

**OWEN ELECTRIC COOPERATIVE
SPECIAL BOARD MEETING
December 29, 2016**

PRESENT A special meeting of the Board of Directors of Owen Electric Cooperative, Inc., was held at the Headquarters Building in Owenton, Kentucky, on December 29, 2016. All Directors were present by phone, except Charlie Richardson. Mike Cobb and Ann Wood joined the phone conference from Headquarters. Mark Stallons and Attorneys Jim Crawford and Jake Thompson were also present by phone.

ADOPTION OF

AGENDA Upon a motion by Hope Kinman, seconded by Rick Messingschlager, the Board voted unanimously to adopt the December 29, 2016, Special Board Meeting Agenda as presented.

SAFETY

MOMENT Mr. Stallons gave the safety moment on the dangers of winter driving and the need to be vigilant.

**DEBT REFINANCING
RESOLUTION**

The Board discussed the need for a specifically worded resolution authorizing the coop to make application to CoBank for a loan up to \$29,500,000 to be used to prepay RUS Qualified Notes. After questions and discussions, and upon motion by Alan Ahrman, seconded by John Grant, the Board voted unanimously to adopt the following resolution:

WHEREAS, the management and staff of Owen Electric Cooperative, Inc. ("Owen Electric") have reviewed the feasibility of prepaying RUS Qualified Notes in accordance with the regulations contained in 7 CFR Part 1786; and,

WHEREAS, the management and staff of Owen Electric have presented the costs and benefits of this prepayment and recommended the prepayment of the notes listed on attached list; and,

WHEREAS, the Board of Directors of Owen Electric have determined that prepayment of the notes on the list attached to this resolution would be in the best interest of the cooperatives and its members;

AND, WHEREAS, the Board of Directors of Owen Electric have determined that the prepayment of the outstanding RUS guaranteed debt with FFB is not in the best interest of the cooperative and its members;

NOW, THEREFORE, BE IT RESOLVED that Owen Electric requests that RUS allow it to prepay the RUS Qualified Notes on the attached list;

BE IT FURTHER RESOLVED that the Board of Directors hereby authorize the President and CEO to provide RUS with the necessary information to prepay

these notes:

BE IT FURTHER RESOLVED that Owen Electric hereby makes application to CoBank for a loan up to \$29,500,000 to be used to prepay the RUS Qualified Notes and to the Kentucky Public Service Commission to obtain necessary approvals.

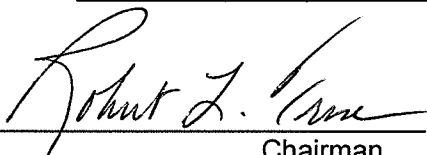
OLD BUSINESS

None.


NEW BUSINESS

None.

ADJOURN Upon a motion by Hope Kinman, seconded by Eddie McCord, the Board voted unanimously to adjourn the meeting.



Chairman



Secretary