

KENTUCKY INFRASTRUCTURE AUTHORITY

FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT

FUND C

PROJECT NUMBER: B293-02

BORROWER: Martin County Water District

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

DATE OF ASSISTANCE AGREEMENT: May 1, 1993

DATE OF FIRST SUPPLEMENTAL
ASSISTANCE AGREEMENT: November 1, 1996

FIRST SUPPLEMENTAL ASSISTANCE AGREEMENT

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

W I T N E S S E T H:

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

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

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

ARTICLE I

RELATION TO ASSISTANCE AGREEMENT

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

ARTICLE II

AMENDMENT TO ASSISTANCE AGREEMENT

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

ARTICLE III

EFFECT OF FIRST SUPPLEMENTAL AGREEMENT

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

ARTICLE IV

EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

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

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

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

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

KENTUCKY INFRASTRUCTURE AUTHORITY

By: *George Ziegler*
Title: Executive Director

Attest:

Marilyn Eaton Thomas
Title: Secretary/Treasurer

GOVERNMENTAL AGENCY:
MARTIN COUNTY WATER DISTRICT

By: *John H. ...*
Title: Chairman

Attest:

John ...
Title: Secretary

Approved:

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

EXAMINED:

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

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

NAME: Martin County Water District

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

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

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

**LIABILITY INSURANCE
COVERAGE:**

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

ADMINISTRATIVE FEE: 0.20%
DEFAULT RATE: 10%

**PROJECT COST
BREAKDOWN:**

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

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

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

EST. ANNUAL DEBT SERVICE: \$77,423

OTHER FINANCING SOURCES:

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

**DEBT OBLIGATIONS
CURRENTLY OUTSTANDING:**

PROJECT DESCRIPTION:

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

MARTIN COUNTY WATER DISTRICT NO. 1

HC 69 - BOX 875

INEZ, KENTUCKY 41224

Nov. 22, 1996

Special Water District Meeting

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

RESOLUTION _____

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

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

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

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

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

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

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

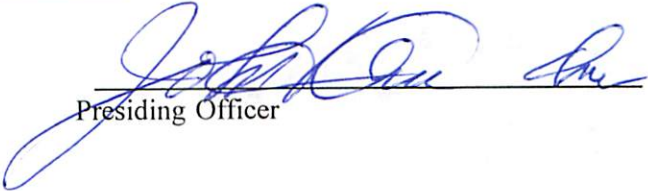
NOW, THEREFORE, BE IT RESOLVED by the governing authority of the Martin County Water District as follows:

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

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

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

ADOPTED on 11/22, 1996.



Presiding Officer

Attest:



Title: Secretary

CERTIFICATE

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

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



Recording Officer

KENTUCKY INFRASTRUCTURE AUTHORITY
MAY 5, 1993

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

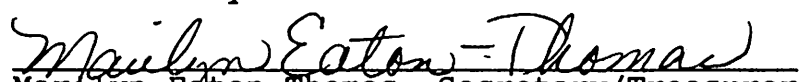
Secretary Strong moved to approve the above amendments, Mr. McNamara seconded and motion carried.

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

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

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

Submitted by:


Marilyn Eaton-Thomas, Secretary/Treasurer
Kentucky Infrastructure Authority



PAUL E. PATTON
GOVERNOR

JOHN P. McCARTY
CHAIRMAN

KENTUCKY INFRASTRUCTURE AUTHORITY

Finance and Administration Cabinet
702 Capitol Avenue
Suite 261, Capitol Annex
Frankfort, Kentucky 40601-3453
(502) 564-2090
Telefax (502) 564-7416

GORDON L. MULLIS, JR.
EXECUTIVE DIRECTOR

MARILYN EATON-THOMAS
SECRETARY/TREASURER

December 11, 1996

**Mr. Dirk Bedarff
Peck, Shaffer & Williams, L.L.P.
118 West 5th
Covington, Kentucky 41011**

**RE: Martin County Water District - B293-02
First Supplemental Assistance Agreement**

Dear Dirk:

Enclosed please find the fully executed first supplemental assistance agreement and the KIA minutes regarding the above mentioned project. Please call with any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Art Francis".

**Art Francis
Kentucky Infrastructure Authority**

AF/sj

Enclosures

c: Mr. John Crum, Chairman

**Martin County Water District
HC 69, Box 875
Inez, KY 41224**

C:\WP\KIA\ART\DB-12-11.MAR



PAUL E. PATTON
GOVERNOR

JOHN P. McCARTY
CHAIRMAN

KENTUCKY INFRASTRUCTURE AUTHORITY
Finance and Administration Cabinet
702 Capitol Avenue
Suite 261, Capitol Annex
Frankfort, Kentucky 40601-3453
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GORDON L. MULLIS, JR.
EXECUTIVE DIRECTOR

MARILYN EATON-THOMAS
SECRETARY/TREASURER

MEMORANDUM

TO: John P. McCarty, Secretary
Finance and Administration Cabinet

THRU: Gordon L. Mullis, Executive Director *GM*
Kentucky Infrastructure Authority

FROM: Marilyn Eaton-Thomas, Secretary/Treasurer *MT*
Kentucky Infrastructure Authority

DATE: December 3, 1996

SUBJECT: Martin County Water District - B293-02
First Supplemental Assistance Agreement

Attached for your signature is the First Supplemental Assistance Agreement for the Martin County Water District (the "District") in the amount of \$1,337,992. On May 5, 1993, the Authority approved a conditional funding commitment to the District for the construction of water lines and two storage tanks. A letter dated November 7, 1996, from the Authority approved the District's request to extend the term of the loan to thirty years from twenty years and increase the loan amount by \$87,000 to \$1,337,992.

Please call 2090 with any questions. Thank you.

Attachments

C:WP\KIA\ART\JM-12-3.MAR

DEC 1996
FINANCE
OFFICE OF
THE SECRETARY

art

Peck, Shaffer & Williams, L.L.P.
Attorneys at Law
118 West 5th
Covington, Kentucky 41011

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

OF COUNSEL
JUDSON J. ALLGOOD
SHIRLEY L. MAYS

HIRAM D. PECK (1844-1914)
FRANK HOLMES SHAFFER (1857-1936)
JOHN WELD PECK (1874-1937)
FLOYD C. WILLIAMS (1884-1963)
JOHN W. FISCHER (1912-1984)
FRANK H. SHAFFER, JR. (1898-1985)
JOHN M. ANDERSON (1938-1993)

ALL ATTORNEYS ADMITTED IN OHIO UNLESS NOTED

CINCINNATI OFFICE
SUITE 2200
425 WALNUT STREET
CINCINNATI, OHIO 45202
(513) 621-3394

COLUMBUS OFFICE
SUITE 800
88 EAST BROAD STREET
COLUMBUS, OHIO 43215
(614) 224-5205

PITTSBURGH OFFICE
TWO GATEWAY CENTER
17 NORTH
PITTSBURGH, PENNSYLVANIA 15222
(412) 471-7000

FAX (606) 431-0673
(606) 431-7000
1-800-927-2663

November 27, 1996

Art Francis
Kentucky Infrastructure Authority
702 Capitol Avenue,
Room 261, Capitol Annex
Frankfort, Kentucky 40601-3453

RE: First Supplemental Assistance Agreement by and between Kentucky
Infrastructure Authority and Martin County Water District.

Dear Art:

Enclosed please find executed documents in connection with the above captioned issue. Please have the appropriate parties execute the agreement and return all documents to us for inclusion in the transcript.

Thank you for your assistance in this matter. If you should have any questions, please do not hesitate to call.

Very truly yours,

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

Stacey S. Sanning
Stacey S. Sanning,
Paralegal

SSS/sss
encls.

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

Martin County Water District

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

KENTUCKY
INFRASTRUCTURE
AUTHORITY
Telephone 606 298 3885
Fax 606 298 4913

NOVEMBER 12, 1997

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

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

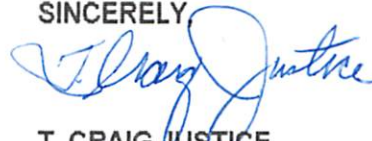
DEAR MARILYN:

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

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

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

SINCERELY



T. CRAIG JUSTICE
OPERATIONS MANAGER

CERTIFICATE OF COMPLETION

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

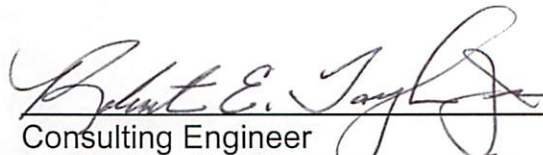
1. The project construction has been completed and I certify that payment has been made for all labor, services, materials, supplies, machinery and equipment included in the above referenced loan agreement.
2. All other facilities necessary in connection with the project have been acquired, constructed,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



Authorized Representative for Project



Date



Consulting Engineer
PDR ENGINEERS, INC.



Date

FUND B2

EXHIBIT F

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

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

Principal And Interest Payable On Each June 1 And December 1

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

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

KENTUCKY INFRASTRUCTURE AUTHORITY

By: Maureen Eaton Thomas

Title: Secretary/Treasurer

Date: _____

MARTIN COUNTY WATER DISTRICT

By: D. Craig Justice

Title: OPERATIONS MANAGER

Date: 11-11-97

ATTEST:

By: _____

Title: _____

KENTUCKY INFRASTRUCTURE AUTHORITY
 1991E
 MARTIN COUNTY WATER DISTRICT #2
 LOAN #B293-02

3.00% Rate
 \$41,817.03 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
								\$1,250,991.79		
12/01/95	\$23,052.15	\$18,833.38	3.00%	\$41,885.53	\$1,250.99	\$0.00	\$43,136.52	\$1,227,939.64	\$4,313.65	\$4,313.65
06/01/96	\$23,397.94	\$18,419.09	3.00%	\$41,817.03	\$1,227.94	\$0.00	\$43,044.97	\$1,204,541.70	\$4,304.50	\$8,618.15
12/01/96	\$23,748.90	\$18,068.13	3.00%	\$41,817.03	\$1,204.54	\$0.00	\$43,021.57	\$1,180,792.80	\$4,302.16	\$12,920.31
06/01/97	\$24,105.14	\$17,711.89	3.00%	\$41,817.03	\$1,180.79	\$0.00	\$42,997.82	\$1,156,687.66	\$4,299.78	\$17,220.09
12/01/97	\$24,466.71	\$17,350.31	3.00%	\$41,817.03	\$1,156.69	\$0.00	\$42,973.72	\$1,132,220.95	\$4,297.37	\$21,517.46
06/01/98	\$24,833.72	\$16,983.31	3.00%	\$41,817.03	\$1,132.22	\$0.00	\$42,949.25	\$1,107,387.23	\$4,294.93	\$25,812.39
12/01/98	\$25,206.22	\$16,610.81	3.00%	\$41,817.03	\$1,107.39	\$0.00	\$42,924.42	\$1,082,181.01	\$4,292.44	\$30,104.83
06/01/99	\$25,584.31	\$16,232.72	3.00%	\$41,817.03	\$1,082.18	\$0.00	\$42,899.21	\$1,056,596.70	\$4,289.92	\$34,394.75
12/01/99	\$25,968.08	\$15,848.95	3.00%	\$41,817.03	\$1,058.60	\$0.00	\$42,873.63	\$1,030,628.62	\$4,287.36	\$38,682.11
06/01/00	\$26,357.60	\$15,459.43	3.00%	\$41,817.03	\$1,030.63	\$0.00	\$42,847.66	\$1,004,271.02	\$4,284.77	\$42,966.88
12/01/00	\$26,752.96	\$15,064.07	3.00%	\$41,817.03	\$1,004.27	\$0.00	\$42,821.30	\$977,518.05	\$4,282.13	\$47,249.01
06/01/01	\$27,154.26	\$14,662.77	3.00%	\$41,817.03	\$977.52	\$0.00	\$42,794.55	\$950,363.79	\$4,279.45	\$51,528.46
12/01/01	\$27,561.57	\$14,255.46	3.00%	\$41,817.03	\$950.36	\$0.00	\$42,767.39	\$922,802.22	\$4,276.74	\$55,805.20
06/01/02	\$27,975.00	\$13,842.03	3.00%	\$41,817.03	\$922.80	\$0.00	\$42,739.83	\$894,827.22	\$4,273.98	\$60,079.18
12/01/02	\$28,394.62	\$13,422.41	3.00%	\$41,817.03	\$894.83	\$0.00	\$42,711.86	\$866,432.60	\$2,470.41	\$62,549.59
06/01/03	\$28,820.54	\$12,996.49	3.00%	\$41,817.03	\$866.43	\$0.00	\$42,683.46	\$837,612.06		\$62,549.59
12/01/03	\$29,252.85	\$12,564.18	3.00%	\$41,817.03	\$837.61	\$0.00	\$42,654.64	\$808,359.21		\$62,549.59
06/01/04	\$29,691.64	\$12,125.39	3.00%	\$41,817.03	\$808.36	\$0.00	\$42,625.39	\$778,667.57		\$62,549.59
12/01/04	\$30,137.02	\$11,680.01	3.00%	\$41,817.03	\$778.67	\$0.00	\$42,595.70	\$748,530.55		\$62,549.59
06/01/05	\$30,589.07	\$11,227.96	3.00%	\$41,817.03	\$748.53	\$0.00	\$42,565.56	\$717,941.48		\$62,549.59
12/01/05	\$31,047.91	\$10,769.12	3.00%	\$41,817.03	\$717.94	\$0.00	\$42,534.97	\$686,893.58		\$62,549.59
06/01/06	\$31,513.63	\$10,303.40	3.00%	\$41,817.03	\$686.89	\$0.00	\$42,503.92	\$655,379.95		\$62,549.59
12/01/06	\$31,986.33	\$9,830.70	3.00%	\$41,817.03	\$655.38	\$0.00	\$42,472.41	\$623,393.62		\$62,549.59
06/01/07	\$32,466.13	\$9,350.90	3.00%	\$41,817.03	\$623.39	\$0.00	\$42,440.42	\$590,927.49		\$62,549.59
12/01/07	\$32,953.12	\$8,863.91	3.00%	\$41,817.03	\$590.93	\$0.00	\$42,407.96	\$557,974.38		\$62,549.59
06/01/08	\$33,447.41	\$8,369.62	3.00%	\$41,817.03	\$557.97	\$0.00	\$42,375.00	\$524,526.96		\$62,549.59
12/01/08	\$33,949.13	\$7,867.90	3.00%	\$41,817.03	\$524.53	\$0.00	\$42,341.56	\$490,577.84		\$62,549.59
06/01/09	\$34,458.36	\$7,358.67	3.00%	\$41,817.03	\$490.58	\$0.00	\$42,307.61	\$456,119.47		\$62,549.59
12/01/09	\$34,975.24	\$6,841.79	3.00%	\$41,817.03	\$456.12	\$0.00	\$42,273.15	\$421,144.24		\$62,549.59
06/01/10	\$35,499.87	\$6,317.16	3.00%	\$41,817.03	\$421.14	\$0.00	\$42,238.17	\$385,644.37		\$62,549.59
12/01/10	\$36,032.36	\$5,784.67	3.00%	\$41,817.03	\$385.64	\$0.00	\$42,202.67	\$349,612.01		\$62,549.59
06/01/11	\$36,572.85	\$5,244.18	3.00%	\$41,817.03	\$349.61	\$0.00	\$42,166.64	\$313,039.16		\$62,549.59
12/01/11	\$37,121.44	\$4,695.59	3.00%	\$41,817.03	\$313.04	\$0.00	\$42,130.07	\$275,917.71		\$62,549.59
06/01/12	\$37,678.26	\$4,138.77	3.00%	\$41,817.03	\$275.92	\$0.00	\$42,092.95	\$238,239.45		\$62,549.59
12/01/12	\$38,243.44	\$3,573.59	3.00%	\$41,817.03	\$238.24	\$0.00	\$42,055.27	\$199,996.01		\$62,549.59
06/01/13	\$38,817.09	\$2,999.94	3.00%	\$41,817.03	\$200.00	\$0.00	\$42,017.03	\$161,178.92		\$62,549.59
12/01/13	\$39,399.35	\$2,417.68	3.00%	\$41,817.03	\$161.18	\$0.00	\$41,978.21	\$121,779.58		\$62,549.59
06/01/14	\$39,990.34	\$1,826.69	3.00%	\$41,817.03	\$121.78	\$0.00	\$41,938.81	\$81,789.24		\$62,549.59
12/01/14	\$40,590.19	\$1,226.84	3.00%	\$41,817.03	\$81.79	\$0.00	\$41,898.82	\$41,199.05		\$62,549.59
06/01/15	\$41,199.04	\$617.99	3.00%	\$41,817.03	\$41.20	\$0.00	\$41,858.23	\$0.01		\$62,549.59
Totals	\$1,250,991.78	\$421,757.91		\$1,672,749.69	\$28,112.63	\$0.00	\$1,700,862.32		\$62,549.59	



BRERETON C. JONES
GOVERNOR

CRIT LUALLEN
CHAIRMAN

KENTUCKY INFRASTRUCTURE AUTHORITY

Finance and Administration Cabinet
702 Capitol Avenue
Suite 261, Capitol Annex
Frankfort, Kentucky 40601-3453
(502) 564-2090
Telefax (502) 564-7416

GORDON L. MULLIS, JR.
EXECUTIVE DIRECTOR

MARILYN EATON-THOMAS
SECRETARY/TREASURER

May 11, 1995

Mr. Rush Robinson, Chairman
Martin County Water District #2
Post Office Box 308
Warfield, Kentucky 41267

RE: Martin County Water District #2 Loan Agreement B293-02
Exhibit F; Completion Certificate

Dear Mr. Robinson:

This letter is regarding the loan agreement between the Martin County Water District #2 and the Kentucky Infrastructure Authority (the "Authority"). The enclosed Exhibit F verifies the amount to be repaid to the Authority and the dates on which the payments are due. Billing notices will be sent to your community three to four weeks prior to the due date. Please sign and return the Exhibit F as soon as possible. Please note that principal and interest payments do not begin until December 1, 1995.

Per the loan agreement with the Authority, Section 6.3 (Establishment of Completion Date) states upon completion of the facility described in the loan agreement as the "Project" a completion certificate shall be submitted to the Authority and signed by the engineer and an authorized representative of the governmental agency.

In addition to the Exhibit F, please submit to the Authority a signed copy of the completion certificate at your earliest convenience so that we can complete our files. Refer to Section 6.3 of the loan agreement for specific language.

If you have any questions please feel free to call on Art Francis at (502) 564-2090. Thank you.

Sincerely,

A handwritten signature in cursive script that reads "Marilyn Eaton-Thomas".

Marilyn Eaton-Thomas
Secretary/Treasurer
Kentucky Infrastructure Authority

Enclosures

c: Glenn Oldham, Department of Local Government
Libby Ratcliff, Big Sandy Area Development District
Mark Fisher, Proctor, Davis, Ray

C:\WP\KIA\ART\RR-5-11.EXF



BRERETON C. JONES
GOVERNOR

CRIT LUALLEN
CHAIRMAN

KENTUCKY INFRASTRUCTURE AUTHORITY

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GORDON L. MULLIS, JR.
EXECUTIVE DIRECTOR

MARILYN EATON-THOMAS
SECRETARY/TREASURER

October 16, 1995

Mr. Rush Robinson, Chairman
Martin County Water District #2
Post Office Box 308
Warfield, Kentucky 41267

RE: Martin County Water District #2
Loan Agreement B293-02
Exhibit F; Completion Certificate

Dear Mr. Robinson:

Enclosed please find photocopies of the amortization schedule ("Exhibit F") and Completion Certificate for the above referenced loan. These documents were mailed from this office on May 11, 1995, and have yet to be returned. The Completion Certificate needs to be signed by the consulting engineer and you. The Exhibit F only needs to be signed by you. It is very important that you sign the Exhibit F as quickly as possible because the loan will start amortizing on December 1, 1995.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Arthur W. Francis".

Arthur W. Francis
Financial Analyst

c: Glenn Oldham, Department of Local Government
Libby Ratcliff, Big Sandy Area Development District
Mark Fisher, Proctor, Davis, Ray

C:\WP\KIA\ARTRR-10-16.MAR