RESOLUTION

AUTHORIZING

OHIO COUNTY WATER DISTRICT
WATERWORKS REVENUE BOND ANTICIPATION NOTE
SERIES 2023

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RESOLUTION NO. _____

A RESOLUTION OF THE OHIO COUNTY WATER DISTRICT PROVIDING FOR THE ISSUANCE OF ITS WATERWORKS REVENUE BOND ANTICIPATION NOTE, SERIES 2023, IN THE PRINCIPAL AMOUNT NOT TO EXCEED $5,000,000, TO PROVIDE INTERIM FINANCING FOR ADDITIONS, EXTENSIONS, AND APPURTENANCES TO THE EXISTING WATERWORKS SYSTEM; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE NOTE IS TO BE ISSUED AND OUTSTANDING; AND AUTHORIZING THE EXECUTION OF ANY DOCUMENT AND THE TAKING OF ANY ACTION NECESSARY TO EFFECTUATE THE PURPOSE OF THIS RESOLUTION.

RECITALS:

1. The waterworks system (the "System") of the Ohio County Water District (the "District") is owned and operated by the District pursuant to Chapter 74 of the Kentucky Revised Statutes.

2. The District currently has outstanding and payable from the revenues of the System, its (i) loan from the Kentucky Infrastructure Authority ("KIA") to the District, dated August 1, 2009, for Project Number F08-08, (ii) loan from KIA to the District for Project F15-069, maturing June 1, 2037, and (iii) loan in the amount of $7,335,000, dated January 7, 2020, to the District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2020A (collectively, the "Senior Bonds").

3. The District has determined, rather than issue Permanent Financing (as defined herein) at this time, to obtain interim financing for the costs of the Project by means of the sale and issuance of its Water System Revenue Bond Anticipation Note, Series 2023 in the principal amount not to exceed $5,000,000 (the "Note"), under authority of Sections 58.150 and 56.513 of the Kentucky Revised Statutes ("KRS"), which Note shall be payable as to both principal and interest solely from (a) the proceeds of the Permanent Financing, when sold and issued, and (b) the income and revenues to be derived from the operation of the System, as extended and improved from time to time, but on a basis subordinate and subject in all respects to the prior and superior pledges, liens, rights, and contractual commitments securing the Senior Bonds; and the Note shall not constitute an indebtedness of the District within the meaning of debt-limiting provisions of the Constitution of Kentucky.

4. In accordance with KRS 58.150 and 56.513, the District has solicited proposals from at least three responsible lenders with respect to the interim loan to be evidenced by the Note, has determined that the best proposal is that of Pinnacle Bank (the "Bank"), and has determined to sell and issue the Note to the Bank.

NOW, THEREFORE, IT IS HEREBY RESOLVED BY THE BOARD OF COMMISSIONERS OF THE OHIO COUNTY WATER DISTRICT, AS FOLLOWS:

Section 1. Definitions.

As used in this Resolution, unless the context requires otherwise, the following terms shall have the following respective meanings:

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

"*Authorized Denomination*" means $100,000 or any integral multiple thereof (plus increments of $0.01 in excess thereof) provided that any amount shall be an Authorized Denomination if such amount results from the redemption of Note pursuant to this Resolution.

"*Bank*" refers to Pinnacle Bank, Louisville, Kentucky, the original purchaser of the Note.

"*Board of Commissioners*" refers to the Board of Commissioners of the District.

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

"*Business Day*" means any day other than a Saturday, Sunday or holiday or a day on which banks located in Kentucky are required or authorized to close for general banking business or on any day on which the New York Stock Exchange is closed.

"*Chairman*" refers to the Chairman of the Board of Commissioners.

"*Code*" refers to the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

"*Construction Fund*" refers to the Ohio County Water District Waterworks Revenue Bond Anticipation Note Construction Fund, created in Section 18 of this Resolution.

"*Costs of Issuance Fund*" refers to the Ohio County Water District Waterworks Revenue Bond Anticipation Note Costs of Issuance Fund created in Section 18 of this Resolution.

"*Costs of the Project*" means and includes the following:

(a) the cost of publishing any proceedings, if any, as may be required by law;

(b) the fee and out-of-pocket expenses of Bond Counsel, the fee and out-of-pocket expenses of the Bank and its counsel;

(c) all other costs and expenses, necessary to be incurred in connection with the construction, renovation, improvement, equipping and/or financing of the Project.

"*Default Rate*" means 4% in excess of the Interest Rate payable on the Note; provided that such rate shall in no event exceed the maximum rate allowed by law.

"*District*" refers to the Ohio County Water District, 124 East Washington Street, Hartford, Kentucky 42347.

"Engineer" or *"Independent Consulting Engineer"* refers to an Independent Consulting Engineer or firm of Engineers of excellent national reputation or of recognized excellent reputation in Kentucky in the fields of waterworks engineering.

"*Equipment*" refers to machinery, equipment, furniture and fixtures paid for (or reimbursed) out of the proceeds of the Note, if any, and which Equipment then becomes a part of the Project.

"*Final Maturity Date*" refers to September 10, 2025.

"*Funds*" refers to the Sinking Fund, Costs of Issuance Fund, and Construction Fund.

"Interest Payment Date" means January 1, April 1, July 1, and October 1 of each year, commencing January 1, 2024.

"*Interest Rate*" refers to a fixed interest rate applicable to the Note of 5.53% per annum on the basis of a 360-day year consisting of twelve 30-day months.

"*KRS*" refers to the Kentucky Revised Statutes, as amended from time to time.

"Note Register" means the form or system or document in which the ownership of the Note is recorded by the District.

"*Note*" refers to the Ohio County Water District Waterworks Revenue Bond Anticipation Note, dated as of the date of delivery, in the principal amount not to exceed $5,000,000.

"*Permanent Financing*" shall mean proceeds of temporary or permanent financing or other borrowing secured by revenues of the District of whatever nature or from any other legally available funds of the District, including, but not limited to bonds issued by the District and delivered to a purchaser for the purpose of financing the Costs of the Project.

"*Permitted Investments*" means IntraFi Network deposits utilizing the ICS service as authorized by KRS 66.480(1)(d), or, with the written consent of the Bank, such other investments authorized by KRS 66.480.

"*Project*" refers to additions, extensions, and appurtenances to the existing waterworks system of the District, funded with proceeds of the Note.

"*Regulations*" refers to the applicable Federal income tax regulations issued by the Department of Treasury of the United States of America interpreting the Code.

"*Required Signatures*" refers to the signatures necessary to be obtained with reference to the approval of advances of Note proceeds, which required signatures shall consist of the

signatures of the Chairman or other District representative authorized by the Board of Commissioners.

"Secretary" refers to the elected or appointed Secretary of the Board of Commissioners.

"*Sinking Fund*" refers to the Ohio County Water District Waterworks Revenue Bond Anticipation Note Sinking Fund, created in Section 18 of this Resolution.

"Treasurer" refers to the elected or appointed Treasurer of the Board of Commissioners.

"*U.S. Obligations*" means bonds or notes that are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

Section 2. Words of Masculine Gender; Plural as Well as Singular Form.

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as to the singular form of any of such words and terms. All words and terms used in this Resolution have the meaning set forth therein. Unless otherwise indicated, references to Articles or Sections refer to those in this Resolution.

Section 3. Purpose; Reaffirmation of Declaration of Waterworks System.

The Note will be issued for the purpose of financing the Costs of the Project, as set out in the plans and specifications prepared by the Engineers. The Board of Commissioners hereby declares the System, including the extensions, additions, and improvements to be constructed, to constitute a revenue producing public project, and said System shall continue to be owned, controlled, operated, and maintained by the District as a revenue producing public project pursuant to the Act, so long as the Note remains outstanding.

Section 4. Authorization of Note.

In order to provide funds necessary to finance the Project and to defray all costs and expenses incident to the issuance of the Note on an interim basis, there shall be and there is hereby authorized to be issued the Ohio County Water District Waterworks Revenue Bond Anticipation Note, in a total principal amount not to exceed $5,000,000, to be dated as of the date of delivery, in anticipation of the issuance by the Final Maturity Date of the Permanent Financing hereinafter identified. The Note shall mature on the Final Maturity Date unless redeemed at the option of the District on an earlier date as provided in Section 7, hereof.

Section 5. Interest Payable on Interest Payment Dates.

The Note shall bear interest from its date at the Interest Rate on the aggregate unpaid balance payable on each Interest Payment Date until payment in full of the Note.

On each Interest Payment Date, the District shall pay interest due on the Note to the Bank by check, wire transfer, or other means according to payment instructions given to the District by the Bank.

Upon (a) the issuance by the Internal Revenue Service of a statutory notice of deficiency, (b) a final and nonappealable determination by a court of competent jurisdiction, or (c) an opinion of counsel having a national reputation in the field of tax-exempt finance to the effect that interest on the Note is not excludable by the Bank from gross income for federal income tax purposes (a "Determination of Taxability"), the interest rate on the Note shall be increased to an interest rate that would result in the Bank's receiving the same after federal tax equivalent yield as if a Determination of Taxability had not occurred (the "Taxable Rate"). Such Taxable Rate shall be effective as of the date interest on the Note is determined to be includable in the Bank's gross income for federal income tax purposes, and all additional interest payable as a result of this subparagraph shall be due within thirty days of written demand by the Bank therefor. The District shall also pay the Bank any additional penalties, taxes, or interest thereon for which the Bank becomes liable as a result of a Determination of Taxability. The District shall pay such penalty, taxes, or interest within thirty days after receiving a written demand by the Bank therefor. The District's obligation to make the above payment under this paragraph shall be required regardless of whether the District is contesting or is offering or has offered in good faith, either directly or through the Bank, to contest any Determination of Taxability. However, if the District shall so contest the Determination of Taxability and shall be successful (after final appeal), then all payments made by the District in excess of the payments which would have been made under this paragraph shall be refunded to the District with interest thereon at the rate then borne by the Note.

Section 6. Principal Amount and Maturities.

The total principal amount of the Note shall not exceed $5,000,000. On the Final Maturity Date, or prior redemption or acceleration as provided herein, of the Note, the District shall pay to the Bank by check, wire transfer, or other means according to the payment instructions of the Bank the outstanding principal amount of the Note plus interest then due. Upon receipt of payment in full for the Note, the Bank shall immediately cancel the Note and return it to the District.

The principal of and interest on the Note shall be payable to the Bank, without exchange or collection charges, in lawful money of the United States of America. The Note shall be issued only as a single fully registered note without coupons in the Authorized Denomination, unless the District shall otherwise direct, shall be numbered R-1.

Section 7. Optional Redemption Provisions.

Provided that the District has given to the Bank at least fifteen (15) days written notice, the Note shall be subject to optional redemption, in whole, in advance of maturity on any date: (i) on or prior to October 10, 2024 at a redemption price equal to 101% of the principal sum outstanding on such redemption date, plus accrued interest to the date of redemption, or (ii) after October 10, 2024 at a redemption price equal to 100% of the principal sum outstanding on such redemption date, plus accrued interest to the date of redemption.

Section 8. Security for Note.

As the security for the payment of the principal of and interest on the Note, and to provide for the payment of such principal and interest, the District hereby pledges (a) the proceeds of the Permanent Financing when sold and issued, and (b) the income and revenues of the System, but on a basis subordinate and subject in all respects to the prior and superior pledges, liens, rights, and contractual commitments securing the Senior Bonds payable from the revenues of the System.

Section 9. Payment of Consideration for Note.

The proceeds of the Note shall be paid by the Bank, as purchaser of the Note to the District for the payment of the Costs of the Project.

Section 10. Renewal Notes Permitted.

The District reserves the right to issue renewal notes as provided by law; and the proceeds of the sale of such renewal notes shall be applied to the payment and retirement of the Note and are hereby pledged therefor.

Section 11. Further Documentation; Pledge of Instruments.

At any time and from time to time, upon the written request of the Bank and at the sole expense of the District, the District will promptly and duly execute and deliver such further instruments and documents and take such further action as the Bank may reasonably request for the purpose of obtaining or preserving the full benefits of the security provided by this Resolution of the rights and powers herein granted. Without limiting the generality of the foregoing, the District will execute and file such financing or continuation statements, or amendments thereto, and such other instruments, endorsements, or notices, as the Bank may deem necessary or desirable in order to perfect and preserve the liens created or continued or intended to be created or continued hereby. The District hereby authorizes the Bank to file any such financing or continuation statement without the signature of the District to the extent permitted. If any amount payable under or in connection with any of the collateral shall be or become evidenced by any promissory note, other instrument, or chattel paper, such note, instrument, or chattel paper shall be immediately delivered to the Bank, duly endorsed (without recourse) in a manner reasonably satisfactory to the Bank, to be held as collateral pursuant to this Resolution.

Section 12. Pledge and Assignment of the District; Further Assurance; Completion of Project.

The District hereby agrees and covenants that it will, before the maturity date of the Note, take all proper and necessary action in accordance with law (a) to authorize, sell, and issue the Permanent Financing in an amount sufficient to provide for the payment when due of the principal of and interest on, and the retirement of, the Note and (b) to adjust, if necessary, its water service rates and charges so that the Permanent Financing may be issued.

The District does hereby irrevocably assign and pledge to the Bank and its successors or assigns, all right, title ,and interest of the District in and to the proceeds of the Permanent Financing and all monies to be received from the debt issued pursuant to the Permanent Financing for the Project.

At any time and all times the District shall, so far as it may be authorized by law, pass, make, do, execute, acknowledge, and deliver, all and every such further resolutions, acts, deeds, conveyances, assignments, transfers, and assurances as may be necessary or desirable for the better assuring, conveying, granting, assigning, and confirming all and singular the rights, assets, and revenues herein pledged or assigned, or intended so to be, or which the District may hereafter become bound to pledge or assign.

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

Section 13. Note Form.

The Note shall be issued (and shall be executed by the indicated officials) in substantially the form set forth as **Exhibit A** attached hereto and incorporated herein by reference, with such necessary or appropriate variations, omissions, and insertions as may be permitted or required by this Resolution or advised by the District's bond counsel.

Section 14. Execution of the Note.

The Note shall be executed on behalf of the District and signed with the manual or facsimile signature of the Chairman and attested by the manual or facsimile signature of the Secretary of the District.

Section 15. Registration and Payment.

The Note shall be fully registered and transferred and assigned in accordance with the written authorized instruction of the Bank. The District shall establish and maintain a list of the registered owner of the Note. The District shall serve as its own registrar and paying agent for the purpose of maintaining the Note Register.

No transfer of the Note shall be valid unless made on the Note Register at the request of the registered owner in person or by his attorney duly authorized in writing, and similarly noted on such Note. The District shall not be required to transfer or exchange any Note on any date which is after the fifteenth day of the month preceding any interest payment date, or during any period beginning 15 days prior to the date selected by the District for redemption prior to maturity of the Note and ending on the date of mailing of notice of any such redemption. The person in whose name a Note is registered on the Note Register shall be deemed the owner thereof for all purposes.

Section 16. Conditions of Sale of Note.

Proposals to make the loan evidenced by the Note have been solicited on a limited basis from at least three institutions having knowledge and experience in financial and business matters who are capable of evaluating the merits and risks of the Note, who would not be purchasing the Note for more than one account, and who do not intend to resell the Note. In connection with such solicitation, the District has made available to such qualified purchasers, upon request, material financial and other information regarding the System, the District, and the Note in the District's

possession. The Bank, as purchaser of the Note, will be required to sign an "investment letter" in substantially the form of **Exhibit B** attached hereto.

The Chairman and Treasurer of the District (each, an "Authorized Officer" and together, the "Authorized Officers"), and each of item, are hereby authorized and directed to sell and to cause the issuance of the Note, the District having complied with the procedures contained in KRS 58.150 and KRS 56.513 by soliciting proposals for the loan to be evidenced by the Note from at least three responsible lenders. The Authorized Officers, and each of them, are further authorized to enter into and to execute on behalf of the District any and all agreements, certificates, opinions, instruments, and documents necessary or desirable to effectuate the sale and issuance of the Note and to approve any supplemental terms and provisions deemed to be necessary or desirable to carry out the intent and purposes of this Resolution.

Section 17. Use of Proceeds of Note.

(a) The District shall provide the Bank with a written request for an advance of Note proceeds signed by the Required Signatures in the form provided as **Exhibit C** hereto at least two Business Days before such advance is needed containing: (a) a request that the Bank make such advance in the amount and on the date specified therein; (b) a description of the Costs of the Project for which such advance is requested; and (c) a certification that the total amount of all advances to be received by the District pursuant to the Note and this Resolution will not exceed $5,000,000. Note proceeds shall be deposited, together with other available funds of the District, as follows: (x) an amount sufficient to pay the costs of issuing the Note shall be deposited to the Costs of Issuance Fund, and used by the District to pay costs of issuance of the Note; and (y) the remainder shall be deposited to the Construction Fund and used to pay or reimburse the District for the Costs of the Project.

(b) It shall not be necessary for the Engineer to approve the payment of the costs of issuing the Note, administrative costs, and the costs of any Equipment that is not permanently affixed to the real estate.

(c) Pending disbursement for the authorized purposes, the proceeds of the Note shall be subject to a first and paramount lien and charge in favor of the owners of the Note and for their further security.

(d) Whenever the Project is complete, any surplus then remaining in the Construction Fund may be transferred to the Sinking Fund, and the next payments for interest and principal shall be reduced by such amount, or, with the written consent of the Bank, may be used to pay or reimburse the costs of additions, extensions, and/or improvements to the Project and/or the purchase of Equipment for the Project.

Section 18. Creation of Funds.

(a) There is hereby created the "Ohio County Water District Waterworks Revenue Bond Anticipation Note Sinking Fund (the "Sinking Fund") into which there shall be paid as needed any interest payments due on the Note on the next Interest Payment Date. The Sinking Fund shall be created and established at the Bank.

Funds on deposit in the Sinking Fund may be invested in Permitted Investments, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Sinking Fund. All income earned from investment of moneys in the Sinking Fund (including the capitalized interest, if any, deposited therein) shall, as earned, be used to pay principal and interest on the Note.

No further payments need be made into the Sinking Fund whenever and so long as such amount of the Note shall have been retired that the amount then held in the Sinking Fund is equal to (or sufficient to defease) the entire amount of the interest and principal (and redemption premium, if any) that will be payable to and at the time of the retirement and/or maturity of all the Note then remaining outstanding.

(b) There is hereby created the "Ohio County Water District Waterworks Revenue Bond Anticipation Note Costs of Issuance Fund (the "Costs of Issuance Fund"), which shall also be deposited with the Bank as and when needed, into which Costs of Issuance Fund there shall be set aside and deposited the issuance costs of the Note. Funds on deposit in the Costs of Issuance Fund shall not be invested.

(c) There is hereby created the "Ohio County Water District Waterworks Revenue Bond Anticipation Note Construction Fund (the "Construction Fund") to be deposited with the Bank, into which there shall be set aside out of the proceeds of the sale of the Note funds necessary to pay or reimburse the District for the Costs of the Project.

Funds on deposit in the Construction Fund may be invested in Permitted Investments. All income earned from investment of moneys in the Construction Fund shall be kept in the Construction Fund and used to pay the Costs of the Project.

Section 19. Compliance with Federal Arbitrage Regulations.

(a) The Board of Commissioners covenants that the proceeds of the Note shall not be invested in investments which will produce a net adjusted yield in excess of the net interest cost (effective yield) of the Note authorized herein, if such investment would cause the Note to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code; provided, however, that the funds may be invested to whatever extent and whenever the Code permits same to be invested without causing the Note to be treated as "arbitrage bonds."

(b) On the basis of known facts and circumstances in existence on the date of adoption of this Resolution, the Board of Commissioners certifies that it is not expected that the proceeds of the Note will be used in a manner that would cause the Note to be "arbitrage bonds." The Board of Commissioners covenants with the purchasers and/or owners of the Note authorized herein that (a) the Board of Commissioners will make no use of the proceeds of the Note that, if such use had been reasonably expected on the date of issuance of the Note, would cause the Note to be "arbitrage bonds," and (b) that the Board of Commissioners will comply with (1) all of the requirements of Section 148 of the Code; and (2) all of the requirements of the applicable Regulations thereunder, to whatever extent is necessary to assure that the Note will not be treated as "arbitrage bonds."

(c) On the basis of known facts and reasonable expectations on the date of enactment of this Resolution, the Board of Commissioners certifies as follows:

(1) that there has been no overissuance of the Note;

(2) that it is anticipated and covenanted that amounts on deposit in the Sinking Fund will be used within thirteen (13) months from the date of deposit for the payment of principal of and/or interest on the outstanding Note, and that, except for an amount equal to not more than the greater of (1) one-twelfth (1/12) of debt service requirements on the outstanding Note for the then ensuing year, or (2) one year's earnings on the Sinking Fund, such Sinking Fund will be depleted annually through such application for current debt service requirements of the outstanding Note; and

(3) that the Board of Commissioners has not been advised of any listing or contemplated listing by the Internal Revenue Service determining that the foregoing type of certification with respect to the Board of Commissioners's obligations may not be relied on.

(d) The Board of Commissioners covenants and agrees that in the event it is subsequently determined by the Board of Commissioners upon the advice of Bond Counsel, that the funds created herein are subject to the "rebate requirements" on excess earnings in favor of the United States of America imposed by Section 148(f) of the Code and that such funds in fact generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Note, plus any income attributable to such excess, it shall rebate to the United States of America any such excess generated from such investments and remit such excess to the United States of America on or before five (5) years and 60 days from the date of issuance of the Note, and not later than once every five years thereafter until the final retirement of the Note; the last installment, to the extent required, to be made no later than sixty (60) days following the complete retirement of the Note. The Board of Commissioners further covenants to file any and all reports, if any, as may be required to be filed with the United States Government with regard to the liability or non-liability of the Board of Commissioners as to any such rebate requirements and to maintain records in regard thereto for the period of time required by applicable Treasury Regulations.

(e) The Board of Commissioners reserves the right to make any investment permitted by state law if, whenever, and to the extent that Section 148 of the Code or the Treasury Regulations relating thereto shall be repealed, amended, or relaxed, or shall be held void by a final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, or relaxation, amendment, or decision would not, in the opinion of Bond Counsel, result in making the interest on the Note subject to Federal income taxation.

(f) Prior to or at the time of delivery of the Note, the Chairman and/or the Treasurer are (is) authorized to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated expenditures, and investments, including the execution of necessary and/or desirable certifications of the type contemplated by the applicable arbitrage regulations under the Code, in order to assure that interest

on the Note will be exempt from all Federal income taxes and that the Note will not be treated as "arbitrage bonds."

Section 20. Bank Eligibility and Rebate Provisions.

The District hereby certifies that it does not reasonably anticipate issuing "qualified tax-exempt obligations" during the calendar year in which the Note are being issued in excess of $10,000,000, and, therefore, the District does hereby designate the Note as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

Section 21. Covenant as to Audits.

The District agrees that so long as the Note is outstanding (i) it will cause audited financial statements of the financial affairs of the District to be made available to the Bank by October 31 after the end of each fiscal year and (ii) it will furnish to the Bank a copy of the District's annual budget in an electronic format within thirty (30) dayas of adoption by the Board of Commissioners of the District.

All expenses incurred in causing such financial reports to be made and copies distributed, shall constitute proper expenses incident to the issuance of the Note and shall be paid by the District as an expense of the Note in addition to the amounts otherwise required to be paid hereunder.

Section 22. Default; Remedies.

(a) The following shall be considered an "Event of Default" under this Resolution:

(1) there shall be any default in the payment of the principal of or the interest on the Note, when due, or

(2) the insolvency of, or the filing of a petition in bankruptcy by or against the District, or

(3) the District shall fail or refuse to comply with the provisions of the Act, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Resolution, any authorizing resolution of the District, or the Note, or the District shall default in the performance or observance of any covenant, other than payment of rental agreements or conditions on its part contained in the Resolution; and such failure, refusal, or default shall continue for a period of forty-five (45) days after written notice thereof by the Bank.

(b) Upon the happening and continuance of any Event of Default, the Bank may proceed to protect and enforce its rights by such of the following remedies, being advised by counsel, shall deem most effectual to protect and enforce such rights:

(1) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Bank, including the right to require the District to enforce fully the Resolution and to charge, collect and fully account for the District revenues and to require

the District to carry out any and all other covenants or agreements with the Bank and to perform its duties under the Act;

(2) by bringing suit upon the Note;

(3) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Bank; and/or

(4) by declaring the full principal amount of the Note outstanding, together with accrued interest, due and payable; provided that if all Events of Default have been cured, the Bank may annual such declaration and its consequences.

The District expressly waives any right to claim a trespass in connection with any such action.

In the event of default, the Note shall continue to bear interest after maturity at the interest rate applicable to the Note until the necessary funds are made available for the payment thereof.

In case of any action or any proceedings in any court to collect any sums payable or secured by this Resolution or to protect the lien herein of the Bank, or in any other case permitted by law in which attorneys' fees may be collected from the District or charged upon the proceeds of any Permanent Financing, bond and/or notes issued for the purpose of paying the principal of or interest on the Note, the District agrees to pay reasonable attorneys' fees incurred by the Bank.

(c) Upon the happening and continuance of any Event of Default (including, but not limited to, the failure to pay all amounts due on the Final Maturity Date) interest shall accrue at the Default Rate.

Section 23. Rights of Bank.

Notwithstanding any other provisions herein contained, the Bank shall have all of the rights provided for hereunder to require the District to operate the Project and to charge whatever rents and rates are necessary for the services provided by such facilities and to levy such rents, subject to any limitations imposed by law, in order that all of the interest on and the principal of the Note shall be paid in full.

The Bank shall be secured to the full extent provided by law by a pledge of revenues of the District in accordance with the terms of the Act.

Section 24. Resolution is Contractual With Bank.

The provisions of this Resolution and of any authorized supplemental resolution entered into prior to the delivery and payment of the Note to the Bank, shall constitute a contract between the District and the Bank, no change in the provisions of this Resolution or of any supplemental resolution shall be made in any manner except as herein provided until such time as the Note and the interest thereon have been paid in full; provided:

(a) the District may adopt a supplemental resolution for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any proceedings pertaining hereto, provided no change may be made which would impair the security or interests of the Bank in any way, without the consent in writing of the Bank; and

(b) the Bank shall have the right to consent to, and approve the adoption of ordinances, resolutions or other proceedings, modifying or amending any of the terms or provisions contained in this Resolution; provided, however, that no such modifications or amendments shall be made which will permit: (1) an extension of the maturity of the Note, or any parity notes, or (2) a reduction in the principal of the Note or the redemption premium or the rate of interest thereon, or (3) a preference or priority of any Note or parity notes over any other note or notes, or (4) a reduction in the percentage of the aggregate principal amount of the Note required to consent to any modification or amendment, or (5) impair in any way the rights of the Bank.

Section 25. Signatures of Officers.

If any of the officers whose signatures or facsimile signatures appear on the Note cease to be such officers before delivery of the Note, such signatures shall nevertheless be valid for all purposes the same as if said officers had remained in office until delivery, as provided in KRS 61.390.

Section 26. Terms of Note and this Resolution May be Revised Before Issuance.

The District reserves the right, prior to the issuance of the Note, to amend this Resolution as to the date, amount, maturities, redemption premiums and other provisions of the Note, consistent with market conditions and other pertinent factors at the time of such issuance.

Section 27. Severability Clause.

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

Section 28. Captions of Clauses.

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

Section 29. Effective Immediately Upon Adoption.

This Resolution shall take effect and be effective immediately upon its adoption.

[Signature Page Follows]

Adopted this September 25, 2023.

OHIO COUNTY WATER DISTRICT

Chairman

Attest:

Secretary

CERTIFICATE OF SECRETARY

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Ohio County Water District Board of Commissioners, and that the foregoing Resolution is a true copy of a Resolution duly adopted by the Board of Commissioners of said the District, signed by the Chairman of said the District at a properly convened meeting of said Board of Commissioners held on September 25, 2023, as shown by the official records of said the District in my custody and under my control.

I further certify that said meeting was duly 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 Resolution has not been modified, amended, revoked or repealed, and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as Secretary this September 25, 2023.

Secretary

EXHIBIT A

UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
OHIO COUNTY WATER DISTRICT
WATERWORKS REVENUE BOND ANTICIPATION NOTE
SERIES 2023

NO. R-1

Interest Rate:	**Maturity Date:**	**Dated as of:**
5.53%	**September 10, 2025**	**October 10, 2023**

KNOW ALL PERSONS BY THESE PRESENTS:

That the Ohio County Water District ("the District") acknowledges itself to owe and for value received, hereby promises to pay to the order of:

PINNACLE BANK
Louisville, Kentucky

upon presentation and surrender of this Note, the principal sum of:

FIVE MILLION DOLLARS ($5,000,000)

on the Maturity Date set forth above and to pay interest on said sum to Pinnacle Bank (the "Bank"), at the Interest Rate set forth herein, per annum, from the date hereof, payable on January 1, April 1, July 1, and October 1 of each year, commencing January 1, 2024, except as the provisions hereinafter set forth as to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to the maturity of this Note (the "Note"), to be paid in immediately available lawful money of the United States of America to the Bank at its principal office in Louisville, Kentucky, or if the Bank is no longer the holder of the Note, then to the registered owner of this Note, both principal and interest being payable without deduction for exchange or collection charges. Interest shall be calculated on an assumed 30 day month/360 day year. All accrued but unpaid interest on this Note will be due and payable in full on the Maturity Date.

This Note is authorized and issued under a Resolution (the "Resolution") enacted by the District on September 25, 2023, for the public purpose of providing funds with which to fund all or any portion of the costs of additions, extensions, and appurtenances to the existing waterworks system of the District (the "Project"), pursuant to and in full compliance with the laws of the Commonwealth of Kentucky.

The Note constitutes a limited obligation of the District and the income and revenues of the System are irrevocably pledged to the prompt payment of the principal of, premium, if any,

and interest on the Note when the same become due, but on a basis subordinate and subject in all respects to the prior and superior pledges, liens, rights and contractual commitments securing the District's outstanding (i) loan from the Kentucky Infrastructure Authority ("KIA") to the District, dated August 1, 2009, for Project Number F08-08, (ii) loan from KIA to the District for Project F15-069, maturing June 1, 2037, and (iii) loan in the amount of $7,335,000, dated January 7, 2020, to the District from the Kentucky Rural Water Finance Corporation Public Projects Refunding Revenue Bonds (Flexible Term Program), Series 2020A.

This Note is issued in anticipation of Permanent Financing (as defined in the Resolution). In the Resolution, the District assigns and pledges to the Bank, all right, title and interest of the District in and to the proceeds of the Permanent Financing and all monies to be received from the debt issued pursuant to the Permanent Financing for the Project.

Reference is hereby made to the Resolution for a more particular description of the terms and conditions under which the Note is issued, a more specific identification of the Project, the revenues pledged for the payment of the Note, the nature and extent of the security, the rights and duties of the District and the rights of the Bank with respect to such security.

THIS NOTE HAS BEEN ISSUED UNDER AND PURSUANT TO THE PROVISIONS OF CHAPTER 58 OF THE KENTUCKY REVISED STATUTES ("ACT"). THIS NOTE, INCLUDING THE INTEREST AND PREMIUM, IF ANY, PAYABLE THEREON, SHALL NOT CONSTITUTE, WITHIN THE MEANING OF ANY STATUTORY OR CONSTITUTIONAL PROVISIONS OF THE COMMONWEALTH OF KENTUCKY, AN OBLIGATION, EITHER GENERAL OR SPECIFIC, OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION THEREOF, AND NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISION SHALL BE LIABLE THEREON, NOR SHALL THE FAITH, REVENUES AND CREDIT OF THE COMMONWEALTH OR ANY POLITICAL SUBDIVISION THEREOF BE PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE NOTE.

Provided that the District has given to the Bank at least fifteen (15) days written notice, the Note shall be subject to optional redemption, in whole, in advance of maturity on any date: (i) on or prior to October 10, 2024 at a redemption price equal to 101% of the principal sum outstanding on such redemption date, plus accrued interest to the date of redemption, or (ii) after October 10, 2024 at a redemption price equal to 100% of the principal sum outstanding on such redemption date, plus accrued interest to the date of redemption.

Principal of and interest on this Note shall be payable to the Bank by the District by check, wire transfer, or other means according to payment instructions given to the District by the Bank.

The Note has been designated as a "qualified tax-exempt obligation" within the meaning of Section 265(b) of the Internal Revenue Code of 1986 and the Note will not be required to be included by financial institutions in calculating the disallowance of the deduction for interest expense allocable to tax-exempt interest under such Section.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen, and be performed precedent to and in the issuance of the Note, do exist, have happened and have been performed in due time, form and manner as required by law and that this Note complies on its face with said law; and that the amount of this Note, together with all other obligations of the District, does not exceed the debt incurring authority and capacity of this District; and the District, so long as the Note remains outstanding, shall perform all duties imposed upon it by the Resolution.

IN WITNESS WHEREOF, the Ohio County Water District has caused this Note to be executed on its behalf with the duly authorized manual signature of its Chairman, attested by the manual signature of the Secretary, and this Note is to be dated as of the date set forth above.

OHIO COUNTY WATER DISTRICT

By:_____
Chairman

Attest:

By_____
Secretary

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto _____ _____ the within Note and hereby irrevocably constitutes and appoints _____ attorney to transfer said Note on the books kept for registration and transfer of this Note, with full power of substitution in the premises.

Dated: _____ _____

Signature Guaranteed By:

Social Security Number or other taxpayer identification number:

_____ _____

EXHIBIT B
FORM OF INVESTMENT LETTER

Pinnacle Bank
100 Mallard Creek Road, Suite 105
Louisville, Kentucky 40207

October 10, 2023

Ohio County Water District
124 East Washington Street
Hartford, Kentucky 42347

Rubin & Hays
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202

Re: Ohio County Water District Waterworks Revenue Bond Anticipation Note, Series 2023, dated October 10, 2023, in the original principal amount of $5,000,000.

Ladies and Gentlemen:

The undersigned, Pinnacle Bank (the "Bank"), hereby acknowledges the purchase and receipt of $5,000,000 in principal amount of the Ohio County Water District Waterworks Revenue Bond Anticipation Note, Series 2023, dated the date of delivery (the "Note") issued by the Ohio County Water District (the "Issuer").

The Bank, purchaser of the Note, hereby represents to you that:

1. The Bank has the authority to purchase the Note and to execute this letter and any other instruments and documents required to be executed by the Bank in connection with the acquisition of the Note.

2. The Bank is (a) a "qualified institutional buyer" as defined in Rule 144A promulgated under the Securities Act of 1933, as amended (the "1933 Act"), or (b) an "accredited investor" as defined in Rule 501 of Regulation D under the 1933 Act.

3. Except as discussed in this paragraph, the purchase of the Note is solely for the account of the Bank (and not for the interest or account of another person or entity). The Bank has neither a present intention to sell, reoffer, or otherwise transfer or dispose of the Note (or any legal or beneficial interest therein), nor has the Bank offered, solicited, marketed, pre-sold, sold, assigned, transferred, or disposed of the Note (or any legal or beneficial interest therein) to any individual, person, or entity; provided that the Bank may sell or transfer the Note to one or more affiliates of, or parties related to, the Bank. In addition, the Bank has not created a market for the Note.

4. The Bank is not acting as a fiduciary for the Issuer or in the capacity of broker, dealer, municipal securities Bank, or dealer, placement agent, financial advisor, or municipal advisor in connection with the Bank's acquisition of the Note. Neither the Bank nor any related entity thereto has provided, nor will the Bank provide, financial, legal, tax, accounting, or other advice to or on behalf of the Issuer with respect to the Note. The Issuer has sought and obtained financial, legal, tax, accounting, and other advice (including as it relates to structure, timing, terms, and similar matters) with respect to the Note from their financial, legal, and other advisors (and neither the Bank nor any related entity thereto) to the extent that the Issuer desired to obtain such advice.

5. The Bank understands that the Note (a) is not being registered under the Securities Act of 1933 (the "1933 Act") and is not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) will be delivered in a form that is not readily marketable and is subject to transfer restrictions and conditions as set forth in the Note.

6. We have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Note and are purchasing the Note with a full understanding of all of the terms, conditions, and risks thereof, and are capable of assuming, and willing to assume, these risks.

7. We acknowledge that we have either been supplied with or have access to information, including financial statements and other financial information, to which a reasonable purchaser would attach significance in making its investment decisions, and we have had the opportunity to ask questions and receive answers from individuals concerning the Issuer, the Note, and the security therefor, so that as a reasonable purchaser, we have been able to make our decision to purchase the Note.

8. The Bank recognizes that the ownership of the Note involves risks, including that there may be a limited market for the Note, and, accordingly, that the Bank must bear the economic risk of retaining ownership of the Note for an indefinite period of time. The Bank represents that it can bear such economic risks.

9. The Bank acknowledges that it has the right to sell and transfer the Note, only as permitted by law and subject to applicable securities laws and regulations thereunder; and as further subject to any conditions of transfer or assignment contained in the Note or the resolution adopted by the Board of Commissioners of the Issuer authorizing the Note (the "Resolution").

10. The Bank acknowledges that Rubin & Hays, as bond counsel with respect to the Note, and the Issuer are relying on the truth and accuracy of the representations herein made by the Bank. Accordingly, the foregoing representations are made by the Bank with the intent that they may be relied upon for the purpose of making certain legal conclusions with respect to the applicability (or non-applicability) of certain securities laws and regulations thereunder, including U.S. Securities and Exchange Commission Rule 15(c)2-12.

11. Capitalized terms used herein and not otherwise defined have the meanings given such terms in the Note and in the Resolution.

PINNACLE BANK

By_____

Title_____

EXHIBIT C
REQUISITION CERTIFICATE

Re: Ohio County Water District Waterworks Revenue Bond Anticipation Note, Series 2023

The undersigned hereby certify as follows:

1. That they are the signatories required for construction and/or administrative draws pursuant to the Resolution enacted by the Ohio County Water District ("the District").

2. That the named firms and/or persons set forth on Exhibit A attached hereto are now entitled to the aggregate sum of $_____, itemized as set forth in said Exhibit A and as per approved invoices attached hereto:

3. That upon said amount being lent to said the District and/or obtained by said the District from the proceeds of the Note and/or other sources, the undersigned approve such expenditure and the payment of said amounts to said firms and/or persons, either directly or from amounts on deposit in the "Ohio County Water District Waterworks Revenue Bond Anticipation Note Construction Account".

4. That we hereby certify that we have carefully inspected the work and, as a result of our inspection and to the best of our knowledge and belief, the amounts shown in this Requisition Certificate are correct and the work has been performed in accordance with the agreements between the District and the parties requesting payment.

IN TESTIMONY WHEREOF, witness the signature of the undersigned, this ____ day of _____, 20____.

Amount expended heretofore $_____

Amount approved herein _____

Total _____

OHIO COUNTY WATER DISTRICT

By_____
Authorized Representative

Approved on _____

EXHIBIT A TO REQUISITION CERTIFICATE

Name of Entity/Person	Amount

CERTIFICATE OF SECRETARY

Re: Ohio County Water District Waterworks Revenue Bond Anticipation Notes, Series 2023, dated October 13, 2023, in the original principal amount of $5,000,000.

I, Eddie Embry, Sr., hereby certify that I am the duly appointed, qualified and acting Secretary/Treasurer of the Board of Commissioners of the Ohio County Water District (the "District"), and I further certify on behalf of the District that the following persons are now the duly qualified and acting officials of the District, duly elected to the offices set forth opposite their respective names, and that the respective signature appearing opposite the name of each person is his or her genuine signature:

Name	**Office**	**Signature**
Ben Everly	Chairman	
Eddie Embry, Sr.	Secretary/Treasurer	

The above persons are hereby certified to be the officers of the District authorized to execute and deliver documents and certificates for the purpose of closing the above-referenced Notes, and to effect transactions contemplated by said documents and certificates.

That as Secretary, I have been responsible for the minutes of the meetings of the Board of Commissioners of the District for those certain meetings held during the calendar year 2023 at which resolutions or ordinances were adopted relating to the above-captioned Notes pursuant to the terms of the Kentucky Revised Statutes; and that the aforesaid meetings at which actions were taken in relation to said Notes were conducted in compliance with the applicable provisions of KRS 61.805 through 61.850, inclusive, said meetings having been (a) regular, (b) adjourned regular, (c) rescheduled regular or (d) special, called meetings, concerning which all public media had notice under the terms of said statutes (if such notice had been requested by them under the terms of said statutes).

IN TESTIMONY WHEREOF, witness my signature this October 13, 2023.

Eddie Embry, Sr., Secretary/Treasurer

RECEIPT AND CERTIFICATE
OF
EXECUTION AND NO LITIGATION

Re: Ohio County Water District Waterworks Revenue Bond Anticipation Notes, Series 2023, dated October 13, 2023, in the original principal amount of $5,000,000.

The undersigned, Ben Everly, Chairman of the Board of Commissioners of the Ohio County Water District (the "District") and Eddie Embry, Sr., Secretary/Treasurer of the Board of Commissioners of the District, do hereby certify that we are the officials respectively above indicated of said the District, and we further certify as follows:

1. That the Ohio County Water District Waterworks Revenue Bond Anticipation Notes, Series 2023 (the "Notes"), in the original principal amount of $5,000,000, represent the entire authorized issue, bearing interest at the rates set forth in the Resolution authorizing the issuance of the Notes, which Resolution was adopted by the Board of Commissioners of the District on September 25, 2023 (the "Resolution).

2. That said Notes are the Notes which were duly authorized by said the District to be payable from the "Ohio County Water District Waterworks Revenue Bond Anticipation Note Sinking Fund" created by Section 18 of the Resolution.

3. That the Notes were executed with the manual signature of the undersigned Chairman and attested by the manual signature of the undersigned Secretary.

4. That the Notes were on this day by us lawfully issued, sold, and delivered to Pinnacle Bank, Louisville, Kentucky (the "Purchaser") and paid for in full by said Purchaser in accordance with the terms of the private, negotiated sale of the Notes to the Purchaser approved by the Board of Commissioners in the Resolution, at the agreed sale price of $5,000,000 (100% of par).

5. That we are familiar with the provisions of Section 17 of the Resolution, and we hereby certify that at the time of or immediately after the issuance, sale, and delivery of the Notes, the proceeds of the Notes were applied or will be applied as itemized in the Distribution of Proceeds Schedule and this certificate constitutes the instruction to and authorization of the Purchaser to make payments and deposits as specified in said schedule.

6. That we are the officers of the District authorized to execute and deliver documents and certifications and to effect other transactions in connection with the issuance of the Notes.

7. That to the best of our knowledge, there is no litigation pending or threatened against the District to restrain or enjoin the issuance or delivery of any of the Notes, the application of the proceeds thereof, or the payment, collection, or application of moneys pursuant to the Resolution or in any way contesting or affecting any authority for, or the validity of the Notes, the Resolution, the application of the proceeds of the Notes, or the payment, collection, or application of moneys or the pledge thereof pursuant to the Resolution.

8. Since the date of the financial information provided to the Purchaser, there have not been any material adverse changes in the business, properties, condition (financial or otherwise), or results of operations of the District, whether or not arising from transactions in the ordinary course of business, and since such date, except in the ordinary course of business, the District has not entered into any transaction or incurred any liability material to the financial position of the District.

9. That none of the proceedings or authority for the issuance of the Notes have been repealed, revoked, rescinded, canceled, modified, changed, or altered in any manner since the passage of the Resolution on September 25, 2023.

IN TESTIMONY WHEREOF, witness our respective official signatures this October 13, 2023.

OHIO COUNTY WATER DISTRICT

By _____
Chairman

By _____
Secretary/Treasurer