00
07/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$146,443.04	\$0.00	\$0.00
08/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$140,810.60	\$0.00	\$0.00
09/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$135,178.16	\$0.00	\$0.00
10/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$129,545.72	\$0.00	\$0.00
11/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$123,913.28	\$0.00	\$0.00
12/01/41	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$118,280.84	\$0.00	\$0.00
01/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$112,648.40	\$0.00	\$0.00
02/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$107,015.96	\$0.00	\$0.00
03/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$101,383.52	\$0.00	\$0.00
04/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$95,751.08	\$0.00	\$0.00
05/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$90,118.64	\$0.00	\$0.00
06/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$84,486.20	\$0.00	\$0.00
07/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$78,853.76	\$0.00	\$0.00
08/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$73,221.32	\$0.00	\$0.00
09/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$67,588.88	\$0.00	\$0.00
10/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$61,956.44	\$0.00	\$0.00
11/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$56,324.00	\$0.00	\$0.00
12/01/42	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$50,691.56	\$0.00	\$0.00
01/01/43	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$45,059.12	\$0.00	\$0.00
02/01/43	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$39,426.68	\$0.00	\$0.00
03/01/43	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$33,794.24	\$0.00	\$0.00
04/01/43	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$28,161.80	\$0.00	\$0.00
05/01/43	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$22,529.36	\$0.00	\$0.00
06/01/43	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$16,896.92	\$0.00	\$0.00
07/01/43	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$11,264.48	\$0.00	\$0.00
08/01/43	\$5,632.44	\$0.00	0.00%	\$5,632.44	\$0.00	\$0.00	\$5,632.44	\$5,632.04	\$0.00	\$0.00
09/01/43	\$5,632.04	\$0.00	0.00%	\$5,632.04	\$0.00	\$0.00	\$5,632.04	\$0.00	\$0.00	\$0.00
Totals	\$1,323,623.00	\$0.00		\$1,323,623.00	\$0.00	\$0.00	\$1,323,623.00		\$0.00	

Created by KIA on 01/16/2024

EXHIBIT F
TO
ASSISTANCE AGREEMENT

ADDITIONAL COVENANTS AND AGREEMENTS

* * * * *

None.

RESOLUTION

A RESOLUTION APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT BETWEEN THE MARTIN COUNTY WATER DISTRICT AND THE KENTUCKY INFRASTRUCTURE AUTHORITY TO PROVIDE UP TO \$1,323,623.15 OF LOAN FUNDS FOR LOAN NUMBER B324-001.

WHEREAS, the Board of Commissioners (the "Governing Authority") of the Martin County Water District, (the "Borrower") has previously determined that it is in the public interest to incur indebtedness to finance the costs of certain capital and/or non-capital expenses described in Section 224A.316 of the Kentucky Revised Statutes, as amended (collectively, the "Expenditures") for the benefit of the Borrower's drinking water system (the "System"); and

WHEREAS, the Borrower applied to the Kentucky Infrastructure Authority (the "Authority") for the purpose of providing monies to finance the costs of the Expenditures; and

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

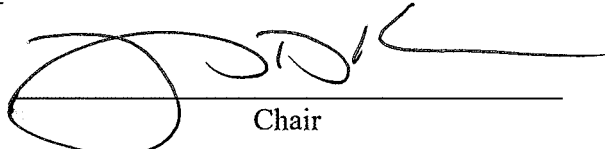
NOW, THEREFORE, IT IS RESOLVED by the Martin County Water District, as follows:

SECTION 1. That the Governing Authority hereby approves and authorizes the Assistance Agreement between the Borrower and the Authority regarding Loan Number B324-001 substantially in the form on file with the Borrower for the purpose of providing the necessary financing to the Borrower for the Expenditures.

SECTION 2. That the Chair and Secretary of the Borrower be and hereby are authorized, directed, and empowered to execute necessary documents or agreements, and to otherwise act on behalf of the Borrower to effect such financing.

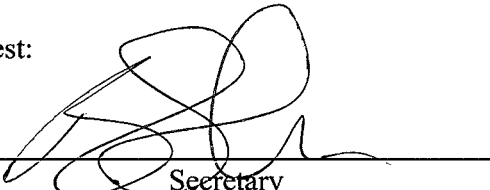
SECTION 3. That this resolution shall take effect at the earliest time provided by law.

ADOPTED on January 18, 2024.



Chair

Attest:

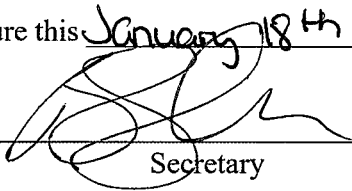


Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Martin County Water District (the "Borrower"); that the foregoing is a full, true and correct copy of a Resolution adopted by the governing authority of the Borrower at a meeting duly held on January 18th, 2024; that the official action appears as a matter of public record in the official records or journal of the governing authority; that the meeting was held in accordance with all applicable requirements of Kentucky law, including Sections 61.805 to 61.850, inclusive, of the Kentucky Revised Statutes; that a quorum was present at the meeting; that the 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 January 18th, 2024.


Secretary

**Martin County Water District
Special Meeting of the Board of Directors
January 18, 2024, Meeting Minutes**

Presiding: James Kerr, Chairman
Present: Directors: BJ Slone, Nina McCoy
Staff: Craig Miller (GM), Cassandra Moore
Guests:

The Special Meeting of the Martin County Water District was held on January 18, 2024, at the Alliance Water Resources Corporate Office, at 155 East Main St (Suite 1), Inez, Kentucky 41224. Mr. Kerr called the meeting to order at 12:45 p.m.

Mr. Kerr called for review of the December 28, 2023, Special Board Meeting minutes.

- Mr. Slone motioned to accept the December 28, 2023 minutes
- Mrs. McCoy seconded
- All ayes
- Motion carried

Mr. Kerr asked if there were any legal issues to discuss.

Mr. Kerr inquired if there was any Other New Business to discuss.

- Mr. Miller presented the Board with the KIA Water Management Assistance Fund Resolution. Mr. Miller explained that this was the KIA loan with 0% interest for 20 years. It will take the \$1 million loan from KRWA that we used to consolidate all the vendor debt and also the current KIA loan that the district already has for previous projects, combine those two loans and reduce the payment we pay already each month to the KIA. What we're going to see is a reduction in the payment were already making, 20-year loan, 0% interest, and in 2027 as long as we stay in PSC compliance and we maintain our regulatory compliance, and a couple other metric's that will be easy to do, they are going to give us a 50% forgiveness of the loan.


Executive session not required.

Mr. Kerr requested a motion to adjourn.

- Mr. Slone motioned to adjourn the meeting at 12:48 p.m.
- Mrs. McCoy seconded
- All ayes
- Motion Carried

Minutes approved this 23rd day of January, 2024.


James Kerr, Chairman


Cassandra Moore, District Clerk

KENTUCKY INFRASTRUCTURE AUTHORITY
Minutes of the Full Board

Meeting Date/Location: **December 7, 2023 – 1:00 p.m.**
 Kentucky Infrastructure Authority
 100 Airport Road
 Frankfort, KY 40601

Members Present:

Mr. Robert A. Amato, representing Kentucky Municipal Utilities Association
Mr. Ron Parritt, proxy for Ms. Linda Bridwell, Executive Director, Public Service Commission
Ms. Geri Grigsby, proxy for Secretary Holly Johnson, Finance and Administration Cabinet
Ms. Rebecca Goodman, Secretary, Energy and Environment Cabinet
Judge Mark McKenzie, representing Kentucky Association of Counties
Ms. Shelley Porter, representing For Profit Water Companies
Mr. Russell Rose, representing Kentucky Rural Water Association
Mr. Andy Luttner, proxy for Secretary Jeff Noel, Cabinet for Economic Development
Mayor Les Stapleton, representing Kentucky League of Cities
Mr. Shaun Youravich, representing Kentucky Section of the American Water Works Association

Members Absent:

Chairman Dennis Keene, Commissioner Department of Local Government

KIA Staff:

Ms. Sandy Williams, Executive Director
Mr. Milward Dedman, Deputy Executive Director
Mr. John Brady, Financial Analyst
Mr. Jim Carpenter, Fiscal Officer & KIA Treasurer
Mr. Kelly Cunnagin, Executive Staff Advisor
Ms. Natalie Lile, Assistant General Counsel
Ms. Meg Link, Administrative Specialist III, and KIA Secretary
Ms. Sandy Sanders, Federal Program Specialist
Mr. Don Schierer, WRIS Resource Management Analyst
Mr. Thomas Schubert, GIS Specialist

Guests:

Mr. Jory Becker, Division of Water
Mr. Brad Good, Louisville & Jefferson County MSD
Mr. Craig Miller, Alliance Water Resources
Ms. Cassie Moore, Martin County Water District
Ms. Bethany Padgett, Office of Financial Management
Ms. Lisa Wilson-Plajer, RA Consultants
Ms. Nicole Refalo, Louisville & Jefferson County MSD

I. PROCEEDINGS

Vice Chair Bob Amato called the meeting of the Kentucky Infrastructure Authority (KIA) Board to order. He noted that the media advisory was properly distributed. He also confirmed a quorum was present.

A. BUSINESS (Board Action Required)

1. APPROVAL OF MINUTES

For: KIA Regular Board Meeting of November 2, 2023

It was noted that the next meeting date was listed incorrectly, it should be December 7, 2023.

Mayor Les Stapleton made the motion to approve the November 2, 2023, minutes with the noted correction made. Judge Mark McKenzie seconded, and the motion carried unanimously.

B. NEW PROJECTS/ACTION ITEMS (Board Action Required)

Mr. Amato addressed the group stating that the organization he represents disbanded as of the end of September. He said he has been told he remains on the Board until the Governor removes him.

1. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING THE ELECTION OF CHAIR OF THE KENTUCKY INFRASTRUCTURE AUTHORITY

Mr. Amato opened the floor up for nominations for KIA Chair.

Mr. Russ Rose nominated Commissioner Dennis Keene to serve again. There were no other nominations, so the nominations were closed.

Ms. Rebecca Goodman made the motion to approve Commissioner Keene as Chair. Mayor Les Stapleton seconded, and the motion was unanimously approved.

2. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING THE ELECTION OF VICE CHAIR OF THE KENTUCKY INFRASTRUCTURE AUTHORITY

Mr. Amato opened the floor up for nominations for the KIA Vice Chair position.

Judge Mark McKenzie nominated Mr. Russell Rose for Vice Chair. There were no other nominations, so the nominations were closed.

Mayor Les Stapleton made the motion to approve Mr. Russ Rose as Vice Chair. Mr. Shaun Youravich seconded, and the motion was approved unanimously.

3. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING THE ELECTION OF 1ST VICE CHAIR OF THE KENTUCKY INFRASTRUCTURE AUTHORITY

Mr. Amato opened the floor up for nominations for First Vice Chair. Mr. Russ Rose nominated Judge Mark McKenzie. There were no additional nominations, so nominations were closed.

Mayor Les Stapleton made the motion to approve Judge McKenzie as First Vice Chair. Ms. Shelley Porter seconded the motion, and the motion was unanimously approved.

4. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING ISSUANCE OF A CONDITIONAL COMMITMENT FOR A FEDERALLY ASSISTED CLEAN WATER REVOLVING FUND LOAN (A23-007) FOR AN AMOUNT UP TO \$27,783,547 TO THE LOUISVILLE AND JEFFERSON COUNTY METROPOLITAN SEWER DISTRICT, JEFFERSON COUNTY, KENTUCKY

Mr. Jory Becker, DOW, and Mr. John Brady, KIA, discussed the Louisville and Jefferson County Metropolitan Sewer District's request for a Fund A loan for an amount up to the \$27,783,547 for the Paddy's Run Flood Pumping Station (FPS) Capacity project. This project will construct a new FPS that will provide a total estimated pumping capacity of 1,900 MGD. It will also include new flood pumps, motors, and discharge pipes. SCADA and associated electrical and mechanical components will be installed to operate the new flood pumps in addition to the required aesthetic, plumbing, and HVAC equipment. The existing FPS, designed by the U.S. Army Corps of Engineers and put into service in 1953, will be decommissioned.

The existing Paddy's Run FPS routinely pumps combined sewer overflows during wet weather events when the river is elevated, further protecting the public and many critical assets within MSD's sewer system. In addition to providing critical flood protection, the Paddy's Run FPS serves as essential wastewater infrastructure for combined sewer overflow control and is a required project in MSD's Consent Decree. This project will also help protect critical infrastructure within Rubbertown which could have catastrophic consequences if flooded, including releasing volatile chemicals and emerging contaminants into the Ohio River. Failure to act on this project could result in an ever-increasing risk of life-threatening flooding in the community. Additionally, the inadequate capacity of the existing pump station would worsen the impact of a flood event by allowing a higher portion of wastewater in flood waters.

MSD currently serves 224,374 residential customers, 21,483 commercial customers and 391 industrial customers.

A question from the floor was asking if this was a replacement project. Ms. Nicole Refalo with MSD said that yes it was a replacement project.

Mayor Les Stapleton made the motion to approve the Fund A Loan for an amount up to \$27,783, 547 to the Louisville and Jefferson County MSD with the standard conditions. Judge Mark McKenzie seconded, and the motion carried unanimously.

5. A RESOLUTION AND ORDER OF THE BOARD OF DIRECTORS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY AUTHORIZING A CONDITIONAL COMMITMENT FOR A KENTUCKY WATER MANAGEMENT ASSISTANCE FUND LOAN FOR AN AMOUNT UP TO \$1,323,623.15 TO THE MARTIN COUNTY WATER DISTRICT, MARTIN COUNTY, KENTUCKY

Mr. John Brady discussed the first Water Management Assistance Fund project. This funding was appropriated during the 2022 General Assembly to assist financially challenged water systems.

The Martin County Water District (MCWD) is requesting a Water Management Assistance Fund loan in the amount of \$1,323,623.15 to consolidate outstanding debt owed by the MCWD. Funding will be utilized to restructure KIA Loan B293-02 in the amount of \$219,313.49 and a Kentucky Rural Water Finance Corporation Flexible Term Finance Program note in the amount of \$1,104,309.66. This loan will assist MCWD by reducing current payments and providing it with more operating capital for necessary repairs.

The MCWD currently serves 3,043 residential customers and 281 commercial customers.

Mr. Craig Miller, representing Martin County briefly spoke and thanked the Board for consideration of this financial assistance. He said the MCWD has been through a very difficult time for years and they are now moving forward and making progress in getting the utility back on track. This assistance would be a tremendous help to continue their progress forward.

Ms. Rebecca Goodman said that she wholeheartedly supports this financial assistance to the Martin County Water District. She noted that in the past she would not have been able to do so but has seen the progress the District has made in recent months and thinks they are moving in the right direction.

Mr. Ron Parritt and Mr. Russ Rose abstained from the vote. Mr. Shaun Youravich made the motion to approve the Martin County Water District's Fund B Loan, B324-001, for an amount up to \$1,323,623 with the standard conditions, along with these additional recommendations: KIA will provide 50% principal forgiveness on the outstanding loan balance as of July 1, 2027 if two goals are met: 1. Martin County Water District has not had a loan default on this loan through June 30, 2027, and; 2. Martin County Water District has remained in compliance with its agreements with the Public Service Commission through June 30, 2027. Mayor Les Stapleton seconded and the motion for approval was passed.

6 RESOLUTION OF THE KENTUCKY INFRASTRUCTURE AUTHORITY 4. AUTHORIZING AND APPROVING THE ISSUANCE OF OBLIGATIONS OF THE KENTUCKY INFRASTRUCTURE AUTHORITY TO REIMBURSE CAPITAL EXPENDITURES MADE BY GOVERNMENTAL AGENCIES PURSUANT TO LOANS MADE BY THE KENTUCKY INFRASTRUCTURE AUTHORITY TO SUCH GOVERNMENTAL AGENCIES

This is a routine resolution allowing KIA to reimburse expenses that are paid out of the Authority’s funds with bond proceeds. The projects listed below are covered.

BORROWER	FUND	AMOUNT	LOAN TOTAL
Louisville & Jefferson County MSD	A23-007	\$27,783,547.00	\$27,783,547.00
Martin County Water District (WMAF)	B324-001	\$1,323,623.15	\$1,323,623.15

Mr. Russ Rose made the motion to approve the Capital Reimbursement Resolution. Judge Mark McKenzie seconded, and the motion carried unanimously.

7. CONSIDERATION OF MEETING DATES FOR KENTUCKY INFRASTRUCTURE AUTHORITY BOARD OF DIRECTORS MEETING FOR CALENDAR YEAR 2024

Director Williams discussed the KIA staff suggested dates for the 2024 regularly scheduled monthly Board meetings. The recommendation was to continue with the first Thursday of each month, with three exceptions, April, May, and July moved to the second Tuesday due to KIA staff scheduling conflicts and the Fourth of July holiday falling on the first Thursday.

Ms. Rebecca Goodman made the motion to approve the suggested dates as presented. Mayor Les Stapleton seconded, and the motion was unanimously approved.

II. EXECUTIVE DIRECTOR’S REPORT

Executive Director Williams thanked everyone for their participation. She told everyone to enjoy the holiday refreshments after the meeting.

She noted that today’s meeting would serve as the Annual meeting to select our Officers of the KIA Board, as stipulated in the KIA By-Laws.

She discussed the dissolution of the Kentucky Municipal Utilities Association, of which Mr. Amato serves as their representative. Director Williams has been in contact with the Governor’s Office and the staff at Boards and Commissions, which process the appointments. KIA is awaiting word from them on how to proceed.

She noted that KIA staff were working with the Division of Water and the Area Development Districts on upgrading and modernizing the WRIS software system. They need to be done prior to 2026 when our versions of the software will no longer

be supported. KIA will not allow the WRIS to go into disarray and will work to ensure there is a smooth transition.

The KIA accounting team has been working diligently with the auditors from Blue & Company. As everyone remembers, Mr. Allen Norvel with Blue & Company met with the Board members at the November KIA meeting to discuss the 2023 audit. We received a 'clean' audit with no findings. The team has also submitted the 2024 Budget request to the Office of the State Budget Director. This request does contain funding for all the SRF federal programs that we anticipate applying for in the next two years. Additionally, the request includes the funding for the required state matching funds required through the federal grants. Also included, as announced by the Governor in October, it contains \$500 million in grant funding for water and sewer projects. KIA staff has also submitted information on the six-year capital plan to the Capital Planning and Advisory Board. That is a precursor to the budget process and includes all items previously mentioned. The accounting staff has submitted all applications required to the EPA to receive our federal money and initiated reimbursements to the infrastructure borrowers and grants along with processing reimbursements for the Office of Broadband Development. KIA provides back-office support to the OBD.

The KIA Grants staff are administering 918 grants over five different programs, which involves five different sets of rules. The ARPA funded KIA administered projects that have not entered into an Assistance Agreement with the Authority will be contacted within the coming weeks. The ARPA funds need to be fully committed by December 31, 2024. We do not want anyone to lose their funding. Our Grants staff has also been posting reallocations and 10% increases for the Cleaner Water Grants Program. As a reminder to all our members, if you have or know a utility who has a Cleaner Water Grant and their bids have come in over budget that utility can very easily request a 10% increase in funding to their existing grant. There is a form on the KIA website, KIA.KY.GOV. Staff are happy to review requests and the required Bid Tabs stating your bids came in over budget and additional funding is needed.

The KIA loan staff have been working with the Division of Water to talk with the ADDs and let them know that the Call for Projects for the next SRF loan cycle ends on Friday, December 15th. All the loan applications for the last funding cycle have been sent out and the majority of those have come back in and have accepted their invitation. John Brady and Sandy Sanders will be working with the utilities. Any project that will not be using their funding will be given to a new project or an existing project.

Judge Mark McKenzie asked if there could be a drop-down box included in the WRIS for HB9 funding. Director Williams said that she would make a note on that and see that it is included. Judge McKenzie asked about the proposed \$500 million the Governor announced and would that funding be under the previous funding requirements. Director Williams stated that that would be decided by the Governor and the legislators, which would be determined during the budget process. KIA would not be involved in establishing those requirements.

III. ANNOUNCEMENTS/NOTIFICATIONS

Next regularly scheduled KIA board meeting:

Thursday, January 4, 2024, at 1:00 p.m.

There being no further business, Mayor Les Stapleton moved to adjourn the December 7, 2023, meeting. Judge Mark McKenzie seconded, and the motion carried unanimously. December 7, 2023, meeting of the Board of the Kentucky Infrastructure Authority was adjourned.

Submitted by:

Margaret F. Link
Kentucky Infrastructure Authority Secretary

December 13, 2023
Date



BRIAN CUMBO

ATTORNEY AT LAW

86 W. Main St., Suite 100
P.O. Box 1844
Inez, KY 41224
(606) 298-0428
FAX: (606) 298-0316
cumbolaw@cumbolaw.com

ADMITTED IN KY AND WV

January 29, 2024

Kentucky Infrastructure Authority
100 Airport Road, Third Floor
Frankfort, Kentucky

RE: Assistance Agreement by and between Kentucky Infrastructure Authority
and Martin County Water District, regarding Loan Number B324-001

Ladies and Gentlemen:

The undersigned is an attorney at law duly admitted to the practice of law in the Commonwealth of Kentucky and is legal counsel to the Martin County Water District (the "Borrower"). I am familiar with the organization and existence of the Borrower and the laws of the Commonwealth applicable thereto. Additionally I am familiar with the capital and/or non-capital expenses described in Section 224A.316 of the Kentucky Revised Statutes, as amended (collectively, the "Project") with respect to which the Assistance Agreement by and between the Kentucky Infrastructure Authority ("Authority") and the Borrower (the "Assistance Agreement") is being authorized, executed, and delivered. Capitalized but undefined terms utilized herein shall have the meanings provided in the Assistance Agreement.

I have reviewed the form of Assistance Agreement by and between the Authority and the Borrower, the legislation of the governing authority authorizing the execution and delivery of the Assistance Agreement and the plans, designs, and specifications, if any, prepared by the Engineers for the Borrower with respect to the Project.

Based upon my review I am of the opinion that:

1. The Borrower is a duly organized and existing municipal corporation and political subdivision of the Commonwealth of Kentucky validly existing under the Constitution and statutes of the Commonwealth of Kentucky.

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

3. The Borrower has all necessary power and authority (i) to enter into, perform, and consummate all transactions contemplated by the Assistance Agreement, and (ii) to execute and deliver the documents and instruments to be executed and delivered by it in connection with the Construction of any portion of the Project financed by the Loan.

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

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

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

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


8. To the best of my knowledge, the Borrower has fully complied with all federal and state labor and procurement laws in connection with the Construction of the Project.

Kentucky Infrastructure Authority
January 29, 2024
Page Three

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

The closing date is January 29, 2024.

Very truly yours,



BRIAN CUMBO

BC/ld

cc: Martin County Water District

GENERAL CLOSING CERTIFICATE OF THE BORROWER

Dated January 29, 2024

Re: Assistance Agreement dated as of January 29, 2024, by and between the Kentucky Infrastructure Authority and Martin County Water District

In connection with the above-identified Assistance Agreement (the “Assistance Agreement”), the Martin County Water District (the “Borrower”), through its undersigned duly-authorized officer hereby certifies, represents, warrants, and covenants as follows:

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

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

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

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

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

6. There is no controversy or litigation of any nature pending, or to the knowledge of the Borrower after diligent inquiry, threatened, in any court or before any board, tribunal, or administrative body, to challenge in any manner the authority of the Borrower or its governing body to make payments under the Assistance Agreement or to acquire or construct the project identified therein (the “Project”), or to challenge in any manner the authority of the Borrower or its governing body to take any of the actions which have been taken in the authorization or delivery of the Assistance Agreement or the acquisition or construction of the Project, or in any way contesting or affecting the validity of the Assistance Agreement, or in any way questioning any proceedings taken with respect to the authorization or delivery by the Borrower of the Assistance Agreement, or the application of the proceeds thereof or the pledge or application of any monies or security provided therefor, or in any way questioning the due existence or powers of the

Borrower, or otherwise wherein an unfavorable decision would have an adverse impact on the transactions authorized in connection with the Assistance Agreement.

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

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

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

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

IN WITNESS WHEREOF, I have set my hand as of the date first set out above.

MARTIN COUNTY WATER DISTRICT

By: James D. Kerr
Chairman

Attest:

By: Brian J. Slone
Secretary



KENTUCKY INFRASTRUCTURE AUTHORITY

Andy Beshear
Governor

100 Airport Road
Frankfort, Kentucky 40601
(502) 573-0260
kia.ky.gov

Sandy Williams
Executive Director

December 20, 2023

Mr. Jimmy Kerr, Chairman
Martin County Water District
387 East Main St.
Inez, KY 41221

KENTUCKY INFRASTRUCTURE AUTHORITY WATER MANAGEMENT ASSISTANCE FUND CONDITIONAL COMMITMENT LETTER (B324-001)

Dear Mr. Kerr:

The Kentucky Infrastructure Authority (“the Authority”) commends your efforts to improve public service facilities in your community. On December 7, 2023, the Authority approved your loan subject to the conditions stated in Attachment A to this letter.

An Assistance Agreement will be executed between the Authority and the Martin County Water District upon satisfactory performance of the conditions set forth in Attachment A. You must meet the conditions set forth in Attachment A and enter into an Assistance Agreement by December 20, 2024 (twelve months from the date of this letter). Funds will be available for disbursement only after execution of the Assistance Agreement.

Please inform the Authority of any changes in your financing plan as soon as possible. We wish you every success with these loan proceeds which will benefit both your community and the Commonwealth as a whole.

Sincerely,

A handwritten signature in blue ink that reads "Sandy Williams".

Sandy Williams
Executive Director

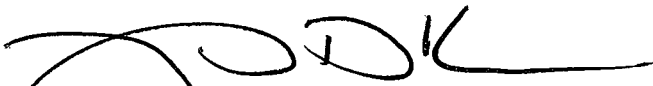
Attachments



An Equal Opportunity Employer M/F/D

Mr. Jimmy Kerr
December 20, 2023
Page 2

Please sign and return a copy of this letter indicating your acceptance of this commitment and its terms. Complete the attached "Authorization for Electronic Deposit of Vendor Payment Form" and the "ACH Debit Authorization Form" **and return to the US Bank address at the bottom of each form**. Also included are the "Legal Counsel Certification Letter" sample and the "Statement of Approval of Projections of Revenue and Expenses" for you to complete at the appropriate time. These forms and an SRF loan checklist guide can be found in Attachment C of this letter.



Accepted

1/9/2024

Date

ATTACHMENT A

Conditions

Martin County Water District
B324-001

The Assistance Agreement and this commitment shall be subject, but not limited to, the following terms:

1. The Authority loan shall not exceed \$1,323,623.15.
2. The loan shall bear interest at the rate of 0% per annum commencing with the first draw of funds.
3. The loan shall be repaid over a period not to exceed 20 years from the date of the last draw of funds.
4. The first payment shall be due on March 1, 2024. KIA requires the use of Automated Clearing House (ACH) debits for payment of all balances due on the loan. This will ensure that payments are credited timely to your account without the risk of incurring late payment fees. If the due date falls on a weekend or holiday your account will be debited on the next business day. Please complete and return the authorization form in Attachment C of this letter to U.S. Bank for processing.
5. No loan servicing fee shall be payable to the Authority.
6. Loan funds will only be disbursed after execution of the Assistance Agreement.
7. The Authority requires that an annual financial audit be provided for the life of the loan.
8. The final Assistance Agreement must be approved by ordinance or resolution, as applicable, of the city council or appropriate governing board.
9. The borrower should target a maintain a 1.1 debt coverage ratio throughout the life of the KIA loan. All borrowers are subject to at least an annual financial review.

The following is a list of the standard conditions to be satisfied prior to execution of the Assistance Agreement or incorporated in the Assistance Agreement. Any required documentation must be submitted to the party designated.

1. The loan must undergo review by the Capital Projects and Bond Oversight Committee of the Kentucky Legislature prior to the state's execution of the Assistance Agreement. The Committee meets monthly. Any special conditions listed in Attachment B must be satisfied before the loan is presented before the Committee.
2. Any required adjustment in utility service rates shall be adopted by ordinance, municipal order or resolution by the appropriate governing body of the Borrower. Public hearings as required by law shall be held prior to the adoption of the service rate ordinance, order, or resolution. Any required approvals by the Kentucky Public Service Commission shall be obtained.
3. The Borrower must complete and return the "Authorization for Electronic Deposit of Borrower Payment" form in Attachment C of this letter to U.S. Bank.
4. The Borrower will implement the Kentucky Uniform System of Accounting (KUSoA), or an alternative approved by the Authority and assure that rates and charges for services are based upon the cost of providing such service.

Any special conditions listed in Attachment B must be resolved.

ATTACHMENT B

Special Consideration

Martin County Water District
B324-001

Special Consideration

KIA will provide 50% principal forgiveness on the outstanding loan balance as of July 1, 2027 if the following two goals are met:

1. Martin County Water District has not had a loan default on this loan through June 30, 2027; and
2. Martin County Water District has remained in compliance with its agreements with the Public Service Commission through June 30, 2027.

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

ELECTRONIC APPLICATION OF THE MARTIN)	
COUNTY WATER DISTRICT TO ISSUE)	
SECURITIES IN THE APPROXIMATE PRINCIPAL)	
AMOUNT OF \$1,323,623.15 FOR THE PURPOSE)	CASE NO.
OF REFINANCING CERTAIN OUTSTANDING)	2023-00407
OBLIGATIONS OF THE DISTRICT PURSUANT TO)	
THE PROVISIONS OF KRS 278.300 AND 807 KAR)	
5:001)	

ORDER

On December 11, 2023, Martin County Water District (Martin District), pursuant to KRS 278.300 and 807 KAR 5:001, filed an application seeking Commission authority to issue certain securities in the approximate principal amount of \$1,323,623.15. The proceeds of the issuance will be used for the purpose of refinancing outstanding indebtedness of Martin District.

Martin District, a water district organized under KRS Chapter 74, owns and operates facilities that provide retail water service to 3,374 residential customers in Martin County, Kentucky.¹ There are no intervenors in this case, and the matter is submitted to the Commission for a decision based upon the written record.

¹ *Annual Report of Martin District to the Public Service Commission for the Calendar year Ended December 31, 2022* (2022 Annual Report) at 12 and 49.

LEGAL STANDARD

KRS 278.300 requires Commission authorization before a utility may “issue any securities or evidences of indebtedness, or assume any obligation or liability in respect to the securities or evidences of indebtedness of any other person.”² KRS 278.300(3) establishes the legal standard and clarifies the scope of Commission review, stating:

The Commission shall not approve any issue or assumption unless, after investigation of the purposes and uses of the proposed issue and proceeds thereof, or of the proposed assumption of obligation or liability, the commission finds that the issue or assumption is for some lawful object within the corporate purposes of the utility, is necessary or appropriate for or consistent with the proper performance by the utility of its service to the public and will not impair its ability to perform that service, and is reasonably necessary and appropriate for such purpose.

PROPOSED REFINANCING

Martin District proposed to borrow funds from the Kentucky Infrastructure Authority (KIA) through the Water Management Assistance Fund (WMAF Loan) in the amount of approximately \$1,323,623.15.³ The proposed loan will have a 20-year term at an interest rate of 0.00 percent per annum with a conditional 50 percent principal forgiveness provision on July 1, 2027.⁴ Martin District proposed to use the proceeds from the issuance for the purpose of refinancing a loan from KIA (KIA Loan), with an original principal amount of \$1,329,826 dated November 1, 1996,⁵ bearing interest at a rate of 3.00 percent, as well as a loan from Kentucky Rural Water Finance Corporation (KRWFC

² KRS 278.300(1).

³ Application at 2, paragraph 5.

⁴ Application at 2, paragraph 5.

⁵ Application at 2, paragraph 5.

Loan), with an original principal amount of \$1,110,000 dated April 20, 2022, bearing interest at a rate of 3.25 percent annum.⁶ Martin District stated that the KRWFC Loan and KIA Loan are due and payable on February 1, 2024. The WMAF Loan was approved pursuant to a Resolution by the KIA Board of Directors at its meeting held on December 7, 2023.⁷

Martin District estimates that it will expend \$1,117,037.40 to refund the KIA Loan and the KRWFC Loan.⁸ Martin District's outstanding principal on its KIA Loan is \$218,767⁹ and the remaining principal on its KRWFC Loan is \$1,100,000.¹⁰ Martin District will have an annual payment of \$66,181;¹¹ therefore, after 4 years, Martin District will have paid \$264,725¹² in principal resulting in a remaining principal balance of \$1,058,899 of which 50 percent, \$529,449, will be forgiven by KIA at the end of 2027.¹³ Martin District should see savings for the refinance of the loans of \$23,728¹⁴ and, later in 2027, an additional \$529,449 of debt forgiveness as previously addressed.

⁶ Application at 3, paragraph 5.

⁷ Authorizing Resolution filed December 12, 2023.

⁸ Application, Exhibit B, Sources and Uses, Uses of Funds: \$4,520 (Total Underwriter's Discount .407 percent) + \$45,000 (Costs of Issuances) + \$64,233.54 (Deposit to Capitalized Interest Fund) + \$1,000,000 (Deposit to Project Construction Fund) + \$3,283.86 (Rounding Amount) = \$1,117,037.40.

⁹ Application, Exhibit D, Payoff Letter on the KIA Funds B Loan.

¹⁰ Application, Exhibit B, Payoff Letter on the KRWFC Loan.

¹¹ Application, Exhibit F, Executive Summary at 1

¹² \$66,181 Annual Payment * 4 years = \$264,725.

¹³ Application, Exhibit F, Executive Summary at 5, Item XI.

¹⁴ 2024 Debt payoff for KRWFC Loan \$1,128,03 + KIA Loan \$219,313 = \$1,347,351, less Total WMAF Loan \$1,323,623 = \$23,728.

In support of its application, Martin District stated that the WMFA Loan is in the public interest and is intended to strengthen the financial condition of Martin District by reducing current debt service payments, which will provide more operating capital for necessary repairs to Martin District's system.¹⁵ Refinancing the Loan Should result in a total savings of \$817,902.

DISCUSSION AND FINDINGS

Having reviewed the proposed refinancing, the Commission finds Martin District's proposal to be reasonable as it will strengthen its financial condition by reducing current debt service payments and providing more operating capital to address continuing improvements and repairs to its distribution system.

The Commission further finds that that Martin District satisfied the legal standards established in KRS 278.300 for the reasons that follow. First, the lawful object of Martin District's purpose is to provide adequate, efficient and reasonable water service to the public.¹⁶ The refinancing meets the lawful object of the utility's purposes because it will be used to refinance loans previously approved by the Commission and is intended to strengthen the financial position of Martin District through reducing current debt service payments in order to provide more operating capital. Second, the financing is appropriate for the proper performance by the utility and will not impair its ability to perform that service because the WMAF loan is exclusively for the purposes of refinancing existing debt and achieving debt service NPV savings. No other aspects of Martin District's operations or finances will change, except those related to the refinancing of existing debt

¹⁵ Application at 4, paragraph 10.

¹⁶ KRS 278.030(2).

as outlined in the application and this Order. Third, the financing is a reasonably appropriate option for Martin District to meet its statutory duty to provide adequate, efficient and reasonable service because the current low interest rate environment will allow Martin District to achieve the NPV savings. For the reasons set forth above, the Commission finds that Martin District should be authorized to enter into the proposed Assistance Agreement with KIA in order to refinance its existing debt obligations to KIA and KRWFC. The Commission further finds that periodic monitoring of Martin District's revenue sufficiency is necessary.

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

1. The proposed security is for lawful objects within the corporate purposes of Martin 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. Martin District should secure the proposed loan in the manner described in its application.
3. Within ten days of the execution of the new security issuance, Martin District should file an electronic version of the new WMAF loan documents with the Commission.
4. The proceeds from the proposed new WMAF loan should be used only for the lawful purposes set out in Martin District's application.
5. The terms and conditions of the new WMAF loan should be consistent with the KIA assistance agreement as described in Martin District's application.

6. Martin District should file a revenue sufficiency report for the calendar year 2023, based on final 2023 results, and for the calendar year 2024, based on projected 2024 results, for the calendar year 2024, based on projected 2024 results, including adjustments for excess water loss for each report, with the Commission by December 31, 2024.

IT IS THEREFORE ORDERED that:

1. Martin District is authorized to enter into the loan with WMAF to borrow no more than the total amount to pay off the 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 WMAF loan maturity date and interest rate shall be in accordance with the WMAF loan agreement as described in Martin District's application.

2. Martin District shall execute the WMAF loan documents as authorized herein.

3. Martin District shall comply with all matters set out in finding paragraphs 2 through 6 as if they were individually so ordered.

4. Any documents filed in the future pursuant to finding paragraphs 3 and 6 shall reference this case number and shall be retained in the post-case correspondence file.

5. Martin District shall file a revenue sufficiency report for the calendar year 2023, based on final 2023 results, including adjustments for excess water loss, with the Commission by December 31, 2024.

6. Martin District shall file a revenue sufficiency report for the calendar year 2024, based on projected 2024 results, including adjustments for excess water loss, with the Commission by December 31, 2025.

7. This case is closed and will be 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.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PUBLIC SERVICE COMMISSION

Kurt Chiles

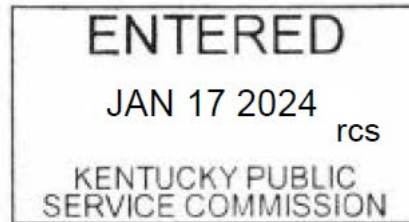
Chairman

Ally

Vice Chairman

Mary Pat Regan

Commissioner



ATTEST:

Linda C. Bridwell

Executive Director

*Martin County Water District
387 East Main Street, Suite 140
Inez, KY 41224

*Craig Miller
Martin County Water District
c/o Alliance Water Resources, Inc.
1402 East Main Street
Inez, KY 41224

*Julie Bickers
Kentucky Infrastructure Authority
375 Versailles Road
Frankfort, KENTUCKY 40601-3646

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

*Tony Sneed
Martin County Water District
c/o Alliance Water Resources, Inc.
387 East Main Street, Suite 140
Inez, KY 41224

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