

ORDINANCE NO. 2002-5

An ordinance of Jennings Northwest Regional Utilities authorizing (1) an extension of time in which to repay certain outstanding sewage works bond anticipation notes; (2) the execution by the President and Treasurer of the Board of Trustees of an agreement in connection therewith; and (3) the taking of all actions necessary, including seeking all available financing options, to accomplish the payment of said notes

WHEREAS, Jennings Northwest Regional Utilities, a regional district under IC 13-26 ("District"), has heretofore constructed and has in operation a sewage works for the purpose of collecting and disposing of sewage in a sanitary manner pursuant to IC 13-26 ("Act"), and other applicable laws; and

WHEREAS, the Board of Trustees finds that there are now outstanding notes designated "Sewage Works Bond Anticipation Notes, Series 1999A," dated May 11, 1999 ("Notes"), originally issued and now outstanding in the amount of \$5,800,000 and maturing on September 1, 2002; and

WHEREAS, the Board of Trustees finds that \$1,000,000 of the proceeds of the Notes ("Old Portion") were used to refund certain notes designated "Sewage Works Bond Anticipation Notes, Series 1998A," dated August 24, 1998, and the remaining \$4,800,000 of the proceeds of the Notes ("New Portion") were used to finance the construction of additions and improvements to the sewage works; and

WHEREAS, the Board of Trustees has been negotiating with the State of Indiana ("State") for financing through the State Revolving Loan Fund Program ("SRF Program") to provide for the payment of all or a portion of the Notes; and

WHEREAS, the Board of Trustees has been advised by the State that the financing through the SRF Program to be offered to the District may not be available until after September 1, 2002, the maturity date of the Notes, and may only be sufficient to provide for the payment of a portion of the Notes; and

WHEREAS, the Board of Trustees finds that it is necessary to authorize the extension of the payment of the Notes for a period ending not later than (i) August 24, 2003 for the Old Portion and (ii) May 11, 2004 for the New Portion; and

WHEREAS, the Board of Trustees finds that the President and Treasurer should be authorized to enter into an extension agreement with the holders of the Notes for the payment of the Notes pursuant to terms consistent with the provisions of this ordinance and the Act ("Extension Agreement"); and

WHEREAS, in the event the financing offered to the District by the State through the SRF Program for the payment of the Notes is not sufficient to pay for all of the Notes, the Board of Trustees finds that it will be necessary for the District to take all actions necessary, including

seeking all available financing options, to accomplish the payment of the balance of the Notes then outstanding; now, therefore,

BE IT ORDAINED BY THE BOARD OF TRUSTEES OF JENNINGS NORTHWEST REGIONAL UTILITIES THAT:

Section 1. The District is hereby authorized to extend the payment of the Notes for a period ending not later than (i) August 24, 2003 for the Old Portion and (ii) May 11, 2004 for the New Portion. The exact terms of the Notes as extended shall be determined by the President and the Treasurer, with the advice of the District's financial advisor and bond counsel, and set forth in the Extension Agreement.

Section 2. The District is hereby authorized to enter into an Extension Agreement with the holders of the Notes. The President and the Treasurer are hereby authorized and directed to execute an Extension Agreement (and any amendments made from time to time) in such form or substance as they shall approve, acting upon the advice of the District's financial advisor and bond counsel, and consistent with the provisions of this ordinance and the Act. The President, Secretary, and the Treasurer may also take such other actions or deliver such other certificates as are necessary or desirable in connection with the extension of the payment of the Notes and the other documents needed for said extension as they deem necessary or desirable in connection therewith.

Section 3. In the event the financing offered by the State through the SRF Program to the District is not sufficient to pay for all of the Notes, the District is hereby authorized and shall take all actions necessary, including seeking all available financing options, to accomplish the payment of the balance of the Notes then outstanding.

Section 4. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 5. This ordinance shall be in full force and effect from and after its passage.

Passed and adopted by the Board of Trustees of Jennings Northwest Regional Utilities on the 5th day of September, 2002.

BOARD OF TRUSTEES

Ed W. Stalvey
David R. Bunker
William C. Collier
Tom Yundt
Mary K. J.

Attest:

Mary K. J.
Secretary

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