

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF JACKSON COUNTY
WATER UTILITY, INC. FOR
AUTHORITY TO CHANGE ITS RATES,
CHARGES, TARIFFS, RULES, AND
REGULATIONS

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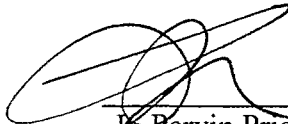
IURC
PETITIONER'S
CAUSE NO.: 4986 IT NO. 11
12-13-18 DATE REPORTER AT

PETITIONER'S RESPONSE TO COMMISSION'S DOCKET ENTRY

Comes now, Jackson County Water Utility, Inc. ("Petitioner") by counsel and provides its response to the Commission's questions, posed to Petitioner, by Docket Entry of December 7, 2018, as follows:

1. Q. Exhibit F of Mr. Ridlen's direct testimony shows a surplus of \$378,962.50 for the debt service reserve account of the 2013 Bonds. Please explain why a surplus exists.
 - A. The funds referenced above are not surplus funds, but rather funds required to be held in the debt service reserve until the debt is paid in full. Please see the First Supplemental Indenture for the 2013 bonds attached. Petitioner would specifically reference Section 4.3 of the attached document.
2. Q. Please explain whether the trustee will return the overfunded amount of \$378,962.50 for the 2013 Bond. If not, please provide the supporting documentation that allows the trustee to retain what appears to be funds that exceed the debt service reserve requirement for Jackson County's 2013 Bonds.
 - A. The Trustee will not return the funds in the debt service reserve, nor allow the Petitioner to use such funds, until the debt is paid in full. Petitioner believes that any funds remaining in the debt service reserve will become available to the Petitioner in 2023 for any operating expenses going forward at that time. Petitioner would also note that Mr. Ridlen will be available at the hearing in this Cause should there be any further questions.

Respectfully submitted,



E. Parvin Price (Attorney No. 5827-49)

BARNES & THORNBURG LLP

11 S. Meridian Street

Indianapolis, IN 46204

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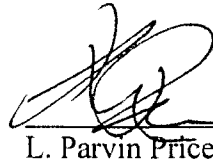
parvin.price@btlaw.com

Counsel for Jackson County Water Utility, Inc.

CERTIFICATE OF SERVICE

The undersigned certifies that a copy of the foregoing has been served upon the following
counsel of record by electronic mail this 12th day of December, 2018:

Dan Le Vay
Indiana Office of Utility Consumer Counselor
115 West Washington Street
Suite 1500 South
Indianapolis, IN 46204
dlevay@oucc.in.gov
infomgt@oucc.in.gov



L. Parvin Price



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201308092

LINDA AULEMAN, RECORDER

JACKSON COUNTY IN

RECORDED AS PRESENTED

10/09/2013 01:26:50PM

REC FEE: 68.00

FIRST SUPPLEMENTAL INDENTURE

by and between

JACKSON COUNTY WATER UTILITY, INC.

and

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,

as Trustee

Dated as of October 1, 2013

Securing

\$2,320,000

JACKSON COUNTY WATER UTILITY, INC.
TAXABLE SECURED NOTES, SERIES 2013

Prior Recorded Document Reference:

Inst #200905082 - Trust Indenture, Mortgage, Security Agreement and Financing Statement dated June 1, 2009, recorded June 1, 2009 in Record 875, Page 323

FIRST SUPPLEMENTAL INDENTURE

This FIRST SUPPLEMENTAL INDENTURE is made and dated as of October 1, 2013 (the "First Supplemental Indenture"), by and between JACKSON COUNTY WATER UTILITY, INC., an Indiana nonprofit corporation (the "Borrower"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association duly organized, existing and authorized to accept and execute trusts of the character herein set out under the laws of the United States of America with a corporate trust office in Indianapolis, Indiana, as Trustee (the "Trustee"), which supplements a TRUST INDENTURE, MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT, dated as of June 1, 2009 (the "Trust Indenture"), under the circumstances summarized in the following recitals, and pursuant to Section 9.1 of the Trust Indenture. The capitalized terms not defined in the recitals and granting clauses being used herein are as defined in the Trust Indenture.

WHEREAS, the Borrower and the Trustee entered into the Trust Indenture to authorize the issuance by the Borrower of its Secured Notes, Series 2009A (the "Series 2009 A Notes"), issued in the total sum of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000), and Secured Notes, Series 2009B (ARRA) (the "Series 2009 B Notes"), issued in the total sum of One Million Six Hundred Fifty Thousand Dollars (\$1,650,000); and

WHEREAS, the Series 2009 B Notes have matured and are no longer outstanding; and

WHEREAS, the Series 2009 A Notes are secured by the Trust Indenture on a parity with the 2003 RD Notes, and junior and subordinate in all respects to the Senior Notes, the 1996 Bonds, the 1996 Notes and the 2003 Notes; and

WHEREAS, the Borrower now desires to issue its Taxable Secured Notes, Series 2013 (the "Series 2013 Notes"), pursuant to the terms of the Trust Indenture and this First Supplemental Indenture, for the purpose of obtaining funds to provide for the current refunding of the outstanding Senior Notes, 1996 Notes (thereby effecting a refunding of the 1996 Bonds) and 2003 Notes (collectively, the "Refunded Notes") in order to provide substantial savings for the Borrower; and

WHEREAS, the Series 2013 Notes will be issued on a parity with the 2009A Notes pursuant to the Trust Indenture and, pursuant to a Parity Agreement with RD, will also be issued on a parity with the 2003 RD Notes; and

WHEREAS, since the issuance of the Series 2009 A Notes, the Borrower has acquired additional interests in real estate and pursuant to this First Supplemental Indenture will include such additional real estate in the Mortgaged Property; and

WHEREAS, all things have been done which are necessary to make the Series 2013 Notes, when executed by the Borrower and authenticated and delivered by the Trustee, the valid obligations of the Borrower and to constitute the Trust Indenture and this First Supplemental Indenture a valid trust indenture;

NOW, THEREFORE, in order to secure the payment of the principal of, premium, if any, and interest on the Series 2013 Notes and the performance of the covenants therein, herein and in the Trust Indenture contained, and to declare the general terms and conditions on which the Series 2013 Notes are to be issued, and in consideration of the premises, of the purchase of the Series 2013 Notes by the owners and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Borrower and the Trustee agree, and the Trust Indenture is hereby amended and supplemented, as follows:

(Remainder of page intentionally left blank)

ARTICLE I
DEFINITIONS

The terms used in this First Supplemental Indenture and not otherwise defined herein shall have the meanings assigned to them in the Trust Indenture. References to the "Indenture" herein shall be deemed to mean both the Trust Indenture and this First Supplemental Indenture.

Section 1.1 of the Trust Indenture is hereby amended and supplemented to include the following definitions. In the event that any definition contained in this First Supplemental Indenture conflicts with any definition contained in the Trust Indenture, the definitions of this First Supplemental Indenture shall control.

"Additional Real Estate" means the land described in Exhibit A attached hereto.

"Interest Payment Date" means, with respect to the Series 2013 Notes, each January 1 and July 1, commencing January 1, 2014.

"Prior Paying Agent" means U.S. Bank National Association, as Registrar and Paying Agent under the 1996 Indenture and the 2003 Indenture.

"Prior Trustee" means Old National Trust Company, as Trustee under the 1996 Indenture and the 2003 Indenture.

"1996 Trustee" means Old National Trust Company, as Trustee under the 1996 Indenture.

"2013 Debt Service Account" means the Series 2013 Notes Debt Service Account of the Borrower established with the Trustee under the provisions of Section 4.2 of this First Supplemental Indenture.

"2013 Debt Service Reserve Account" means the Series 2013 Notes Debt Service Reserve Account of the Borrower established with the Trustee under the provisions of Section 4.3 of this First Supplemental Indenture.

"2013 Cost of Issuance Account" shall mean the Series 2013 Notes Cost of Issuance Account of the Borrower established with the Trustee under the provisions of Section 4.4 of this First Supplemental Indenture.

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ARTICLE II
AUTHORIZATION AND TERMS
OF THE SERIES 2013 NOTES

Section 2.1. Authorized Amount of Series 2013 Notes. The total authorized principal amount of the Series 2013 Notes which shall be issued under the provisions of this First Supplemental Indenture is \$2,320,000. The Series 2013 Notes are "Additional Parity Notes" issued pursuant to Section 2.8 of the Trust Indenture.

Section 2.2. Issuance of Series 2013 Notes. The Borrower shall issue, sell and deliver \$2,320,000, principal amount of Series 2013 Notes through J.J.B. Hilliard, W.L. Lyons, LLC (the "Placement Agent"), at an aggregate purchase price of \$2,302,600, representing the par amount of the Series 2013 Notes of \$2,320,000 less the Placement Agent's fee of \$17,400. The Series 2013 Notes shall be designated "Jackson County Water Utility, Inc. Taxable Secured Notes, Series 2013" and shall be issuable pursuant to this First Supplemental Indenture only in fully registered form, substantially in the form set forth in Exhibit A to this First Supplemental Indenture. The Series 2013 Notes shall be numbered from 13R-1 upwards, shall be issued in denominations of One Hundred Thousand Dollars (\$100,000) and any Five Thousand Dollars (\$5,000) integral multiple in excess thereof, and shall be dated as of October 9, 2013. The Series 2013 Notes shall bear interest from the most recent date to which interest has been paid or duly provided for, or, if no interest has been paid or duly provided for, from their original issue date.

Section 2.3. Maturities and Interest Rates. The Series 2013 Notes shall mature on January 1 in the years and in the principal amounts, and shall bear interest at the rates for each maturity, all as set forth below opposite the year of maturity:

<u>Maturity</u>	<u>Amount</u>	<u>Interest Rate</u>
January 1, 2023*	\$2,320,000	3.250%

* Term Note

Interest on the Series 2013 Notes is payable on January 1 and July 1 of each year, commencing January 1, 2014.

The interest on the Series 2013 Notes shall be payable from the Interest Payment Date next preceding the date of authentication of the Series 2013 Notes; provided (i) if such date of authentication is on or prior to December 15, 2013, then the interest shall be payable from the dated date of the Series 2013 Notes; (ii) if the date of authentication occurs after any record date but on or prior to the succeeding Interest Payment Date, the interest shall be payable from such succeeding Interest Payment Date; or (iii) if at the time the Series 2013 Notes are authenticated interest is in default on the Series 2013 Notes then Outstanding, the Series 2013 Notes shall bear interest from the date to which interest in full has previously been paid or made available for payment on the Series 2013 Notes then Outstanding.

Section 2.4. Payment of Principal and Interest. Interest on the Series 2013 Notes is payable by check or draft mailed one (1) day prior to each Interest Payment Date to the registered owners of the Series 2013 Notes as determined by reference to the name and address on the registration books of the Borrower held by the Trustee on the record date, or by wire transfer of immediately available funds on the payment date to depositories for the benefit of such owners and to holders of One Million Dollars (\$1,000,000) or more in aggregate principal amount of Series 2013 Notes, upon written request to the Trustee not less than five (5) business days prior to the record date immediately preceding such interest payment date, which instruction shall remain in effect until revoked in writing by such holder. Payment of principal of the Series 2013 Notes is payable at the designated corporate trust office of the Trustee on the maturity date or by wire transfer to depositories for the benefit of the owners of the Series 2013 Notes. Presentment of the Series 2013 Notes for payment by the registered owners thereof shall only be required on the final maturity date.

Section 2.5. Execution. The Series 2013 Notes shall be executed on behalf of the Borrower with the manual or facsimile signature of the President or an authorized Vice President of the Borrower and attested with the manual or the facsimile signature of the Secretary or an Assistant Secretary of the Borrower. Such facsimiles shall have the same force and effect as if such officer had manually signed each of said Series 2013 Notes. In case any officer whose signature or facsimile signature shall appear on the Series 2013 Notes shall cease to be such officer before the delivery of such Series 2013 Notes, such signature or such facsimile shall, nevertheless, be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

Section 2.6. Authentication. No Series 2013 Note shall be valid or obligatory for any purpose or entitled to any security or benefit under this Mortgage unless and until the certificate of authentication on such Series 2013 Note substantially in the form set forth in Exhibit B hereto shall have been duly executed by the Trustee, and such executed certificate of the Trustee upon any such Series 2013 Note shall be conclusive evidence that such Series 2013 Note has been authenticated and delivered under this Mortgage. The Trustee's certificate of authentication on any Series 2013 Note shall be deemed to have been executed by it if signed by an authorized officer of the Trustee, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Series 2013 Notes issued hereunder.

Section 2.7. Delivery of Series 2013 Notes. Upon the execution and delivery of this First Supplemental Indenture and satisfaction of the conditions established by the Borrower for delivery of the Series 2013 Notes, the Trustee shall execute, authenticate and deliver the Series 2013 Notes to the Note Purchaser or as directed by the Borrower.

(Remainder of page intentionally left blank)

ARTICLE III

REDEMPTION OF THE SERIES 2013 NOTES

Section 3.1. Optional Redemption. The Series 2013 Notes are not subject to optional redemption prior to maturity.

Section 3.2. Mandatory Sinking Fund Redemption. The Series 2013 Notes are subject to mandatory sinking fund redemption as follows:

(A) The Series 2013 Notes which mature on January 1, 2023 (the "Term Notes") are subject to mandatory sinking fund redemption on January 1 on the dates and in the amounts listed below by lot in such manner as the Trustee may determine at the redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption in accordance with the following schedule:

January 1, 2023 Term Note

<u>Date</u>	<u>Principal Amount</u>
01/01/2014	\$335,000
01/01/2015	455,000
01/01/2016	470,000
01/01/2017	350,000
01/01/2018	110,000
01/01/2019	115,000
01/01/2020	125,000
01/01/2021	125,000
01/01/2022	125,000
01/01/2023*	110,000

* Final Maturity

(B) The Trustee shall credit against the mandatory sinking fund requirement for the Term Notes (and corresponding mandatory redemption obligation), as set forth above, any Term Notes of the applicable maturity delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and canceled by the Trustee and not theretofore applied as a credit against any redemption obligation under this Indenture. Each Term Note of such maturity so delivered or canceled shall be credited by the Trustee at 100% of the principal amount thereof against the next mandatory sinking fund obligation on the next such mandatory redemption date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Term Notes of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided, however, the Trustee shall credit such Term Notes only to the extent such Term Notes are received at least 45 days preceding the applicable mandatory redemption date.

Section 3.3. Notice of Redemption. In the case of redemption of Series 2013 Notes pursuant to Section 3.2 hereof, notice of the call for any such redemption identifying the Series 2013 Notes, or portions of Series 2013 Notes, to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by first class mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to each registered owner of each Series 2013 Note to be redeemed at the address shown on the registration books maintained by the Trustee; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such Series 2013 Note shall not affect the validity of any proceedings for the redemption of other Series 2013 Notes. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in the event of partial redemption, the respective principal amounts) of the Series 2013 Notes called for redemption.

On and after the redemption date specified in the aforesaid notice, such Series 2013 Notes, or portions thereof, thus called (provided funds for their redemption are on deposit at the place of payment) shall not bear interest, shall no longer be protected by the Mortgage and shall not be deemed to be outstanding under the provisions of the Mortgage, and the holders thereof shall have the right only to receive the redemption price thereof plus accrued interest thereon to the date fixed for redemption.

Each Five Thousand Dollars (\$5,000) in aggregate principal amount shall be considered a separate Series 2013 Note for purposes of redemption. If less than an entire maturity is called for redemption, the Trustee shall select the Series 2013 Notes to be redeemed by lot.

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ARTICLE IV

ESCROW DEPOSIT, ACCOUNTS AND INVESTMENTS

Section 4.1. Escrow Deposit and Refunding of Senior Notes.

(A) Contemporaneously with the execution of this First Supplemental Indenture, the Borrower, the Indiana Bond Bank, The Bank of New York Mellon Trust Company, N.A., as Escrow Agent (the "Escrow Trustee") and as Trustee under the Trust Indenture as supplemented by this First Supplemental Indenture, the Prior Trustee and the Prior Paying Agent, have executed an Escrow and Defeasance Agreement dated as of October 1, 2013 (the "Escrow Agreement"). Upon delivery of the Series 2013 Notes, the Trustee shall transfer (i) \$321,242.76 of proceeds of the Series 2013 Notes to the Escrow Trustee for deposit to the 1996 Escrow Account (as defined in the Escrow Agreement), to be held therein together with \$393,573.91 of funds held under the 1996 Indenture and transferred to the Escrow Trustee by the Prior Trustee pursuant to the Escrow Agreement, and (ii) \$852,842.59 of proceeds of the Series 2013 Notes to the Escrow Trustee for deposit to the 2003 Escrow Account (as defined in the Escrow Agreement), to be held therein together with \$380,339.94 of funds held under the 2003 Indenture and transferred to the Escrow Trustee by the Prior Trustee pursuant to the Escrow Agreement. Pursuant to the Escrow Agreement, the deposits to the 1996 Escrow Account and the 2003 Escrow Account created by the Escrow Agreement shall provide for the refunding of the outstanding 1996 Notes (thereby effecting the refunding of the 1996 Bonds) and 2003 Notes.

(B) On the date of delivery of the Series 2013 Notes, the Trustee shall wire transfer \$464,595.08 of proceeds of the Series 2013 Notes to Berkadia Commercial Mortgage, LLC ("Berkadia"), the holder of the Senior Notes, to effect the immediate payment, refunding and redemption of the outstanding Senior Notes in accordance with the pay-off letters from Berkadia as set forth in Exhibit C hereto.

Section 4.2. 2013 Debt Service Account. Beginning on November 1, 2013, and on the first day of each month thereafter, there shall be transferred from the Borrower to the Trustee for deposit to the 2013 Debt Service Account, an amount equal to at least one-twelfth (1/12) of the principal and one-sixth (1/6) of the interest payable on the then next succeeding principal and interest payment dates (or such lesser denominator as corresponds to the numbers of whole months after the issuance of the Series 2013 Notes until the first principal or interest payment) on the Series 2013 Notes, until the amount so credited shall be sufficient to pay the principal of and interest due on the Series 2013 Notes on the then next succeeding principal and interest payment dates. There shall similarly be transferred to the Trustee and credited to the 2013 Debt Service Account any amount necessary to pay the charges and fees of the Trustee for services as Trustee for the Series 2013 Notes as the same become payable. The Trustee shall, from the sums deposited to the 2013 Debt Service Account, make payments of principal and interest on the Series 2013 Notes as such payments come due. The Trustee shall be entitled to receive from such sums payment of the amount of its charges. Moneys in the 2013 Debt Service Account shall not be available for payment of principal of or interest on the 2003 RD Notes, the Series 2009 Notes or any Additional Parity Notes. Additional debt service accounts shall be hereafter

established by the Trustee to set aside moneys for the payment of principal of and interest on Additional Parity Notes and any moneys set aside in any such hereafter established account shall not be available for payment of principal of or interest on the 2003 RD Notes, the Series 2009 Notes or the Series 2013 Notes. In the event the Borrower shall fail in any month to transfer sufficient funds to the Trustee to meet the requirements of the 2013 Debt Service Account, the SRF Debt Service Account and any such other debt service accounts (collectively, the "Debt Service Accounts"), the Trustee shall allocate the amounts received from the Borrower to the Debt Service Accounts on a parity basis.

Section 4.3. 2013 Debt Service Reserve Account. Contemporaneously with the issuance of the Series 2013 Notes, the Trustee shall deposit \$519,725 of the Series 2013 Note proceeds to the 2013 Debt Service Reserve Account so that the balance therein shall equal the maximum annual debt service on the Series 2013 Notes (the "2013 Reserve Requirement"). The moneys in the 2013 Debt Service Reserve Account shall be used to pay principal of and interest on Series 2013 Notes to the extent that moneys in the 2013 Debt Service Account are insufficient for that purpose. Any deficiencies in credits to the 2013 Debt Service Reserve Account shall be promptly made up after credits into the Debt Service Accounts and like accounts established for the payment of principal of or interest on the 2003 RD Notes and the Series 2009 Notes. Any moneys in the 2013 Debt Service Reserve Account in excess of the 2013 Reserve Requirement shall be transferred to the 2013 Debt Service Account on each business day immediately succeeding an interest payment date for the Series 2013 Notes and used to pay debt service on the Series 2013 Notes. The Trustee shall, from the sums deposited to the 2013 Debt Service Reserve Account make payments of principal and interest on the Series 2013 Notes, to the extent that amounts on deposit in the 2013 Debt Service Account are insufficient for such purpose. The 2013 Debt Service Reserve Account shall be held by the Trustee and the Borrower shall cause moneys in the 2013 Debt Service Reserve Account to be invested by the Trustee in such Qualified Investments as the Borrower may select. Moneys in the 2013 Debt Service Reserve Account shall not be available for payment of principal of or interest on the 2003 RD Notes, the Series 2009 Notes or any Additional Parity Notes. Additional reserve accounts may be hereafter established to set aside moneys as a reserve for the payment of principal of and interest on Additional Parity Notes. Moneys in any hereafter established reserve account shall not be available for payment of principal of or interest on the 2003 RD Notes, the Series 2009 Notes or the Series 2013 Notes. In the event one or more of said additional reserve accounts are established, the Trustee shall allocate any moneys received by the Borrower for deposit to the 2013 Debt Service Reserve Account and said additional reserve accounts (collectively, the "Reserve Accounts") on a parity basis.

Section 4.4. 2013 Cost of Issuance Account Deposit. Contemporaneously with the issuance of the Series 2013 Notes, the Trustee shall deposit \$144,194.57 of the Series 2013 Note proceeds, after the deposits required pursuant to the terms of Sections 4.1 and 4.3 hereof have been made, in the 2013 Cost of Issuance Account hereby created. The Trustee shall pay costs of issuance set forth in Exhibit D hereto, which shall be paid by check or wire transfer at closing to the entities listed, provided the Trustee has received an invoice from such entities. Execution of this First Supplemental Indenture shall be conclusive authorization for these payments. Other costs of issuance shall be paid upon submission of a requisition signed by any officer of the

Borrower. No later than December 9, 2013, any Series 2013 Note proceeds remaining in the 2013 Cost of Issuance Account shall be deposited to the 2013 Debt Service Account.

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ARTICLE V

MISCELLANEOUS

Section 5.1. General. All the terms and conditions of this First Supplemental Indenture shall be and are deemed to be part of the terms and conditions of the Trust Indenture. In the event that any provision of this First Supplemental Indenture conflicts with any provision contained in the Trust Indenture, the provisions of this First Supplemental Indenture shall control.

Section 5.2. Parity with 2003 RD Notes. Pursuant to the Parity Agreement among the Borrower, RD and the Placement Agent, dated as of October 1, 2013, the Series 2013 Notes will be on a parity with the 2003 RD Notes.

Section 5.3. Amendments to Trust Indenture.

(A) The definition of "Land" in the Trust Indenture is hereby amended to include the Additional Real Estate.

(B) Section 6.8 of the Trust Indenture is hereby amended by adding the following paragraph as follows:

"Although the Borrower recognizes that it may obtain a broker confirmation or written statement containing comparable information at no additional cost, the Borrower hereby agrees that confirmations of Qualified Investments are not required to be issued by the Trustee for each month in which a monthly statement is rendered. No statement need be rendered for any fund or account established under this Mortgage if no activity occurred in such fund or account during such month."

(C) Section 8.1 of the Trust Indenture is hereby amended by adding the following paragraphs as follows:

"(o) The Trustee shall have no responsibility with respect to any information, statement or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Notes, except for any information provided by the Trustee, and shall have no responsibility for compliance with any state or federal securities laws in connection with the Notes.

(p) The Trustee shall have the right to accept and act upon instructions or directions pursuant to this Mortgage sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Borrower shall provide to the Trustee an incumbency certificate listing designated persons with the authority to provide such instructions and containing specimen signatures of such designated persons, which incumbency certificate

shall be amended whenever a person is to be added or deleted from the listing. If the Borrower elects to give the Trustee e-mail or facsimile instructions (or instructions by a similar electronic method) and the Trustee in its discretion elects to act upon such instructions, the Trustee's understanding of such instructions shall be deemed controlling. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Borrower agrees: (i) to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than the method(s) selected by the Borrower; and (iii) that the security procedures (if any) to be followed in connection with its transmission of instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances.

(q) No provision of this Mortgage shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(r) The Trustee shall not be accountable for the use or application by the Borrower of any of the Notes or the proceeds thereof or for the use or application of any money paid over by the Trustee in accordance with the provisions of this Mortgage or for the use and application of money received by any paying agent."

(D) Section 11.1(b) of the Trust Indenture is hereby amended by adding the following sentence to the end of the first paragraph thereof as follows:

"No deposit hereunder shall be deemed a payment of any such Notes unless the Trustee shall have received a verification from an accountant or firm of accountants appointed by the Borrower and acceptable to the Trustee verifying the sufficiency of the deposit to pay the principal of, premium, if any, and interest on the Notes to the due date, whether such due date be by reason of maturity or upon redemption."

(Remainder of page intentionally left blank)

(Signature Page to First Supplemental Indenture)

IN WITNESS WHEREOF, the Borrower has caused this First Supplemental Indenture to be executed and delivered for it and in its name and on its behalf by its duly authorized officers, and the Trustee has caused this First Supplemental Indenture to be executed and delivered for it and in its name and on its behalf by its duly authorized officers; all as of the day and year first above-written.

JACKSON COUNTY WATER UTILITY, INC.

By:

Gloria Baughman
Gloria Baughman, President

ATTEST:

By:

Steve Ritter
STEVE RITTER, Secretary

STATE OF INDIANA)
) SS:
COUNTY OF JACKSON)

Before me, a Notary Public in and for said County and State, personally appeared Gloria Baughman and Steve Ritter, by me known to be the President and Secretary of Jackson County Water Utility, Inc., who acknowledged the execution of the foregoing "First Supplemental Indenture" on behalf of said corporation.

WITNESS my hand and Notarial Seal this 9th day of October, 2013.

[Signature]
Notary Public

Printed

L. Pomeroy

My Commission Expires:

Jan 2016

My County of Residence:

Marion

(Signature Page to First Supplemental Indenture)

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A., as Trustee

By: Nancy Storms
Nancy Storms, Authorized Officer

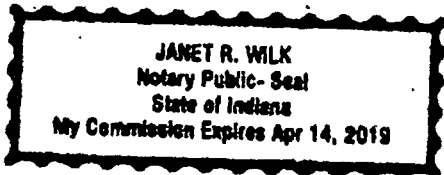
ATTEST:

By: Karen Franklin
Karen Franklin, Authorized Officer

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Nancy Storms and Karen Franklin, by me known and by me known to be authorized officers of The Bank of New York Mellon Trust Company, N.A., who acknowledged the execution of the foregoing "First Supplemental Indenture" on behalf of said bank.

WITNESS my hand and Notarial Seal this 7 day of October, 2013.



Janet R. Wilk
Notary Public

Printed Janet R. Wilk

My Commission Expires:

April 14, 2019

My County of Residence:

Johnson

I, Dennis H. Otten, affirm, under the penalties for perjury, that I have taken reasonable care to redact each Social Security number in this document, unless required by law.

This instrument was prepared by Dennis H. Otten, Attorney at Law, BOSE McKINNEY & EVANS LLP, 111 Monument Circle, Suite 2700, Indianapolis, IN 46204, 317-684-5000.

EXHIBIT A

ADDITIONAL REAL ESTATE

PARCEL S

A PART OF THE NORTH HALF OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 7 NORTH, RANGE 4 EAST AND INTENDED TO BE PART OF THAT LAND DESCRIBED AND RECORDED IN DEED BOOK 225, PAGE 908-909 IN THE OFFICE OF THE JACKSON COUNTY RECORDER AND DESCRIBED AS FOLLOWS:

COMMENCING AT A STEEL PIN (FOUND) MARKING THE EAST QUARTER CORNER OF THE SOUTHEAST QUARTER OF SAID SECTION 17; THENCE NORTH 00°54'11" WEST (AN ASSUMED BEARING) ALONG THE EAST LINE OF SAID HALF-QUARTER A DISTANCE OF 176.56 FEET TO THE NORTHEAST CORNER OF WILHOIT (D.B. 219, PG.344-345), AND A RAILROAD SPIKE (FOUND) IN COUNTY ROAD 1125 NORTH; THENCE SOUTH 59°23'44" WEST A DISTANCE OF 28.79 FEET TO THE PC OF A CURVE TO THE RIGHT; THENCE THE FOLLOWING 3 CALLS ARE ALONG THE CENTERLINE OF SAID ROAD; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC LENGTH OF 170.67 FEET, HAVING A RADIUS OF 450.00 FEET, AND A CHORD BEARING SOUTH 79°54'06" WEST A DISTANCE OF 169.65 FEET TO THE PT THEREOF; THENCE NORTH 89°14'00" WEST A DISTANCE OF 81.41 FEET TO THE PC OF A CURVE OF THE LEFT; THENCE SOUTHWESTERLY ALONG SAID CURVE AN ARC LENGTH OF 352.20 FEET, HAVING A RADIUS OF 1100.00 FEET, AND A CHORD BEARING SOUTH 81°35'39" WEST A DISTANCE OF 350.70 FEET TO THE PC OF A CURVE TO THE LEFT AND THE POINT OF BEGINNING; THENCE SOUTHWESTERLY ALONG SAID CURVE AND SAID CENTERLINE AN ARC LENGTH OF 20.31 FEET HAVING A RADIUS OF 1100.00 FEET, AND CHORD BEARING SOUTH 71°53'34" WEST A DISTANCE OF 20.31 FEET TO THE PT THEREOF; THENCE SOUTH 71°21'50" WEST ALONG SAID CENTERLINE A DISTANCE OF 56.87 FEET; THENCE NORTH 13°01'31" WEST A DISTANCE OF 126.54 FEET; THENCE SOUTH 81°58'58" EAST A DISTANCE OF 91.79 FEET; THENCE SOUTH 07°10'13" EAST A DISTANCE OF 86.67 FEET TO THE POINT OF BEGINNING, CONTAINING 0.20 ACRES MORE OR LESS AND SUBJECT TO ALL LEGAL RIGHTS OF WAY AND EASEMENTS.

PARCEL T

A part of the Northwest quarter of Section 11, Township 5 North, Range 4 East, Jackson County, Indiana and being part of that land conveyed to George Park and Nina L. Vehslage in Instrument #201105127 and more particularly described as follows:

Commencing at a stone found at the Northwest corner of said Section 11; thence South 00 degrees 37 minutes 15 seconds East with the West line of said quarter section, 1826.35 feet to a 5/8" rebar set with an orange cap inscribed "Daniel S. Blann, PLS #20300053" at the Point of Beginning of this description; thence South 89 degrees 46 minutes 07 seconds East, 114.99 feet to a 5/8" rebar set with said cap; thence South 47 degrees 21 minutes 46 seconds East, 562.75

feet to a 5/8" rebar set with said cap on the south line of parent tract described in Instrument #201105127; thence South 85 degrees 35 minutes 52 seconds West with said south line, 525.96 feet to a 5/8" rebar set with said cap at the southwest corner of said parent tract; thence North 00 degrees 37 minutes 15 seconds West with said West line, 22.20 feet to a 5/8" rebar set with said cap at the southwest corner of a tract of land described in Deed Record 175, Pages 575-579; thence North 89 degrees 22 minutes 45 seconds East, 215.00 feet to the southeast corner of said tract; thence North 00 degrees 37 minutes 15 seconds West, 215.19 feet to a 5/8" rebar set with said cap at the northeast corner of said tract; thence South 89 degrees 22 minutes 45 seconds West, 215.00 feet to a 5/8" rebar set with said cap on said West line at the northwest corner of said tract; thence North 00 degrees 37 minutes 15 seconds West with said west line, 184.65 feet to the point of beginning, containing 1.98 acres, more or less.

EXHIBIT B

SPECIMEN SERIES 2013 NOTE

No. R-__

The Taxable Secured Notes, Series 2013 (the "Notes"), of which this Note is one of an authorized issue, has not been registered under the Securities Act of 1933, as amended, or the securities law of any state. This Note may not be sold or offered for sale unless the Notes have been first so registered or Jackson County Water Utility, Inc. (the "Borrower"), has received an opinion of counsel or other information acceptable to the Borrower that such registrations are not required by law.

UNITED STATES OF AMERICA

STATE OF INDIANA
JACKSON COUNTY WATER UTILITY, INC.
TAXABLE SECURED NOTE, SERIES 2013

<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>AUTHENTICATION DATE</u>	<u>ORIGINAL ISSUE DATE</u>	<u>CUSIP</u>
3.250%	January 1, 2023	October 9, 2013	October 9, 2013	467047AK2

REGISTERED OWNER: FIRST FINANCIAL BANK, N.A.

PRINCIPAL AMOUNT: \$2,320,000

Jackson County Water Utility, Inc., an Indiana nonprofit corporation (the "Borrower"), for value received, hereby promises to pay to the Registered Owner specified above, or registered assigns, upon surrender hereof, the Principal Amount stated above, and to pay interest hereon until the Principal Amount is fully paid at the Interest Rate per annum specified above from the interest payment date to which interest has been paid next preceding the Authentication Date of this Note unless this Note is authenticated after the fifteenth (15th) day of the month preceding an interest payment date and on or before such interest payment date, in which case it shall bear interest from such interest payment date, or unless this Note is authenticated on or before December 15, 2013, it shall bear interest from the Original Date specified above, which such interest is payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2014. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

The principal of and premium, if any, on this Note is payable at the corporate trust operations office of The Bank of New York Mellon Trust Company, N.A., in East Syracuse, New York, or of any successor trustee appointed by the Borrower pursuant to the Indenture and

Mortgage hereinafter mentioned (the "Trustee"). All payments of interest hereon will be paid by cash or draft mailed or delivered to the Registered Owner hereof at the address as it appears on the registration books of the Trustee as of the fifteenth (15th) day of the month immediately preceding the applicable interest payment date or at such other address as is furnished to the Paying Agent in writing by such Registered Owner; provided, however, that such payments may be made by wire transfer of immediately available funds on the payment date to depositories for the benefit of such Registered Owner and to holders of One Million Dollars (\$1,000,000) or more in aggregate principal amount of the Notes, upon written request to the Trustee not less than five (5) business days prior to the record date immediately preceding such interest payment date, which instruction shall remain in effect until revoked in writing by such holder. All payments on this Note shall be made in any coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts. Presentment of this Note for payment by the Registered Owner hereof shall only be required on the final maturity date.

This Note and the other Notes of this issue, together with the interest payable hereon and thereon, are secured by the Trust Estate (as defined in the Indenture and Mortgage), on a parity with the payment of the Series 2009 Notes and the 2003 RD Notes.

The Borrower and the Trustee may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and the interest due hereon and for all other purposes, and neither of the Borrower or the Trustee shall be affected by any notice to the contrary.

This Note is one of an authorized issue of Notes of the Jackson County Water Utility, Inc., in a total amount not to exceed Two Million Three Hundred Twenty Thousand Dollars (\$2,320,000) numbered from 13R-1 upward, for this series, issued for the purpose of providing funds to pay the cost of (i) currently refunding the outstanding Senior Notes, 2003 Notes and 1996 Notes (thereby effecting the refunding of the 1996 Bonds) each as defined in the Indenture and Mortgage, and (ii) all expenses necessarily incurred in connection with the issuance of such Notes, as authorized by the resolution of the Board of Directors of the Borrower, and that certain Trust Indenture, Mortgage, Security Agreement and Financing Statement dated as of June 1, 2009, between the Borrower and the Trustee, as supplemented and amended by a First Supplemental Indenture, dated as of October 1, 2013 (collectively, the "Indenture and Mortgage").

This Note is issuable only in fully registered form in the denomination of \$100,000 and any Five Thousand Dollars (\$5,000) integral multiple in excess thereof not exceeding the aggregate principal amount of the Notes of this issue.

Pursuant to the provisions of the Indenture and Mortgage, the principal of and interest on this Note and all other Notes of this issue, and any other notes hereafter issued on a parity herewith ("Additional Parity Notes") and therewith are secured by the Trust Estate as provided in the Indenture and Mortgage, on a parity with the payment of the Series 2009 A Notes and the 2003 RD Notes.

The Borrower has irrevocably secured the prompt payment of the principal of and interest on the Notes of this issue and any Additional Parity Notes hereafter issued on a parity herewith by the Indenture and Mortgage. The Borrower covenants that it will to the fullest extent permitted by law cause to be fixed, maintained and collected such rates and charges for services rendered by the Waterworks as are sufficient in each year for the payment of the proper and reasonable expenses of operation, repair and maintenance of said works and for the payment of the sums required to be paid under the provisions of the Indenture and Mortgage.

The Borrower further covenants that it will set aside and pay into the Debt Service Accounts a sufficient amount to meet (a) the interest on all notes issued pursuant to the Indenture and Mortgage, as such interest shall fall due, (b) the necessary fiscal agency charges for paying all such notes and interest and (c) the principal of all notes issued pursuant to the Indenture and Mortgage. In addition, the Borrower covenants that it will set aside and pay into the Reserve Accounts an additional amount as a margin of safety to create the reserves required by the Indenture and Mortgage.

The Notes of this issue are not subject to optional redemption prior to maturity.

The Notes of this issue which mature on January 1, 2023 (the "Term Notes") are subject to mandatory sinking fund redemption on January 1 on the dates and in the amounts listed below by lot in such manner as the Trustee may determine at the redemption price of 100% of the principal amount thereof plus accrued interest to the date of redemption in accordance with the following schedule:

January 1, 2023 Term Note

<u>Date</u>	<u>Principal Amount</u>
01/01/2014	\$335,000
01/01/2015	455,000
01/01/2016	470,000
01/01/2017	350,000
01/01/2018	110,000
01/01/2019	115,000
01/01/2020	125,000
01/01/2021	125,000
01/01/2022	125,000

01/01/2023*

110,000

* Final Maturity

The Trustee shall credit against the mandatory sinking fund requirement for the Term Notes (and corresponding mandatory redemption obligation), as set forth above, any Term Notes of the applicable maturity delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and canceled by the Trustee and not theretofore applied as a credit against any redemption obligation under the Indenture and Mortgage. Each Term Note of such maturity so delivered or canceled shall be credited by the Trustee at 100% of the principal amount thereof against the next mandatory sinking fund obligation on the next such mandatory redemption date, and any excess of such amount shall be credited on future redemption obligations, and the principal amount of the Term Notes of such maturity to be redeemed by operation of the mandatory sinking fund requirements shall be accordingly reduced; provided, however, the Trustee shall credit such Term Notes only to the extent such Term Notes are received at least 45 days preceding the applicable mandatory redemption date.

In the case of redemption of any Notes, notice of the call for any such redemption identifying the Notes, or portions of the Notes, to be redeemed shall be given by the Trustee by mailing a copy of the redemption notice by first class mail at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption to each registered owner of each Note to be redeemed at the address shown on the registration books maintained by the Trustee; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such Note shall not affect the validity of any proceedings for the redemption of other Notes. The notice shall specify the redemption price, the date and place of redemption, and the registration numbers (and, in the event of partial redemption, the respective principal amounts) of the Notes called for redemption.

Each Five Thousand Dollars (\$5,000) in aggregate principal amount shall be considered a separate Note for purposes of redemption. If less than an entire maturity is called for redemption, the Trustee shall select the Notes to be redeemed by lot.

If this Note or a portion hereof shall have become due and payable in accordance with its terms or this Note or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this Note or a portion hereof for redemption shall be given and the whole amount of the principal and the premium, if any, and interest, so due and payable upon this Note or such portion hereof shall be paid, or (i) sufficient moneys, or (ii) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, the principal of and the interest on which when due will provide sufficient moneys for such purpose, or (iii) time certificates of deposit of a bank or banks, fully secured as to both principal and interest by obligations of the kind described in (ii) above, the principal of and interest on which when due will provide sufficient moneys for such purpose, shall be held in trust for such purpose, and provision shall also be made for paying all fees and expenses for the redemption, then and in that case this Note or such portion hereof shall no longer be deemed outstanding, entitled to the pledge of the remainder of the Trust Estate or an obligation of the Borrower.

If this Note shall not be presented for payment or redemption on the date fixed therefor, the Borrower may deposit in trust with the Trustee an amount sufficient to pay such Note or the redemption price, as appropriate, and thereafter the Registered Owner shall look only to the funds so deposited in trust with the Trustee for payment, and the Borrower shall have no further obligation or liability with respect thereto.

All Notes which have been redeemed shall be canceled to the Borrower; provided, however, that one or more new registered Notes shall be issued for the unredeemed portion of any note without charge to the holder thereof.

Subject to the provisions of the Indenture and Mortgage regarding the registration of such Notes, this Note and all other Notes of this issue of which this Note is a part are fully negotiable instruments under the laws of the State of Indiana. This Note is transferable or exchangeable only on the books of the Borrower maintained for such purpose at the corporate trust operations office of the Trustee, by the Registered Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this note together with a written instrument of transfer or exchange satisfactory to the Trustee duly executed by the Registered Owner or his attorney duly authorized in writing, and thereupon a new fully registered Note or Notes in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Registered Owner, as the case may be, in exchange therefor. This Note may be transferred or exchanged without cost to the Registered Owner or his attorney duly authorized in writing, except for any tax or other governmental charge which may be required to be paid with respect to such transfer or exchange. The Trustee shall not be obligated to make any exchange or transfer of this Note (i) during the fifteen (15) days immediately preceding an interest payment date on this Note or (ii) after the mailing of any notice calling this note for redemption. The Borrower and the Paying Agent for this Note may treat and consider the person in whose name this Note is registered as the absolute owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and the redemption premium, if any, and interest due hereon.

In the event this Note is mutilated, lost, stolen or destroyed, the Borrower may cause to be executed and the Trustee may authenticate a new Note of like date, maturity and denomination as this Note, which new note shall be marked in a manner to distinguish it from this Note; provided, that in the case of this Note being mutilated, this Note shall first be surrendered to the Trustee, and in the case of this note being lost, stolen or destroyed, there shall first be furnished to the Trustee evidence of such loss, theft or destruction satisfactory to the Borrower and to the Trustee, together with indemnity satisfactory to them. In the event that this note, being mutilated, lost, stolen or destroyed, shall have matured or been called for redemption, instead of causing to be issued a duplicate Note the Trustee may pay this Note upon surrender of this mutilated Note or upon satisfactory indemnity and proof of loss, theft or destruction in the event this Note is lost, stolen or destroyed. In such event, the Borrower and the Trustee may charge the owner of this Note with their reasonable fees and expenses in connection with the above. Every substitute Note issued by reason of this Note being lost, stolen or destroyed shall, with respect to this Note, constitute a substitute contractual obligation of the Borrower, whether or not this Note, being lost, stolen or destroyed shall be found at any time, and shall be entitled to

all the benefits of the Indenture and Mortgage, equally and proportionately with any and all other Notes duly issued thereunder.

In the manner provided in the Indenture and Mortgage, the Indenture and Mortgage and the rights and obligations of the Borrower and the owners of the Notes of this issue authorized thereunder, including this Note, may (with certain exceptions as stated in the Indenture and Mortgage) be modified or amended with the consent of the owners of at least a majority in aggregate principal amount of such Notes exclusive of any such Notes which may be owned by the Borrower.

The Registered Owner of this Note, by the acceptance hereof, hereby agrees to all the terms and provisions contained in the Indenture and Mortgage.

This Note shall not be valid or become obligatory for any purpose or entitled to any security or benefit under the Indenture and Mortgage herein described unless and until the certificate of authentication hereon shall have been executed by a duly authorized representative of the Trustee.

The Borrower hereby certifies, recites and declares that all acts, conditions and things required to be done precedent to and in the preparation, execution, issuance and delivery of this Note have been done and performed in regular and due form as required by law.

IN WITNESS WHEREOF, the Jackson County Water Utility, Inc., an Indiana nonprofit corporation, has caused this note to be executed in its corporate name by the manual or facsimile signature of its President, and attested by the manual or facsimile signature of its Secretary.

JACKSON COUNTY WATER UTILITY, INC.

By: _____
_____, President

ATTEST: .

_____, Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This note is one of the Jackson County Water Utility, Inc., Taxable Secured Notes, Series 2013, issued and delivered pursuant to the provisions of the within-mentioned Indenture and Mortgage.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as Trustee

By: _____
Authorized Representative

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto _____ (insert name and address) the within note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within note on the books kept for the registration thereof with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as it appears on the face of the within note in every particular, without alteration or enlargement or any change whatsoever.

Signature Guarantee:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Security Transfer Association recognized signature guarantee program.

EXHIBIT C

Senior Notes Pay-Off Letters

Berkadia Commercial Mortgage LLC
118 Welsh Road
Horsham PA 19044

BERKADIA™

LOAN PAYOFF STATEMENT

JACKSON COUNTY WATER UTILITY, INC.
PO BOX 56

BROWNSTOWN IN 47220-0000

Loan No. 01-0304109

Investor (1) FIMA

010304109

Current Interest Rate 5.00000%

The following data is submitted per your request of September 24, 2013

CURRENT PRINCIPAL BALANCE				\$	373,564.03
INTEREST DUE @ Current Rate	09/17/13	through	10/08/13		1,125.81
CUSTODIAL & ADMINISTRATIVE EXPENSES					300.00
<u>Supplemental Charges</u>					
ACCOUNT & DEFERRED UNPAID BILLINGS					-
TOTAL				\$	374,989.84

This statement is for the property located at: 56 PO Box, Brownstown, IN

IMPORTANT: The above amount is valid only for 10/09/2013. No rebates are available for early payment. If you elect to remit funds prior to the payoff date shown on your payoff statement, interest must be paid in accordance with the payoff statement and Berkadia will hold the funds until the Payoff Date.

Escrow balances will not be applied as a credit on the payoff statement and every effort is made to release positive escrow/reserve balances within thirty (30) days of the payoff. This letter does NOT modify your loan documents nor negate your responsibility to pay installments timely.

Wire payments submitted to repay this loan must be received in this office by 2:00 p.m. EST or interest will accrue DAILY at a rate of \$51.17 good until 10/23/2013 after which a revised Payoff Statement is required.

A revised Payoff Statement may require you to pay interest on your loan for a full additional interest accrual period, depending on the provisions of your loan documents.

Please wire the total amount due as follows:

Bank: Wells Fargo Bank N.A., San Francisco, CA
Routing: ABA # 121-000-248
Beneficiary: Berkadia Commercial Mortgage, LLC
Account: DDA No. 2000049251465
Reference: Attn: SHANNON GRANDSTAFF LN: 01-0304109

BERKADIA REQUIRES THE INCLUSION OF THE ABOVE REFERENCE LINE AS A CONDITION OF ACCEPTING YOUR PAYMENT.

The Total amount due should be remitted in accordance with the above instructions in Immediately Available Funds. Alternative forms of payment (e.g., Certified Checks, Bank Drafts, and other mediums) should be arranged in advance through your Client Relations Manager.

We assume no responsibility for late or misdirected wires, nor should this statement be used for a non-wire payment. No real estate tax or insurance payments will be disbursed for your account after payoff funds are received. The borrower is responsible for any payments due on or after the payoff date, including applicable interest or penalties. Any escrow deposits will be returned via check post-payoff.

IMPORTANT NOTE: This statement does not modify, alter or amend the terms of the loan documents. Should your payoff date change or be delayed, we reserve the right to assess a \$100 revision fee to generate a new Loan Payoff Statement.

Should you have any questions, please contact SHANNON GRANDSTAFF

Telephone: 1-888-334-4622

Berkadia Commercial Mortgage LLC
118 Welsh Road
Horsham PA 19044



LOAN PAYOFF STATEMENT

JACKSON COUNTY WATER UTILITY, INC.
PO BOX 56

BROWNSTOWN IN 47220-0000

Loan No. 01-0304108

Investor (1) FMHA

010304108

Current Interest Rate 5.00000%

The following data is submitted per your request of September 24, 2013

CURRENT PRINCIPAL BALANCE		\$	88,939.73
INTEREST DUE @ Current Rate	09/09/13 through 10/08/13		365.51
CUSTODIAL & ADMINISTRATIVE EXPENSES			300.00
<u>Supplemental Charges</u>			
ACCOUNT & DEFERRED UNPAID BILLINGS			-
TOTAL		\$	89,605.24

This statement is for the property located at: 56 PO Box Brownstown, IN

IMPORTANT: The above amount is valid only for 10/09/2013. No rebates are available for early payment. If you elect to remit funds prior to the payoff date shown on your payoff statement, interest must be paid in accordance with the payoff statement and Berkadia will hold the funds until the Payoff Date.

Escrow balances will not be applied as a credit on the payoff statement and every effort is made to release positive escrow/reserve balances within thirty (30) days of the payoff. This letter does NOT modify your loan documents nor negate your responsibility to pay installments timely.

Wire payments submitted to repay this loan must be received in this office by 2:00 p.m. EST or interest will accrue DAILY at a rate of \$12.18 good until 10/23/2013 after which a revised Payoff Statement is required.

A revised Payoff Statement may require you to pay interest on your loan for a full additional interest accrual period, depending on the provisions of your loan documents.

Please wire the total amount due as follows:

Bank: Wells Fargo Bank N.A., San Francisco, CA
Routing: ABA # 121-000-248
Beneficiary: Berkadia Commercial Mortgage, LLC
Account: DDA No. 2000049251465
Reference: Attn: SHANNON GRANDSTAFF LN: 01-0304108

BERKADIA REQUIRES THE INCLUSION OF THE ABOVE REFERENCE LINE AS A CONDITION OF ACCEPTING YOUR PAYMENT.

The Total amount due should be remitted in accordance with the above instructions in immediately Available Funds. Alternative forms of payment (e.g., Certified Checks, Bank Drafts, and other mediums) should be arranged in advance through your Client Relations Manager.

We assume no responsibility for late or misdirected wires, nor should this statement be used for a non-wire payment. No real estate tax or insurance payments will be disbursed for your account after payoff funds are received. The borrower is responsible for any payments due on or after the payoff date, including applicable interest or penalties. Any escrow deposits will be returned via check post-payoff.

IMPORTANT NOTE: This statement does not modify, alter or amend the terms of the loan documents. Should your payoff date change or be delayed, we reserve the right to assess a \$100 revision fee to generate a new Loan Payoff Statement.

Should you have any questions, please contact SHANNON GRANDSTAFF

Telephone: 1-888-334-4622

EXHIBIT D

Cost of Issuance

London Witte Group LLP	\$26,350
J.J.B. Hilliard, W.L. Lyons, LLC	2,500*
Bose McKinney & Evans LLP	60,000
Prior Paying Agent Fees	350
Barnes & Thornburg	1,500
Trustee/Escrow Trustee Fees	3,000
Markel, Markel & Lambring	<u>8,879</u>

TOTAL:	\$102,579
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* Reimbursement to Placement Agent for its counsel fees - TW Peterson Law Office.