

## RESOLUTION

### RESOLUTION OF THE NORTH MERCER WATER DISTRICT APPROVING AND AUTHORIZING AN ASSISTANCE AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF REFUNDING CERTAIN OBLIGATIONS OF THE DISTRICT.

WHEREAS, the Board of Commissioners (“Governing Authority”) of the North Mercer Water District (the “District”) has determined that it is in the public interest to currently refund the following outstanding bonds (collectively the “Prior Bonds”), in order for the District to obtain substantial interest cost savings:

1. North Mercer Water District Waterworks Revenue Bonds of 1994, dated February 7, 1995, in the original authorized principal amount of \$439,000,
2. North Mercer Water District Waterworks Revenue Bonds, Series 1996, dated January 9, 1997, in the original authorized principal amount of \$433,000,
3. North Mercer Water District Waterworks Revenue Bonds, Series 2003, dated May 12, 2004, in the principal amount of \$1,450,000; and

WHEREAS, the District desires the Kentucky Rural Water Finance Corporation (the “Corporation”) to act as its agency and instrumentality for the purpose of providing monies to currently refund the outstanding Prior Bonds and has made an application to the Corporation therefore; and

WHEREAS, in order to obtain such monies, the District is required to enter into an Assistance Agreement with the Corporation;

NOW, THEREFORE, BE IT RESOLVED by the Governing Authority of the North Mercer Water District as follows:

1. **Authorization of Assistance Agreement and the Obligations Thereunder.** For the purpose of paying the costs, not otherwise provided, of the current refunding of the Prior Bonds, the District hereby authorizes and approves the issuance of its obligations pursuant to the Assistance Agreement in the aggregate principal amount of \$1,890,000 (subject to adjustment of up to 10%) (which aggregate principal amount may be adjusted downward in the event that the Chairman determines it is in the District’s best interest to not refund one or more of the Prior Bonds) [the “Obligations”], which amount as adjusted shall be the maximum amount of such Obligations to be outstanding at any one time under the Assistance Agreement, issued as fully registered Obligations, in said maturities and terms as more fully provided for in the Assistance Agreement. The Obligations shall bear interest at such rates and shall be payable in such amounts and at such times as specified in the Assistance Agreement, all as agreed upon by the District and the Corporation.



**2. Approval and Authorization of Execution of Assistance Agreement.** The Assistance Agreement by and between the District and the Corporation in the respective form attached to this Resolution, is hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the Chairman, such approval to be conclusively evidenced by the execution of said Assistance Agreement, in order to effectuate the purposes of this Resolution; and the Chairman, or any other officer of the District, is hereby authorized to execute and acknowledge same for and on behalf of the District; and the Secretary is authorized to attest same and to affix thereto the corporate seal of the District. The Assistance Agreement is hereby ordered to be filed in the office of the Secretary with this Resolution in the official records of the District.

**3. Disbursement of Proceeds of Obligations.** The District's officers, employees and agents are authorized to carry out the procedures specified in the Assistance Agreement for the current refunding of the Prior Bonds and for the payment from time to time of the costs and related expenses associated therewith.

**4. Revenues of the System.** The revenues of the District's municipal water system (the "System") are determined to be sufficient to pay the principal of and interest on the Obligations, as the same become due and payable; and said revenues, pursuant to the terms of the Assistance Agreement, are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Assistance Agreement.

**5. Chairman and Other District Officials to Take Any Other Necessary Action.** Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the Chairman, the Treasurer, the Secretary and all other appropriate officials of the District are hereby authorized and directed to take any and all further action and to execute and deliver all other documents as may be reasonably necessary to effect the issuance and delivery of the Obligations and the Assistance Agreement.

**6. Severability Clause.** If any section, paragraph, clause or provision of this Resolution shall be ruled by any court of competent jurisdiction to be invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions hereof.

**7. Captions of Clauses.** The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

**8. Provisions in Conflict Repealed.** All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

**9. Effective Date of Resolution.** This Resolution shall take effect from and after its adoption and approval.

Adopted on September 21, 2016.

NORTH MERCER WATER DISTRICT

By *Gerold Sheperd*  
Chairman

Attest:

By *Jay Best*  
Secretary

**CERTIFICATE**

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the District; that the foregoing is a full, true and correct copy of a Resolution adopted by the Governing Authority of the District at a meeting duly held on September 21, 2016; that said official action appears as a matter of public record in the official records or Journal of the Governing Authority; that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823; that a quorum was present at said meeting; that said official action has not been modified, amended, revoked or repealed and is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this 11/23, 2016.

*Jay Best*  
Secretary