

TRANSCRIPT OF PROCEEDINGS
LAKE VILLAGE WATER ASSOCIATION, INC.
LOAN IN THE AMOUNT OF \$1,160,000

FROM THE

KENTUCKY RURAL WATER FINANCE CORPORATION
PUBLIC PROJECTS TAXABLE REFUNDING REVENUE BONDS
(FLEXIBLE TERM PROGRAM)
SERIES 2015C
DATED MARCH 10, 2015
IN THE AMOUNT OF \$5,290,000

APPROVING LEGAL OPINION

By

RUBIN & HAYS
Municipal Bond Attorneys
Kentucky Home Trust Building
450 South Third Street
Louisville, Kentucky 40202
(502) 569-7525

TRANSCRIPT OF PROCEEDINGS INDEX

Re: Loan in the Amount of \$1,160,000, dated March 10, 2015, to the Lake Village Water Association, Inc., from the Kentucky Rural Water Finance Corporation Public Projects Taxable Refunding Revenue Bonds (Flexible Term Program), Series 2015C.

ASSISTANCE AGREEMENT AND CLOSING DOCUMENTATION

- a. Resolution of the Board of Directors, dated November 11, 2014.
- b. Minutes of Meeting of the Board of Directors on November 11, 2014.
- c. Assistance Agreement.
- d. Certificate of Officers.
- e. PSC Application.
- f. PSC Certificate of Public Convenience and Necessity.
- g. Certificate of Rural Development as to consent to issuance of the loan ranking on a parity with other bonds of the District.
- h. Letter of the State Local Debt Officer.
- i. Legal Opinion of Rubin & Hays.

RESOLUTION

RESOLUTION OF THE LAKE VILLAGE WATER ASSOCIATION, INC. APPROVING AND AUTHORIZING A LOAN AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF REFINANCING AND CURRENTLY REFUNDING CERTAIN OBLIGATIONS OF THE ASSOCIATION.

WHEREAS, the Board of Directors ("Governing Authority") of the Lake Village Water Association, Inc. (the "Association") has previously determined that it is in the public interest to refinance and currently refund the outstanding promissory notes owed by the Association to the U.S. Department of Agriculture Rural Development with the following dates of issuance and original principal amounts:

<u>Dated</u>	<u>Original Principal Amount</u>
02/13/1986	\$520,000
04/12/1994	\$825,000
04/12/1994	\$345,000
10/15/1998	\$284,000

(these promissory notes are hereinafter collectively referred to as the "Prior Notes"), in order for the Association to obtain substantial interest cost savings, which Prior Notes were issued by the Association to make improvements and extensions to the Association's water system (the "System"); and

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

WHEREAS, in order to obtain such monies, the Association is required to enter into a Loan Agreement with the Corporation;

NOW, THEREFORE, BE IT RESOLVED by the Governing Authority of the Lake Village Water Association, Inc. as follows:

1. **Authorization of Loan Agreement and the Obligations Thereunder.** For the purpose of paying the costs, not otherwise provided, of the refinancing and current refunding of the Prior Notes, the Association hereby authorizes and approves the issuance of its obligations pursuant to the Loan Agreement in the aggregate principal amount of \$1,515,000 (subject to adjustment plus or minus ten percent (10%)) (which aggregate principal amount may be adjusted downward in the event that the President determines it is in the Association's best interest to not refund one or more of the Prior Notes) [the "Obligations"], which amount as adjusted shall be the maximum amount of such Obligations to be outstanding at any one time under the Loan Agreement, issued as fully registered Obligations, in said maturities and terms as more fully provided for in the Loan Agreement. The Obligations shall bear interest at such rates and shall

be payable in such amounts and at such times as specified in the Loan Agreement, all as agreed upon by the Association and the Corporation.

2. Authorization of Execution of Loan Agreement. The Governing Authority does hereby approve the execution of the Loan Agreement by and between the Association and the Corporation, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the President, after consultation with legal counsel, such approval to be conclusively evidenced by the execution of said Loan Agreement, in order to effectuate the purposes of this Resolution; and the President, or any other officer of the Association, is hereby authorized to execute and acknowledge same for and on behalf of the Association; and the Secretary is authorized to attest same and to affix thereto the corporate seal of the Association. The Loan Agreement is hereby ordered to be filed in the office of the Secretary with this Resolution in the official records of the Association.

3. Disbursement of Proceeds of Obligations. The Association's officers, employees and agents are authorized to carry out the procedures specified in the Loan Agreement for the refinancing and current refunding of the Prior Notes 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 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 Loan Agreement, are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Loan Agreement.

5. President and Other Association Officials to Take Any Other Necessary Action. Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, the President, the Treasurer, the Secretary, the General Manager and all other appropriate officials of the Association are hereby authorized and directed to file any and all applications necessary to obtain approval of the issuance of the Obligations from the Kentucky Public Service Commission and 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 Loan 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.

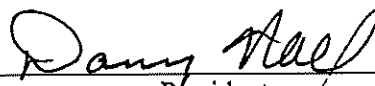
7. Captions of Clauses. The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

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 November 11, 2014.

LAKE VILLAGE WATER
ASSOCIATION, INC.

By 
President


Attest:

By 
Secretary

CERTIFICATE

I, the undersigned, hereby certify that I am the duly qualified and acting Secretary of the Lake Village Water Association, Inc.; that the foregoing is a full, true and correct copy of a Resolution adopted by the Governing Authority of the Lake Village Water Association, Inc. at a meeting duly held on November 11, 2014; 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 November 11, 2014.


Secretary

Lake Village Water Association, Inc.
801 Pleasant Hill Drive
Post Office Box 303
Burgin, Kentucky 40310

November 11, 2014

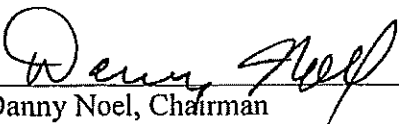
A special meeting of the Board of Directors of the Lake Village Water Association, Inc. was held at 10:30 a.m. on the 11th day of November, 2014 at the office of the Association located at 801 Pleasant Hill Drive, Burgin, Kentucky.

Director Campbell called the meeting to order. Attending the meeting were Vice-Chairman Jim Boyd via conference call, Chairman Danny Noel via conference call, Director Earl Campbell, Director Earl Camic, Director Kenny Carey and staff members Mike Sanford and Rita Monson.

The purpose of the meeting was to consider a resolution approving and authorizing a Loan Agreement with the Kentucky Rural Water Finance Corporation to refinance \$1,515,000 in existing notes held by USDA, Rural Development. The Association will incur approximately \$411,711 in total savings over the life of the loan, with \$103,069 in 2015. Average annual cash flow savings each year thereafter are approximately \$12,476 through 2046. Sanford noted that Attorney Lynne Coleman had reviewed the resolution and had conversed with Rubin & Hays, Bond Counsel for the KRWFC, to make minor revisions to the resolution. Attorney Coleman is satisfied with the resolution as presented.

Director Carey moved to pass the resolution entitled, RESOLUTION OF THE LAKE VILLAGE WATER ASSOCIATION, INC. APPROVING AND AUTHORIZING A LOAN AGREEMENT WITH THE KENTUCKY RURAL WATER FINANCE CORPORATION FOR THE PURPOSE OF REFINANCING AND CURRENTLY REFUNDING CERTAIN OBLIGATIONS OF THE ASSOCIATION. Director Camic seconded the motion. The motion carried unanimously. A copy of the executed resolution is attached.

Director Carey moved to adjourn the meeting. Director Campbell seconded. Motion carried.



Danny Noel, Chairman



Earl Campbell, Secretary/Treasurer

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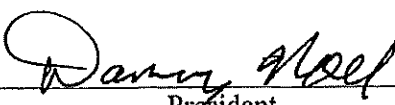
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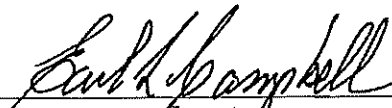
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LAKE VILLAGE WATER
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IN TESTIMONY WHEREOF, witness my signature this November 11, 2014.


Secretary