

# Rubin & Hays

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CHARLES S. MUSSON  
W. RANDALL JONES  
CHRISTIAN L. JUCKETT

July 18, 2013

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JUL 19 2013

PUBLIC SERVICE  
COMMISSION

Mr. Jeff Derouen  
Executive Director  
Public Service Commission  
211 Sower Boulevard  
Frankfort, Kentucky 40601

Re: Kentucky Rural Water Finance Corporation - Public Service Commission Joint  
Application for approval of the issuance of securities on behalf of various water  
districts - **Case No. 2013-00042**

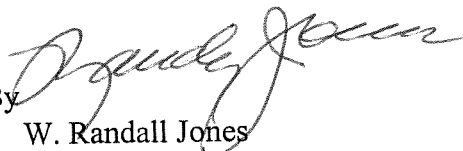
Dear Mr. Derouen:

Pursuant to the Order dated March 27, 2013 in the above Case, enclosed please find (i) final amortization schedules; (ii) final debt comparison schedules; and (iii) executed First Amendment and Supplement to Assistance Agreements for Allen County Water District, Big Sandy Water District, Crittenden-Livingston County Water District, East Clark County Water District, Green River Valley Water District, Muhlenberg County Water District, Pendleton County Water District, West McCracken County Water District and West Shelby Water District.

If you need any additional information or documentation, please let us know.

Sincerely,

Rubin & Hays

By   
W. Randall Jones

WRJ:jlm  
Enclosures

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COMMISSION

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of March 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Allen County Water District, 330 New Gallatin Road, Scottsville, Kentucky 42164 (the "Governmental Agency"):

**WITNESSETH**

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2013C (the "Series 2013C Bonds") in the aggregate principal amount of \$21,765,000, pursuant to a Supplemental Trust Indenture No. 52, dated as of March 27, 2013 by and between the Issuer and the Trustee, which Series 2013C Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on June 27, 2001, pursuant to which the Issuer provided the Governmental Agency with a loan dated June 27, 2001, in the original principal amount of \$401,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Multimodal Public Projects Revenue Bonds (Flexible Term Program), Series 2001 (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to make improvements and extensions to the Governmental Agency's waterworks system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations 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.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated June 27, 2001, authorizing the Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 52, dated March 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing May 1, 2013 and continuing through and including January 1, 2022 or until the Loan has been paid in full.

"*Loan*" refers to the loan in the amount of \$401,000, dated June 27, 2001, to the Governmental Agency from the Issuer, as amended herein.

"Obligations" refers to the Governmental Agency's obligations to make payments as required by the Assistance Agreements authorizing the Series 2001A Loan, as amended herein.

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

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

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

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

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH 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 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations shall not be subject to optional redemption prior to maturity.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$205,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on March 27, 2013	223,000.00
Plus accrued interest	3,026.75
Plus fee to bondholders for early call of the Loan	0.00
Plus net costs associated with amending the debt service on the Loan	(14,892.05)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	2,596.36
Credit for current balance in Governmental Agency's Sinking Fund	<u>(8,731.06)</u>
 <b>Revised principal amount of the Loan</b>	 <b>\$205,000.00</b>

*[Signature page follows]*

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By [Signature]  
Secretary/Treasurer

ALLEN COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

ALLEN COUNTY WATER DISTRICT

By Bobby G. Carter  
Chairman

Attest:

By [Signature]  
Secretary

**EXHIBIT A**

**Debt Service Schedule**



**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower: Allen County Water District  
Closing Date: 03/27/13**

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
5/13-7/13	2,222.22	902.59	3,124.81
8/13-1/14	2,222.22	667.92	2,890.14
2/14-8/14	1,666.67	629.58	2,296.25
8/14-1/15	1,666.67	629.58	2,296.25
2/15-7/15	1,666.67	574.58	2,241.25
8/15-1/16	1,666.67	574.58	2,241.25
2/16-7/16	1,666.67	519.58	2,186.25
8/16-1/17	1,666.67	519.58	2,186.25
2/17-7/17	2,083.33	447.92	2,531.25
8/17-1/18	2,083.33	447.92	2,531.25
2/18-7/18	2,083.33	358.33	2,441.67
8/18-1/19	2,083.33	358.33	2,441.67
2/19-7/19	2,083.33	268.75	2,352.08
8/19-1-20	2,083.33	268.75	2,352.08
2/20-7/20	2,083.33	179.17	2,262.50
8/20-1/21	2,083.33	179.17	2,262.50
2/21-7/21	2,083.33	89.58	2,172.92
8/21-1/22	2,083.33	89.58	2,172.92
2/22-7/22	-	-	-
	<u>205,000.00</u>	<u>43,578.22</u>	<u>248,578.22</u>

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PUBLIC SERVICE  
COMMISSION

Final

**\$205,000**

Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program  
Allen Co Water District

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	2,760.72	2,760.72	6,053.50	3,292.78
12/31/2014	27,785.00	27,785.00	31,554.50	3,769.50
12/31/2015	27,225.00	27,225.00	31,421.88	4,196.88
12/31/2016	26,565.00	26,565.00	31,234.01	4,669.01
12/31/2017	25,805.00	25,805.00	31,963.26	6,158.26
12/31/2018	29,837.50	29,837.50	31,609.63	1,772.13
12/31/2019	28,762.50	28,762.50	31,200.75	2,438.25
12/31/2020	27,687.50	27,687.50	31,709.00	4,021.50
12/31/2021	26,612.50	26,612.50	32,163.00	5,550.50
12/31/2022	25,537.50	25,537.50	27,695.25	2,157.75
<b>Total</b>	<b>\$248,578.22</b>	<b>\$248,578.22</b>	<b>\$286,604.78</b>	<b>\$38,026.56</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	38,026.56
Gross PV Debt Service Savings	34,079.31
Net PV Cashflow Savings @ 3.039%(Bond Yield)	34,079.31
Transfers from Prior Issue Debt Service Fund	(5,351.16)
Contingency or Rounding Amount	2,596.36
Net Present Value Benefit	\$31,324.51
Net PV Benefit / \$223,000 Refunded Principal	14.047%
Net Future Value Benefit	\$35,271.76
Net PV Benefit / \$205,000 Refunding Principal	15.280%
Average Annual Cash Flow Savings	4,225.17

### Refunding Bond Information

Refunding Dated Date	3/27/2013
Refunding Delivery Date	3/27/2013

Final

**\$205,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Allen Co Water District

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2013	-	-	-	-	-
08/01/2013	-	-	2,760.72	2,760.72	-
12/31/2013	-	-	-	-	2,760.72
02/01/2014	20,000.00	2.300%	4,007.50	24,007.50	-
08/01/2014	-	-	3,777.50	3,777.50	-
12/31/2014	-	-	-	-	27,785.00
02/01/2015	20,000.00	3.300%	3,777.50	23,777.50	-
08/01/2015	-	-	3,447.50	3,447.50	-
12/31/2015	-	-	-	-	27,225.00
02/01/2016	20,000.00	3.300%	3,447.50	23,447.50	-
08/01/2016	-	-	3,117.50	3,117.50	-
12/31/2016	-	-	-	-	26,565.00
02/01/2017	20,000.00	4.300%	3,117.50	23,117.50	-
08/01/2017	-	-	2,687.50	2,687.50	-
12/31/2017	-	-	-	-	25,805.00
02/01/2018	25,000.00	4.300%	2,687.50	27,687.50	-
08/01/2018	-	-	2,150.00	2,150.00	-
12/31/2018	-	-	-	-	29,837.50
02/01/2019	25,000.00	4.300%	2,150.00	27,150.00	-
08/01/2019	-	-	1,612.50	1,612.50	-
12/31/2019	-	-	-	-	28,762.50
02/01/2020	25,000.00	4.300%	1,612.50	26,612.50	-
08/01/2020	-	-	1,075.00	1,075.00	-
12/31/2020	-	-	-	-	27,687.50
02/01/2021	25,000.00	4.300%	1,075.00	26,075.00	-
08/01/2021	-	-	537.50	537.50	-
12/31/2021	-	-	-	-	26,612.50
02/01/2022	25,000.00	4.300%	537.50	25,537.50	-
12/31/2022	-	-	-	-	25,537.50
<b>Total</b>	<b>\$205,000.00</b>	-	<b>\$43,578.22</b>	<b>\$248,578.22</b>	-

### Yield Statistics

Bond Year Dollars	\$1,043.11
Average Life	5.088 Years
Average Coupon	4.1777160%
Net Interest Cost (NIC)	2.2156000%
True Interest Cost (TIC)	2.0689441%
Bond Yield for Arbitrage Purposes	3.0391218%
All Inclusive Cost (AIC)	2.6130608%

### IRS Form 8038

Net Interest Cost	1.8265703%
Weighted Average Maturity	5.185 Years

**Raymond James**

JUL 19 2013

PUBLIC SERVICE  
COMMISSION**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of March 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Big Sandy Water District, 18200 State Route 3, Catlettsburg, Kentucky 41129 (the "Governmental Agency"):

**WITNESSETH**

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2013C (the "Series 2013C Bonds") in the aggregate principal amount of \$21,765,000, pursuant to a Supplemental Trust Indenture No. 52, dated as of March 27, 2013 by and between the Issuer and the Trustee, which Series 2013C Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into the following Assistance Agreements (collectively, the "Assistance Agreement") with the Issuer: (i) on June 27, 2001, pursuant to which the Issuer provided the Governmental Agency with a loan dated June 27, 2001, in the original principal amount of \$793,000, from the proceeds of the Kentucky Rural Water Finance Corporation Multimodal Public Projects Revenue Bonds (Flexible Term Program), Series 2001 (the "Series 2001A Loan") and (ii) on October 24, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated October 24, 2004, in the original principal amount of \$728,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2004D (the "Series 2004D Loan"); and

WHEREAS, the proceeds of the Series 2001A Loan were used to refund bonds secured by the District's waterworks system and to finance the cost of a 300,000 gallon water storage tank, and appurtenances for the Governmental Agency's waterworks system (the "System"); and

WHEREAS, the proceeds of the Series 2004D Loan were used to construct 30 miles of water lines in South Lawrence County along US 23, KY 581, McClure Road and Yellow Creek Road, with appurtenances for the benefit of the System; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Series 2001A Loan and the Series 2004D Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Series 2001A Loan and the Series 2004D Loan and the Obligations and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE SERIES 2001A LOAN AND THE SERIES 2004D 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.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated June 27, 2001, authorizing the Series 2001A Loan and the Assistance Agreement between the Issuer and the Governmental Agency, dated October 24, 2004, authorizing the Series 2004D Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 52, dated March 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing May 1, 2013 and continuing through and including January 1, 2029 or until the Loan has been paid in full.

"*Loan*" refers to the Series 2001A Loan and the Series 2004D Loan to the Governmental Agency from the Issuer, both as amended herein.

"*Obligations*" refers to the Governmental Agency's obligations to make payments as required by the Assistance Agreements authorizing the Series 2001A Loan and the Series 2004D Loan, as amended herein.

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

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

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

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

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH 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 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$910,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on March 27, 2013	999,000.00
Plus accrued interest	11,681.20
Plus fee to bondholders for early call of the Loan	5,200.00
Plus net costs associated with amending the debt service on the Loan	(58,427.70)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	1,241.73
Credit for current balance in Governmental Agency's Sinking Fund	<u>(48,695.23)</u>
<b>Revised principal amount of the Loan</b>	<b>\$910,000.00</b>

*[Signature page follows]*

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By [Signature]  
Secretary/Treasurer

BIG SANDY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary



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

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

BIG SANDY WATER DISTRICT

By Paul E. Hagan  
Chairman

Attest:

By Darin [Signature]  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower: Big Sandy Water District  
Closing Date: 03/27/13**

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
5/13-7/13	8,333.33	3,966.57	12,299.90
8/13-1/14	8,333.33	2,935.83	11,269.17
2/14-8/14	5,833.33	2,792.08	8,625.42
8/14-1/15	5,833.33	2,792.08	8,625.42
2/15-7/15	5,833.33	2,599.58	8,432.92
8/15-1/16	5,833.33	2,599.58	8,432.92
2/16-7/16	6,250.00	2,407.08	8,657.08
8/16-1/17	6,250.00	2,407.08	8,657.08
2/17-7/17	6,250.00	2,138.33	8,388.33
8/17-1/18	6,250.00	2,138.33	8,388.33
2/18-7/18	6,250.00	1,869.58	8,119.58
8/18-1/19	6,250.00	1,869.58	8,119.58
2/19-7/19	6,250.00	1,600.83	7,850.83
8/19-1-20	6,250.00	1,600.83	7,850.83
2/20-7/20	6,250.00	1,332.08	7,582.08
8/20-1/21	6,250.00	1,332.08	7,582.08
2/21-7/21	5,833.33	1,063.33	6,896.67
8/21-1/22	5,833.33	1,063.33	6,896.67
2/22-7/22	5,000.00	812.50	5,812.50
8/22-1/23	5,000.00	812.50	5,812.50
2/23-7/23	2,083.33	572.50	2,655.83
8/23-1/24	2,083.33	572.50	2,655.83
2/24-7/24	2,500.00	472.50	2,972.50
8/24-1/25	2,500.00	472.50	2,972.50
2/25-7/25	2,500.00	365.00	2,865.00
8/25-1/26	2,500.00	365.00	2,865.00
2/26-7/26	2,500.00	288.75	2,788.75
8/26-1/27	2,500.00	288.75	2,788.75
2/27-7/27	2,916.67	206.25	3,122.92
8/27-1/28	2,916.67	206.25	3,122.92
2/28-7/28	3,333.33	110.00	3,443.33
8/28-1/29	3,333.33	110.00	3,443.33
2/29-7/29	-	-	-
	<u>910,000.00</u>	<u>253,314.78</u>	<u>1,163,314.78</u>

Final

**\$910,000**

Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program  
Big Sandy Water District

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JUL 19 2013

PUBLIC SERVICE  
COMMISSION

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	12,134.78	12,134.78	24,425.00	12,290.22
12/31/2014	109,367.50	109,367.50	113,545.35	4,177.85
12/31/2015	102,350.00	102,350.00	113,167.23	10,817.23
12/31/2016	100,040.00	100,040.00	110,699.68	10,659.68
12/31/2017	102,272.50	102,272.50	112,073.40	9,800.90
12/31/2018	99,047.50	99,047.50	112,205.53	13,158.03
12/31/2019	95,822.50	95,822.50	106,254.31	10,431.81
12/31/2020	92,597.50	92,597.50	107,199.13	14,601.63
12/31/2021	89,372.50	89,372.50	104,085.38	14,712.88
12/31/2022	81,255.00	81,255.00	96,167.28	14,912.28
12/31/2023	68,310.00	68,310.00	81,609.75	13,299.75
12/31/2024	31,270.00	31,270.00	46,137.70	14,867.70
12/31/2025	35,025.00	35,025.00	47,451.40	12,426.40
12/31/2026	33,922.50	33,922.50	47,649.60	13,727.10
12/31/2027	32,970.00	32,970.00	47,755.40	14,785.40
12/31/2028	36,897.50	36,897.50	47,768.80	10,871.30
12/31/2029	40,660.00	40,660.00	53,551.20	12,891.20
<b>Total</b>	<b>\$1,163,314.78</b>	<b>\$1,163,314.78</b>	<b>\$1,371,746.14</b>	<b>\$208,431.36</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	208,431.36
Gross PV Debt Service Savings	160,706.19
Effects of changes in Expenses	4,396.13
Net PV Cashflow Savings @ 3.039%(Bond Yield)	165,102.32
Transfers from Prior Issue Debt Service Fund	(24,308.54)
Contingency or Rounding Amount	1,241.73
Net Present Value Benefit	\$185,364.55
Net PV Benefit / \$991,000 Refunded Principal	14.908%
Net Future Value Benefit	\$142,035.51
Net PV Benefit / \$910,000 Refunding Principal	16.234%
Average Annual Cash Flow Savings	13,026.96

### Refunding Bond Information

Refunding Dated Date	3/27/2013
Refunding Delivery Date	3/27/2013

**Raymond James**

Final

**\$910,000**

Kentucky Rural Water Finance Corporation  
 Flexible Term Finance Program  
 Big Sandy Water District

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2013	-	-	-	-	-
08/01/2013	-	-	12,134.78	12,134.78	-
12/31/2013	-	-	-	-	12,134.78
02/01/2014	75,000.00	2.300%	17,615.00	92,615.00	-
08/01/2014	-	-	16,752.50	16,752.50	-
12/31/2014	-	-	-	-	109,367.50
02/01/2015	70,000.00	3.300%	16,752.50	86,752.50	-
08/01/2015	-	-	15,597.50	15,597.50	-
12/31/2015	-	-	-	-	102,350.00
02/01/2016	70,000.00	3.300%	15,597.50	85,597.50	-
08/01/2016	-	-	14,442.50	14,442.50	-
12/31/2016	-	-	-	-	100,040.00
02/01/2017	75,000.00	4.300%	14,442.50	89,442.50	-
08/01/2017	-	-	12,830.00	12,830.00	-
12/31/2017	-	-	-	-	102,272.50
02/01/2018	75,000.00	4.300%	12,830.00	87,830.00	-
08/01/2018	-	-	11,217.50	11,217.50	-
12/31/2018	-	-	-	-	99,047.50
02/01/2019	75,000.00	4.300%	11,217.50	86,217.50	-
08/01/2019	-	-	9,605.00	9,605.00	-
12/31/2019	-	-	-	-	95,822.50
02/01/2020	75,000.00	4.300%	9,605.00	84,605.00	-
08/01/2020	-	-	7,992.50	7,992.50	-
12/31/2020	-	-	-	-	92,597.50
02/01/2021	75,000.00	4.300%	7,992.50	82,992.50	-
08/01/2021	-	-	6,380.00	6,380.00	-
12/31/2021	-	-	-	-	89,372.50
02/01/2022	70,000.00	4.300%	6,380.00	76,380.00	-
08/01/2022	-	-	4,875.00	4,875.00	-
12/31/2022	-	-	-	-	81,255.00
02/01/2023	60,000.00	4.800%	4,875.00	64,875.00	-
08/01/2023	-	-	3,435.00	3,435.00	-
12/31/2023	-	-	-	-	68,310.00
02/01/2024	25,000.00	4.800%	3,435.00	28,435.00	-
08/01/2024	-	-	2,835.00	2,835.00	-
12/31/2024	-	-	-	-	31,270.00
02/01/2025	30,000.00	4.300%	2,835.00	32,835.00	-
08/01/2025	-	-	2,190.00	2,190.00	-
12/31/2025	-	-	-	-	35,025.00
02/01/2026	30,000.00	3.050%	2,190.00	32,190.00	-
08/01/2026	-	-	1,732.50	1,732.50	-
12/31/2026	-	-	-	-	33,922.50
02/01/2027	30,000.00	3.300%	1,732.50	31,732.50	-
08/01/2027	-	-	1,237.50	1,237.50	-
12/31/2027	-	-	-	-	32,970.00
02/01/2028	35,000.00	3.300%	1,237.50	36,237.50	-
08/01/2028	-	-	660.00	660.00	-
12/31/2028	-	-	-	-	36,897.50
02/01/2029	40,000.00	3.300%	660.00	40,660.00	-
12/31/2029	-	-	-	-	40,660.00
<b>Total</b>	<b>\$910,000.00</b>	<b>-</b>	<b>\$253,314.78</b>	<b>\$1,163,314.78</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$6,373.44
Average Life	7.004 Years
Average Coupon	3.9745350%
Net Interest Cost (NIC)	2.7651779%
True Interest Cost (TIC)	2.6132833%
Bond Yield for Arbitrage Purposes	3.0391218%
All Inclusive Cost (AIC)	2.9313279%

**IRS Form 8038**

Net Interest Cost	2.4379223%
Weighted Average Maturity	6.977 Years

**Raymond James**

JUL 19 2013

PUBLIC SERVICE  
COMMISSION**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of March 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Crittenden-Livingston County Water District, 620 East Main Street, Salem, Kentucky 42078 (the "Governmental Agency"):

**WITNESSETH**

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2013C (the "Series 2013C Bonds") in the aggregate principal amount of \$21,765,000, pursuant to a Supplemental Trust Indenture No. 52, dated as of March 27, 2013 by and between the Issuer and the Trustee, which Series 2013C Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on October 19, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated October 19, 2004, in the original principal amount of \$4,998,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2004D (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to finance the extension of water lines and the addition of a water tank, and appurtenances, secured by the Governmental Agency's waterworks system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations 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.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

*"Assistance Agreement"* refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated October 19, 2004, authorizing the Loan.

*"First Amendment to Assistance Agreement"* refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

*"Indenture"* means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 52, dated March 27, 2013, by and between the Issuer and the Trustee.

*"Interest Payment Date"* shall mean the 1<sup>st</sup> day of each month, commencing May 1, 2013 and continuing through and including January 1, 2029 or until the Loan has been paid in full.

"Loan" refers to the loan in the amount of \$4,998,000, dated October 19, 2004, to the Governmental Agency from the Issuer, as amended herein.

"Obligations" refers to the Governmental Agency's obligations to make payments as required by the Assistance Agreements authorizing the Series 2004D Loan, as amended herein.

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

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

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

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

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH 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 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:



(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$3,690,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on March 27, 2013	3,873,000.00
Plus accrued interest	38,942.93
Plus fee to bondholders for early call of the Loan	38,730.00
Plus net costs associated with amending the debt service on the Loan	(195,291.35)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	4,897.97
Credit for current balance in Governmental Agency's Sinking Fund	<u>(70,279.55)</u>
<b>Revised principal amount of the Loan</b>	<b>\$3,690,000.00</b>

*[Signature page follows]*

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By [Signature]  
Secretary/Treasurer

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

CRITTENDEN-LIVINGSTON COUNTY WATER DISTRICT

By Randell O'Bryen  
Chairman

Attest:

By Bill R. Burt  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower:** Caveland Environmental Authority  
**Closing Date:** 03/27/13

	Monthly Principal	Monthly Interest	Total Monthly Sinking Fund Payments
5/13-7/13	10,555.56	5,551.30	16,106.85
8/13-1/14	10,555.56	4,107.29	14,662.85
2/14-8/14	7,083.33	3,925.21	11,008.54
8/14-1/15	7,083.33	3,925.21	11,008.54
2/15-7/15	7,500.00	3,691.46	11,191.46
8/15-1/16	7,500.00	3,691.46	11,191.46
2/16-7/16	7,500.00	3,443.96	10,943.96
8/16-1/17	7,500.00	3,443.96	10,943.96
2/17-7/17	8,333.33	3,121.46	11,454.79
8/17-1/18	8,333.33	3,121.46	11,454.79
2/18-7/18	5,833.33	2,763.13	8,596.46
8/18-1/19	5,833.33	2,763.13	8,596.46
2/19-7/19	5,416.67	2,512.29	7,928.96
8/19-1-20	5,416.67	2,512.29	7,928.96
2/20-7/20	5,833.33	2,279.38	8,112.71
8/20-1/21	5,833.33	2,279.38	8,112.71
2/21-7/21	8,333.33	2,028.54	10,361.88
8/21-1/22	8,333.33	2,028.54	10,361.88
2/22-7/22	8,750.00	1,670.21	10,420.21
8/22-1/23	8,750.00	1,670.21	10,420.21
2/23-7/23	9,166.67	1,250.21	10,416.88
8/23-1/24	9,166.67	1,250.21	10,416.88
2/24-7/24	9,166.67	810.21	9,976.88
8/24-1/25	9,166.67	810.21	9,976.88
2/25-7/25	9,583.33	416.04	9,999.38
8/25-1/26	9,583.33	416.04	9,999.38
2/26-7/26	3,750.00	123.75	3,873.75
8/26-1/27	3,750.00	123.75	3,873.75
2/27-7/27	-	-	-
	<u>1,250,000.00</u>	<u>378,050.56</u>	<u>1,628,050.56</u>

Final

**\$3,690,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Crittenden-Livingston Water District - Refunding of KRWFC 2004 D Bonds

RECEIVED

JUL 19 2013

PUBLIC SERVICE  
COMMISSION

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	48,620.92	48,620.92	85,170.05	36,549.13
12/31/2014	343,800.00	343,800.00	351,979.10	8,179.10
12/31/2015	318,390.00	318,390.00	347,295.30	28,905.30
12/31/2016	327,037.50	327,037.50	354,240.70	27,203.20
12/31/2017	314,545.00	314,545.00	347,835.90	33,290.90
12/31/2018	311,052.50	311,052.50	342,328.10	31,275.60
12/31/2019	287,775.00	287,775.00	320,046.90	32,271.90
12/31/2020	279,820.00	279,820.00	313,033.50	33,213.50
12/31/2021	286,542.50	286,542.50	318,580.48	32,037.98
12/31/2022	312,190.00	312,190.00	344,944.33	32,754.33
12/31/2023	311,257.50	311,257.50	346,784.40	35,526.90
12/31/2024	304,377.50	304,377.50	341,703.10	37,325.60
12/31/2025	312,572.50	312,572.50	346,067.40	33,494.90
12/31/2026	307,573.75	307,573.75	340,854.20	33,280.45
12/31/2027	308,677.50	308,677.50	343,086.60	34,409.10
12/31/2028	294,355.00	294,355.00	331,880.10	37,525.10
12/31/2029	299,867.50	299,867.50	339,096.10	39,228.60
<b>Total</b>	<b>\$4,968,454.67</b>	<b>\$4,968,454.67</b>	<b>\$5,514,926.26</b>	<b>\$546,471.59</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	546,471.59
Gross PV Debt Service Savings	428,422.16
Effects of changes in Expenses	5,652.16
Net PV Cashflow Savings @ 3.039%(Bond Yield)	434,074.32
Transfers from Prior Issue Debt Service Fund	(55,581.25)
Contingency or Rounding Amount	4,897.97
Net Present Value Benefit	\$383,391.04
Net PV Benefit / \$3,864,000 Refunded Principal	9.922%
Net Future Value Benefit	\$495,788.31
Net PV Benefit / \$3,690,000 Refunding Principal	10.390%
Average Annual Cash Flow Savings	34,154.47

### Refunding Bond Information

Refunding Dated Date	3/27/2013
Refunding Delivery Date	3/27/2013

**Raymond James**

Page 2

Final

**\$3,690,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Crittenden-Livingston Water District - Refunding of KRWFC 2004 D Bonds

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2013	-	-	-	-	-
08/01/2013	-	-	48,620.92	48,620.92	-
12/31/2013	-	-	-	-	48,620.92
02/01/2014	205,000.00	2.300%	70,578.75	275,578.75	-
08/01/2014	-	-	68,221.25	68,221.25	-
12/31/2014	-	-	-	-	343,800.00
02/01/2015	185,000.00	3.300%	68,221.25	253,221.25	-
08/01/2015	-	-	65,168.75	65,168.75	-
12/31/2015	-	-	-	-	318,390.00
02/01/2016	200,000.00	3.300%	65,168.75	265,168.75	-
08/01/2016	-	-	61,868.75	61,868.75	-
12/31/2016	-	-	-	-	327,037.50
02/01/2017	195,000.00	4.300%	61,868.75	256,868.75	-
08/01/2017	-	-	57,676.25	57,676.25	-
12/31/2017	-	-	-	-	314,545.00
02/01/2018	200,000.00	4.300%	57,676.25	257,676.25	-
08/01/2018	-	-	53,376.25	53,376.25	-
12/31/2018	-	-	-	-	311,052.50
02/01/2019	185,000.00	4.300%	53,376.25	238,376.25	-
08/01/2019	-	-	49,398.75	49,398.75	-
12/31/2019	-	-	-	-	287,775.00
02/01/2020	185,000.00	4.300%	49,398.75	234,398.75	-
08/01/2020	-	-	45,421.25	45,421.25	-
12/31/2020	-	-	-	-	279,820.00
02/01/2021	200,000.00	4.300%	45,421.25	245,421.25	-
08/01/2021	-	-	41,121.25	41,121.25	-
12/31/2021	-	-	-	-	286,542.50
02/01/2022	235,000.00	4.300%	41,121.25	276,121.25	-
08/01/2022	-	-	36,068.75	36,068.75	-
12/31/2022	-	-	-	-	312,190.00
02/01/2023	245,000.00	4.800%	36,068.75	281,068.75	-
08/01/2023	-	-	30,188.75	30,188.75	-
12/31/2023	-	-	-	-	311,257.50
02/01/2024	250,000.00	4.800%	30,188.75	280,188.75	-
08/01/2024	-	-	24,188.75	24,188.75	-
12/31/2024	-	-	-	-	304,377.50
02/01/2025	270,000.00	4.300%	24,188.75	294,188.75	-
08/01/2025	-	-	18,383.75	18,383.75	-
12/31/2025	-	-	-	-	312,572.50
02/01/2026	275,000.00	3.050%	18,383.75	293,383.75	-
08/01/2026	-	-	14,190.00	14,190.00	-
12/31/2026	-	-	-	-	307,573.75
02/01/2027	285,000.00	3.300%	14,190.00	299,190.00	-
08/01/2027	-	-	9,487.50	9,487.50	-
12/31/2027	-	-	-	-	308,677.50
02/01/2028	280,000.00	3.300%	9,487.50	289,487.50	-
08/01/2028	-	-	4,867.50	4,867.50	-
12/31/2028	-	-	-	-	294,355.00
02/01/2029	295,000.00	3.300%	4,867.50	299,867.50	-
12/31/2029	-	-	-	-	299,867.50
<b>Total</b>	<b>\$3,690,000.00</b>	<b>-</b>	<b>\$1,278,454.67</b>	<b>\$4,968,454.67</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$33,426.00
Average Life	9.059 Years
Average Coupon	3.8247313%
Net Interest Cost (NIC)	3.0644209%
True Interest Cost (TIC)	2.9425132%
Bond Yield for Arbitrage Purposes	3.0391218%
All Inclusive Cost (AIC)	3.1442312%

**IRS Form 8038**

Net Interest Cost	2.8010510%
Weighted Average Maturity	8.945 Years

**Raymond James**

Final

**\$2,090,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Crittenden-Livingston Water District - Refunding of RD 2000 B and 2000 C Bonds

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## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	27,400.99	27,400.99	97,165.00	69,764.01
12/31/2014	99,321.26	99,321.26	128,165.00	28,843.74
12/31/2015	118,431.26	118,431.26	137,717.50	19,286.24
12/31/2016	126,946.26	126,946.26	137,752.50	10,806.24
12/31/2017	129,938.76	129,938.76	136,695.00	6,756.24
12/31/2018	127,573.76	127,573.76	137,590.00	10,016.24
12/31/2019	125,208.76	125,208.76	138,345.00	13,136.24
12/31/2020	127,736.26	127,736.26	136,960.00	9,223.74
12/31/2021	125,156.26	125,156.26	137,527.50	12,371.24
12/31/2022	127,468.76	127,468.76	137,955.00	10,486.24
12/31/2023	124,511.26	124,511.26	137,242.50	12,731.24
12/31/2024	126,271.26	126,271.26	138,435.00	12,163.74
12/31/2025	127,978.76	127,978.76	137,442.50	9,463.74
12/31/2026	125,222.51	125,222.51	137,355.00	12,132.49
12/31/2027	122,841.26	122,841.26	138,127.50	15,286.24
12/31/2028	125,283.76	125,283.76	137,712.50	12,428.74
12/31/2029	127,561.26	127,561.26	138,157.50	10,596.24
12/31/2030	124,650.01	124,650.01	137,415.00	12,764.99
12/31/2031	121,632.51	121,632.51	137,532.50	15,899.99
12/31/2032	123,526.26	123,526.26	137,462.50	13,936.24
12/31/2033	125,242.51	125,242.51	137,205.00	11,962.49
12/31/2034	121,870.01	121,870.01	138,760.00	16,889.99
12/31/2035	123,283.76	123,283.76	138,035.00	14,751.24
12/31/2036	124,388.76	124,388.76	137,122.50	12,733.74
12/31/2037	120,398.76	120,398.76	138,022.50	17,623.74
12/31/2038	121,313.76	121,313.76	137,642.50	16,328.74
12/31/2039	121,966.88	121,966.88	138,027.50	16,060.62
12/31/2040	122,355.00	122,355.00	137,132.50	14,777.50
<b>Total</b>	<b>\$3,365,480.62</b>	<b>\$3,365,480.62</b>	<b>\$3,804,702.50</b>	<b>\$439,221.88</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	439,221.88
Gross PV Debt Service Savings	272,085.28
Net PV Cashflow Savings @ 3.039%(Bond Yield)	272,085.28
Transfers from Prior Issue Debt Service Fund	(24,291.25)
Contingency or Rounding Amount	3,858.07
Net Present Value Benefit	\$251,652.10
Net PV Benefit / \$2,077,000 Refunded Principal	12.116%
Net Future Value Benefit	\$418,788.70
Net PV Benefit / \$2,090,000 Refunding Principal	12.041%
Average Annual Cash Flow Savings	15,686.50

### Refunding Bond Information

Refunding Dated Date	3/27/2013
Refunding Delivery Date	3/27/2013

**Raymond James**



Final

**\$2,090,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Crittenden-Livingston Water District - Refunding of RD 2000 B and 2000 C Bonds

## Debt Service Schedule

Part 1 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2013	-	-	-	-	-
08/01/2013	-	-	27,400.99	27,400.99	-
12/31/2013	-	-	-	-	27,400.99
02/01/2014	20,000.00	2.300%	39,775.63	59,775.63	-
08/01/2014	-	-	39,545.63	39,545.63	-
12/31/2014	-	-	-	-	99,321.26
02/01/2015	40,000.00	3.300%	39,545.63	79,545.63	-
08/01/2015	-	-	38,885.63	38,885.63	-
12/31/2015	-	-	-	-	118,431.26
02/01/2016	50,000.00	3.300%	38,885.63	88,885.63	-
08/01/2016	-	-	38,060.63	38,060.63	-
12/31/2016	-	-	-	-	126,946.26
02/01/2017	55,000.00	4.300%	38,060.63	93,060.63	-
08/01/2017	-	-	36,878.13	36,878.13	-
12/31/2017	-	-	-	-	129,938.76
02/01/2018	55,000.00	4.300%	36,878.13	91,878.13	-
08/01/2018	-	-	35,695.63	35,695.63	-
12/31/2018	-	-	-	-	127,573.76
02/01/2019	55,000.00	4.300%	35,695.63	90,695.63	-
08/01/2019	-	-	34,513.13	34,513.13	-
12/31/2019	-	-	-	-	125,208.76
02/01/2020	60,000.00	4.300%	34,513.13	94,513.13	-
08/01/2020	-	-	33,223.13	33,223.13	-
12/31/2020	-	-	-	-	127,736.26
02/01/2021	60,000.00	4.300%	33,223.13	93,223.13	-
08/01/2021	-	-	31,933.13	31,933.13	-
12/31/2021	-	-	-	-	125,156.26
02/01/2022	65,000.00	4.300%	31,933.13	96,933.13	-
08/01/2022	-	-	30,535.63	30,535.63	-
12/31/2022	-	-	-	-	127,468.76
02/01/2023	65,000.00	4.800%	30,535.63	95,535.63	-
08/01/2023	-	-	28,975.63	28,975.63	-
12/31/2023	-	-	-	-	124,511.26
02/01/2024	70,000.00	4.800%	28,975.63	98,975.63	-
08/01/2024	-	-	27,295.63	27,295.63	-
12/31/2024	-	-	-	-	126,271.26
02/01/2025	75,000.00	4.300%	27,295.63	102,295.63	-
08/01/2025	-	-	25,683.13	25,683.13	-
12/31/2025	-	-	-	-	127,978.76
02/01/2026	75,000.00	3.050%	25,683.13	100,683.13	-
08/01/2026	-	-	24,539.38	24,539.38	-
12/31/2026	-	-	-	-	125,222.51
02/01/2027	75,000.00	3.300%	24,539.38	99,539.38	-
08/01/2027	-	-	23,301.88	23,301.88	-

**Raymond James**

Final

**\$2,090,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Crittenden-Livingston Water District - Refunding of RD 2000 B and 2000 C Bonds

## Debt Service Schedule

Part 2 of 3

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/31/2027	-	-	-	-	122,841.26
02/01/2028	80,000.00	3.300%	23,301.88	103,301.88	-
08/01/2028	-	-	21,981.88	21,981.88	-
12/31/2028	-	-	-	-	125,283.76
02/01/2029	85,000.00	3.300%	21,981.88	106,981.88	-
08/01/2029	-	-	20,579.38	20,579.38	-
12/31/2029	-	-	-	-	127,561.26
02/01/2030	85,000.00	3.550%	20,579.38	105,579.38	-
08/01/2030	-	-	19,070.63	19,070.63	-
12/31/2030	-	-	-	-	124,650.01
02/01/2031	85,000.00	3.550%	19,070.63	104,070.63	-
08/01/2031	-	-	17,561.88	17,561.88	-
12/31/2031	-	-	-	-	121,632.51
02/01/2032	90,000.00	3.550%	17,561.88	107,561.88	-
08/01/2032	-	-	15,964.38	15,964.38	-
12/31/2032	-	-	-	-	123,526.26
02/01/2033	95,000.00	3.550%	15,964.38	110,964.38	-
08/01/2033	-	-	14,278.13	14,278.13	-
12/31/2033	-	-	-	-	125,242.51
02/01/2034	95,000.00	3.550%	14,278.13	109,278.13	-
08/01/2034	-	-	12,591.88	12,591.88	-
12/31/2034	-	-	-	-	121,870.01
02/01/2035	100,000.00	3.800%	12,591.88	112,591.88	-
08/01/2035	-	-	10,691.88	10,691.88	-
12/31/2035	-	-	-	-	123,283.76
02/01/2036	105,000.00	3.800%	10,691.88	115,691.88	-
08/01/2036	-	-	8,696.88	8,696.88	-
12/31/2036	-	-	-	-	124,388.76
02/01/2037	105,000.00	3.800%	8,696.88	113,696.88	-
08/01/2037	-	-	6,701.88	6,701.88	-
12/31/2037	-	-	-	-	120,398.76
02/01/2038	110,000.00	3.800%	6,701.88	116,701.88	-
08/01/2038	-	-	4,611.88	4,611.88	-
12/31/2038	-	-	-	-	121,313.76
02/01/2039	115,000.00	3.925%	4,611.88	119,611.88	-
08/01/2039	-	-	2,355.00	2,355.00	-
12/31/2039	-	-	-	-	121,966.88
02/01/2040	120,000.00	3.925%	2,355.00	122,355.00	-
12/31/2040	-	-	-	-	122,355.00
<b>Total</b>	<b>\$2,090,000.00</b>	-	<b>\$1,275,480.62</b>	<b>\$3,365,480.62</b>	-

**Raymond James**

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**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of March 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the East Clark County Water District, 118 Hopkins Lane, Winchester, Kentucky 40391 (the "Governmental Agency"):

**WITNESSETH**

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2013C (the "Series 2013C Bonds") in the aggregate principal amount of \$21,765,000, pursuant to a Supplemental Trust Indenture No. 52, dated as of March 27, 2013 by and between the Issuer and the Trustee, which Series 2013C Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on July 31, 2002, pursuant to which the Issuer provided the Governmental Agency with a loan dated July 31, 2002, in the original principal amount of \$219,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2002 (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to refund one bond issue secured by revenues of the Governmental Agency's waterworks system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations 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.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated July 31, 2002, authorizing the Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 52, dated March 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing May 1, 2013 and continuing through and including January 1, 2024 or until the Loan has been paid in full.

"*Loan*" refers to the loan in the amount of \$219,000, dated July 31, 2002, to the Governmental Agency from the Issuer, as amended herein.

"Obligations" refers to the Governmental Agency's obligations to make payments as required by the Assistance Agreements authorizing the Series 2002 Loan, as amended herein.

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

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

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

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

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH 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 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations shall not be subject to optional redemption prior to maturity.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$130,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on March 27, 2013	139,000.00
Plus accrued interest	1,665.06
Plus fee to bondholders for early call of the Loan	695.00
Plus net costs associated with amending the debt service on the Loan	(9,680.10)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	1,857.42
Credit for current balance in Governmental Agency's Sinking Fund	<u>(3,537.38)</u>
 <b>Revised principal amount of the Loan</b>	 <b>\$130,000.00</b>

*[Signature page follows]*

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By [Signature]  
Secretary/Treasurer

EAST CLARK COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

EAST CLARK COUNTY WATER DISTRICT

By *Fred Farris*  
Chairman

Attest:

By *J P Harts*  
Secretary



**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower:** East Clark County Water District  
**Closing Date:** 03/27/13

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
5/13-7/13	1,111.11	601.92	1,713.03
8/13-1/14	1,111.11	445.00	1,556.11
2/14-8/14	833.33	425.83	1,259.17
8/14-1/15	833.33	425.83	1,259.17
2/15-7/15	833.33	398.33	1,231.67
8/15-1/16	833.33	398.33	1,231.67
2/16-7/16	833.33	370.83	1,204.17
8/16-1/17	833.33	370.83	1,204.17
2/17-7/17	833.33	335.00	1,168.33
8/17-1/18	833.33	335.00	1,168.33
2/18-7/18	833.33	299.17	1,132.50
8/18-1/19	833.33	299.17	1,132.50
2/19-7/19	1,250.00	263.33	1,513.33
8/19-1-20	1,250.00	263.33	1,513.33
2/20-7/20	833.33	209.58	1,042.92
8/20-1/21	833.33	209.58	1,042.92
2/21-7/21	1,250.00	173.75	1,423.75
8/21-1/22	1,250.00	173.75	1,423.75
2/22-7/22	1,250.00	120.00	1,370.00
8/22-1/23	1,250.00	120.00	1,370.00
2/23-7/23	1,250.00	60.00	1,310.00
8/23-1/24	1,250.00	60.00	1,310.00
2/24-7/24	-	-	-
	<u>130,000.00</u>	<u>36,379.33</u>	<u>166,379.33</u>

Final

**\$130,000**

Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program  
East Clark County Water District

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JUL 19 2013

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## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	1,839.33	1,839.33	3,330.13	1,490.80
12/31/2014	15,225.00	15,225.00	16,452.76	1,227.76
12/31/2015	14,945.00	14,945.00	17,003.26	2,058.26
12/31/2016	14,615.00	14,615.00	15,536.26	921.26
12/31/2017	14,235.00	14,235.00	16,058.26	1,823.26
12/31/2018	13,805.00	13,805.00	16,523.26	2,718.26
12/31/2019	13,375.00	13,375.00	16,929.26	3,554.26
12/31/2020	17,837.50	17,837.50	17,274.26	(563.24)
12/31/2021	12,300.00	12,300.00	15,606.26	3,306.26
12/31/2022	16,762.50	16,762.50	15,929.51	(832.99)
12/31/2023	16,080.00	16,080.00	16,200.88	120.88
12/31/2024	15,360.00	15,360.00	16,412.00	1,052.00
<b>Total</b>	<b>\$166,379.33</b>	<b>\$166,379.33</b>	<b>\$183,256.10</b>	<b>\$16,876.77</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	16,876.77
Gross PV Debt Service Savings	15,129.35
Net PV Cashflow Savings @ 3.039%(Bond Yield)	15,129.35
Transfers from Prior Issue Debt Service Fund	(2,776.71)
Contingency or Rounding Amount	1,857.42
Net Present Value Benefit	\$14,210.06
Net PV Benefit / \$139,000 Refunded Principal	10.223%
Net Future Value Benefit	\$15,957.48
Net PV Benefit / \$130,000 Refunding Principal	10.931%
Average Annual Cash Flow Savings	1,534.25

### Refunding Bond Information

Refunding Dated Date	3/27/2013
Refunding Delivery Date	3/27/2013

**Raymond James**

Final

**\$130,000**

Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program  
East Clark County Water District

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2013	-	-	-	-	-
08/01/2013	-	-	1,839.33	1,839.33	-
12/31/2013	-	-	-	-	1,839.33
02/01/2014	10,000.00	2.300%	2,670.00	12,670.00	-
08/01/2014	-	-	2,555.00	2,555.00	-
12/31/2014	-	-	-	-	15,225.00
02/01/2015	10,000.00	3.300%	2,555.00	12,555.00	-
08/01/2015	-	-	2,390.00	2,390.00	-
12/31/2015	-	-	-	-	14,945.00
02/01/2016	10,000.00	3.300%	2,390.00	12,390.00	-
08/01/2016	-	-	2,225.00	2,225.00	-
12/31/2016	-	-	-	-	14,615.00
02/01/2017	10,000.00	4.300%	2,225.00	12,225.00	-
08/01/2017	-	-	2,010.00	2,010.00	-
12/31/2017	-	-	-	-	14,235.00
02/01/2018	10,000.00	4.300%	2,010.00	12,010.00	-
08/01/2018	-	-	1,795.00	1,795.00	-
12/31/2018	-	-	-	-	13,805.00
02/01/2019	10,000.00	4.300%	1,795.00	11,795.00	-
08/01/2019	-	-	1,580.00	1,580.00	-
12/31/2019	-	-	-	-	13,375.00
02/01/2020	15,000.00	4.300%	1,580.00	16,580.00	-
08/01/2020	-	-	1,257.50	1,257.50	-
12/31/2020	-	-	-	-	17,837.50
02/01/2021	10,000.00	4.300%	1,257.50	11,257.50	-
08/01/2021	-	-	1,042.50	1,042.50	-
12/31/2021	-	-	-	-	12,300.00
02/01/2022	15,000.00	4.300%	1,042.50	16,042.50	-
08/01/2022	-	-	720.00	720.00	-
12/31/2022	-	-	-	-	16,762.50
02/01/2023	15,000.00	4.800%	720.00	15,720.00	-
08/01/2023	-	-	360.00	360.00	-
12/31/2023	-	-	-	-	16,080.00
02/01/2024	15,000.00	4.800%	360.00	15,360.00	-
12/31/2024	-	-	-	-	15,360.00
<b>Total</b>	<b>\$130,000.00</b>	<b>-</b>	<b>\$36,379.33</b>	<b>\$166,379.33</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$824.78
Average Life	6.344 Years
Average Coupon	4.4108039%
Net Interest Cost (NIC)	2.6369806%
True Interest Cost (TIC)	2.4394304%
Bond Yield for Arbitrage Purposes	3.0391218%
All Inclusive Cost (AIC)	3.0675043%

### IRS Form 8038

Net Interest Cost	2.2008057%
Weighted Average Maturity	6.468 Years

**Raymond James**

JUL 19 2013

PUBLIC SERVICE  
COMMISSION**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of March 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Green River Valley Water District, 85E Less Turner Road, Cave City, Kentucky 42127 (the "Governmental Agency"):

**WITNESSETH**

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2013C (the "Series 2013C Bonds") in the aggregate principal amount of \$21,765,000, pursuant to a Supplemental Trust Indenture No. 52, dated as of March 27, 2013 by and between the Issuer and the Trustee, which Series 2013C Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into the following Assistance Agreements (collectively, the "Assistance Agreement") with the Issuer:

(i) on December 18, 2002, pursuant to which the Issuer provided the Governmental Agency with a loan dated December 18, 2002, in the original principal amount of \$519,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Revenue Bonds (Flexible Term Program), Series 2001E (the "Series 2001E Loan"),

(ii) on October 29, 2003, pursuant to which the Issuer provided the Governmental Agency with a loan dated October 29, 2003, in the original principal amount of \$2,166,200, from the proceeds of the Kentucky Rural Water Finance

Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2003C (the "Series 2003C Loan"),

(iii) on April 27, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated April 27, 2004, in the original principal amount of \$3,567,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004B (the "Series 2004B Loan"), and

(iv) on October 19, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated October 19, 2004, in the original principal amount of \$1,598,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2004D (the "Series 2004D Loan"); and

WHEREAS, the proceeds of the Series 2001E Loan were used to finance the installation of approximately 116,000 liner feet of water transmission main and a booster pumping station, with appurtenances, for the benefit of the Governmental Agency's municipal waterworks and water distribution system (the "System")

WHEREAS, the proceeds of the Series 2003C Loan were used for the refinancing and current refunding of three prior bond issues of the Governmental Agency; and

WHEREAS, the proceeds of the Series 2004B Loan were used for the refinancing and current refunding of five prior bond issues of the Governmental Agency; and

WHEREAS, the proceeds of the Series 2004D Loan were used to finance improvements and extensions to the System consisting of upgrading the capacity of the water treatment plant from 4 million gallons per day to 6 million gallons per day, and constructing additions to the water transmission system, with appurtenances; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Series 2001E Loan, Series 2003C Loan, Series 2004B Loan and Series 2004D Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Series 2001E Loan, Series 2003C Loan, Series 2004B Loan and Series 2004D Loan and the Obligations and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE SERIES 2001E LOAN, SERIES 2003C LOAN, SERIES 2004B LOAN AND SERIES 2004D 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.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreements between the Issuer and the Governmental Agency, dated December 18, 2002, authorizing the Series 2001E Loan, dated October 29, 2003, authorizing the Series 2003C Loan, dated April 27, 2004, authorizing the Series 2004B Loan, and dated October 19, 2004, authorizing the Series 2004D Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 52, dated March 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing May 1, 2013 and continuing through and including January 1, 2028 or until the Loan has been paid in full.

"*Loan*" refers to the Series 2001E Loan, Series 2003C Loan, Series 2004B Loan and Series 2004D Loan to the Governmental Agency from the Issuer, both as amended herein.

"*Obligations*" refers to the Governmental Agency's obligations to make payments as required by the Assistance Agreements authorizing the Series 2001E Loan, Series 2003C Loan, Series 2004B Loan and Series 2004D Loan, as amended herein.

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

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

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

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

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH 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 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification



of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$3,795,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on March 27, 2013	4,139,800.00
Plus accrued interest	44,146.73
Plus fee to bondholders for early call of the Loan	35,779.00
Plus net costs associated with amending the debt service on the Loan	(261,828.80)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	3,585.46
Credit for current balance in Governmental Agency's Sinking Fund	<u>(166,482.39)</u>
<b>Revised principal amount of the Loan</b>	<b>\$3,795,000.00</b>

*[Signature page follows]*

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By [Signature]  
Secretary/Treasurer

GREEN RIVER VALLEY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

GREEN RIVER VALLEY WATER DISTRICT

By Jack London  
Chairman

Attest:

By John D. Bennett  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower: Green River Valley Water District  
Closing Date: 03/27/13**

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
5/13-7/13	51,111.11	16,283.76	67,394.87
8/13-1/14	51,111.11	12,056.04	63,167.15
2/14-8/14	38,333.33	11,174.38	49,507.71
8/14-1/15	38,333.33	11,174.38	49,507.71
2/15-7/15	36,250.00	9,909.38	46,159.38
8/15-1/16	36,250.00	9,909.38	46,159.38
2/16-7/16	32,500.00	8,713.13	41,213.13
8/16-1/17	32,500.00	8,713.13	41,213.13
2/17-7/17	30,833.33	7,315.63	38,148.96
8/17-1/18	30,833.33	7,315.63	38,148.96
2/18-7/18	17,500.00	5,989.79	23,489.79
8/18-1/19	17,500.00	5,989.79	23,489.79
2/19-7/19	17,083.33	5,237.29	22,320.63
8/19-1-20	17,083.33	5,237.29	22,320.63
2/20-7/20	17,916.67	4,502.71	22,419.38
8/20-1/21	17,916.67	4,502.71	22,419.38
2/21-7/21	19,583.33	3,732.29	23,315.63
8/21-1/22	19,583.33	3,732.29	23,315.63
2/22-7/22	20,416.67	2,890.21	23,306.88
8/22-1/23	20,416.67	2,890.21	23,306.88
2/23-7/23	18,333.33	1,910.21	20,243.54
8/23-1/24	18,333.33	1,910.21	20,243.54
2/24-7/24	9,166.67	1,030.21	10,196.88
8/24-1/25	9,166.67	1,030.21	10,196.88
2/25-7/25	9,583.33	636.04	10,219.38
8/25-1/26	9,583.33	636.04	10,219.38
2/26-7/26	9,583.33	343.75	9,927.08
8/26-1/27	9,583.33	343.75	9,927.08
2/27-7/27	833.33	27.50	860.83
8/27-1/28	833.33	27.50	860.83
2/28-7/28	-	-	-
	<u>3,795,000.00</u>	<u>883,117.89</u>	<u>4,678,117.89</u>

Final

**\$3,795,000**

Kentucky Rural Water Finance Corporation  
 Flexible Term Finance Program  
 Green River Valley Water District

RECEIVED

JUL 19 2013

PUBLIC SERVICE  
 COMMISSION

## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	49,831.64	49,831.64	88,293.45	38,461.81
12/31/2014	599,382.50	599,382.50	607,408.56	8,026.06
12/31/2015	586,502.50	586,502.50	616,146.88	29,644.38
12/31/2016	546,735.00	546,735.00	579,118.32	32,383.32
12/31/2017	486,172.50	486,172.50	521,262.57	35,090.07
12/31/2018	449,832.50	449,832.50	488,312.08	38,479.58
12/31/2019	277,362.50	277,362.50	313,736.24	36,373.74
12/31/2020	263,440.00	263,440.00	302,536.81	39,096.81
12/31/2021	264,410.00	264,410.00	302,652.66	38,242.66
12/31/2022	274,735.00	274,735.00	313,943.28	39,208.28
12/31/2023	273,802.50	273,802.50	313,224.50	39,422.00
12/31/2024	237,642.50	237,642.50	280,421.65	42,779.15
12/31/2025	119,997.50	119,997.50	162,149.23	42,151.73
12/31/2026	120,878.75	120,878.75	163,673.88	42,795.13
12/31/2027	117,227.50	117,227.50	158,000.30	40,772.80
12/31/2028	10,165.00	10,165.00	51,551.25	41,386.25
<b>Total</b>	<b>\$4,678,117.89</b>	<b>\$4,678,117.89</b>	<b>\$5,262,431.66</b>	<b>\$584,313.77</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	584,313.77
Gross PV Debt Service Savings	463,190.29
Effects of changes in Expenses	9,542.01
<b>Net PV Cashflow Savings @ 3.039%(Bond Yield)</b>	<b>472,732.30</b>
Transfers from Prior Issue Debt Service Fund	(102,581.15)
Contingency or Rounding Amount	3,585.46
<b>Net Present Value Benefit</b>	<b>\$373,736.61</b>
Net PV Benefit / \$4,131,800 Refunded Principal	9.045%
Net Future Value Benefit	\$485,318.08
Net PV Benefit / \$3,795,000 Refunding Principal	9.848%
Average Annual Cash Flow Savings	38,954.25

### Refunding Bond Information

Refunding Dated Date	3/27/2013
Refunding Delivery Date	3/27/2013

Final

**\$3,795,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Green River Valley Water District

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2013	-	-	-	-	-
08/01/2013	-	-	49,831.64	49,831.64	-
12/31/2013	-	-	-	-	49,831.64
02/01/2014	460,000.00	2.300%	72,336.25	532,336.25	-
08/01/2014	-	-	67,046.25	67,046.25	-
12/31/2014	-	-	-	-	599,382.50
02/01/2015	460,000.00	3.300%	67,046.25	527,046.25	-
08/01/2015	-	-	59,456.25	59,456.25	-
12/31/2015	-	-	-	-	586,502.50
02/01/2016	435,000.00	3.300%	59,456.25	494,456.25	-
08/01/2016	-	-	52,278.75	52,278.75	-
12/31/2016	-	-	-	-	546,735.00
02/01/2017	390,000.00	4.300%	52,278.75	442,278.75	-
08/01/2017	-	-	43,893.75	43,893.75	-
12/31/2017	-	-	-	-	486,172.50
02/01/2018	370,000.00	4.300%	43,893.75	413,893.75	-
08/01/2018	-	-	35,938.75	35,938.75	-
12/31/2018	-	-	-	-	449,832.50
02/01/2019	210,000.00	4.300%	35,938.75	245,938.75	-
08/01/2019	-	-	31,423.75	31,423.75	-
12/31/2019	-	-	-	-	277,362.50
02/01/2020	205,000.00	4.300%	31,423.75	236,423.75	-
08/01/2020	-	-	27,016.25	27,016.25	-
12/31/2020	-	-	-	-	263,440.00
02/01/2021	215,000.00	4.300%	27,016.25	242,016.25	-
08/01/2021	-	-	22,393.75	22,393.75	-
12/31/2021	-	-	-	-	264,410.00
02/01/2022	235,000.00	4.300%	22,393.75	257,393.75	-
08/01/2022	-	-	17,341.25	17,341.25	-
12/31/2022	-	-	-	-	274,735.00
02/01/2023	245,000.00	4.800%	17,341.25	262,341.25	-
08/01/2023	-	-	11,461.25	11,461.25	-
12/31/2023	-	-	-	-	273,802.50
02/01/2024	220,000.00	4.800%	11,461.25	231,461.25	-
08/01/2024	-	-	6,181.25	6,181.25	-
12/31/2024	-	-	-	-	237,642.50
02/01/2025	110,000.00	4.300%	6,181.25	116,181.25	-
08/01/2025	-	-	3,816.25	3,816.25	-
12/31/2025	-	-	-	-	119,997.50
02/01/2026	115,000.00	3.050%	3,816.25	118,816.25	-
08/01/2026	-	-	2,062.50	2,062.50	-
12/31/2026	-	-	-	-	120,878.75
02/01/2027	115,000.00	3.300%	2,062.50	117,062.50	-
08/01/2027	-	-	165.00	165.00	-
12/31/2027	-	-	-	-	117,227.50
02/01/2028	10,000.00	3.300%	165.00	10,165.00	-
12/31/2028	-	-	-	-	10,165.00
<b>Total</b>	<b>\$3,795,000.00</b>	<b>-</b>	<b>\$883,117.89</b>	<b>\$4,678,117.89</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$21,479.67
Average Life	5.660 Years
Average Coupon	4.1114134%
Net Interest Cost (NIC)	2.5995007%
True Interest Cost (TIC)	2.4336225%
Bond Yield for Arbitrage Purposes	3.0391218%
All Inclusive Cost (AIC)	2.7408880%

### IRS Form 8038

Net Interest Cost	2.2198514%
Weighted Average Maturity	5.739 Years

**Raymond James**

JUL 19 2013

PUBLIC FINANCE  
COMMISSION**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of March 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Muhlenberg County Water District, 85E Less Turner Road, Cave City, Kentucky 42127 (the "Governmental Agency"):

**WITNESSETH**

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2013C (the "Series 2013C Bonds") in the aggregate principal amount of \$21,765,000, pursuant to a Supplemental Trust Indenture No. 52, dated as of March 27, 2013 by and between the Issuer and the Trustee, which Series 2013C Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into the following Assistance Agreements (collectively, the "Assistance Agreement") with the Issuer: (i) on March 24, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated March 24, 2004, in the original principal amount of \$1,234,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2004A (the "Series 2004A Loan") and (ii) on October 19, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated October 19, 2004, in the original principal amount of \$1,820,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2004D (the "Series 2004D Loan"); and

WHEREAS, the proceeds of the Series 2004A Loan were used to refund bonds secured by the Governmental Agency's water system (the "System"); and



WHEREAS, the proceeds of the Series 2004D Loan were used to acquire, construct, renovate and equip various pump stations and construction of a 500,000 gallon elevated water storage tank, with appurtenances; and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Series 2004A Loan and the Series 2004D Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Series 2004A Loan and the Series 2004D Loan and the Obligations and the interest thereon;

NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS HEREIN SET FORTH, THE SERIES 2004A LOAN AND THE SERIES 2004D 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.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated March 24, 2004, authorizing the Series 2004A Loan and the Assistance Agreement between the Issuer and the Governmental Agency, dated October 19, 2004, authorizing the Series 2004D Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 52, dated March 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing May 1, 2013 and continuing through and including January 1, 2021 or until the Loan has been paid in full.

"*Loan*" refers to the Series 2004A Loan and the Series 2004D Loan to the Governmental Agency from the Issuer, both as amended herein.

"*Obligations*" refers to the Governmental Agency's obligations to make payments as required by the Assistance Agreements authorizing the Series 2004A Loan and the Series 2004D Loan, as amended herein.

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

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

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

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

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental

Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH 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 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations shall not be subject to optional redemption prior to maturity.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$1,255,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on March 27, 2013	1,359,000.00
Plus accrued interest	13,162.81
Plus fee to bondholders for early call of the Loan	13,590.00
Plus net costs associated with amending the debt service on the Loan	(71,498.70)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	9,921.57
Credit for current balance in Governmental Agency's Sinking Fund	<u>(69,175.68)</u>
<b>Revised principal amount of the Loan</b>	<b>\$1,255,000.00</b>

*[Signature page follows]*

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By [Signature]  
Secretary/Treasurer

MUHLENBERG COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

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

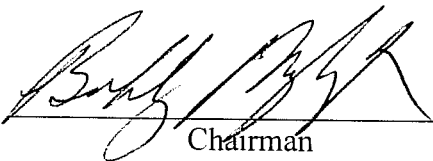
KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President


Attest:

By \_\_\_\_\_  
Secretary/Treasurer

MUHLENBERG COUNTY WATER DISTRICT

By  \_\_\_\_\_  
Chairman

Attest:

By  \_\_\_\_\_  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower:** Muhlenberg County Water District  
**Closing Date:** 03/27/13

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
5/13-7/13	19,444.44	5,008.65	24,453.10
8/13-1/14	19,444.44	3,809.58	23,254.03
2/14-8/14	19,166.67	3,474.17	22,640.83
8/14-1/15	19,166.67	3,474.17	22,640.83
2/15-7/15	20,416.67	2,841.67	23,258.33
8/15-1/16	20,416.67	2,841.67	23,258.33
2/16-7/16	16,666.67	2,167.92	18,834.58
8/16-1/17	16,666.67	2,167.92	18,834.58
2/17-7/17	11,666.67	1,451.25	13,117.92
8/17-1/18	11,666.67	1,451.25	13,117.92
2/18-7/18	10,833.33	949.58	11,782.92
8/18-1/19	10,833.33	949.58	11,782.92
2/19-7/19	5,833.33	483.75	6,317.08
8/19-1-20	5,833.33	483.75	6,317.08
2/20-7/20	5,416.67	232.92	5,649.58
8/20-1/21	5,416.67	232.92	5,649.58
2/21-7/21	-	-	-
	<u>1,255,000.00</u>	<u>177,422.67</u>	<u>1,432,422.67</u>

Preliminary

**\$1,255,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Muhlenberg County Water District

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## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	15,694.61	15,694.61	26,325.63	10,631.02
12/31/2014	228,437.50	228,437.50	281,772.51	53,335.01
12/31/2015	267,515.00	267,515.00	278,938.76	11,423.76
12/31/2016	269,760.00	269,760.00	283,587.51	13,827.51
12/31/2017	221,500.00	221,500.00	226,718.76	5,218.76
12/31/2018	154,190.00	154,190.00	165,676.26	11,486.26
12/31/2019	143,277.50	143,277.50	149,836.26	6,558.76
12/31/2020	68,977.50	68,977.50	72,656.26	3,678.76
12/31/2021	61,290.00	61,290.00	70,873.13	9,583.13
<b>Total</b>	<b>\$1,430,642.11</b>	<b>\$1,430,642.11</b>	<b>\$1,556,385.08</b>	<b>\$125,742.97</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	125,742.97
Gross PV Debt Service Savings	117,129.81
Effects of changes in Expenses	3,177.25
Net PV Cashflow Savings @ 2.949%(Bond Yield)	120,307.06
Transfers from Prior Issue Debt Service Fund	(47,608.55)
Contingency or Rounding Amount	9,921.57
Net Present Value Benefit	\$82,620.08
Net PV Benefit / \$1,352,000 Refunded Principal	6.111%
Net Future Value Benefit	\$88,055.99
Net PV Benefit / \$1,255,000 Refunding Principal	6.583%
Average Annual Cash Flow Savings	15,717.87

### Refunding Bond Information

Refunding Dated Date	3/27/2013
Refunding Delivery Date	3/27/2013



Preliminary

**\$1,255,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

Muhlenberg County Water District

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2013	-	-	-	-	-
08/01/2013	-	-	15,694.61	15,694.61	-
12/31/2013	-	-	-	-	15,694.61
02/01/2014	185,000.00	2.300%	22,782.50	207,782.50	-
08/01/2014	-	-	20,655.00	20,655.00	-
12/31/2014	-	-	-	-	228,437.50
02/01/2015	230,000.00	3.300%	20,655.00	250,655.00	-
08/01/2015	-	-	16,860.00	16,860.00	-
12/31/2015	-	-	-	-	267,515.00
02/01/2016	240,000.00	3.300%	16,860.00	256,860.00	-
08/01/2016	-	-	12,900.00	12,900.00	-
12/31/2016	-	-	-	-	269,760.00
02/01/2017	200,000.00	4.300%	12,900.00	212,900.00	-
08/01/2017	-	-	8,600.00	8,600.00	-
12/31/2017	-	-	-	-	221,500.00
02/01/2018	140,000.00	4.300%	8,600.00	148,600.00	-
08/01/2018	-	-	5,590.00	5,590.00	-
12/31/2018	-	-	-	-	154,190.00
02/01/2019	135,000.00	4.300%	5,590.00	140,590.00	-
08/01/2019	-	-	2,687.50	2,687.50	-
12/31/2019	-	-	-	-	143,277.50
02/01/2020	65,000.00	4.300%	2,687.50	67,687.50	-
08/01/2020	-	-	1,290.00	1,290.00	-
12/31/2020	-	-	-	-	68,977.50
02/01/2021	60,000.00	4.300%	1,290.00	61,290.00	-
12/31/2021	-	-	-	-	61,290.00
<b>Total</b>	<b>\$1,255,000.00</b>	<b>-</b>	<b>\$175,642.11</b>	<b>\$1,430,642.11</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$4,414.78
Average Life	3.518 Years
Average Coupon	3.9785040%
Net Interest Cost (NIC)	1.8306337%
True Interest Cost (TIC)	1.7282209%
Bond Yield for Arbitrage Purposes	2.9485953%
All Inclusive Cost (AIC)	2.2559232%

### IRS Form 8038

Net Interest Cost	1.4510959%
Weighted Average Maturity	3.598 Years

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COMMISSION

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of March 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the Pendleton County Water District, P.O. Box 232, 331 Highway 330 West, Falmouth, Kentucky 41040 (the "Governmental Agency"):

**WITNESSETH**

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2013C (the "Series 2013C Bonds") in the aggregate principal amount of \$21,765,000, pursuant to a Supplemental Trust Indenture No. 52, dated as of March 27, 2013 by and between the Issuer and the Trustee, which Series 2013C Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on June 27, 2001, pursuant to which the Issuer provided the Governmental Agency with a loan dated June 27, 2001, in the original principal amount of \$374,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Multimodal Public Projects Revenue Bonds (Flexible Term Program), Series 2001 (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to make improvements and extensions to the Governmental Agency's waterworks system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations 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.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated June 27, 2001, authorizing the Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 52, dated March 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing May 1, 2013 and continuing through and including January 1, 2024 or until the Loan has been paid in full.

"*Loan*" refers to the loan in the amount of \$374,000, dated June 27, 2001, to the Governmental Agency from the Issuer, as amended herein.

"*Obligations*" refers to the Governmental Agency's obligations to make payments as required by the Assistance Agreements authorizing the Series 2001A Loan, as amended herein.

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

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

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

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

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH 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 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$215,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on March 27, 2013	229,000.00
Plus accrued interest	3,082.44
Plus fee to bondholders for early call of the Loan	0.00
Plus net costs associated with amending the debt service on the Loan	(14,317.00)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	3,557.28
Credit for current balance in Governmental Agency's Sinking Fund	<u>(6,322.72)</u>
<b>Revised principal amount of the Loan</b>	<b>\$215,000.00</b>

*[Signature page follows]*

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By [Signature]  
Secretary/Treasurer

PENDLETON COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

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


KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

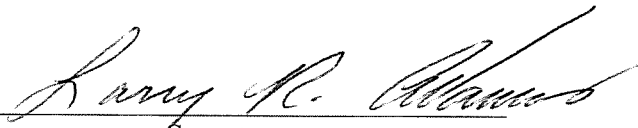
Attest:

By \_\_\_\_\_  
Secretary/Treasurer

PENDLETON COUNTY WATER DISTRICT

By  \_\_\_\_\_  
Chairman

Attest:

By  \_\_\_\_\_  
Secretary

**EXHIBIT A**

**Debt Service Schedule**



**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower:** Pendleton County Water District  
**Closing Date:** 03/27/13

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
5/13-7/13	2,222.22	968.32	3,190.54
8/13-1/14	2,222.22	716.25	2,938.47
2/14-8/14	1,666.67	677.92	2,344.58
8/14-1/15	1,666.67	677.92	2,344.58
2/15-7/15	1,666.67	622.92	2,289.58
8/15-1/16	1,666.67	622.92	2,289.58
2/16-7/16	1,666.67	567.92	2,234.58
8/16-1/17	1,666.67	567.92	2,234.58
2/17-7/17	1,666.67	496.25	2,162.92
8/17-1/18	1,666.67	496.25	2,162.92
2/18-7/18	1,666.67	424.58	2,091.25
8/18-1/19	1,666.67	424.58	2,091.25
2/19-7/19	2,083.33	352.92	2,436.25
8/19-1-20	2,083.33	352.92	2,436.25
2/20-7/20	2,083.33	263.33	2,346.67
8/20-1/21	2,083.33	263.33	2,346.67
2/21-7/21	1,250.00	173.75	1,423.75
8/21-1/22	1,250.00	173.75	1,423.75
2/22-7/22	1,250.00	120.00	1,370.00
8/22-1/23	1,250.00	120.00	1,370.00
2/23-7/23	1,250.00	60.00	1,310.00
8/23-1/24	1,250.00	60.00	1,310.00
2/24-7/24	-	-	-
	<u>215,000.00</u>	<u>52,373.00</u>	<u>267,373.00</u>

Final

**\$215,000**

Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program  
Pendleton County Water District

RECEIVED

JUL 19 2013

PUBLIC SERVICE  
COMMISSION

### Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	2,960.50	2,960.50	6,164.88	3,204.38
12/31/2014	28,365.00	28,365.00	28,860.13	495.13
12/31/2015	27,805.00	27,805.00	28,893.25	1,088.25
12/31/2016	27,145.00	27,145.00	28,871.13	1,726.13
12/31/2017	26,385.00	26,385.00	28,793.76	2,408.76
12/31/2018	25,525.00	25,525.00	28,661.13	3,136.13
12/31/2019	24,665.00	24,665.00	29,445.63	4,780.63
12/31/2020	28,697.50	28,697.50	30,119.63	1,422.13
12/31/2021	27,622.50	27,622.50	29,759.50	2,137.00
12/31/2022	16,762.50	16,762.50	21,600.75	4,838.25
12/31/2023	16,080.00	16,080.00	21,596.50	5,516.50
12/31/2024	15,360.00	15,360.00	21,540.75	6,180.75
<b>Total</b>	<b>\$267,373.00</b>	<b>\$267,373.00</b>	<b>\$304,307.04</b>	<b>\$36,934.04</b>

#### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	36,934.04
Gross PV Debt Service Savings	30,767.08
Net PV Cashflow Savings @ 3.039%(Bond Yield)	30,767.08
Transfers from Prior Issue Debt Service Fund	(4,888.29)
Contingency or Rounding Amount	3,557.28
Net Present Value Benefit	\$29,436.07
Net PV Benefit / \$229,000 Refunded Principal	12.854%
Net Future Value Benefit	\$35,603.03
Net PV Benefit / \$215,000 Refunding Principal	13.691%
Average Annual Cash Flow Savings	3,357.64

#### Refunding Bond Information

Refunding Dated Date	3/27/2013
Refunding Delivery Date	3/27/2013

Final

**\$215,000**

Kentucky Rural Water Finance Corporation  
 Flexible Term Finance Program  
 Pendleton County Water District

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2013	-	-	-	-	-
08/01/2013	-	-	2,960.50	2,960.50	-
12/31/2013	-	-	-	-	2,960.50
02/01/2014	20,000.00	2.300%	4,297.50	24,297.50	-
08/01/2014	-	-	4,067.50	4,067.50	-
12/31/2014	-	-	-	-	28,365.00
02/01/2015	20,000.00	3.300%	4,067.50	24,067.50	-
08/01/2015	-	-	3,737.50	3,737.50	-
12/31/2015	-	-	-	-	27,805.00
02/01/2016	20,000.00	3.300%	3,737.50	23,737.50	-
08/01/2016	-	-	3,407.50	3,407.50	-
12/31/2016	-	-	-	-	27,145.00
02/01/2017	20,000.00	4.300%	3,407.50	23,407.50	-
08/01/2017	-	-	2,977.50	2,977.50	-
12/31/2017	-	-	-	-	26,385.00
02/01/2018	20,000.00	4.300%	2,977.50	22,977.50	-
08/01/2018	-	-	2,547.50	2,547.50	-
12/31/2018	-	-	-	-	25,525.00
02/01/2019	20,000.00	4.300%	2,547.50	22,547.50	-
08/01/2019	-	-	2,117.50	2,117.50	-
12/31/2019	-	-	-	-	24,665.00
02/01/2020	25,000.00	4.300%	2,117.50	27,117.50	-
08/01/2020	-	-	1,580.00	1,580.00	-
12/31/2020	-	-	-	-	28,697.50
02/01/2021	25,000.00	4.300%	1,580.00	26,580.00	-
08/01/2021	-	-	1,042.50	1,042.50	-
12/31/2021	-	-	-	-	27,622.50
02/01/2022	15,000.00	4.300%	1,042.50	16,042.50	-
08/01/2022	-	-	720.00	720.00	-
12/31/2022	-	-	-	-	16,762.50
02/01/2023	15,000.00	4.800%	720.00	15,720.00	-
08/01/2023	-	-	360.00	360.00	-
12/31/2023	-	-	-	-	16,080.00
02/01/2024	15,000.00	4.800%	360.00	15,360.00	-
12/31/2024	-	-	-	-	15,360.00
<b>Total</b>	<b>\$215,000.00</b>	<b>-</b>	<b>\$52,373.00</b>	<b>\$267,373.00</b>	<b>-</b>

**Yield Statistics**

Bond Year Dollars	\$1,211.56
Average Life	5.635 Years
Average Coupon	4.3227898%
Net Interest Cost (NIC)	2.4622065%
True Interest Cost (TIC)	2.2841068%
Bond Yield for Arbitrage Purposes	3.0391218%
All Inclusive Cost (AIC)	2.9876045%

**IRS Form 8038**

Net Interest Cost	2.0443725%
Weighted Average Maturity	5.755 Years

**Raymond James**

**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of March 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the West McCracken County Water District, 8020 Ogden Landing Road, West Paducah, Kentucky 42086 (the "Governmental Agency"):

**WITNESSETH**

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2013C (the "Series 2013C Bonds") in the aggregate principal amount of \$21,765,000, pursuant to a Supplemental Trust Indenture No. 52, dated as of March 27, 2013 by and between the Issuer and the Trustee, which Series 2013C Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on October 19, 2004, pursuant to which the Issuer provided the Governmental Agency with a loan dated October 19, 2004, in the original principal amount of \$900,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2004D (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to finance construction of 2 miles of 10" PVC water main extensions, 1.5 miles of 8" and 6" PVC water line extensions, and 11.7 miles of 6" PVC water main extensions, with appurtenances, and the refinancing of the Governmental Agency's Series 1967 Bonds, secured by the Governmental Agency's water system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations 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.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated October 19, 2004, authorizing the Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 52, dated March 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing May 1, 2013 and continuing through and including January 1, 2024 or until the Loan has been paid in full.

"*Loan*" refers to the loan in the amount of \$900,000, dated October 19, 2004, to the Governmental Agency from the Issuer, as amended herein.

"*Obligations*" refers to the Governmental Agency's obligations to make payments as required by the Assistance Agreements authorizing the Series 2004D Loan, as amended herein.

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

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

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

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

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH 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 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations maturing on and prior to January 1, 2023 shall not be subject to optional redemption prior to maturity. Subject to the prior written approval of the Compliance Group, the Obligations maturing on or after January 1, 2024 are subject to optional redemption, in whole or in part, by the Governmental Agency prior to their stated maturity, at any time falling on or after January 1, 2023 at a redemption price equal to 100% of the principal amount of the Obligations called for redemption, plus unpaid interest accrued to the date of redemption.

**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$525,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on March 27, 2013	576,000.00
Plus accrued interest	5,953.13
Plus fee to bondholders for early call of the Loan	5,760.00
Plus net costs associated with amending the debt service on the Loan	(47,300.80)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	3,293.36
Credit for current balance in Governmental Agency's Sinking Fund	<u>(18,705.69)</u>
<b>Revised principal amount of the Loan</b>	<b>\$525,000.00</b>

*[Signature page follows]*

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By [Signature]  
Secretary/Treasurer

WEST MCCRACKEN COUNTY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary



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

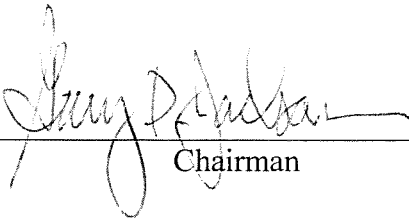
KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

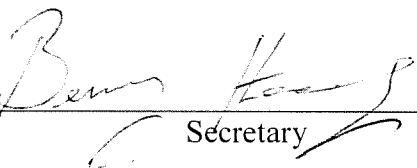
Attest:

By \_\_\_\_\_  
Secretary/Treasurer

WEST MCCRACKEN COUNTY WATER DISTRICT

By  \_\_\_\_\_  
Chairman

Attest:

By  \_\_\_\_\_  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower:** West McCracken County Water District  
**Closing Date:** 03/27/13

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
5/13-7/13	5,000.00	2,417.57	7,417.57
8/13-1/14	5,000.00	1,787.50	6,787.50
2/14-8/14	3,333.33	1,701.25	5,034.58
8/14-1/15	3,333.33	1,701.25	5,034.58
2/15-7/15	3,333.33	1,591.25	4,924.58
8/15-1/16	3,333.33	1,591.25	4,924.58
2/16-7/16	3,750.00	1,481.25	5,231.25
8/16-1/17	3,750.00	1,481.25	5,231.25
2/17-7/17	3,750.00	1,320.00	5,070.00
8/17-1/18	3,750.00	1,320.00	5,070.00
2/18-7/18	3,750.00	1,158.75	4,908.75
8/18-1/19	3,750.00	1,158.75	4,908.75
2/19-7/19	4,166.67	997.50	5,164.17
8/19-1-20	4,166.67	997.50	5,164.17
2/20-7/20	4,166.67	818.33	4,985.00
8/20-1/21	4,166.67	818.33	4,985.00
2/21-7/21	4,166.67	639.17	4,805.83
8/21-1/22	4,166.67	639.17	4,805.83
2/22-7/22	4,583.33	460.00	5,043.33
8/22-1/23	4,583.33	460.00	5,043.33
2/23-7/23	5,000.00	240.00	5,240.00
8/23-1/24	5,000.00	240.00	5,240.00
2/24-7/24	-	-	-
	<u>525,000.00</u>	<u>143,003.33</u>	<u>668,003.33</u>

Final

**\$525,000**

Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program  
West McCracken Water District

RECEIVED

JUL 19 2013

PUBLIC SERVICE  
COMMISSION

### Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	7,388.33	7,388.33	11,906.25	4,517.92
12/31/2014	65,932.50	65,932.50	65,322.50	(610.00)
12/31/2015	59,755.00	59,755.00	65,602.50	5,847.50
12/31/2016	58,435.00	58,435.00	65,802.50	7,367.50
12/31/2017	61,807.50	61,807.50	65,922.50	4,115.00
12/31/2018	59,872.50	59,872.50	65,962.50	6,090.00
12/31/2019	57,937.50	57,937.50	65,922.50	7,985.00
12/31/2020	60,895.00	60,895.00	65,802.50	4,907.50
12/31/2021	58,745.00	58,745.00	65,567.50	6,822.50
12/31/2022	56,595.00	56,595.00	65,216.25	8,621.25
12/31/2023	59,200.00	59,200.00	66,625.00	7,425.00
12/31/2024	61,440.00	61,440.00	65,790.00	4,350.00
<b>Total</b>	<b>\$668,003.33</b>	<b>\$668,003.33</b>	<b>\$735,442.50</b>	<b>\$67,439.17</b>

#### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	67,439.17
Gross PV Debt Service Savings	54,687.53
Effects of changes in Expenses	3,242.47
Net PV Cashflow Savings @ 3.039%(Bond Yield)	57,929.99
Transfers from Prior Issue Debt Service Fund	(10,968.75)
Contingency or Rounding Amount	3,293.36
Net Present Value Benefit	\$50,254.60
Net PV Benefit / \$576,000 Refunded Principal	8.725%
Net Future Value Benefit	\$59,763.78
Net PV Benefit / \$525,000 Refunding Principal	9.572%
Average Annual Cash Flow Savings	6,130.83

#### Refunding Bond Information

Refunding Dated Date	3/27/2013
Refunding Delivery Date	3/27/2013

Final

**\$525,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

West McCracken Water District

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2013	-	-	-	-	-
08/01/2013	-	-	7,388.33	7,388.33	-
12/31/2013	-	-	-	-	7,388.33
02/01/2014	45,000.00	2.300%	10,725.00	55,725.00	-
08/01/2014	-	-	10,207.50	10,207.50	-
12/31/2014	-	-	-	-	65,932.50
02/01/2015	40,000.00	3.300%	10,207.50	50,207.50	-
08/01/2015	-	-	9,547.50	9,547.50	-
12/31/2015	-	-	-	-	59,755.00
02/01/2016	40,000.00	3.300%	9,547.50	49,547.50	-
08/01/2016	-	-	8,887.50	8,887.50	-
12/31/2016	-	-	-	-	58,435.00
02/01/2017	45,000.00	4.300%	8,887.50	53,887.50	-
08/01/2017	-	-	7,920.00	7,920.00	-
12/31/2017	-	-	-	-	61,807.50
02/01/2018	45,000.00	4.300%	7,920.00	52,920.00	-
08/01/2018	-	-	6,952.50	6,952.50	-
12/31/2018	-	-	-	-	59,872.50
02/01/2019	45,000.00	4.300%	6,952.50	51,952.50	-
08/01/2019	-	-	5,985.00	5,985.00	-
12/31/2019	-	-	-	-	57,937.50
02/01/2020	50,000.00	4.300%	5,985.00	55,985.00	-
08/01/2020	-	-	4,910.00	4,910.00	-
12/31/2020	-	-	-	-	60,895.00
02/01/2021	50,000.00	4.300%	4,910.00	54,910.00	-
08/01/2021	-	-	3,835.00	3,835.00	-
12/31/2021	-	-	-	-	58,745.00
02/01/2022	50,000.00	4.300%	3,835.00	53,835.00	-
08/01/2022	-	-	2,760.00	2,760.00	-
12/31/2022	-	-	-	-	56,595.00
02/01/2023	55,000.00	4.800%	2,760.00	57,760.00	-
08/01/2023	-	-	1,440.00	1,440.00	-
12/31/2023	-	-	-	-	59,200.00
02/01/2024	60,000.00	4.800%	1,440.00	61,440.00	-
12/31/2024	-	-	-	-	61,440.00
<b>Total</b>	<b>\$525,000.00</b>	<b>-</b>	<b>\$143,003.33</b>	<b>\$668,003.33</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$3,248.33
Average Life	6.187 Years
Average Coupon	4.4023601%
Net Interest Cost (NIC)	2.6114170%
True Interest Cost (TIC)	2.4161940%
Bond Yield for Arbitrage Purposes	3.0391218%
All Inclusive Cost (AIC)	2.7619837%

### IRS Form 8038

Net Interest Cost	2.1773703%
Weighted Average Maturity	6.312 Years

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**FIRST AMENDMENT AND SUPPLEMENT TO  
ASSISTANCE AGREEMENT**

This First Amendment and Supplement to Assistance Agreement made and entered into as of March 27, 2013 (the "First Amendment to Assistance Agreement") by and between the Kentucky Rural Water Finance Corporation, a non-profit agency and instrumentality of various political subdivisions of the Commonwealth of Kentucky duly organized and existing under the laws of the Commonwealth of Kentucky (the "Issuer") and the West Shelby Water District, 7101 Shelbyville Road, Simpsonville, Kentucky 40067 (the "Governmental Agency"):

**WITNESSETH**

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

WHEREAS, pursuant to the Indenture, the Issuer has authorized the issuance of the Kentucky Rural Water Finance Corporation Public Projects Refunding and Improvement Revenue Bonds (Flexible Term Program), Series 2013C (the "Series 2013C Bonds") in the aggregate principal amount of \$21,765,000, pursuant to a Supplemental Trust Indenture No. 52, dated as of March 27, 2013 by and between the Issuer and the Trustee, which Series 2013C Bonds will rank on a parity with the Bonds and the proceeds of which will be used by certain Governmental Agencies to refinance outstanding Program loans from the Issuer which were used to acquire, construct and equip public projects described in various Assistance Agreements by and between the governmental entities and the Issuer; and

WHEREAS, the Governmental Agency entered into an Assistance Agreement (the "Assistance Agreement") with the Issuer on June 27, 2001, pursuant to which the Issuer provided the Governmental Agency with a loan dated June 27, 2001, in the original principal amount of \$626,000, from the proceeds of the Kentucky Rural Water Finance Corporation Public Projects Multimodal Public Projects Revenue Bonds (Flexible Term Program), Series 2001 (the "Loan"); and

WHEREAS, the proceeds of the Loan were used to refund a bond issue secured by the Governmental Agency's waterworks system (the "System"); and

WHEREAS, the Governmental Agency has determined that it is necessary and desirable and in the public interest to amend and supplement the Assistance Agreement, in order to effect substantial debt service savings; and

WHEREAS, under the provisions of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency is authorized to enter into this First Amendment to Assistance Agreement and to borrow the Obligations, as defined herein, to provide funds for the purpose stated in the Assistance Agreement; and

WHEREAS, the Issuer is willing to cooperate with the Governmental Agency in amending and supplementing the terms of the Loan to assist the Governmental Agency in achieving debt service savings upon the conditions hereinafter enumerated and the covenants by the Governmental Agency herein contained; and

WHEREAS, the Issuer and the Governmental Agency have determined to enter into this First Amendment to Assistance Agreement to set forth their respective duties, rights, covenants, and obligations with respect to the repayment of the Loan and the Obligations 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.** Unless the context clearly indicates some other meaning or as otherwise set forth below, the words and terms defined in the Assistance Agreement shall apply for the purposes of this First Amendment and Supplement to Assistance Agreement. In addition, the following terms shall have the meanings set forth below:

"*Assistance Agreement*" refers to the Assistance Agreement between the Issuer and the Governmental Agency, dated June 27, 2001, authorizing the Loan.

"*First Amendment to Assistance Agreement*" refers to this First Amendment and Supplement to Assistance Agreement supplementing and amending the Assistance Agreement, which authorized the Loan and the Obligations.

"*Indenture*" means the Trust Indenture, dated as of April 4, 2001, as originally executed or as it may from time to time be supplemented, modified or amended by any supplemental indenture, including the Supplemental Trust Indenture No. 52, dated March 27, 2013, by and between the Issuer and the Trustee.

"*Interest Payment Date*" shall mean the 1<sup>st</sup> day of each month, commencing May 1, 2013 and continuing through and including January 1, 2023 or until the Loan has been paid in full.

"*Loan*" refers to the loan in the amount of \$626,000, dated June 27, 2001, to the Governmental Agency from the Issuer, as amended herein.

"Obligations" refers to the Governmental Agency's obligations to make payments as required by the Assistance Agreements authorizing the Series 2001A Loan, as amended herein.

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

**Section 2. Authorization of Obligations; Place of Payment; Manner of Execution.** Section 3 of the Assistance Agreement is amended by the substitution of the following provisions:

That pursuant to the Constitution and laws of Kentucky, and particularly said Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes, the Governmental Agency hereby authorizes this borrowing from the Program, for the purpose of providing funds for the Project.

Said Obligations shall mature in such principal amounts, and shall bear interest as set forth in **Exhibit A** attached hereto.

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

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

In addition, in the event the Issuer is required to withdraw moneys from the Program Reserve Fund established pursuant to the Indenture to pay the principal of and interest on the Obligations and any other payments due under the Assistance Agreement as supplemented and amended by the First Amendment to Assistance Agreement on behalf of the Governmental Agency (the "Reserve Withdrawal"), the Governmental Agency shall pay to the Trustee, each amount set forth as sinking fund payments on **Exhibit A** attached hereto, pursuant to the ACH 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 3. Redemption.** Section 4 of the Assistance Agreement is amended by the substitution of the following provisions:

(a) *Optional Redemption.* The Obligations shall not be subject to optional redemption prior to maturity.



**Section 4. Revision of Debt Service Schedule and Amortization of Fees and Costs.** Upon (i) the execution of this First Amendment to Assistance Agreement, (ii) the delivery of this First Amendment to Assistance Agreement to the Trustee, and (iii) certification of the Compliance Group that the Loan will continue to be accepted in the Program; the Issuer will amend the debt service schedule on the Governmental Agency's Loan as evidenced in the attached **Exhibit A**, which debt service schedule will amortize the fees and costs incurred by the Governmental Agency and any other pertinent expenses incident to the issuance, sale and delivery of the Obligations and such other appropriate expenses as may be approved by the Governmental Agency Chief Executive, including but not limited to the Governmental Agency's pro rata share of the Program's fees and expenses.

**Section 5. Calculation of Revised Principal Amount of the Loan.** The revised principal amount of the Loan is \$340,000, which amount was calculated as follows:

Outstanding principal balance of the Loan on March 27, 2013	372,000.00
Plus accrued interest	5,020.13
Plus fee to bondholders for early call of the Loan	0.00
Plus net costs associated with amending the debt service on the Loan	(27,674.20)
Plus deposit to Governmental Agency's Sinking Fund (rounding)	4,313.75
Credit for current balance in Governmental Agency's Sinking Fund	<u>(13,659.68)</u>
<b>Revised principal amount of the Loan</b>	<b>\$340,000.00</b>

*[Signature page follows]*

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By James L. Smith  
President

Attest:

By [Signature]  
Secretary/Treasurer

WEST SHELBY WATER DISTRICT

By \_\_\_\_\_  
Chairman

Attest:

By \_\_\_\_\_  
Secretary

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

KENTUCKY RURAL WATER FINANCE CORPORATION

By \_\_\_\_\_  
President

Attest:

By \_\_\_\_\_  
Secretary/Treasurer

WEST SHELBY WATER DISTRICT

By *Ralph Ramee* Chairman  
Chairman

Attest:

By *[Signature]*  
Secretary

**EXHIBIT A**

**Debt Service Schedule**

**KRWFC Flexible Term Program Series 2013 B  
Sinking Fund Payment Schedule**

**Borrower:** West Shelby Water District  
**Closing Date:** 03/27/13

	<b>Monthly Principal</b>	<b>Monthly Interest</b>	<b>Total Monthly Sinking Fund Payments</b>
5/13-7/13	3,333.33	1,528.76	4,862.09
8/13-1/14	3,333.33	1,130.83	4,464.17
2/14-8/14	2,500.00	1,073.33	3,573.33
8/14-1/15	2,500.00	1,073.33	3,573.33
2/15-7/15	2,500.00	990.83	3,490.83
8/15-1/16	2,500.00	990.83	3,490.83
2/16-7/16	2,916.67	908.33	3,825.00
8/16-1/17	2,916.67	908.33	3,825.00
2/17-7/17	2,916.67	782.92	3,699.58
8/17-1/18	2,916.67	782.92	3,699.58
2/18-7/18	2,916.67	657.50	3,574.17
8/18-1/19	2,916.67	657.50	3,574.17
2/19-7/19	2,916.67	532.08	3,448.75
8/19-1-20	2,916.67	532.08	3,448.75
2/20-7/20	3,333.33	406.67	3,740.00
8/20-1/21	3,333.33	406.67	3,740.00
2/21-7/21	3,333.33	263.33	3,596.67
8/21-1/22	3,333.33	263.33	3,596.67
2/22-7/22	2,500.00	120.00	2,620.00
8/22-1/23	2,500.00	120.00	2,620.00
2/23-7/23	-	-	-
	<u>340,000.00</u>	<u>80,279.11</u>	<u>420,279.11</u>

Final

**\$340,000**

Kentucky Rural Water Finance Corporation  
Flexible Term Finance Program  
West Shelby Water District

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## Debt Service Comparison

Date	Total P+I	Net New D/S	Old Net D/S	Savings
12/31/2013	4,322.78	4,322.78	10,040.25	5,717.47
12/31/2014	42,250.00	42,250.00	48,279.38	6,029.38
12/31/2015	41,500.00	41,500.00	49,594.26	8,094.26
12/31/2016	40,600.00	40,600.00	48,798.63	8,198.63
12/31/2017	44,450.00	44,450.00	48,920.13	4,470.13
12/31/2018	43,050.00	43,050.00	48,931.13	5,881.13
12/31/2019	41,650.00	41,650.00	48,831.63	7,181.63
12/31/2020	40,250.00	40,250.00	48,621.63	8,371.63
12/31/2021	43,750.00	43,750.00	49,356.00	5,606.00
12/31/2022	42,150.00	42,150.00	49,038.50	6,888.50
12/31/2023	30,675.00	30,675.00	36,927.00	6,252.00
<b>Total</b>	<b>\$414,647.78</b>	<b>\$414,647.78</b>	<b>\$487,338.54</b>	<b>\$72,690.76</b>

### PV Analysis Summary (Net to Net)

Net FV Cashflow Savings	72,690.76
Gross PV Debt Service Savings	64,584.12
Net PV Cashflow Savings @ 2.744%(Bond Yield)	64,584.12
Transfers from Prior Issue Debt Service Fund	(8,180.08)
Contingency or Rounding Amount	4,313.75
Net Present Value Benefit	\$60,717.79
Net PV Benefit / \$372,000 Refunded Principal	16.322%
Net Future Value Benefit	\$68,824.43
Net PV Benefit / \$340,000 Refunding Principal	17.858%
Average Annual Cash Flow Savings	7,269.08

### Refunding Bond Information

Refunding Dated Date	3/27/2013
Refunding Delivery Date	3/27/2013

**Raymond James**

Final

**\$340,000**

Kentucky Rural Water Finance Corporation

Flexible Term Finance Program

West Shelby Water District

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2013	-	-	-	-	-
08/01/2013	-	-	4,322.78	4,322.78	-
12/31/2013	-	-	-	-	4,322.78
02/01/2014	30,000.00	2.000%	6,275.00	36,275.00	-
08/01/2014	-	-	5,975.00	5,975.00	-
12/31/2014	-	-	-	-	42,250.00
02/01/2015	30,000.00	3.000%	5,975.00	35,975.00	-
08/01/2015	-	-	5,525.00	5,525.00	-
12/31/2015	-	-	-	-	41,500.00
02/01/2016	30,000.00	3.000%	5,525.00	35,525.00	-
08/01/2016	-	-	5,075.00	5,075.00	-
12/31/2016	-	-	-	-	40,600.00
02/01/2017	35,000.00	4.000%	5,075.00	40,075.00	-
08/01/2017	-	-	4,375.00	4,375.00	-
12/31/2017	-	-	-	-	44,450.00
02/01/2018	35,000.00	4.000%	4,375.00	39,375.00	-
08/01/2018	-	-	3,675.00	3,675.00	-
12/31/2018	-	-	-	-	43,050.00
02/01/2019	35,000.00	4.000%	3,675.00	38,675.00	-
08/01/2019	-	-	2,975.00	2,975.00	-
12/31/2019	-	-	-	-	41,650.00
02/01/2020	35,000.00	4.000%	2,975.00	37,975.00	-
08/01/2020	-	-	2,275.00	2,275.00	-
12/31/2020	-	-	-	-	40,250.00
02/01/2021	40,000.00	4.000%	2,275.00	42,275.00	-
08/01/2021	-	-	1,475.00	1,475.00	-
12/31/2021	-	-	-	-	43,750.00
02/01/2022	40,000.00	4.000%	1,475.00	41,475.00	-
08/01/2022	-	-	675.00	675.00	-
12/31/2022	-	-	-	-	42,150.00
02/01/2023	30,000.00	4.500%	675.00	30,675.00	-
12/31/2023	-	-	-	-	30,675.00
<b>Total</b>	<b>\$340,000.00</b>	<b>-</b>	<b>\$74,647.78</b>	<b>\$414,647.78</b>	<b>-</b>

### Yield Statistics

Bond Year Dollars	\$1,877.11
Average Life	5.521 Years
Average Coupon	3.9767374%
Net Interest Cost (NIC)	2.0709259%
True Interest Cost (TIC)	1.9255766%
Bond Yield for Arbitrage Purposes	2.7440548%
All Inclusive Cost (AIC)	2.3622512%

### IRS Form 8038

Net Interest Cost	1.6996054%
Weighted Average Maturity	5.630 Years

**Raymond James**