
ASSISTANCE AGREEMENT
BETWEEN
KENTUCKY RURAL WATER FINANCE CORPORATION
AND
BRACKEN COUNTY WATER DISTRICT
DATED
DECEMBER 8, 2021
IN THE AMOUNT OF \$301,000

This document was prepared by:

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By

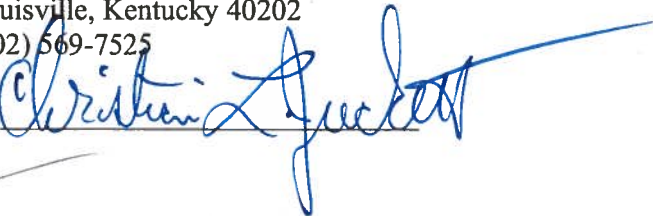
A handwritten signature in blue ink, appearing to read "Christian Zuckert", is written over a horizontal line. The signature is fluid and cursive.

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ASSISTANCE AGREEMENT

This Assistance Agreement made and entered into as of December 8, 2021 (the "Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, 1151 Old Porter Pike, Bowling Green, Kentucky 42103, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Bracken County Water District, 1324 Brooksville Germantown Road, Brooksville, Kentucky 41004 (the "Borrower"):

WITNESSETH

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

WHEREAS, the Borrower, presently owns and operates a waterworks system (the "System"); and

WHEREAS, the Borrower has determined that it is necessary and desirable and in the public interest to finance improvements and extensions to the System (hereinafter more specifically defined as the "Project"), and the Issuer has determined that the Project is a project within the meaning of the Act and the Indenture, thereby qualifying for financial assistance from the Issuer; and

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

WHEREAS, pursuant to this Assistance Agreement the Borrower will proceed with the Project; and

WHEREAS, it is deemed necessary and advisable for the best interests of the Borrower that it enter into this Assistance Agreement with the Issuer to borrow funds (the "Loan") in the amount of \$301,000, to provide funds for the Project; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Borrower is authorized to enter into this Assistance Agreement and agree to the Loan to provide such funds for the purpose aforesaid; and

WHEREAS, the Issuer is willing to cooperate with the Borrower in making the Loan available pursuant to the Act and the Indenture to be applied to the Project upon the conditions hereinafter enumerated and the covenants by the Borrower herein contained; and

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

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

Section 1. Definitions.

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

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

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

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

“*Borrower*” refers to the Bracken County Water District of Bracken County, 1324 Brooksville Germantown Road, Brooksville, Kentucky 41004.

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

“*Chairman*” refers to the Chairman of the Governing Body of the Borrower.

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

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

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

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

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

“*Indenture*” means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, by and between the Issuer and the Trustee.

“*Interest Rate*” refers to a fixed interest rate applicable to the Loan of specified in **Exhibit A** hereof per annum. The interest on the Loan shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

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

“*Loan*” refers to the loan authorized by this Assistance Agreement from the Issuer to the Borrower, in the principal amount of \$301,000, maturing February 1, 2023, to defray the cost of the Project.

“*Loan Payment Date*” shall mean each February 1 and August 1, commencing August 1, 2022 and continuing through and including February 1, 2023 or until the Loan has been paid in full.

“*Permanent Financing*” shall mean proceeds of temporary or permanent financing or other borrowing secured by revenues of the Borrower of whatever nature or from any other legally available funds of the Borrower, including, but not limited to long term financing issued under the Program or bonds issued by the Borrower and delivered to a purchaser for the purpose of financing the cost of the Project.

“*Permitted Investments*” refers to the following:

(a) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including but not limited to national or state banks chartered in Kentucky;

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

1. United States Treasury;
2. Export-Import Bank of the United States;

3. Farmers Home Administration;
4. Government National Mortgage Corporation; and
5. Merchant Marine bonds;

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

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

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

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

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

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

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

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

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

1. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
2. The management company of the investment company shall have been in operation

- for at least five (5) years; and
3. All of the securities in the mutual fund shall be eligible investments pursuant to this section;

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

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

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

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

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

"Program Administrator" refers to the Kentucky Rural Water Association, Inc., 1151 Old Porter Pike, Bowling Green, Kentucky 42103.

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

"Project" refers to financing the cost of extensions, additions and improvements, and appurtenances for the Borrower's System.

"Secretary" refers to the Secretary of the Borrower.

"System" refers to the Borrower's waterworks system, together with all future extensions, additions and improvements to said System.

"Treasurer" refers to the Treasurer of the Borrower.

"Trustee" refers to Regions Bank, Nashville, Tennessee.

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

Section 2. Reaffirmation of Declaration of Waterworks System.

That all proceedings heretofore taken for the establishment of and the supplying of water service in and to said Borrower as a waterworks system are hereby in all respects ratified and confirmed; and so long as the Loan herein authorized or permitted to be issued remains outstanding, said System shall be owned, controlled, operated and maintained for the security and source of payment of the Loan. Said System is hereby declared to constitute a public project within the meaning and application of Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes.

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

That pursuant to the Constitution and laws of Kentucky, and particularly Sections 58.010 to 58.140, inclusive, of the Kentucky Revised Statutes, the Borrower hereby authorizes the borrowing of \$301,000 from the Program, to provide funds for the Project.

The Loan will bear interest from the dated date hereof at the Interest Rate and will accrue interest on the unpaid balance of the Loan. The Governmental Agency promises to pay principal of and interest on the Loan on each Loan Payment Date, as set forth in **Exhibit A** attached hereto, or upon earlier prepayment as provided herein. The Loan is evidenced by the execution of this Assistance Agreement by the Governmental Agency and delivery and assignment by the Issuer thereof to the Trustee.

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

Pursuant to the ACH Debit Direct Payment Method, there shall be transferred to the Trustee on or before each Loan Payment Date, the amounts set forth on Exhibit A attached hereto.

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Loan and any other payments due under this Assistance Agreement on behalf of the Borrower (the “Reserve Withdrawal”), the Borrower shall pay to the Trustee, each amount set forth on Exhibit A attached hereto, pursuant to the ACH Debit Direct Payment Method an amount equal to at least 1/12 of the Reserve Withdrawal, plus accrued interest thereon at the rate equal to the highest rate

of interest paid by the investments making up the Program Reserve Fund until such Reserve Withdrawal has been replenished.

Section 4. Redemption.

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

(b) *Notice of Redemption.* The Borrower shall give the Issuer and the Trustee notice of any redemption by sending at least one such notice by electronic mail or first class United States mail not less than 30 days prior to the date fixed for redemption.

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

Section 5. Loan Shall be Payable Out of Gross Revenues.

The Loan shall be secured by and payable from the gross revenues of the System.

Section 6. Permanent Financing.

The Borrower does hereby covenant that if for any reason the anticipated funding for the payment of the principal and interest on the Loan fails to be provided on or before the Maturity Date, the Borrower shall take all such action required to retire the Loan with cash reserves of the Borrower or obtain Permanent Financing and shall retire the Loan on or before the Maturity Date from the proceeds of Permanent Financing.

Section 7. Pledge and Assignment of the Borrower; Further Assurance; Completion of Project.

The Borrower does hereby irrevocably assign and pledge to the Issuer and its successors or assigns, for the benefit of the owners of all bonds issued under the Indenture, all right, title and interest of the Borrower in and to the proceeds of the Permanent Financing and all monies to be received from the purchaser of bonds issued pursuant to the Permanent Financing for the Project. The Borrower acknowledges and agrees that the Issuer, pursuant to the Indenture, has assigned and pledged to the Trustee for the benefit and security of the owners of the bonds issued under the Indenture all of its rights under the provisions of this Assistance Agreement. Accordingly, this Assistance Agreement shall not be terminated, modified or changed by the Issuer or the Borrower except with the consent of the Trustee in the manner and subject to the conditions permitted by the terms and provisions of the Indenture.

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.

The Borrower hereby covenants and agrees to proceed expeditiously with and promptly complete the Project so that the Permanent Financing can be delivered on or prior to the Maturity Date.

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

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

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

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

(b) *Governmental Agency Account.* It is hereby acknowledged that a fund entitled "Bracken County Water District Governmental Agency Account" (the "Governmental Agency Account") has been created and maintained by the Trustee pursuant to the Indenture; and the amount on deposit in said Governmental Agency Account, shall be applied to the extent necessary, to pay the costs of the Project.

Pending disbursement for the costs of the Project, the proceeds of the Loan shall be subject to a first and paramount lien and charge in favor of the Issuer, for the benefit of the owners of all bonds issued under the Indenture, and for their further security.

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

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

Payment from the Governmental Agency Account for costs in connection with the Project shall be made only upon a Requisition Certificate (a copy of which is attached hereto as **Exhibit**

B) delivered to the Trustee that has been approved by the Engineers having charge of supervising the Project, and countersigned by the Chairman or the Office Manager of the Borrower, said Engineers to certify in each instance that the Requisition Certificate represents a sum actually earned by and due to the proposed payee under a contract with said Borrower for work performed and/or materials furnished in connection with the Project, or represents a sum necessary to be expended for land and/or rights of way necessary to be acquired by the Borrower in connection with said Project.

No expenditure shall be made from the Governmental Agency Account except for proper and authorized expenses relating to the Project in accordance with the contracts, plans and specifications approved by the Borrower.

After completion of the Project, any balance then remaining on deposit in the Governmental Agency Account shall, subject to any and all applicable legal provisions and applicable arbitrage regulations necessary to assure the exemption of interest on the Loan from Federal income taxation, upon orders of the Governing Body, be transferred to the Borrower to be used for the capital needs of the System.

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

Section 9. Contractual Nature of Assistance Agreement.

The provisions of this Assistance Agreement shall constitute a contract between the Borrower and the Issuer; and after the issuance of the Loan, no change, variation or alteration of any kind in the provisions of this Assistance Agreement shall be made in any manner except as herein or therein provided until such time as the Loan has been paid or provided for in full, or as otherwise provided herein; provided that the Governing Body may enact legislation for any other purpose not inconsistent with the terms of this Assistance Agreement, and which shall not impair the security of the Issuer and/or for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any ordinance or other proceedings pertaining hereto.

Section 10. Appointment and Duties of Trustee.

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

Its duties as Trustee shall be as follows:

- (a) To register the Loan in the name of the Issuer;
- (b) To maintain adequate records relevant to the Loan;

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

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

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

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

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

Section 11. Provisions in Conflict Repealed.

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

Section 12. Insurance.

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

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

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

(b) *Liability Insurance on Facilities.* So long as the Loan is outstanding, the Borrower shall, procure and maintain, public liability insurance relating to the operation of the facilities of the System, with limits of not less than \$200,000 for one person and \$1,000,000 for more than one person involved in one accident, to protect the Borrower from claims for bodily injury and/or death; and not less than \$200,000 from claims for damage to property of others which may arise from the Borrower's operations of the System and any other facilities constituting a portion of the System.

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

Section 13. Changes in Use or User of System.

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

Section 14. Security Instruments.

In order to secure the payment of the principal and interest of the Loan, the Chairman and Secretary of the Borrower are hereby authorized and directed to execute and deliver good and sufficient lien instruments, where necessary, encumbering the properties and assets both real and personal constituting the System, as completed or as the same may be thereafter extended, including an assignment and pledge of revenues and such other instruments as may be prescribed by the Issuer.

Section 15. Event of Default; Remedies.

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

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

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

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

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

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

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

Section 16. Annual Reports.

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

The annual financial information and operating data, including audited financial statements, will be made available on or before 120 days after the end of each Fiscal Year.

Section 17. Supplemental Assistance Agreement.

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

(a) to cure any ambiguity or formal defect or omission in this Assistance Agreement;

(b) to subject to the lien and pledge of this Assistance Agreement additional revenues, properties, or collateral which may legally be subjected;

(c) to add to the conditions, limitations and restrictions on the issuance of bonds, other conditions, limitations and restrictions thereafter to be observed;

(d) to add to the covenants and agreements of the Borrower in this Assistance Agreement, other covenants and agreements thereafter to be incurred by the Borrower or to surrender any right or power herein reserved to or conferred upon the Borrower; and/or

(e) to modify the terms and conditions of this Assistance Agreement at the request of the Issuer in order to assist the Issuer in operating the Program or to maintain any rating the Issuer may have on its Program obligations.

Section 18. No Remedy Exclusive.

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

Section 19. Waivers.

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

Section 20. Agreement to Pay Attorneys' Fees and Expenses.

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

Section 21. Signatures of Officers.

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

Section 22. Severability Clause.

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

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By _____
President

Attest:

Secretary/Treasurer

BRACKEN COUNTY WATER DISTRICT

By  _____
Chairman

Attest:



Secretary

EXHIBIT A

Debt Service Schedule

\$301,000

Bracken County Water District
Potential Loan through the
Kentucky Rural Water Finance Corporation

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
11/15/2021	-	-	-	-	-
08/01/2022	-	-	2,525.72	2,525.72	-
12/31/2022	-	-	-	-	2,525.72
02/01/2023	301,000.00	1.180%	1,775.90	302,775.90	-
12/31/2023	-	-	-	-	302,775.90
Total	\$301,000.00	-	\$4,301.62	\$305,301.62	-

Yield Statistics

Bond Year Dollars	\$364.54
Average Life	1.211 Years
Average Coupon	1.1799988%
Net Interest Cost (NIC)	1.1799988%
True Interest Cost (TIC)	1.1791360%
Bond Yield for Arbitrage Purposes	1.1791360%
All Inclusive Cost (AIC)	1.4566723%

IRS Form 8038

Net Interest Cost	1.1799988%
Weighted Average Maturity	1.211 Years

**EXHIBIT B
REQUISITION CERTIFICATE**

Request No. _____

Dated _____

To: Regions Bank
Corporate Trust Department
150 Fourth Avenue North, Suite 900
Nashville, Tennessee 37219
Fax Number: 615-770-4350

From: Bracken County Water District ("Governmental Agency")
Contact Person: Ms. Diana Moran, Office Manager
1324 Brooksville Germantown Road, Brooksville, KY 41004

Re: Loan in the amount of \$301,000, dated December 8, 2021, to the Bracken County Water District from the Kentucky Rural Water Finance Corporation Public Projects (Flexible Term Program).

Ladies and Gentlemen:

1. That _____ (the "Payee") is due the sum of \$ _____, which represents an amount duly earned by and payable to said Payee, its successors or assigns, for labor, materials, work and/or services detailed in the attached Exhibits and furnished under an existing contract with the above identified Governmental Agency, relating to the "Project" (as described in the Assistance Agreement between the Governmental Agency and the Kentucky Rural Water Finance Corporation) financed by the issuance of the above-identified Loan, and that if such sum is for materials and/or supplies furnished, such materials and/or supplies have been received, and if for services, such services have been performed;

2. That the Payee has expended or is expending concurrently with the delivery of this Certificate, the amount set out above on account of the cost of the Project, and that no Requisition Certificate with respect to such expenditure has previously been delivered to Regions Bank, Nashville, Tennessee, as Trustee;

3. That the undersigned are presently the persons who have been duly designated to execute this Requisition Certificate in connection with such Project, and that the authority of the undersigned to do so has not been canceled, revoked, rescinded, changed or altered in any manner.

Respectfully submitted,

BRACKEN COUNTY WATER DISTRICT

By _____
Office Manager

**Certificate of Consulting Engineers as to
Payment Request**

The undersigned, a duly qualified and licensed Engineer hereby certifies that he or she represents the Governmental Agency submitting this request and that all expenses represented in this request were duly incurred for the construction of the "Project," and that such expenses have not been the subject of any request for disbursement previously submitted.

Engineer/Consultant

Firm Name _____

By _____

Title _____