



DOLLARS
\$208,000

UNITED STATES OF AMERICA — COMMONWEALTH OF KENTUCKY — COUNTIES OF MONROE, ALLEN AND BARREN

FOUNTAIN RUN WATER DISTRICT #1

WATERWORKS AND SEWER REVENUE BOND OF 1988

ANNUAL INTEREST RATE: 5%

BY THESE PRESENTS: That Fountain Run Water District #1 (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Monroe, Allen, and Barren Counties, Kentucky, hereby promises to pay to UNITED STATES OF AMERICA, FARMERS HOME ADMINISTRATION, the registered owner hereof, or to its registered assigns, solely from the special fund hereinafter identified, the sum of

TWO HUNDRED EIGHT THOUSAND DOLLARS (\$208,000),

January, in years and installments as follows:

| Principal | Year | Principal | Year | Principal |
|-----------|------|-----------|------|-----------|
| \$2,000 | 2004 | \$4,000 | 2017 | \$ 7,000 |
| 2,000 | 2005 | 4,000 | 2018 | 7,000 |
| 2,000 | 2006 | 4,000 | 2019 | 8,000 |
| 2,000 | 2007 | 4,000 | 2020 | 8,000 |
| 2,000 | 2008 | 4,000 | 2021 | 8,000 |
| 2,000 | 2009 | 5,000 | 2022 | 9,000 |
| 3,000 | 2010 | 5,000 | 2023 | 9,000 |
| 3,000 | 2011 | 5,000 | 2024 | 10,000 |
| 3,000 | 2012 | 5,000 | 2025 | 10,000 |
| 3,000 | 2013 | 6,000 | 2026 | 11,000 |
| 3,000 | 2014 | 6,000 | 2027 | 11,000 |
| 3,000 | 2015 | 6,000 | 2028 | 12,000 |
| 3,000 | 2016 | 7,000 | | |

a description of the nature and extent of the security thereby created, the rights and limitations of rights of the registered owner of this Bond, and the rights, obligations and duties of the District, for the purpose of financing the cost (not otherwise provided) of the construction of extensions, additions, and improvements to the existing combined and consolidated waterworks and sewer system of the District (said existing combined and consolidated waterworks and sewer system, together with said extensions, additions, and improvements, being hereinafter referred to as the "System").

This Bond is issued subject to the vested rights and priorities in favor of the owners of the outstanding Fountain Run Water District #1 Waterworks Revenue Bonds of 1970, dated October 8, 1970 (the "Bonds of 1970"), authorized by a Resolution adopted by the Commission of the District on July 15, 1970 (the "1970 Bond Resolution"); and the outstanding Fountain Run Water District #1 Waterworks and Sewer Revenue Bonds of 1985, dated April 18, 1985 (the "Bonds of 1985"), authorized by a Resolution adopted by the Commission of the District on April 9, 1985 (the "1985 Bond Resolution") hereinafter collectively referred to as the "Prior Bonds", and the 1970 Bond Resolution and the 1985 Bond Resolution shall be collectively referred to as the "Prior Bond Resolution". Accordingly, this Bond, together with any bonds ranking on a parity herewith, is payable from and secured on a second lien basis by a pledge of the gross revenues to be derived from the operation of the System, after providing for the requirements of the Prior Bonds.

FURTHER PROVISIONS OF THIS BOND ARE SET FORTH ON THE REVERSE HEREOF.

It is hereby certified, recited, and declared that all acts, conditions, and things required to exist, happen, and be performed, precedent to and in the issuance of this Bond, do exist, have happened and have been performed in due time, form, and manner as required by law, and that the face amount of this Bond, together with all other obligations of the District, does not exceed any limit prescribed by the Constitution or Statutes of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, said Fountain Run Water District #1, by its Board of Commissioners, has caused this Bond to be executed by its Chairman, its corporate seal to be hereunto affixed, and attested by its Secretary, on the date of this Bond, which is

FOUNTAIN RUN WATER DISTRICT #1
Monroe, Allen, and Barren Counties, Kentucky

Secretary

By _____
Chairman

REPORT

BOND SCHEDULE, 2/19/2009

| Name of Borrower: Fountain Run Water District | | | |
|---|--------|--|--------|
| Amount of Loan | 689000 | Annual Interest Rate | 0.0275 |
| Number of Initial Interest Only Payments | 2 | Number of principal and/or Interest Payments | 40 |
| Payment Frequency | Annual | This is a split payment bond. | false |
| Principal Payment Units | 1000 | Interest Payment Units | 1 |

| YEAR | PERIOD | NUMBER | PAYMENT | INTEREST | PRINCIPAL | BALANCE |
|---------------|--------|--------|----------------|---------------|---------------|---------|
| 2010 | 1 | 1 | 18948 | 18948 | 0 | 689000 |
| 2011 | 1 | 2 | 18948 | 18948 | 0 | 689000 |
| 2012 | 1 | 3 | 29948 | 18948 | 11000 | 678000 |
| 2013 | 1 | 4 | 29645 | 18645 | 11000 | 667000 |
| 2014 | 1 | 5 | 29343 | 18343 | 11000 | 656000 |
| 2015 | 1 | 6 | 29040 | 18040 | 11000 | 645000 |
| 2016 | 1 | 7 | 29738 | 17738 | 12000 | 633000 |
| 2017 | 1 | 8 | 29408 | 17408 | 12000 | 621000 |
| 2018 | 1 | 9 | 29078 | 17078 | 12000 | 609000 |
| 2019 | 1 | 10 | 29748 | 16748 | 13000 | 596000 |
| 2020 | 1 | 11 | 29390 | 16390 | 13000 | 583000 |
| 2021 | 1 | 12 | 29033 | 16033 | 13000 | 570000 |
| 2022 | 1 | 13 | 29675 | 15675 | 14000 | 556000 |
| 2023 | 1 | 14 | 29290 | 15290 | 14000 | 542000 |
| 2024 | 1 | 15 | 29905 | 14905 | 15000 | 527000 |
| 2025 | 1 | 16 | 29493 | 14493 | 15000 | 512000 |
| 2026 | 1 | 17 | 29080 | 14080 | 15000 | 497000 |
| 2027 | 1 | 18 | 29668 | 13668 | 16000 | 481000 |
| 2028 | 1 | 19 | 29228 | 13228 | 16000 | 465000 |
| 2029 | 1 | 20 | 29788 | 12788 | 17000 | 448000 |
| 2030 | 1 | 21 | 29320 | 12320 | 17000 | 431000 |
| 2031 | 1 | 22 | 29853 | 11853 | 18000 | 413000 |
| 2032 | 1 | 23 | 29358 | 11358 | 18000 | 395000 |
| 2033 | 1 | 24 | 29863 | 10863 | 19000 | 376000 |
| 2034 | 1 | 25 | 29340 | 10340 | 19000 | 357000 |
| 2035 | 1 | 26 | 29818 | 9818 | 20000 | 337000 |
| 2036 | 1 | 27 | 29268 | 9268 | 20000 | 317000 |
| 2037 | 1 | 28 | 29718 | 8718 | 21000 | 296000 |
| 2038 | 1 | 29 | 29140 | 8140 | 21000 | 275000 |
| 2039 | 1 | 30 | 29563 | 7563 | 22000 | 253000 |
| 2040 | 1 | 31 | 28958 | 6958 | 22000 | 231000 |
| 2041 | 1 | 32 | 29353 | 6353 | 23000 | 208000 |
| 2042 | 1 | 33 | 29720 | 5720 | 24000 | 184000 |
| 2043 | 1 | 34 | 29060 | 5060 | 24000 | 160000 |
| 2044 | 1 | 35 | 29400 | 4400 | 25000 | 135000 |
| 2045 | 1 | 36 | 29713 | 3713 | 26000 | 109000 |
| 2046 | 1 | 37 | 28998 | 2998 | 26000 | 83000 |
| 2047 | 1 | 38 | 29283 | 2283 | 27000 | 56000 |
| 2048 | 1 | 39 | 29540 | 1540 | 28000 | 28000 |
| 2049 | 1 | 40 | 28770 | 770 | 28000 | 0 |
| TOTALS | | | 1156430 | 467430 | 689000 | |

**UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
FOUNTAIN RUN WATER DISTRICT #1
WATERWORKS REVENUE BONDS, SERIES 2009**

No. R-1

Interest Rate: 2.50 %

\$689,000

KNOW ALL PERSONS BY THESE PRESENTS:

That the Fountain Run Water District #1 (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Monroe, Allen and Barren Counties, Kentucky, for value received, hereby promises to pay to

**UNITED STATES OF AMERICA
acting by and through the
U.S. DEPARTMENT OF AGRICULTURE
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477**

the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

SIX HUNDRED EIGHTY-NINE THOUSAND DOLLARS (\$689,000),

on the first day of January, in years and installments as follows:

| <u>Year</u> | <u>Principal</u> | <u>Year</u> | <u>Principal</u> | <u>Year</u> | <u>Principal</u> |
|-------------|------------------|-------------|------------------|-------------|------------------|
| 2011 | \$11,000 | 2024 | \$15,000 | 2037 | \$21,000 |
| 2012 | 11,000 | 2025 | 15,000 | 2038 | 22,000 |
| 2013 | 11,000 | 2026 | 16,000 | 2039 | 22,000 |
| 2014 | 11,000 | 2027 | 16,000 | 2040 | 23,000 |
| 2015 | 12,000 | 2028 | 17,000 | 2041 | 24,000 |
| 2016 | 12,000 | 2029 | 17,000 | 2042 | 24,000 |
| 2017 | 12,000 | 2030 | 18,000 | 2043 | 25,000 |
| 2018 | 13,000 | 2031 | 18,000 | 2044 | 26,000 |
| 2019 | 13,000 | 2032 | 19,000 | 2045 | 26,000 |
| 2020 | 13,000 | 2033 | 19,000 | 2046 | 27,000 |
| 2021 | 14,000 | 2034 | 20,000 | 2047 | 28,000 |
| 2022 | 14,000 | 2035 | 20,000 | 2048 | 28,000 |
| 2023 | 15,000 | 2036 | 21,000 | | |

**UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
FOUNTAIN RUN WATER DISTRICT No. 1
WATERWORKS AND SEWER REVENUE BONDS, SERIES 2016**

No. R-1

Interest Rate: 1.625%

\$133,000

KNOW ALL PERSONS BY THESE PRESENTS:

That the Fountain Run Water District No. 1 (the "District"), acting by and through its Board of Commissioners (the "Commission"), a public body corporate in Monroe, Allen and Barren Counties, Kentucky, for value received, hereby promises to pay to

UNITED STATES OF AMERICA
acting by and through the
S. DEPARTMENT OF AGRICULTURE
771 Corporate Drive, Suite 200
Lexington, Kentucky 40503-5477

the registered owner hereof, or to its registered assigns, solely from the fund hereinafter identified, the sum of

ONE HUNDRED THIRTY-THREE THOUSAND DOLLARS (\$133,000),

on the first day of January, in years and installments as follows:

| <u>Year</u> | <u>Principal</u> | <u>Year</u> | <u>Principal</u> | <u>Year</u> | <u>Principal</u> |
|-------------|------------------|-------------|------------------|-------------|------------------|
| 2017 | \$ 2,000 | 2031 | \$3,000 | 2045 | \$4,000 |
| 2018 | 2,000 | 2032 | 3,000 | 2046 | 4,000 |
| 2019 | 2,000 | 2033 | 3,000 | 2047 | 4,000 |
| 2020 | 2,500 | 2034 | 3,000 | 2048 | 4,000 |
| 2021 | 2,500 | 2035 | 3,000 | 2049 | 4,000 |
| 2022 | 2,500 | 2036 | 3,000 | 2050 | 4,500 |
| 2023 | 2,500 | 2037 | 3,500 | 2051 | 4,500 |
| 2024 | 2,500 | 2038 | 3,500 | 2052 | 4,500 |
| 2025 | 2,500 | 2039 | 3,500 | 2053 | 4,500 |
| 2026 | 2,500 | 2040 | 3,500 | 2054 | 4,500 |
| 2027 | 2,500 | 2041 | 3,500 | 2055 | 5,000 |
| 2028 | 2,500 | 2042 | 3,500 | 2056 | 4,500 |
| 2029 | 3,000 | 2043 | 3,500 | | |
| 2030 | 3,000 | 2044 | 4,000 | | |