**RESOLUTION**

**RESOLUTION AUTHORIZING AND PROVIDING FOR THE ESTABLISHMENT OF A LINE OF CREDIT BY THE KENTUCKY MUNICIPAL ENERGY AGENCY IN AN AMOUNT NOT TO EXCEED $30,000,000 AND PROVIDING FOR THE PAYMENT AND SECURITY OF SAID LINE OF CREDIT.**

 **WHEREAS,** the Kentucky Municipal Energy Agency (“KYMEA”), organized under Sections 65.210 to 65.300 of the Kentucky Revised Statutes, as amended, known as the “Interlocal Cooperation Act” (the “Act”) has determined it is in the best interests of KYMEA and beneficial for its Members to procure and establish a revolving line of credit in an amount not to exceed $30,000,000 for the purpose of having funds available to provide reserves for working capital and operations of KYMEA including but not limited to the provision of power supply for its All Requirements Members; and

 **WHEREAS**, KYMEA has solicited and received from various financial institutions proposals for the establishment of a revolving line of credit; and

 **WHEREAS**, after reviewing said proposals KYMEA has determined that the most favorable proposal has been submitted by PNC Bank, National Association, Louisville, Kentucky (the “Credit Provider”);

 **NOW THEREFORE BE IT RESOLVED BY THE KENTUCKY MUNICIPAL ENERGY AGENCY AS FOLLOWS:**

 **Section 1. Authorization of Credit Facility**. For the purpose of establishing a line of credit to provide reserves for working capital and operations, KYMEA hereby authorizes and approves entering into a revolving line of credit in an aggregate principal amount not to exceed $30,000,000 (the “Credit Facility”) with the Credit Provider, the terms of which shall be set forth in the Credit Documents, as hereinafter defined and authorized below.

 **Section 2. Approval and Authorization of Credit Facility and Credit Documents**. The following documents (the “Credit Documents”) in the respective forms attached to this Resolution, are hereby approved, subject to such minor changes, changes of dates, insertions or omissions as may be approved by the President and CEO of KYMEA, such approval to be conclusively evidenced by the execution of said documents, in order to effectuate the purposes of this Resolution; and the President and CEO, the Chief Financial Officer, the Chairman, the Vice Chairman, the Treasurer and/or the Secretary are hereby authorized to execute and acknowledge same for and on behalf of KYMEA. Said documents once executed are hereby ordered to be filed in the office of the Secretary in the official records of KYMEA:

 **(**a) The Loan Agreement (the “Loan Agreement”) between KYMEA and the Credit Provider.

 (b) The Security Agreement (the “Security Agreement”) from KYMEA to the Credit Provider.

 (c) The Committed Line of Credit Note in the amount of $30,000,000 (the “Credit Facility”) from KYMEA to the Credit Provider.

 (d) The Collateral Assignment of Power Sales Contracts (the “Collateral Assignment”) from KYMEA to the Credit Provider.

 (e) The Resolutions for Extension of Credit and Incumbency Certificate, a copy of which is attached hereto and incorporated herein.

(f) Such other documents and certifications as may be reasonably necessary to effect the issuance and delivery of the Credit Facility and to establish such depository accounts with the Credit Provider as may be determined to be needed by KYMEA from time to time.

 **Section 3. KYMEA Revenues.** Payments to be received by KYMEA under the terms of its All Requirements Power Sales Contracts and Agency Agreements for Procurement of Transmission Services (individually, a “Member Agreement” and, collectively, “Member Agreements”), as applicable, between KYMEA and those KYMEA members who are now or in the future become a party to a Member Agreement (each, a “Member” and collectively, “Members”), together with assessments invoiced to the Members for operating and administrative costs (“Member Assessments”) are determined to be sufficient to pay the principal of and interest on the Credit Facility, as the same become due and payable; and all of said payments and any and all other payments, revenues and proceeds received under the Member Agreements and the Member Assessments are hereby pledged to secure all such payments, and in addition, for such other purposes as are more fully specified in the Credit Documents.

 **Section 4. KYMEA Officers to Take Any Other Necessary Action.** Pursuant to the Constitution and Laws of the Commonwealth of Kentucky, each of the President and CEO, the Chief Financial Officer, the Chairman, the Vice-Chairman, the Treasurer, the Secretary and all other appropriate officials of KYMEA is 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 Credit Facility.

 **Section 5. Limited Obligation.** Neither the Commonwealth of Kentucky nor any Member of KYMEA or any other political subdivision of the Commonwealth shall be obligated to pay the principal of or interest on the Credit Facility or other costs incident thereto except from the payments and revenues received by KYMEA under the Member Agreements or the Member Assessments. Neither the faith and credit, nor the taxing power of, the Commonwealth or any Member of KYMEA or any political subdivision of the Commonwealth is pledged to the payment of the principal of or interest on the Credit Facility or other costs incident thereto.

 **Section 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.

 **Section 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.

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

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

 Introduced, read and adopted on February 28, 2019.

**CERTIFICATE OF SECRETARY**

 I, Chris Melton, hereby certify that I am the duly qualified and acting Secretary of the Kentucky Municipal Energy Agency (“KYMEA”), that the foregoing Resolution is a true copy of a Resolution introduced, read and adopted at a properly convened meeting of the Board of Directors of the KYMEA on February 28, 2018, as shown by the official records 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 61.800 through 61.850, inclusive, 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 WITNESS WHEREOF, I have hereto set my hand as Secretary of KYMEA this 28th day of February, 2019.

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 Secretary