

ORDINANCE

84-8

ORDINANCE OF THE FISCAL COURT OF MADISON COUNTY, KENTUCKY, RELATING TO AND APPROVING AN INDUCEMENT CONTRACT BETWEEN THE COUNTY AND CONTINENTAL METAL SPECIALTY, INC., A KENTUCKY CORPORATION, IN WHICH THE COUNTY AGREES TO FINANCE THE CONSTRUCTION OF AN INDUSTRIAL BUILDING PROJECT FOR USE IN METAL-WORKING AND METAL-STAMPING ON A TRACT OF LAND LOCATED ON WILLOW ROAD IN THE COUNTY, THROUGH THE ISSUANCE BY THE COUNTY OF APPROXIMATELY \$1,500,000 OF INDUSTRIAL BUILDING REVENUE BONDS, FOR THE PURPOSE OF CREATING ADDITIONAL EMPLOYMENT OPPORTUNITIES IN SAID COUNTY; AND AUTHORIZING THE BEGINNING OF CONSTRUCTION OF SAID PROJECT PRIOR TO THE ISSUANCE OF SAID BONDS, WITH SAID COMPANY PAYING FOR SAME AND TO BE REIMBURSED OUT OF THE PROCEEDS OF SAID BONDS FOR ALL COSTS HEREAFTER ADVANCED BY THE COMPANY TOWARD THE COST OF THE PROJECT.

WHEREAS, it is necessary and desirable for the general welfare and economy of the County and its surrounding area that the County provide additional permanent opportunities for employment in the County and in such area, and

WHEREAS, Continental Metal Specialty, Inc. (the "Company"), a Kentucky Corporation, has submitted to the County a proposed Inducement Contract, in which the Company proposes to construct and equip a new industrial building project (the "Project"), on a tract of land of approximately 6 acres, located on Willow Road in the County, which Project would be owned and operated by the Company in the County of Madison, and

WHEREAS, the Company has proposed in said Inducement Contract that if the County will agree to authorize, issue, and sell County of Madison (Kentucky) Industrial Building Revenue Bonds in the amount of approximately \$1,500,000, pursuant to Sections 103.200 through 103.285 of the Kentucky Revised Statutes, for the purpose of financing the construction of the Project

on said tract, and would lend the proceeds of such Bonds to the Company, the Company would agree to operate the Project and to make loan payments to the County sufficient to pay all principal and interest requirements of the Bonds as same become due, and

WHEREAS, in the opinion of the Fiscal Court of the County, the Project would relieve to some appreciable degree the condition of unemployment now existing in the County and its general economic area, and would tend to increase industry in the State in accordance with the public policy of the State, all as set forth in said Statutes, and

WHEREAS, said plan of financing and the aforesaid Statutes contemplate that said Bonds would not be a general obligation debt of the County, but would be secured only by a foreclosable mortgage lien against and a first pledge of the revenues of the Project, which revenues would be derived by the County from loan payments from the Company sufficient to pay all principal and interest requirements of the Bonds, and

WHEREAS, it is deemed advisable and in the best interests of the County that said Inducement Contract be approved and executed,

NOW, THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF COUNTY OF MADISON, COMMONWEALTH OF KENTUCKY:

1. That the Inducement Contract referred to in the preamble hereto is hereby accepted and approved, said Contract contemplating that the County shall cause a new industrial building project (the "Project"), to be constructed on a certain site located on Willow Road in the County, which Project is to be financed by the issuance of approximately \$1,500,000 of County of Madison (Kentucky) Industrial Building Revenue Bonds.

2. That the County shall cooperate fully with the Company, with Local Counsel, Wiggins & Steen, 224 Water Street, Richmond, Kentucky 40475, and with Bond Counsel designated in said Inducement Contract (viz., Rubin & Hays, Suite 300, 209 South Fifth Street, Louisville, Kentucky 40202), in the issuance of the proposed Bonds in order to induce said Company to locate and construct and operate the Project on said site and thus create new opportunities for employment within the County and the surrounding area.

3. That the County agrees to enter into the appropriate Loan Agreement between the County and the Company and agrees that this Ordinance commits the County insofar as the laws of the Commonwealth of Kentucky allow, (a) to issue said Bonds and to lend the proceeds thereof to the Company, (b) to adopt the appropriate Ordinance authorizing said Bonds; and (c) to approve the appropriate Trust Indenture to secure the Bonds; provided all of the proceedings for the issuance of said Bonds must be approved by said Local Counsel, Bond Counsel, and the governing body of the County. Since Kentucky law (KRS 103.230) permits the sale of such Bonds to be made at a negotiated interest rate and price without public advertising, if such rate and price are agreeable to the Company, and since the Company desires that such Bonds be sold in that manner by negotiation, the County agrees to cooperate fully with the Company in effecting such negotiated sale.

4. That the County Judge/Executive is hereby authorized and directed to execute said Inducement Contract on behalf of the County and to execute all necessary documents, instruments, and obligations of the County, in order effectively to carry out the intent and purpose of this Ordinance and of said Contract, all without expense to the County. A copy of said Contract is

hereby ordered to be made a part of this Ordinance the same as if copied in full herein, and such copy shall be filed in the records of the County with this Ordinance.

5. That the County hereby specifically approves and authorizes the beginning of acquisition and construction of the Project before all of the details of the issuance of the Bonds have been completed, with the agreement by the County in the Inducement Contract, that the Company may be reimbursed out of the proceeds of the Bonds when issued for any and all costs of the Project hereafter advanced by the Company.

6. That this approval is made subject to the condition that such Bonds shall not constitute a general obligation of the County and that the County shall have no expense in connection with the Project or in connection with the issuance of the Bonds, all as provided in said Inducement Contract.

7. That the approval of the aforesaid Inducement Contract by the County shall be evidenced by the enactment of this Ordinance by the governing body of the County and by the furnishing of a certified copy of same to the Company and to Bond Counsel.

8. That this Ordinance shall be in force immediately upon its enactment and approval.

INTRODUCED AND GIVEN FIRST READING ON AUGUST 20, 1984.

GIVEN SECOND READING, ENACTED, AND APPROVED ON SEPTEMBER ____, 1984.

Attest:

County Judge/Executive

County Clerk

(Seal of County)

CERTIFICATE OF COUNTY CLERK

I, C.S. WAGERS, hereby certify that I am the duly qualified and acting County Clerk of Madison County, Kentucky, that the foregoing Ordinance is a true copy of an Ordinance duly given first reading by the Fiscal Court of Madison County on August 20, 1984, and given second reading, enacted, and approved by said Fiscal Court on September ____, 1984, and that said Ordinance (together with the Inducement Contract approved herein) appears as a matter of public record in the official records of said County.

I further certify that said meetings were duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820, and 61.825, that a quorum was present at each of said meetings, that said Ordinance 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 County Clerk and the official Seal of the County this ____ day of September, 1984.

(Seal of County)

County Clerk

INDUCEMENT CONTRACT

THIS CONTRACT, made and entered into this ____ day of September, 1984, by and between Madison County, Kentucky, party of the first part, hereinafter referred to as the "County," and Continental Metal Specialty, Inc. a Kentucky Corporation, party of the second part, hereinafter referred to as the "Company,"

W I T N E S S E T H :

A. RECITATION OF FACTS

As a means of setting forth the matters of mutual inducement which have resulted in the making and entering into of this Contract, the following statements of fact are herewith recited:

1. The County is a political subdivision of the Commonwealth of Kentucky, and is authorized and empowered by the provisions of Sections 103.200 to 103.285 of the Kentucky Revised Statutes, as amended (the "Act"), to acquire, own, lease, and dispose of industrial building projects or "building" projects as defined in Section 103.200 of the Act.

2. The Company proposes to construct and equip a new industrial building project (the "Project") on a tract of land of approximately 6 acres located on Willow Road in the County, which Project will be used by the Company for metal-working and metal-stamping, and will provide employment for approximately 90 employees. The cost of the Project, including building, equipment, and furnishings, is estimated to be approximately \$1,500,000.

3. The Company has advised the County that its contemplated program is largely dependent upon assistance which the County might render through the issuance and sale of County of Madison (Kentucky) Industrial Building Revenue

Bonds (the "Bonds"), pursuant to the Act, and that if the County will agree to render such assistance and to make possible the financing and construction of the Project through the issuance of such Bonds, then the Company will undertake the Project.

4. The Company proposes that the proceeds of the Bonds be lent by the County to the Company pursuant to a Loan Agreement whereby the Company will agree to pay all principal of and interest on the Bonds as same become due, and the County will assign such Loan Agreement (including a mortgage to the County of all rights of the Company in the Project) to the Trustee for the Bondholders.

5. It is necessary and desirable for the general welfare and economy of the County and its surrounding area that the County provide additional permanent opportunities for employment in such area.

6. As provided in the Act, the proposed Bonds would not be a general obligation debt of the County, but would be secured only by a first pledge of the revenues of the Project, including the loan payments under the Loan Agreement, and by a first foreclosable mortgage lien against the Project. The Bonds will mature over a period of approximately 12 years.

B. UNDERTAKINGS ON THE PART OF THE COUNTY

The County agrees as follows:

1. That the County will authorize the issuance under the Act of approximately \$1,500,000 principal amount of Bonds, which Bonds shall not be a general obligation debt of the County and shall be payable solely from the revenues and receipts of the Project, including the loan payments under the Loan Agreement, as required by the Act.

2. That the County acquiesces in the designation by the Company of the Trustee for the Bondholders and the Purchasers of the Bonds; and the County will adopt such proceedings as are necessary to effect the execution of a proposed Loan Agreement between the County and the Company and the issuance and securing of the Bonds in the manner contemplated by the Act.

3. That the Company is hereby authorized to commence the construction, equipping, and furnishing of the Project on behalf of the County. The Bond-Authorizing Ordinance and related proceedings (including the appropriate Trust Indenture) will provide that the proceeds of the Bonds shall be applied to the payment of the costs theretofore and thereafter to be incurred in the construction and equipping of the Project and to the reimbursement of the Company, the County, and/or others who may have advanced the payment of such costs, including the necessary building, equipment, and furnishings.

4. That the County agrees to enter into the appropriate Loan Agreement between the County and the Company and agrees that this Contract commits the County insofar as the laws of the Commonwealth of Kentucky allow, to issue said Bonds for the use and benefit of said Company, to lend the proceeds of the Bonds to the Company, to adopt the appropriate Ordinance authorizing said Bonds and approving the Trust Indenture to secure the Bonds; provided all of the proceedings for the issuance of said Bonds must be approved by Local Counsel and Bond Counsel designated below and by the governing body of the County. Since Kentucky law (KRS 103.230) permits the sale of such Bonds to be made at a negotiated interest rate and price without public advertising, if such rate and price are agreeable to the Company, and since the Company desires that such Bonds be sold in that manner by negotiation, the County agrees to cooperate fully in effecting such negotiated sale.

5. That the County will perform such other acts and adopt such further proceedings as may be reasonably required to effect such financing.

C. UNDERTAKINGS ON THE PART OF THE COMPANY

1. The Company has obtained the services of Rubin & Hays, Suite 300, 209 South Fifth Street, Louisville, Kentucky 40202, as Bond Counsel, to prepare the necessary proceedings for the authorization, issuance, sale, and delivery of the Bonds; and the Company has agreed for the County in such financing to have the benefit of the services of its Local Counsel, viz., Wiggins & Steen, 224 Water Street, Richmond, Kentucky 40475; provided all fees and charges of such Local Counsel and Bond Counsel will be borne by the Company, and/or paid out of the proceeds of the Bonds. Under no circumstances will any part of said fees and expenses be borne by the County.

2. The Company further agrees as follows:

(a) To enter into the Loan Agreement with the County, under the terms of which the Company will agree to borrow the proceeds of the Bonds from the County and will obligate the Company to pay to the County loan payments sufficient to pay the principal of and interest on the Bonds, as and when the same become due and payable, until all of the Bonds have been retired, said instrument to be in form and contain such provisions as shall be satisfactory to the County, the Company, Local Counsel, and Bond Counsel.

(b) To hold the County harmless from all liability and to reimburse the County for all expenses which the County might incur in the fulfillment of its obligations under this Contract.

(c) To pay all costs of completing the Project, if, and to the extent that the proceeds of the Bonds shall be inadequate.

(d) To complete such further steps, perform such further acts, and adopt such further proceedings as may be required to implement its undertakings.

D. GENERAL PROVISIONS

1. All commitments of the County herein are subject to the condition that nothing contained in this Contract shall result in the County

becoming liable for the payment of the principal of or interest on the Bonds, or for the performance of any pledge, mortgage, obligation, or agreement of any kind whatsoever; and none of the Bonds nor any of the County's agreements or obligations shall be construed to constitute an indebtedness of the County, within the meaning of any constitutional or statutory provision whatsoever.

2. All costs of the Project and all fees and expenses of the financing (including all amounts payable to Bond Counsel and Local Counsel), will be paid out of the proceeds of the Bonds or separately by the Company.

3. This proposed financing shall not exempt the Company from paying any and all ad valorem, City, State, or County taxes otherwise payable on the Project as the Company will retain title to the Project and will not transfer title to the County.

4. The County and the Company hereby covenant to agree to reasonable provisions and documents concerning each phase of the proposed financing.

IN WITNESS WHEREOF, the parties hereto, each after due authorization, have executed this Contract on the date indicated.

COUNTY OF MADISON, KENTUCKY

Dated: September ____, 1984

By _____
County Judge/Executive

CONTINENTAL METAL SPECIALTY, INC.

By _____
Signature

Dated: September ____, 1984

Title

NOTICE TO RICHMOND CHAMBER OF COMMERCE
AND
BEREA CHAMBER OF COMMERCE

Notice is hereby given to the Richmond Chamber of Commerce and the Berea Chamber of Commerce that on August 20, 1984, Continental Metal Specialty, Inc., a Kentucky corporation, filed an application with the County of Madison, Kentucky, for approval of an Inducement Contract in which the City agrees to issue approximately \$1,500,000 of Industrial Building Revenue Bonds pursuant to KRS 103.200 through 103.285, to finance a project consisting of metal-working and metal-stamping, for said corporation, to be located on Willow Road in the County.

Pursuant to the requirements of the County of Madison, the Applicant must, no later than one day after the Application is filed with the County Clerk, furnish written notice of the filing of such Application to the local Chamber of Commerce and to any other group which has filed a written request with the County Clerk for notification of the filing of any such application.

It is contemplated that the Fiscal Court will give or will have given first reading to the proposed Inducement Contract and the Ordinance approving same, on August 20, 1984, at 7:00 P.M., E.D.T., and will give second reading to and consider enactment of said Ordinance at a meeting of said Fiscal Court scheduled to be held on a day in September, 1984, said date, time and place of such second reading to be set by the Fiscal Court at its August 20, 1984 meeting. AT each of such meetings, the Chamber of Commerce and such other group, if any, shall have an opportunity to comment on the Project.

CONTINENTAL METAL SPECIALTY, INC.

By 

Rubin & Hays
Suite 300, 209 South Fifth Street
Louisville, Kentucky 40202
(502) 585-2153

It is hereby certified that a copy of the foregoing Notice was mailed to the following on this 10th day of August, 1984:

1. Richmond Chamber of Commerce.
2. Berea Chamber of Commerce.

CONTINENTAL METAL SPECIALTY, INC.

By 

Rubin & Hays
Suite 300, 209 South Fifth Street
Louisville, Kentucky 40202
(502) 585-2153

NOTICE OF PUBLIC HEARING AS TO INDUSTRIAL BUILDING REVENUE BONDS
AND NOTICE AS TO INTENDED ENACTMENT AND SUMMARY OF ORDINANCE
APPROVING INDUCEMENT CONTRACT AS TO BOND ISSUE OF
COUNTY OF MADISON, KENTUCKY

Notice is hereby given that on June 18, 1984, at 7:00 P.M., E.D.T., at the regular meeting of the Fiscal Court of the County of Madison, Kentucky (the "County"), at the City Hall in Berea, Kentucky, the Fiscal Court of the County will consider an Ordinance approving an Inducement Contract between Continental Metal Specialty, Inc. (the "Company"), and the County, in which the County would agree to issue \$1,100,000 of Industrial Building Revenue Bonds pursuant to KRS 103.200 through 103.285, to finance a project consisting of metal-working and metal-stamping (the "Project"), to be located on Willow Road, in Madison County, Kentucky.

It is proposed in such Inducement Contract and in the Ordinance that if such Bonds are issued, the Company would enter into a Loan Agreement with the County providing for the County to lend the proceeds of the Bonds to the Company, to be used by the Company to finance the Project, and the Company would agree to pay all principal and interest requirements on the Bonds. The County would not be obligated for any of such payments or for any other payments in connection with said Project except to the extent paid by the Company or to the extent produced by the Project.

At such Hearing, prior to consideration of such Contract and Ordinance by the Fiscal Court, any person attending will be given the opportunity to comment on the proposed Project and on the proposed Bond Issue.

Notice is also given as to intended enactment and summary of said Ordinance by the Fiscal Court in accordance with KRS 103.200 et. seq. The proposed Ordinance approving the Inducement Contract with the Company, will have been given a first reading by the Fiscal Court prior to the date of the Public Hearing, will immediately after that Hearing, be given a second reading, and then will be considered for final passage, enactment, and approval by the Fiscal Court at said meeting.

The provisions of said Ordinance have been summarized above, and in addition, the Ordinance authorizes and directs the County Judge/Executive to execute the Inducement Contract on behalf of the County and to execute all necessary documents, instruments, and obligations of the County, and provides that the Bonds shall not constitute a general obligation of the County and shall be payable only from the revenues of the Project (including the loan payments agreed to be made by the Company); and that the County shall have no expense in connection with the Project or in connection with the issuance of the Bonds, as provided in the Inducement Contract.

The full text of Inducement Ordinance and Contract will be on file in the office of the undersigned County Clerk on and after June 4, 1984, during normal working hours, Monday through Friday, in the Courthouse in Richmond, Kentucky, where they are available for public inspection.

(Signed) C.S. Wagers, County Clerk.

FIRST READING

MINUTES OF REGULAR MEETING OF THE FISCAL COURT OF
MADISON COUNTY, KENTUCKY, HELD ON AUGUST 20, 1984.

A regular meeting of the Fiscal Court of Madison County, Kentucky, was held on August 20, 1984, at 7:00 P.M., E.D.T., at the regular meeting place of said Fiscal Court at the Berea City Hall in Berea, Kentucky.

County Judge/Executive HAROLD K. BOTNER presided and the following duly elected, qualified, and acting members of the Fiscal Court were present:

Darrell Wells
Farris Parks
Ed Chenault
Larry Combs

The following were absent:

None.

The County Clerk, C.S. WAGERS, was also present.

* * *

There was read an Ordinance entitled:

ORDINANCE OF THE FISCAL COURT OF MADISON COUNTY, KENTUCKY, RELATING TO AND APPROVING AN INDUCEMENT CONTRACT BETWEEN THE COUNTY AND CONTINENTAL METAL SPECIALTY, INC., A KENTUCKY CORPORATION, IN WHICH THE COUNTY AGREES TO FINANCE THE CONSTRUCTION OF AN INDUSTRIAL BUILDING PROJECT FOR USE IN METAL-WORKING AND METAL-STAMPING ON A TRACT OF LAND LOCATED ON WILLOW ROAD IN THE COUNTY, THROUGH THE ISSUANCE BY THE COUNTY OF APPROXIMATELY \$1,500,000 OF INDUSTRIAL BUILDING REVENUE BONDS, FOR THE PURPOSE OF CREATING ADDITIONAL EMPLOYMENT OPPORTUNITIES IN SAID COUNTY; AND AUTHORIZING THE BEGINNING OF CONSTRUCTION OF SAID PROJECT PRIOR TO THE ISSUANCE OF SAID BONDS, WITH SAID COMPANY PAYING FOR SAME AND TO BE REIMBURSED OUT OF THE PROCEEDS OF SAID BONDS FOR ALL COSTS HEREAFTER ADVANCED BY THE COMPANY TOWARD THE COST OF THE PROJECT.

Thereupon, _____ moved that said Ordinance be placed on file until the regular meeting of this Fiscal Court to be held on September ____, 1984, at which time it will be read a second time and considered for enactment pursuant to KRS 67.077.

Yeas for the Motion

Harold K. Botner
Darrell Wells
Farris Parks
Ed Chenault
Larry Combs

Nays against the Motion

None

The County Judge/Executive then declared that the motion had carried and he directed the County Clerk to place a copy of said Ordinance on file in the office of the County Clerk for public inspection until the next session of this Fiscal Court and placed on the agenda of such meeting of this Fiscal Court for second reading and consideration for enactment at that time.

* * *

There being no further business to come before the Fiscal Court, it was moved, seconded, and unanimously carried that the meeting be adjourned to the ____ day of September 1984, at 7:00 P.M., E.D.T., for the purpose of giving second reading to and considering for enactment the Ordinance relating to and authorizing the execution of an Inducement Contract by and between the County and Continental Metal Specialty, Inc. Whereupon the meeting was adjourned to said date and hour for such purpose.

MADISON COUNTY, KENTUCKY

By _____
County Judge/Executive

Attest:

County Clerk

CERTIFICATE OF COUNTY CLERK

I, C.S. WAGERS, hereby certify as follows:

1. That I am the duly qualified and acting County Clerk of Madison County, Kentucky;

2. That the foregoing is a true and accurate excerpt from the transcript of Minutes of the meeting of the Fiscal Court of the County held on the 20th day of August, 1984, insofar as such Minutes pertain to the matters set out in such transcript;

3. That said Inducement Ordinance, together with the foregoing Minutes of the Fiscal Court meeting, including the recording of the yeas and nays as set out therein, have all been duly recorded in the official Journal of the proceedings of the County as required by KRS Chapter 67.

4. That said meeting was held in accordance with all applicable requirements of KRS 61.810, 61.815, 61.820, and 61.825, and that a quorum was present.

WITNESS my signature and the Seal of the County this ____ day of August, 1984.

County Clerk

(Seal of County)

SECOND READING

MINUTES OF REGULAR MEETING OF THE FISCAL COURT OF
MADISON COUNTY, KENTUCKY, HELD ON SEPTEMBER _____,
1984.

A regular meeting of the Fiscal Court of Madison County, Kentucky,
was held on September _____, 1984, at 7:00 P.M., E.D.T., at the Courthouse in
Richmond, Kentucky.

County Judge/Executive HAROLD K. BOTNER presided, and the following
duly elected, qualified, and acting members of the Fiscal Court were present:

Darrell Wells
Farris Parks
Ed Chenault
Larry Combs

There were absent:

None.

The County Clerk, C.S. WAGERS, was present and recorded the Minutes
of the Meeting.

* * *

Thereupon, the Fiscal Court again considered and caused to be read
the full text of an Ordinance entitled:

ORDINANCE OF THE FISCAL COURT OF MADISON COUNTY, KENTUCKY,
RELATING TO AND APPROVING AN INDUCEMENT CONTRACT BETWEEN
THE COUNTY AND CONTINENTAL METAL SPECIALTY, INC., A
KENTUCKY CORPORATION, IN WHICH THE COUNTY AGREES TO
FINANCE THE CONSTRUCTION OF AN INDUSTRIAL BUILDING PROJECT
FOR USE IN METAL-WORKING AND METAL-STAMPING ON A TRACT OF
LAND LOCATED ON WILLOW ROAD IN THE COUNTY, THROUGH THE
ISSUANCE BY THE COUNTY OF APPROXIMATELY \$1,500,000 OF
INDUSTRIAL BUILDING REVENUE BONDS, FOR THE PURPOSE OF
CREATING ADDITIONAL EMPLOYMENT OPPORTUNITIES IN SAID
COUNTY; AND AUTHORIZING THE BEGINNING OF CONSTRUCTION OF
SAID PROJECT PRIOR TO THE ISSUANCE OF SAID BONDS, WITH
SAID COMPANY PAYING FOR SAME AND TO BE REIMBURSED OUT OF
THE PROCEEDS OF SAID BONDS FOR ALL COSTS HEREAFTER
ADVANCED BY THE COMPANY TOWARD THE COST OF THE PROJECT.

Said Ordinance having been introduced and given first reading in full at the meeting of the Fiscal Court held on August 20, 1984, and having been placed on file with the County Clerk for public inspection in the completed form in which it will be put upon its final passage, and having been given its second reading at this meeting, all according to KRS 67.077, it was thereupon moved by _____, which motion was seconded by _____, that said Ordinance be enacted and that it be published by summary in THE RICHMOND REGISTER. The County Judge/Executive then stated that the Fiscal Court would now entertain any comments regarding the proposed bond issue or the project from any Fiscal Court member or any other person who wished to make such comments. Thereafter a discussion took place regarding the proposed bond issue and the project. After the discussion ended, the County Judge/Executive put the question to a vote, and upon the roll being called, and the vote being taken on the motion, the result was as follows:

Yeas for the Motion

Harold K. Botner
Darrell Wells
Farris Parks
Ed Chenault
Larry Combs

Nays against the Motion

None

Thereupon, the County Judge/Executive declared that said motion had carried and that the Ordinance had been enacted into law, and he ordered that it be published by summary in THE RICHMOND REGISTER, which is the general circulation newspaper meeting the requirements of KRS 424.110-120 for publication of official actions of the County, that the Ordinance become effective immediately upon such publication as provided by KRS 67.077, and that it be recorded in the official records of the County.

*

*

*

There being no further business to come before the Fiscal Court, it was moved, seconded, and unanimously carried that the meeting be adjourned.

Whereupon, the meeting was adjourned.

COUNTY OF MADISON, KENTUCKY

Attest:

County Judge/Executive

County Clerk

CERTIFICATE OF COUNTY CLERK

I, C.S. WAGERS, the duly qualified and acting County Clerk of Madison County, Kentucky, hereby certify as follows:

1. That the foregoing is a true and accurate excerpt from the transcript of Minutes of the meeting of the Fiscal Court of such County held on September ____, 1984, insofar as such Minutes pertain to the matters set out in such transcript;

2. That the foregoing Minutes of the Fiscal Court meeting, including the recording of the Yeas and Nays as set out therein, have all been duly recorded in the official Journal of the proceedings of said Fiscal Court;

3. That said meeting was held in accordance with all applicable requirements of KRS 61.810, 61.815, 61.820, and 61.825, and that a quorum was present;

4. That attached hereto is a true and correct copy of the Inducement Ordinance as enacted at such meeting and that a copy of said Ordinance as enacted has been duly recorded in the official records of the County.

IN TESTIMONY WHEREOF, witness my signature and the Seal of said County on this September ____, 1984.

County Clerk

(Seal)

MADISON COUNTY FISCAL COURT
APPLICATION FOR INDUSTRIAL REVENUE BOND ISSUES

(A non-refundable certified check in the amount of \$1000.00 must accompany the completed application. This amount is to be used to cover the costs of processing the application.)

I. Project Developer:

1. Name Continental Metal Specialty, Inc.
2. Address U.S. 25 South
Richmond, KY 40475
3. Phone 606-623-7411
4. Contact Person Patrick R. Duff

II. Bond Counsel:

1. Firm Rubin & Hays
2. Address Suite 300 209 South Fifth Street
Louisville, Kentucky 40202
3. Phone 502-585-2153

III. Current Economic and Demographic Information

1. Unemployment rate - year 6.7% (1982)
2. Latest monthly unemployment rate 4.7% (May, 84)
3. Per Capita Income \$6,639 (1981)
4. Population 55,337 (1983 est.)

IV. Project Description:

1. Type of Development --

Pre-engineered steel industrial building to house punch press operations.

2. Amount of IRB issue requested --

\$1,500,000.00

3. Location Willow Road, Madison County, Kentucky

(Please attach an 8 1/2" x 11" site map)

4. Acreage Involved 6

5. Facility Size (Square Feet) 75,000
(Please attach a simple drawing of project - 8 1/2" x 11" if possible.)

6. Water lines yes no Size of Lines 8

7. Describe Sewer facilities available:

Applicant will install package sewer facilities that will meet all local, state and federal requirements.

8. Attach a list of equipment or other chattel property to be included in the project.

None

V. Economic Need:

1. How many direct jobs will be created? 90

2. What percentage of these jobs will go to local people? 100

3. Estimate the average hourly wage for the positions created
7.00

4. What aspects of Madison County's economy will this project improve?

Should improve all non-agricultural business activity.

5. What indirect economic impacts can be expected as a result of of this project (multiplier effects, indirect jobs)?

The normal multiplier effect should apply. The Company will use local contractors and suppliers when possible.

6. What new goods or services will this project provide the community that it presently does not have? (If none, so indicate)

None, expansion of company's existing business.

VI Economic Impact:

1. List all businesses in the market area that provide the same services or products as the proposed project.

None

2. Provide evidence that there is a sufficient market to support the project along with existing businesses.

The company presently has a backlog of purchase orders and contracts for its products.

VII Conventional Financing:

1. Is non-tax free conventional financing available?
yes x no
2. If no, indicate the financial institutions from which you have requested conventional financing.

3. If yes, answer the following:

- a. Interest Rate 13%
- b. Years 10
- c. Special conditions Variable rate
- _____

d. Reasons for not using conventional financing: _____

Uncertainty of interest rates debt service.

VIII Public Purpose and Intent:

Below are listed the public purposes for the issuance of industrial revenue bonds. Please check the ones that will be addressed by this project and provide a brief justification.

1. Promote economic development of the Commonwealth x

The project will create 90 new jobs for the economic base of Madison County. The company intends to use local suppliers and contractors when possible.

2. Relieve conditions of unemployment X

The project will create 90 new jobs thus helping to reduce the overall unemployment conditions of Madison County.

3. Encourage increase in industry x

This project will increase the industrial base of Madison County thus encouraging new industry to locate in the County and existing industry to expand their operations.

4. Retain existing industry N/A

5. Control pollution N/A

6. Energy Conversion N/A

IX. Economic Soundness:

1. Will the issuance of the bonds increase or add to the bonded indebtedness of the issuer?

yes _____ no X

If no, explain why the issuer is not liable for the debt and how the debt will be retired.

These bonds are revenue bonds and the revenues generated from the Project will be used to retire the debt of the Bonds. The County is not liable for any payment on the Bonds.

If yes, indicate the ability of the issuer to service the debt.

2. Estimate the interest rate and terms for the bond issue.

10 1/2% - 12 yrs. with balloon

3. Attach statements from a financial institution(s) indicating that it will buy the bonds or that it considers the bonds a sound investment.
4. Attach financial statements for the last two years for any proprietary beneficiary of the proposed bond issue and any company or person who will be a guarantor of the bonds.

X. Local Planning Regulations:

1. Do existing zoning provisions clearly permit construction and operation of the proposed project? X yes no
2. If no, is rezoning of the project site required and what steps have been taken or will be required to obtain rezoning.

VI. Certification:

The undersigned certifies that the foregoing statements and those made in all exhibits to the foregoing have been carefully prepared or reviewed, and that same are true and complete and do not contain any misleading information:

Applicant's signature Patrick R. Duff Pres. Date 8-13-84

Preparer's signature Patrick R. Duff Date 8-13-84

BLUEGRASS ARMY DEPOT

U. S. HIGHWAY 25

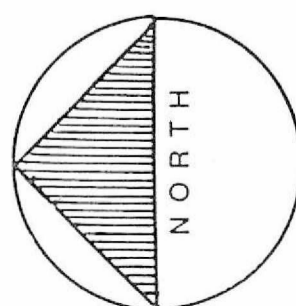
TO RICHMOND 2.5 miles

DUCCANNON LANE

WILLOW DRIVE

SITE

L&N RAILROAD



CONTINENTAL METAL SPECIALTY, INC.
OPERATING INCOME STATEMENT
JUNE YEAR TO DATE 1984

| | |
|--------------------------------------|------------------|
| Gross Sales Customer | \$ 19,748,416.89 |
| Scrap Sales | 265,122.35 |
| Total Gross Sales | 20,013,539.24 |
| Less: Sales Discount | 116,268.83 |
| Total Net Sales | 19,897,270.41 |
| Cost of Sales | |
| Material | 6,912,489.24 |
| Labor | 4,655,868.88 |
| Manufacturing Expense | 6,284,496.39 |
| Total | 17,852,854.51 |
| Other | |
| Miscellaneous | 158,998.24 |
| Freight Billed | (269,247.10) |
| Total | (110,248.86) |
| Total Manufacturing Cost | 17,742,605.65 |
| Gross Profit (Loss) | 2,154,664.76 |
| Other Non-Manufacturing Transactions | |
| Commissions | 126,982.58 |
| Interest | 285,646.40 |
| Other | 2,892.00 |
| Total | 415,520.98 |
| Other Income | (152,492.17) |
| Profit (Loss) at Plant Level | 1,891,635.95 |
| Corporate Expense | |
| General & Administrating | 661,139.21 |
| Selling | 106,427.34 |
| Airplane | 144,205.14 |
| Total | 911,771.69 |
| Total Profit (Loss) | \$ 979,864.26 |

CONTINENTAL METAL SPECIALTY, INC.
BALANCE SHEET
AS OF 6-30-84

ASSETS

CURRENT ASSETS

| | | |
|---------------------|--|-------------|
| CASH | | \$360,092 |
| ACCOUNTS RECEIVABLE | | \$2,490,503 |
| INVENTORIES | | \$2,449,371 |
| OTHER CURRENT | | \$12,021 |
| TOTAL CURRENT | | \$5,311,987 |

| | | |
|-------------------------|--|-------------|
| FIXED ASSETS AT COST | | \$6,753,403 |
| LESS ACCUM DEPRECIATION | | \$2,828,529 |
| | | \$3,924,874 |

| | | |
|--------------|--|-------------|
| TOTAL ASSETS | | \$9,236,861 |
|--------------|--|-------------|

LIABILITIES

CURRENT LIABILITIES

| | | |
|-----------------------------|--|-------------|
| ACCOUNTS PAYABLE | | \$2,148,251 |
| SHORT TERM NOTES | | \$15,037 |
| CURRENT MATURITIES-L T DEBT | | \$765,004 |
| OTHER CURRENT | | \$894,264 |
| TOTAL CURRENT LIABILITIES | | \$3,822,556 |

| | | |
|----------------|--|-------------|
| LONG TERM DEBT | | \$1,678,367 |
|----------------|--|-------------|

| | | |
|-----------------------|--|-----------|
| DEFERRED INCOME TAXES | | \$271,303 |
|-----------------------|--|-----------|

| | | |
|-------------------|--|-------------|
| TOTAL LIABILITIES | | \$5,772,226 |
|-------------------|--|-------------|

STOCKHOLDER EQUITY

| | | |
|------------------------|--|-------------|
| CAPITAL STOCK | | \$217,650 |
| TREASURY STOCK | | (\$9,521) |
| CAPITAL SURPLUS | | \$5,164 |
| PRIOR YEARS EARNINGS | | \$2,271,478 |
| CURRENT YEARS EARNINGS | | \$979,864 |

| | | |
|--------------------------|--|-------------|
| TOTAL STOCKHOLDER EQUITY | | \$3,464,635 |
|--------------------------|--|-------------|

| | | |
|--|--|-------------|
| TOTAL LIABILITIES & STOCKHOLDER EQUITY | | \$9,236,861 |
|--|--|-------------|



17345

73-130
421

PAY

TO THE ORDER OF

* Madison County Fiscal Court

THE SUM 1000.00

DATE 11/28/22

AMOUNT \$1,000.00

CONTINENTAL METAL SPECIALTY, INC.
GENERAL ACCOUNT

STATE BANK & TRUST CO.
RICHMOND, KY 40475

Stephen C. Robinson
Patrick R. Duff

⑈067345⑈ ⑆042101307⑆ ⑈012 116 0⑈

CONTINENTAL METAL
SPECIALTY, INC.
RICHMOND, KENTUCKY 40475

DETACH AND RETAIN THIS STATEMENT
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW
IF NOT CORRECT PLEASE NOTIFY US PROMPTLY NO RECEIPT DESIRED

| DATE | DESCRIPTION | AMOUNT |
|------|---------------------------------------|--------|
| | To process application for bond issue | |

LAW OFFICE
RUBIN & HAYS
SUITE 300
209 SOUTH FIFTH STREET
LOUISVILLE, KENTUCKY 40202

TELEPHONE (502) 585-2153

JOSEPH R. RUBIN
FRANKLIN P. HAYS
WM. CARL FUST
CHARLES S. MUSSON
W. RANDALL JONES

May 25, 1984

THE RICHMOND REGISTER
P.O. Box 99
Richmond, Kentucky 40475

Attention: Mr. Johnson

NAME OF BOND ISSUE: County of Madison (Kentucky) Industrial
Building Revenue Bonds (Continental Metal
Project).

PUBLICATION DATE: June 4, 1984.

Gentlemen:

Enclosed herewith are the following:

1. Notice of Public Hearing as to Industrial Building Revenue Bonds and Notice as to Intended Enactment and Summary of Ordinance Approving Inducement Contract as to Bond Issue of County of Madison, Kentucky.
2. Affidavit of Publication of such Notice (5 copies).
3. One additional copy of this letter.

Please publish the enclosed Notice in your newspaper on the publication date set out above. After publication, please execute and return to us the enclosed Affidavits of Publication, with a clipping or tear sheet of the published Notice attached to each Affidavit.

Immediately upon receipt of the foregoing, please acknowledge receipt thereof by signing and returning to us in the enclosed stamped, self-addressed envelope, the enclosed copy of this letter.

Very truly yours,

RUBIN & HAYS

By 

CHARLES S. MUSSON

CSM:kcf
Enclosures

THE RICHMOND REGISTER
May 25, 1984
Page 2

Please send your statement of charges to:

Mr. Charles S. Musson
Rubin & Hays
209 South Fifth Street
Suite 300
Louisville, Kentucky 40202

Receipt of the foregoing is acknowledged, and the Notice will be published on the publication date indicated above.

THE RICHMOND REGISTER

By _____

cc: Mr. Patrick R. Duff
Mr. Eugene S. Wiggins
Mr. John Shropshire
Mr. Henry H. Knight III
Mr. C.S. Wagers
Honorable Harold K. Botner

LAW OFFICE
RUBIN & HAYS
SUITE 300
209 SOUTH FIFTH STREET
LOUISVILLE, KENTUCKY 40202

JOSEPH R. RUBIN
FRANKLIN P. HAYS
WM. CARL FUST
CHARLES S. MUSSON
W. RANDALL JONES

November 28, 1984

TELEPHONE (502) 585.2153

Honorable Harold K. Botner
County Judge/Executive
Madison County Court House
Richmond, Kentucky 40475

Re: County of Madison (Kentucky) Industrial Building Revenue Bonds
(Continental Metal Project).

Dear Judge Botner:

Enclosed is a copy of the Sales Resolution for the above referenced bond issue which we request be adopted by the Madison County Fiscal Court at the next meeting to be held on December 3, 1984. The Sales Resolution sets the interest rates for the above referenced bond issue.

We have also enclosed for your review copies of the following closing papers which the County Judge, the County Clerk and the County Attorney will need to sign at the pre-closing of the bond issue, which has been scheduled for December 10, 1984 at 2:30 P.M. in the main office of State Bank and Trust Company of Richmond:

1. Certificate as to Required Signatures.
2. Sunshine Certificate.
3. Certificate as to Incumbency.
4. Receipt and Certificate of Execution and No Litigation.
5. Certificate of County Attorney.
6. Certificate as to Compliance with Federal Arbitrage Requirements.
7. Internal Revenue Service Form 8038.

By copy of this letter we are forwarding copies of the enclosed documents to the County Clerk and the County Attorney for their review.

At the December 3, 1984 Fiscal Court meeting, Mr. Henry Knight of Johnston, Brown, Burnett & Knight Inc. of Lexington, Kentucky will be present to answer any questions regarding the Sales Resolution. In addition, Mr. Knight will bring copies of the following enclosed documents to the meeting in order to obtain your signature:

1. Contract of Purchase of Bonds.
2. Statement of Election to be filed with the Internal Revenue Service.
3. Notice of Intent to issue bonds under the State IDB Volume Cap.

Honorable Harold K. Botner
November 28, 1984
Page Two

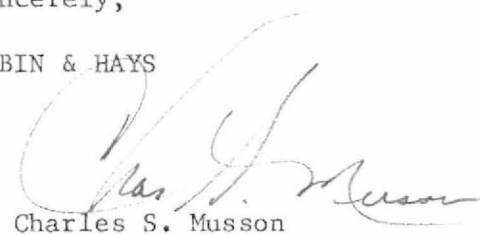
If you have any questions regarding the enclosed documents, please let us know.

We appreciate your help, time and consideration in this matter as well as the help, time and consideration given to us by Bill Clouse and Charles Wagers.

Sincerely,

RUBIN & HAYS

By



Charles S. Musson

CSM/skw
Enclosures
cc: Mr. William G. Clouse
Mr. C. S. Wagers
Distribution List

LAW OFFICE
RUBIN & HAYS
SUITE 300
209 SOUTH FIFTH STREET
LOUISVILLE, KENTUCKY 40202

TELEPHONE (502) 585-2153

JOSEPH R. RUBIN
FRANKLIN P. HAYS
WM. CARL FUST
CHARLES S. MUSSON
W. RANDALL JONES

November 27, 1984

RICHMOND DAILY REGISTER
380 Big Hill Avenue
P.O. Box 99
Richmond, Kentucky 40475

Attention: Mr. Johnson

NAME OF BOND ISSUE: County of Madison (Kentucky) Industrial
Building Revenue Bonds (Continental Metal
Project).

PUBLICATION DATE: December 3, 1984.

Gentlemen:

Enclosed herewith are the following:

1. Notice of Enactment and Summary of Bond Ordinance.
2. Affidavit of Publication of such Notice (5 copies).
3. One additional copy of this letter.

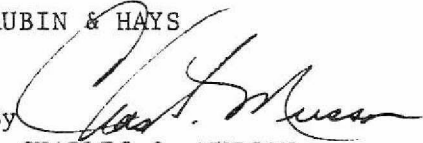
Please publish the enclosed Notice in your newspaper on the publica-
tion date set out above. After publication, please execute and return to us
the enclosed Affidavits of Publication, with a clipping or tear sheet of the
published Notice attached to each Affidavit.

Immediately upon receipt of the foregoing, please acknowledge
receipt thereof by signing and returning to us in the enclosed stamped,
self-addressed envelope, the enclosed copy of this letter.

Very truly yours,

RUBIN & HAYS

By


CHARLES S. MUSSON

CSM:kcf
Enclosures

RICHMOND DAILY REGISTER
November 27, 1984
Page 2

Please send your statement of charges to:

Mr. Charles S. Musson
Rubin & Hays
209 South Fifth Street
Suite 300
Louisville, Kentucky 40202

Receipt of the foregoing is acknowledged, and the Notice will be published on the publication date indicated above.

RICHMOND DAILY REGISTER

By _____

cc: Distribution List
Honorable Harold K. Botner
Mr. C.S. Wagers

LAW OFFICE
RUBIN & HAYS
SUITE 300
209 SOUTH FIFTH STREET
LOUISVILLE, KENTUCKY 40202

JOSEPH R. RUBIN
FRANKLIN P. HAYS
WM. CARL FUST
CHARLES S. MUSSON
W. RANDALL JONES

September 18, 1984

TELEPHONE (502) 585-2153

Honorable Charles S. Wagers
Madison County Clerk
Madison County Courthouse
Richmond, Kentucky 40475

Re: County of Madison (Kentucky) Industrial Building Revenue Bonds
(Continental Metal Project).

Dear Mr. Wagers:

As you know, the Fiscal Court has approved the Inducement Contract for the above-referenced bond issue.

Please send to us at your earliest opportunity four (4) executed copies of the following documents:

1. Inducement Contract.
2. Inducement Ordinance.
3. Minutes of the Madison County Fiscal Court meeting held on August 20, 1984.
4. Minutes of the Madison County Fiscal Court meeting held on September 10, 1984.

For your convenience we have enclosed four (4) copies of each of the above-mentioned documents.

Thank you for your time and consideration in this matter.

Sincerely,

RUBIN & HAYS

By 

CHARLES S. MUSSON

CSM:kcf
Enclosures

cc: Distribution List

DISTRIBUTION LIST

Re: County of Madison (Kentucky) Industrial Building Revenue Bonds
(Continental Metal Project), dated July 1, 1984, in the amount
of \$1,100,000.

Mr. Patrick R. Duff
Continental Metal Specialty, Inc.
P.O. Box 725
U.S. 25, South
Richmond, Kentucky 40475

Mr. Eugene S. Wiggins
Wiggins & Steen
224 Water Street
P.O. Box 97
Richmond, Kentucky 40475
(606) 623-1315

Mr. Henry H. Knight II
Johnston, Brown, Burnett & Knight Inc.
Suite 8C
Citizens Bank Square
Lexington, Kentucky 40507
(606) 253-3828

Mr. John Shropshire
Citizens Fidelity Bank & Trust Company
Citizens Plaza
500 West Jefferson Street
Louisville, Kentucky 40296
(502) 581-2100

Honorable Harold K. Botner
County Judge/Executive
Madison County Courthouse
Richmond, Kentucky 40475
(606) 623-2849

Mr. C.S. Wagers
County Clerk
Madison County Courthouse
Richmond, Kentucky 40475
(606) 623-4288

Mr. William G. Clouse, Jr.
County Attorney
Madison County Courthouse
Richmond, Kentucky 40475
(606) 623-9200

The Richmond Register (Daily)
P.O. Box 99
Richmond, Kentucky 40475
Attention: Legal Notice Department
(606) 623-1669

LAW OFFICE
RUBIN & HAYS
SUITE 300
209 SOUTH FIFTH STREET
LOUISVILLE, KENTUCKY 40202

TELEPHONE (502) 585-2153

JOSEPH R. RUBIN
FRANKLIN P. HAYS
WM. CARL FUST
CHARLES S. MUSSON
W. RANDALL JONES

September 4, 1984

THE RICHMOND REGISTER
P.O. Box 99
Richmond, Kentucky 40475

Attention: Mr. Johnson

NAME OF BOND ISSUE: County of Madison (Kentucky) Industrial
Building Revenue Bonds (Continental Metal
Project).

PUBLICATION DATE: September 12, 1984.

Gentlemen:

Enclosed herewith are the following:

1. Notice of Enactment and Summary of Inducement Ordinance.
2. Affidavit of Publication of such Notice (5 copies).
3. One additional copy of this letter.

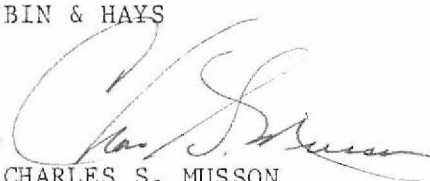
Please publish the enclosed Notice in your newspaper on the publica-
tion date set out above. After publication, please execute and return to us
the enclosed Affidavits of Publication, with a clipping or tear sheet of the
published Notice attached to each Affidavit.

Immediately upon receipt of the foregoing, please acknowledge
receipt thereof by signing and returning to us in the enclosed stamped,
self-addressed envelope, the enclosed copy of this letter.

Very truly yours,

RUBIN & HAYS

By


CHARLES S. MUSSON

CSM:kcf
Enclosures

Please send your statement of charges to:

Mr. Charles S. Musson
Rubin & Hays
209 South Fifth Street
Suite 300
Louisville, Kentucky 40202

Receipt of the foregoing is acknowledged, and the Notice will be published on the publication date indicated above.

THE RICHMOND REGISTER

By _____

cc: Mr. Patrick R. Duff
Mr. Eugene S. Wiggins
Mr. John Shropshire
Mr. Henry H. Knight III
Mr. C.S. Wagers
Honorable Harold K. Botner

LAW OFFICE
RUBIN & HAYS
SUITE 300
209 SOUTH FIFTH STREET
LOUISVILLE, KENTUCKY 40202

JOSEPH R. RUBIN
FRANKLIN P. HAYS
WM. CARL FUST
CHARLES S. MUSSON
W. RANDALL JONES

August 10, 1984

TELEPHONE (502) 585-2153

Honorable Charles S. Wagers
Madison County Clerk
Madison County Courthouse
Richmond, Kentucky 40475

Re: County of Madison (Kentucky) Industrial Building Revenue Bonds
(Continental Metal Project).

Dear Mr. Wagers:

Enclosed please find the following documents for the inducement process for the above-referenced bond issue:

- A. Application for Industrial Revenue Bond Issue.
- B. Inducement Ordinance.
- C. Inducement Contract.
- D. Proposed draft of Minutes of the Fiscal Court meeting to be held on August 20, 1984.
- E. Proposed draft of Minutes of the Fiscal Court meeting to be held on September ____, 1984.
- F. Copy of Notice sent to the Berea Chamber of Commerce and the Richmond Chamber of Commerce.

Mr. Pat Duff, President of Continental Metal Specialty, Inc., will deliver to you the \$1,000 application deposit check, a copy of the site map and the financial statements of the company. In addition, blueprints of the proposed project are available for inspection at the company's plant. Mr. Henry Knight of Johnston, Brown, Burnett & Knight Inc., will be forwarding to you for your files a letter setting forth his company's interest in purchasing and placing the Bonds.

We would appreciate having the Application and Inducement Ordinance and Contract considered for first reading at the August 20, 1984 Fiscal Court meeting.

It is our understanding that at the August 20, 1984 meeting the Fiscal Court will set its next regular meeting in September due to the fact that the first Monday in September is Labor Day.

Honorable Charles S. Wagers
August 10, 1984
Page 2

Our office will take care of all necessary publications in accordance with Kentucky and federal law.

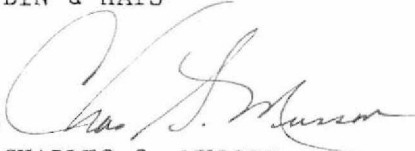
We are forwarding copies of the enclosed documents by copy of this letter to County Judge Botner and County Attorney William Clouse.

We would ultimately appreciate four (4) executed original copies of all of the above once the County has taken appropriate action at their August 20th and September meetings.

If you have any questions please let us know.

Sincerely,

RUBIN & HAYS

By 
CHARLES S. MUSSON

CSM:kcf
Enclosures

cc: Mr. Patrick R. Duff
Mr. Henry H. Knight II
Mr. John Shropshire
Mr. Eugene S. Wiggins
Honorable Harold K. Botner ✓
Honorable William G. Clouse, Jr.

NOTICE OF ENACTMENT
AND
SUMMARY OF BOND ORDINANCE

I. TITLE.

AN ORDINANCE RELATING TO THE CONSTRUCTION OF AN INDUSTRIAL BUILDING PROJECT FOR USE AND OCCUPANCY AS A FACILITY FOR METAL-WORKING AND METAL-STAMPING, WITH RELATED AND SUBORDINATE FACILITIES NECESSARY TO THE OPERATION THEREOF, INCLUDING THE MAIN BUILDING, THE SITE THEREOF, AND APPURTENANCES THERETO, AND CERTAIN EQUIPMENT, IN ORDER THAT THE COUNTY MAY BE PROVIDED WITH FACILITIES FOR INDUCING A PRIVATE BUSINESS FACILITY TO LOCATE IN THE COMMUNITY AS A MEANS OF AVOIDING OR REDUCING UNEMPLOYMENT AND PROMOTING THE INDUSTRIAL DEVELOPMENT OF THE COUNTY; AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF THE COUNTY OF MADISON (KENTUCKY) INDUSTRIAL BUILDING REVENUE BONDS (CONTINENTAL METAL PROJECT), DATED NOVEMBER 1, 1984, IN THE PRINCIPAL AMOUNT OF \$1,500,000, FOR THAT PURPOSE, WHICH BONDS WILL BE PAYABLE SOLELY AND ONLY FROM REVENUES AND PROCEEDS OF THE PROJECT; AND AUTHORIZING THE EXECUTION OF (1) A LOAN AGREEMENT AND MORTGAGE, WHEREBY THE COUNTY WILL LEND THE PROCEEDS OF THE BONDS TO CONTINENTAL METAL SPECIALTY, INC., AS BORROWER, TO FINANCE THE COSTS OF THE PROJECT, AND WHEREBY THE BORROWER WILL AGREE TO MAKE PAYMENTS SUFFICIENT TO PAY THE PRINCIPAL AND INTEREST REQUIREMENTS ON THE BONDS AND SECURE THE BONDS WITH A MORTGAGE LIEN ON THE PROJECT, (2) A TRUST INDENTURE, WHICH SETS FORTH THE TERMS AND CONDITIONS UPON WHICH THE BONDS ARE TO BE ISSUED AND OUTSTANDING AND PROVIDES FOR THE RIGHTS OF THE BONDHOLDERS AND THE ENFORCEMENT THEREOF, AND (3) A CONTRACT OF PURCHASE OF BONDS, PROVIDING FOR THE NEGOTIATED SALE OF THE BONDS.

II. SUMMARY.

As required by KRS 103.210, I hereby certify that an Ordinance, the title of which is the foregoing, was enacted by the Fiscal Court of the County of Madison, Kentucky, on November 19, 1984, and that the following is a summary of the provisions of said Ordinance. The Ordinance:

A. Authorizes and approves the issuance of the County of Madison (Kentucky) Industrial Building Revenue Bonds (Continental Metal Project), in the principal amount of One Million Five Hundred Thousand Dollars (\$1,500,000)

for the purpose of financing the cost not otherwise provided of a metal-working and metal-stamping facility being constructed as an industrial building project (the "Project") in the County of Madison.

B. Authorizes and approves the execution of (1) a Loan Agreement and Mortgage (the "Loan Agreement"), whereby the proceeds of the Bonds will be lent by the County to Continental Metal Specialty, Inc., a Kentucky corporation (the "Borrower"), and whereby the Bonds will be retired from the proceeds of loan payments to be received from the Borrower, and the County is granted by the Borrower a first mortgage lien against the Project as security for such loan, as set forth in KRS 103.200 through 103.285, inclusive, and particularly KRS 103.215; all commitments of the Borrower in the Loan Agreement have been guaranteed by Patrick R. Duff, Charles R. Ray and Virginia Robinson, as the Guarantors in said Loan Agreement, (2) a Trust Indenture from the County to State Bank and Trust Company of Richmond, Richmond, Kentucky (the "Bank" or "Trustee"), as Trustee, whereby the Bonds will be secured by a foreclosable mortgage lien on the Project, including an assignment by the County to the Trustee of all rights of the County in and to the Loan Agreement, and (3) a negotiated Contract of Purchase of Bonds setting forth the terms of the sale of the Bonds.

C. Authorizes and approves the direct negotiations of construction contracts for the Project by the Borrower.

D. Designates the Bank as Trustee for the bondholders and authorizes the Trustee to make procedures for the disbursement of the Bond proceeds.

E. Authorizes the County Judge/Executive and other County officials to take any other necessary action, including executing the appropriate arbitrage certifications, to effect the issuance and delivery of the Bonds.

F. Provides that the Bonds will not be a general obligation of the County, but will be payable solely out of the revenues and proceeds of the Project, including loan payments received under the Loan Agreement.

G. Provides that the Ordinance shall be effective upon the publication of this Notice of Enactment and Summary of Bond Ordinance.

H. The full text of the Ordinance is on file in the office of the undersigned County Clerk, during normal working hours, Monday through Friday, in the Courthouse in Richmond, Kentucky, where it is available for public inspection. (Signed) C.S. Wagers, County Clerk.

NOTICE OF ENACTMENT AND
SUMMARY OF INDUCEMENT ORDINANCE

The Fiscal Court of the County of Madison, Kentucky, on
September 10, 1984, enacted an Ordinance entitled:

ORDINANCE OF THE FISCAL COURT OF MADISON COUNTY, KENTUCKY,
RELATING TO AND APPROVING AN INDUCEMENT CONTRACT BETWEEN
THE COUNTY AND CONTINENTAL METAL SPECIALTY, INC., A
KENTUCKY CORPORATION, IN WHICH THE COUNTY AGREES TO
FINANCE THE CONSTRUCTION OF AN INDUSTRIAL BUILDING PROJECT
FOR USE IN METAL-WORKING AND METAL-STAMPING ON A TRACT OF
LAND LOCATED ON WILLOW ROAD IN THE COUNTY, THROUGH THE
ISSUANCE BY THE COUNTY OF APPROXIMATELY \$1,500,000 OF
INDUSTRIAL BUILDING REVENUE BONDS, FOR THE PURPOSE OF
CREATING ADDITIONAL EMPLOYMENT OPPORTUNITIES IN SAID
COUNTY; AND AUTHORIZING THE BEGINNING OF CONSTRUCTION OF
SAID PROJECT PRIOR TO THE ISSUANCE OF SAID BONDS, WITH
SAID COMPANY PAYING FOR SAME AND TO BE REIMBURSED OUT OF
THE PROCEEDS OF SAID BONDS FOR ALL COSTS HEREAFTER
ADVANCED BY THE COMPANY TOWARD THE COST OF THE PROJECT.

Said Ordinance:

A. Authorizes the execution of an Inducement Contract between
Madison County, Kentucky, and Continental Metal Specialty, Inc., which Contract
contemplates that the County shall issue approximately \$1,500,000 of County of
Madison (Kentucky) Industrial Building Revenue Bonds for the purpose of
financing the costs of construction of a new industrial building project (the
"Project") on a tract of land of approximately 6 acres located on Willow Road
in the County, which Project would be operated by Continental Metal Specialty,
Inc. (the "Company") for metal-working and metal-stamping.

B. Authorizes and directs the County Judge/Executive to execute
said Inducement Contract on behalf of the County and to execute all necessary
documents, instruments, and obligations of the County, all without expense to
the County;

C. Provides that the proceeds of the Bonds shall be lent by the County to the Company, which will agree to make loan payments to the County sufficient to pay all principal and interest requirements on the Bonds; that the Bonds shall not constitute a general obligation of the County and shall be payable only from the revenues of the Project (including the loan payments to be made by the Company); and that the County shall have no expense in connection with the Project or in connection with the issuance of the Bonds, as provided in said Inducement Contract; and

D. Provides that the Ordinance and the Inducement Contract approved therein shall be effective to the maximum extent permitted by law upon publication of this Notice and Summary.

E. The full text of the Ordinance and the Inducement Contract approved therein are on file in the office of the undersigned County Clerk, during normal working hours, Monday through Friday, in the Courthouse in Richmond, Kentucky, where they are available for public inspection. (Signed)
C.S. Wagers, County Clerk.

RESOLUTION

RESOLUTION OF THE MADISON COUNTY FISCAL COURT, ACCEPTING AND APPROVING THE SALE PRICE AND INTEREST RATES APPLICABLE TO ONE MILLION FIVE HUNDRED THOUSAND DOLLARS (\$1,500,000) OF COUNTY OF MADISON (KENTUCKY) INDUSTRIAL BUILDING REVENUE BONDS (CONTINENTAL METAL PROJECT) DATED NOVEMBER 1, 1984, PREVIOUSLY APPROVED BY ORDINANCE PASSED BY THE FISCAL COURT ON NOVEMBER 19, 1984, APPROVING THE EXECUTION OF THE APPROPRIATE CONTRACT OF PURCHASE OF BONDS, PREVIOUSLY APPROVED BY THE FISCAL COURT IN SUCH BOND ORDINANCE, AND FIXING AND APPROVING THE PRICE AND INTEREST RATES TO BE INSERTED IN SAID CONTRACT OF PURCHASE OF BONDS, AND IN CERTAIN RELATED DOCUMENTS.

WHEREAS, the Madison County Fiscal Court has heretofore on November 19, 1984 enacted a Bond Ordinance authorizing the issuance and sale of One Million Five Hundred Thousand Dollars (\$1,500,000) of County of Madison (Kentucky) Industrial Building Revenue Bonds (Continental Metal Project) dated November 1, 1984, approving the execution by the County, of a Trust Indenture (the "Indenture") and a Loan Agreement and Mortgage, and

WHEREAS, said Bond Ordinance approved a Contract of Purchase of Bonds (the "Purchase Contract"), providing for the negotiated sale of the Bonds by the County to Johnston, Brown, Burnett & Knight, Inc., at a minimum price of \$1,455,000 (97% of par), and specifies that the exact price and the exact interest rate or rates applicable to the Bonds shall be fixed by separate Resolution to be adopted by the Fiscal Court at a single reading on a date following the second reading and enactment of said Bond Ordinance; and the aforesaid Indenture provides for the creation of certain funds sufficient to pay the principal of and the interest on the Bonds as and when due, and

WHEREAS, it has now been determined, based on current market conditions that the sale price for the Bonds and the interest rates applicable to the Bonds, as hereinafter specified, are fair, equitable, in line with the current bond market for bonds of the caliber of said issue of Bonds, and in the best interests of the County,

NOW, THEREFORE, THE FISCAL COURT OF MADISON COUNTY, COMMONWEALTH OF KENTUCKY, DOES HEREBY RESOLVE AS FOLLOWS:

1. That the Fiscal Court specifically approves the sale of One Million Five Hundred Thousand Dollars (\$1,500,000) principal amount of County of Madison (Kentucky) Industrial Building Revenue Bonds (Continental Metal Project), dated November 1, 1984, at a price of \$1,455,000, plus accrued interest from November 1, 1984, to the date of delivery of the Bonds, and agrees that the principal maturities and the interest rates on such Bonds shall be as follows:

| <u>Maturity Date</u> <u>December 1</u> | <u>Amount</u> | <u>Interest</u> <u>Rates</u> |
|---|---------------|---------------------------------|
| 1985 | \$ 70,000 | 7.75% |
| 1986 | 75,000 | 8.00% |
| 1987 | 85,000 | 8.50% |
| 1988 | 100,000 | 8.75% |
| 1989 | 100,000 | 9.00% |
| 1990 | 110,000 | 9.20% |
| 1991 | 125,000 | 9.40% |
| 1992 | 135,000 | 9.60% |
| 1993 | 150,000 | 9.80% |
| 1994 | 150,000 | 10.00% |
| 1995 | 200,000 | 10.10% |
| 1996 | 200,000 | 10.20% |

2. That the Purchase Contract, heretofore approved by the Fiscal Court in the Bond Ordinance referred to in the preamble hereto, be and the same

is hereby approved, and the schedule of principal maturities and interest rates specifically approved in the preceding Section 1 of this Resolution, is hereby approved as the maturities and rates to be inserted in such Purchase Contract, as being applicable to such Bonds.

3. That such Purchase Contract, providing for the sale of such \$1,500,000 of Bonds by the County to the Underwriter of such Bonds, viz., Johnston, Brown, Burnett & Knight, Inc., Lexington, Kentucky, at the price specified in paragraph 1 of this Resolution, at the interest rates specified above in said paragraph 1, shall be executed by the County Judge/Executive.

4. That all orders, resolutions, or parts thereof, in conflict herewith, be and the same are hereby amended or repealed to the extent of such conflict, and this Resolution shall take effect as a supplement to the aforesaid Bond Ordinance, in accordance with the terms of such Bond Ordinance, immediately upon the adoption of this Resolution.

ADOPTED on December 3, 1984.

Attest:

County Judge/Executive

County Clerk

CERTIFICATE

I, C. S. WAGERS, County Clerk of Madison County, Kentucky, hereby certify that the foregoing is a true and correct copy of a Resolution adopted by the Madison County Fiscal Court, on December 3, 1984, that same is now in full force and effect, and same has been duly signed by the County Judge/Executive, with the Seal of the County affixed and attested by the undersigned County Clerk, and that said Resolution has been duly recorded in the official records of the County.

IN TESTIMONY WHEREOF, witness my signature as County Clerk of Madison County, Kentucky and the official seal of the County this 3rd day of December, 1984.

(Seal of the County)

County Clerk

RECEIPT
AND
CERTIFICATE OF EXECUTION AND NO LITIGATION

Re: County of Madison (Kentucky) Industrial Building Revenue Bonds
(Continental Metal Project), dated November 1, 1984, in the
amount of \$1,500,000.

The undersigned, Harold K. Botner, County Judge/Executive of the
County of Madison, Kentucky, and C. S. Wagers, County Clerk of the County of
Madison, Kentucky (the "County"), do hereby certify that we are the officers
respectively above indicated of said County, and we further certify as follows:

1. The purchase price for the Bonds shall be \$1,455,000 (97% of par
value), plus accrued interest from November 1, 1984, until date of purchase.
The Bonds shall bear interest at the rates set out in the schedule below, with
such interest payable semiannually on May 1 and November 1, in each of the
respective years until maturity. The Bonds are scheduled to be repaid on
November 1, in each of the years 1985 through 1996, inclusive, and shall be
subject to prepayment as provided in the Loan Agreement in accordance with the
schedule set out below:

| <u>NOVEMBER 1,</u> | <u>PRINCIPAL AMOUNT</u> | <u>INTEREST RATE</u> |
|--------------------|-----------------------------|--------------------------|
| 1985 | \$ 70,000 | 7.75% |
| 1986 | 75,000 | 8.00% |
| 1987 | 85,000 | 8.50% |
| 1988 | 100,000 | 8.75% |
| 1989 | 100,000 | 9.00% |
| 1990 | 110,000 | 9.20% |
| 1991 | 125,000 | 9.40% |
| 1992 | 135,000 | 9.60% |
| 1993 | 150,000 | 9.80% |
| 1994 | 150,000 | 10.00% |
| 1995 | 200,000 | 10.10% |
| 1996 | <u>200,000</u> | 10.20% |
| TOTAL | \$1,500,000 | |

2. That said Bonds are the Bonds which were duly authorized by said County to be payable from the "County of Madison (Kentucky) Industrial Building Revenue Bond Fund (Continental Metal Project) of 1984," created by Section 503 of the Trust Indenture, dated November 1, 1984 (the "Indenture") between the County and the Trustee identified in Paragraph 3 below, authorizing the issuance of the Bonds, which Indenture was approved by the Bond Ordinance enacted by the Fiscal Court of the County on November 19, 1984.

3. That the Bonds are payable as to principal and interest at State Bank and Trust Company of Richmond, Richmond, Kentucky, the Trustee and Paying Agent, subject to certain provisions set out in the documents identified below.

4. That the Bonds were executed with the manual signature of the undersigned County Judge/Executive, with the duly authorized Seal of the County affixed thereto, and attested by the manual signature of the undersigned County Clerk.

5. That the Bonds were on this day by us lawfully issued, sold and delivered to Johnston, Brown, Burnett & Knight Inc., Lexington, Kentucky (the "Purchaser") and paid for in full by said Purchaser in accordance with the terms of the Contract of Purchase of Bonds (the "Purchase Contract") approved by the Fiscal Court of said County in the aforesaid Bond Ordinance and a Sales Resolution adopted by the Fiscal Court on December 3, 1984, at the agreed sale price of \$1,455,000 (97% of par).

6. That we are familiar with the provisions of Section 402 of the Indenture, and we hereby certify that at the time of or immediately after the issuance, sale and delivery of the Bonds, the proceeds of the Bonds were applied or will be applied as itemized in Exhibit R-No. 1, Distribution of Proceeds, and this certification constitutes the instruction to and authorization of the Trustee to make such payments and deposits specified in said Exhibit.

7. That we are the officers of the County authorized to execute and deliver documents and certifications and to effect other transactions in connection with the issuance of the Bonds.

8. That to the best of our knowledge the representations and warranties of the County in the Indenture, in the Loan Agreement and Mortgage between the County, the Borrower and Patrick R. Duff, Charles R. Ray and Virginia Robinson, Guarantors, dated November 1, 1984 (the "Loan Agreement"), and the Purchase Contract, are true and correct in all material respects as of the date of this Certificate, which is the same date as the date of delivery of the Bonds.

9. That none of the proceedings or authority for the issuance of the Bonds has been repealed, revoked, rescinded, cancelled, modified, changed or altered in any manner since the enactment of the Bond Ordinance and the approval of the Loan Agreement, the Indenture and the Purchase Contract on November 19, 1984.

IN TESTIMONY WHEREOF, witness our respective official signatures and the Seal of said County of Madison, Kentucky, which has been duly affixed hereto by one of us who was and is fully authorized to affix same hereto, this December 11, 1984.

County Judge/Executive

County Clerk

CERTIFICATE OF BANK

I, the undersigned, the officer of the Bank indicated by my signature hereto, do hereby certify that I am personally acquainted with the persons whose signatures, each known to me to be genuine, are signed to the foregoing Certificate, that I know that the persons aforesaid are the officers of the County of Madison, Kentucky, indicated respectively by the titles appended to their respective signatures, and this Bank guarantees the signatures of said County Judge/Executive and County Clerk on the Bonds referred to in the above Certificate.

STATE BANK AND TRUST COMPANY OF RICHMOND
Richmond, Kentucky

By _____
Signature

Title

(Seal of Bank)

CERTIFICATE AS TO REQUIRED SIGNATURES

Re: County of Madison (Kentucky) Industrial Building Revenue Bonds
(Continental Metal Project), dated November 1, 1984, in the
amount of \$1,500,000.

Pursuant to Section 402 of the Trust Indenture (the "Indenture"),
between the County of Madison, Kentucky (the "County"), and State Bank and
Trust Company of Richmond, Richmond, Kentucky (the "Trustee"), authorized by a
Bond Ordinance, which Bond Ordinance was adopted by the Fiscal Court of the
County on November 19, 1984, the undersigned, Harold K. Botner, County
Judge/Executive of said County, certifies to the Trustee, that the following
are genuine signatures of the persons authorized to execute (a) Certificates
Authorizing Payment of funds and (b) Certificates Authorizing Reimbursement of
funds, out of the County of Madison (Kentucky) Industrial Building Revenue
Bonds Construction Fund (Continental Metal Project) of 1984, created in Section
402 of the Trust Indenture.

Authorized Officer of Continental Metal Specialty, Inc.

Authorized Officer of State Bank and
Trust Company of Richmond, Trustee

IN TESTIMONY WHEREOF, witness my signature this December 11, 1984.

County Judge/Executive

SUNSHINE CERTIFICATE

Re: County of Madison (Kentucky) Industrial Building Revenue Bonds
(Continental Metal Project), dated November 1, 1984, in the
amount of \$1,500,000.

I, C. S. WAGERS, hereby certify that I am the County Clerk of the
County of Madison, Kentucky; that as such officer I have been responsible for
the minutes of the meetings of the Fiscal Court of said County for those
certain meetings held during the calendar year 1984 at which resolutions or
ordinances were adopted relating to the above-captioned Bonds pursuant to the
terms of Chapter 103 of the Kentucky Revised Statutes; and that the aforesaid
meetings at which actions were taken in relation to said Bonds 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).

WITNESS my hand and the seal of said County on December 11, 1984.

C. S. Wagers, County Clerk

(Seal of County)

CERTIFICATE OF INCUMBENCY

Re: County of Madison (Kentucky) Industrial Building Revenue Bonds
(Continental Metal Project), dated November 1, 1984, in the
amount of \$1,500,000.

The undersigned, C. S. WAGERS, hereby certifies as follows:

1. That he is the duly qualified and acting County Clerk of the County of Madison, Kentucky (the "County").
2. That at the General Election held on November 3, 1981, HAROLD K. BOTNER, was duly elected to be the County Judge/Executive of the County, for a term of four years, commencing on January 1, 1982, and scheduled to expire on January 1, 1986, and that said HAROLD K. BOTNER is now the duly qualified and acting County Judge/Executive of the County.
3. That at the General Election held on November 3, 1981, the following named persons were duly elected to the Fiscal Court of said County for a term of office which commenced on January 1, 1982, and is scheduled to expire on January 1, 1986:

Darrell Wells
Farris Parks
Ed Chenault
Larry Combs

Accordingly, said 4 persons are now the duly qualified and acting members of the Fiscal Court of the County.

4. That at the General Election held on November 3, 1981, C. S. WAGERS was duly elected to be the County Clerk of the County, for a term of four years, commencing on January 1, 1982, and scheduled to expire on January 1, 1986, and that said C. S. WAGERS is now the duly qualified and acting County Clerk of the County.

5. That BILLY W. COSBY was duly appointed by the Fiscal Court to be the County Treasurer for a term of office which commenced in August, 1982, and is scheduled to expire in August, 1986; that said Fiscal Court has taken no action to terminate said appointment; and that accordingly, said BILLY W. COSBY is now the duly qualified and acting County Treasurer of said County.

IN TESTIMONY WHEREOF, witness my official signature and the Seal of said County this December 11, 1984.

County Clerk

(Seal of County)

CERTIFICATE OF COUNTY ATTORNEY

Re: County of Madison (Kentucky) Industrial Building Revenue Bonds (Continental Metal Project), dated November 1, 1984, in the amount of \$1,500,000.

The undersigned hereby certifies as follows:

1. That I am a licensed attorney of the Commonwealth of Kentucky, with my office located in the County of Madison, Kentucky (the "County").
2. That I am presently the County Attorney of the County.
3. That I am personally familiar with all of the proceedings in connection with the authorization, issuance, and sale of the Bonds described in the caption hereof (the "Bonds"), issued for the purpose of financing the construction of an industrial building project (the "Project") by Continental Metal Specialty, Inc. (the "Borrower").
4. That I have examined certain documents, certificates, and records, including:
 - (a) a certain Loan Agreement and Mortgage (the "Loan Agreement") between the County, the Borrower and Patrick R. Duff, Charles R. Ray and Virginia Robinson, the Guarantor, dated as of November 1, 1984;
 - (b) a certain Trust Indenture (the "Indenture") between the County and State Bank and Trust Company of Richmond, Richmond, Kentucky, as trustee (the "Trustee"), dated November 1, 1984; and
 - (c) the Bond Ordinance (the "Ordinance") of the County enacted on November 19, 1984, authorizing the issuance of the Bonds and the execution of the Loan Agreement and other documents;
 - (d) the Sales Resolution (the "Resolution") of the County adopted on December 3, 1984, setting the interest rates on the Bonds; and
 - (e) the Contract of Purchase of Bonds, dated December 3, 1984, pursuant to which the Bonds are being sold to Johnston, Brown, Burnett & Knight Inc. (the "Purchaser").

(Hereinafter, all of the documents referred to above in Subsections (a) through (e) are collectively referred to as the "Documents").

5. That I have made such investigation as I have deemed necessary or appropriate in order to render the opinions expressed herein.

6. That based upon the foregoing, it is my opinion that:

(a) The County is a duly organized County under the laws of the Commonwealth of Kentucky;

(b) The County is authorized under the laws of the Commonwealth of Kentucky, and has full power and authority, to issue the Bonds for the purpose of paying the direct and indirect costs of constructing the Project, as defined in the Loan Agreement, to enter into the Loan Agreement and the Indenture and to consummate the transactions contemplated by the Documents;

(c) The County has duly authorized all necessary action to be taken by it for the issuance and sale of the Bonds upon the terms set forth herein and in the Documents, and the execution, delivery and receipt of, and the carrying out, giving effect to and consummation of the transactions contemplated by the Documents;

(d) The Documents required to be executed and delivered by and on behalf of the County are valid and binding obligations of the County enforceable in accordance with their respective terms, except as such enforcement may be affected by applicable bankruptcy, insolvency or other similar laws of general application affecting creditor's rights;

(e) To the best of my knowledge and belief, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, pending or threatened against or affecting the County, wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated hereby or by any of the Documents, or the validity of the Bonds or of any of the Documents used or contemplated for use in the consummation of the transactions contemplated hereby or by the Documents or (ii) the tax-exempt status of the interest on the Bonds;

(f) The execution and delivery of the Documents and any other agreements or proceedings contemplated by the Documents in compliance with the provisions thereof, will not, to my knowledge, conflict with or constitute on the part of the County a breach of or a default under any existing law, court ruling, administrative regulation, decree, order or any agreement, indenture, mortgage or lease or any other instrument by which the County is or may be bound; and

(g) To my knowledge no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the County or the titles of any of its officers to their respective positions, or restraining, enjoining or challenging the issuance, sale, execution or delivery of said Bonds.

WITNESS the signature of the undersigned this December 11, 1984.

County Attorney

CERTIFICATE AS TO COMPLIANCE WITH
FEDERAL ARBITRAGE REQUIREMENTS

Re: County of Madison (Kentucky) Industrial Building Revenue Bonds
(Continental Metal Project), dated November 1, 1984, in the
amount of \$1,500,000.

1. IN GENERAL.

(a) The undersigned is the County Judge/Executive of the County of
Madison, Kentucky (the "Issuer").

(b) This Certificate is executed for the purpose of establishing
the reasonable expectations of the Issuer as to future events, regarding the
above-entitled Bonds, dated November 1, 1984 (the "Bonds"), in the aggregate
principal amount of \$1,500,000, authorized pursuant to a Trust Indenture
between the Issuer and State Bank and Trust Company of Richmond, Richmond,
Kentucky, dated November 1, 1984 (the "Indenture"), approved by the Bond
Ordinance of the County enacted on November 19, 1984. The Issuer has not been
notified of any listing or proposed listing of the Issuer by the Internal
Revenue Service that the Issuer may not certify any of its bonds.

(c) To the best of the undersigned's knowledge, information, and
belief, the expectations contained in this Certificate are reasonable, based on
information furnished to the Issuer by the Borrower identified below.

(d) The undersigned is one of the officers of the Issuer respon-
sible for issuing and delivering the Bonds.

(e) The facts and estimates in Sections 3 and 4 and Subsections
6(b), (c) and (d) of this Certificate are based on representations made by
Continental Metal Specialty, Inc. (the "Borrower"). The Issuer is not aware of
any facts or circumstances that would cause it to question the accuracy of the
representations made by the Borrower.

2. THE PURPOSE OF THE BONDS.

(a) The Bonds are being issued for the purpose of providing funds
for the permanent financing of costs of constructing a metal-working and
metal-stamping facility (the "Project") in the County of Madison.

(b) Upon the completion of the construction and equipping of the
Project, the Project will be owned and operated by the Borrower under and
pursuant to a Loan Agreement and Mortgage (the "Loan Agreement"), dated
November 1, 1984, between the Issuer, Borrower and the Guarantor identified in
the Loan Agreement.

3. SOURCE AND DISBURSEMENT OF FUNDS.

The \$ _____ received by the Issuer from the sale of the Bonds is expected to be needed and fully expended as follows:

(1) approximately \$ _____ will be expended for payment of expenses anticipated to be incurred in connection with the issuance of the Bonds;

(2) the amount of \$ _____ will be deposited in the Bond Fund as accrued interest due on the Bonds;

(3) the approximate amount of \$ _____ remaining will (a) either be deposited in the "Construction Fund" created by the Indenture, and such amount will be expended for payment (and/or reimbursement to the Borrower) of the costs of acquiring, constructing and equipping the Project or (b) such amount will be paid directly out of the proceeds of the Bonds for such purposes, based on the required approvals, without ever being deposited in such account, in accordance with the Section 4(c) hereof.

4. TEMPORARY PERIOD.

(a) The Borrower has heretofore entered into a contract with a third party for construction and equipping of the Project obligating an expenditure in excess of (a) \$100,000 or (b) an amount equal to 2-1/2% of the total cost of the Project.

(b) Such construction will proceed with due diligence to completion, presently expected to be May 2, 1985.

(c) All of the approximately \$ _____ referred to in Subsection 3 is expected to be expended substantially in accordance with the following schedule:

| <u>Quarter During Which Expected to be Expended</u> | <u>Expenditure</u> |
|---|--------------------|
| Amount expended to date | \$ |
| Balance of Current Quarter | |
| First Quarter, 1985 | |
| Second Quarter, 1985 | |
| Thereafter | _____ |
| TOTAL | \$ |

5. BOND FUND AND CONSTRUCTION FUND.

(a) Amounts deposited in the Construction Fund and earnings with respect to such amounts will be expended for the payment of the balance of costs of acquiring, constructing and equipping the Project within the earlier of (i) three years after the date of issuance of the Bonds or (ii) the date of completion of construction of the Project.

(b) Money deposited in the Bond Fund (directly and/or through credit for payments made by the Borrower directly to the purchaser of the Bonds) will be used to pay the principal of and interest on the Bonds, and the Issuer reasonably expects that there will be no other funds that will be so used. The Bond Fund is a fund that is used primarily to achieve a proper matching of revenues and debt service within each bond year. Money deposited in the Bond Fund will be used within thirteen (13) months from the date of deposit for the payment of debt service on the outstanding Bonds and, except for an amount equal to not more than the greater of (a) one-twelfth (1/12) of debt service requirements of the Bonds for the then ensuing year, or (b) one year's earnings on the Bond Fund, the Bond Fund will be depleted annually through such application for current debt service requirements of the Bonds.

6. MISCELLANEOUS.

(a) The Issuer does not plan in the foreseeable future to sell any additional obligations to provide facilities for the Borrower and/or any principal users of the Project located or to be located in the County of Madison, Kentucky.

(b) Semi-Annual Loan Payments will be made by the Borrower pursuant to the Loan Agreement in amounts equal to the semi-annual interest and principal debt service payments on the Bonds.

(c) It is necessary for the Issuer to issue the full authorized amount of the Bonds to provide funds to pay the costs of the Project, and such total proceeds to be received by the Issuer from the sale of the Bonds does not exceed the total of the amount necessary for the purposes described in Section 2(a) above.

(d) The amount of at least \$ _____ (more than 95% of the spendable proceeds of the Bonds) has been expended or will be expended on the costs of the construction and equipping of the Project within less than three years from the date of issuance of the Bonds.

Dated: December 11, 1984.

COUNTY OF MADISON, KENTUCKY

By _____
County Judge/Executive

The undersigned, on behalf of the Borrower named above, represents that to the best of the undersigned's knowledge, information and belief, the expectations contained in the above Certificate as To Compliance With Federal Arbitrage Requirements are reasonable.

Dated: December 11, 1984.

CONTINENTAL METAL SPECIALTY, INC.

By _____

Title

OPINION OF BOND COUNSEL AS TO
COMPLIANCE WITH ARBITRAGE REQUIREMENTS

Based upon our examination of Section 103(c) of the Internal Revenue Code of 1954, as amended, and the regulations thereunder (the "Code"), and our review of the accompanying Certificate as to Compliance with Federal Arbitrage Requirements, it is our opinion that the Note and Bonds are not "arbitrage bonds" within the meaning of Section 103(c) of the Code.

Dated: December 11, 1984.

RUBIN & HAYS

By _____

CONTINENTAL METAL SPECIALTY, INC.

FINANCIAL STATEMENTS
AND
SUPPLEMENTAL SCHEDULES

SEPTEMBER 30, 1983

AND
ACCOUNTANT'S OPINION

AMICK & HELM
CERTIFIED PUBLIC ACCOUNTANTS

CONTINENTAL METAL SPECIALTY, INC.

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OFFICES IN
LOUISVILLE, KENTUCKY
MADISONVILLE, KENTUCKY
CAMPBELLSVILLE, KENTUCKY

To the Board of Directors
Continental Metal Specialty, Inc.
Richmond, Kentucky 40475

We have examined the balance sheets of Continental Metal Specialty, Inc. as of September 30, 1983 and 1982 and the related statements of income and retained earnings and changes in financial position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the aforementioned financial statements present fairly the financial position of Continental Metal Specialty, Inc., at September 30, 1983 and 1982, and the results of its operations and changes in financial position for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis and the accompanying supplemental schedules when considered in relation to the basic financial statements, presents fairly in all material respects the information shown therein.

Amick & Helm

Richmond, Kentucky
January 4, 1984

LIABILITIES AND STOCKHOLDERS' EQUITY

| | <u>1983</u> | <u>1982</u> |
|---|---------------------|---------------------|
| <u>CURRENT LIABILITIES</u> | | |
| Cash over draft | \$ 24,048 | \$ |
| Demand notes | 444,739 | 261,690 |
| Notes payable (Note 3) | | |
| Due within one year | 1,044,986 | 617,665 |
| Accounts payable--trade | 1,682,961 | 933,845 |
| Accrued expenses | | |
| Payrolls and related employment taxes | 283,813 | 196,082 |
| Other | 54,684 | 82,182 |
| Income taxes payable | | 96,587 |
| Total Current Liabilities | <u>3,535,231</u> | <u>2,188,051</u> |
| <u>LONG-TERM LIABILITIES (NOTE 3 & 4)</u> | | |
| Installment loans | 1,312,166 | 1,706,145 |
| Notes payable | 186,521 | 302,400 |
| Mortgage payable | 62,000 | 90,000 |
| Capitalized lease | | 39,026 |
| Deferred income taxes | 271,303 | 184,239 |
| Total Long-Term Liabilities | <u>1,831,990</u> | <u>2,321,810</u> |
| <u>TOTAL LIABILITIES</u> | | |
| | <u>5,367,221</u> | <u>4,509,861</u> |
| <u>STOCKHOLDERS' EQUITY</u> | | |
| Common stock, \$100 par value, 2,400 shares authorized, 2,176.5 shares issued and outstanding | 217,650 | 217,650 |
| Paid-in capital | | |
| Excess of market value over cost of Treasury stock issued under management incentive plan | 5,164 | 5,164 |
| Retained earnings | 2,272,461 | 1,867,373 |
| Less--stock held in treasury at cost (Note 5) | (9,521) | (9,521) |
| Total Stockholders' Equity | <u>2,485,754</u> | <u>2,080,666</u> |
| <u>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</u> | | |
| | <u>\$ 7,852,975</u> | <u>\$ 6,590,527</u> |

The accompanying notes are an integral part of these financial statements.

CONTINENTAL METAL SPECIALTY, INC.
STATEMENT OF INCOME
 FOR THE YEARS ENDED SEPTEMBER 30, 1983 AND 1982

| | <u>1983</u> | <u>1982</u> |
|--|-------------------|-------------------|
| <u>INCOME</u> | | |
| Net sales of manufactured product | \$15,787,307 | \$14,196,255 |
| Sale of scrap | 111,737 | 76,329 |
| Total | <u>15,899,044</u> | <u>14,272,584</u> |
| | | |
| <u>COST OF MANUFACTURED PRODUCT</u> | <u>8,603,185</u> | <u>8,455,791</u> |
| | | |
| <u>GROSS PROFIT</u> | 7,295,859 | 5,816,793 |
| | | |
| <u>GENERAL AND ADMINISTRATIVE EXPENSES</u> | <u>6,475,497</u> | <u>5,383,709</u> |
| | | |
| <u>INCOME FROM OPERATIONS</u> | 820,362 | 433,084 |
| | | |
| <u>GAIN ON DISPOSAL OF FIXED ASSETS</u> | -0- | 118,299 |
| | | |
| <u>OTHER INCOME</u> | <u>146,854</u> | <u>158,014</u> |
| | | |
| <u>INCOME BEFORE INTEREST AND TAXES</u> | 967,216 | 709,397 |
| | | |
| <u>INTEREST</u> | <u>466,723</u> | <u>432,823</u> |
| | | |
| <u>INCOME BEFORE TAXES</u> | 500,493 | 276,574 |
| | | |
| <u>PROVISION FOR INCOME TAXES</u> | <u>95,405</u> | <u>117,177</u> |
| | | |
| <u>NET INCOME</u> | <u>\$ 405,088</u> | <u>\$ 159,397</u> |

The accompanying notes are an integral part of these financial statements.

CONTINENTAL METAL SPECIALTY, INC.
STATEMENT OF RETAINED EARNINGS
FOR THE YEARS ENDED SEPTEMBER 30, 1983 AND 1982

| | <u>1983</u> | <u>1982</u> |
|---------------------------|--------------------|--------------------|
| <u>BALANCE, BEGINNING</u> | \$1,867,373 | \$1,707,976 |
| <u>NET INCOME</u> | <u>405,088</u> | <u>159,397</u> |
| <u>BALANCES, ENDING</u> | <u>\$2,272,461</u> | <u>\$1,867,373</u> |

The accompanying notes are an integral part of these financial statements.

CONTINENTAL METAL SPECIALTY, INC.
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEARS ENDED SEPTEMBER 30, 1983 AND 1982

| | <u>1983</u> | <u>1982</u> |
|--|--------------------|--------------------|
| <u>FUNDS WERE PROVIDED</u> | | |
| Operations | | |
| Net income | \$ 405,088 | \$ 159,397 |
| Add expenses not requiring a current outlay of funds-Depreciation | 558,535 | 453,961 |
| Total from operations | <u>963,623</u> | <u>613,358</u> |
| Increase in long-term borrowings | 368,735 | 679,313 |
| Decrease in working capital | <u>199,019</u> | <u>68,448</u> |
| <u>TOTAL FUNDS PROVIDED</u> | <u>\$1,531,377</u> | <u>\$1,361,119</u> |
| <u>FUND WERE APPLIED</u> | | |
| Purchase of fixed assets | \$ 699,018 | \$ 685,163 |
| Retirement of long-term debt | 749,851 | 635,857 |
| Purchase of treasury stock | | 9,521 |
| Decrease in paid in capital | | 5,164 |
| Increase in deferred taxes | <u>82,508</u> | <u>25,414</u> |
| <u>TOTAL FUNDS APPLIED</u> | <u>\$1,531,377</u> | <u>\$1,361,119</u> |

The accompanying notes are an integral part of these financial statements.

SCHEDULE OF CHANGES IN COMPONENTS OF WORKING CAPITAL

| | <u>1983</u> | <u>1982</u> |
|---|--------------------|--------------------|
| <u>INCREASE (DECREASE) IN CURRENT ASSETS</u> | | |
| Cash | \$(137,534) | \$(222,649) |
| Receivables | 565,003 | 122,776 |
| Inventory | 673,979 | 273,148 |
| Prepaid expenses | (2,446) | (6,817) |
| Prepaid income tax | 49,159 | -0- |
| <u>(INCREASE) DECREASE IN CURRENT LIABILITIES</u> | | |
| Accounts payable | (749,116) | 51,646 |
| Notes payable | (427,321) | (194,625) |
| Demand note payable | (183,049) | (61,690) |
| Intercompany | -0- | (98,383) |
| Accrued payroll & expenses | (87,731) | 62,935 |
| Other accrued expenses | 27,498 | (14,877) |
| Income tax payable | 96,587 | 20,088 |
| Cash overdraft | (24,048) | -0- |
| <u>(DECREASE) INCREASE IN WORKING CAPITAL</u> | | |
| | <u>\$(199,019)</u> | <u>\$(68,448)</u> |

The accompanying notes are an integral part of these financial statements.

CONTINENTAL METAL SPECIALTY, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 1983

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventories are recorded at the lower of cost or market. Cost is determined generally on a first-in, first-out basis.

Depreciable fixed assets are stated at cost. Depreciation for financial statement presentation is computed by the straight-line method based upon the estimated useful lives of the assets. For income tax purposes, accelerated methods are used for depreciation, and an appropriate provision is made for deferred income taxes arising therefrom.

Maintenance, repairs and minor replacements are charged to expenses as incurred; major renewals and betterments are capitalized. The cost and accumulated depreciation applicable to property sold or retired are eliminated from the related accounts; resulting gains or losses are reflected in income currently.

Investment tax credits are accounted for using the flow-through method which reduces federal income tax expenses for the year in which qualified property is placed in service.

NOTE 2. STOCK SUBSCRIPTIONS RECEIVABLE

In April of 1980, Richmond Tool & Stampings, Inc. (which merged with Continental Metal Specialty, Inc., October 1, 1982) decided the interest of the Company would be promoted by encouraging certain key employees to invest in the Company. Therefore, twenty-five shares of the stock held in the treasury was sold to these key employees. Payment for this stock is being deducted from the weekly salary of the employees at the rate of \$50 per week.

NOTE 3. LONG-TERM DEBT

Long-term is composed of the following:

| | <u>1983</u> | <u>1982</u> |
|--|-------------|-------------|
| Powell County Bank, interest rate at 9/30/83 was 13½%, interest rate is adjusted each 6 months, payments of \$4,188 monthly includes principal and interest. | \$ 208,957 | \$ 246,143 |
| Citizens Fidelity Leasing Corporation, obligations due in installments to 1988 with varying interest rates to 17% with equipment pledged as collateral | 323,315 | 437,568 |

CONTINENTAL METAL SPECIALTY, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 1983

NOTE 3. LONG-TERM DEBT (CONTINUED)

| | <u>1983</u> | <u>1982</u> |
|---|--------------------|--------------------|
| State Bank and Trust Company, obligations due in installments to 1992 with interest varying to 16.5%, with equipment pledged as collateral | \$ 721,831 | \$ 838,088 |
| Associated Commercial Corporation, obligations due in installments to 1988, with interest varying to 16.5%, with equipment pledged as collateral | 1,249,695 | 1,106,245 |
| Obligations due in installments to 1986, with interest to 13.5%, with equipment pledged as collateral | 11,875 | 10,192 |
| 5% bonds payable in annual installments due in 1986 | <u>90,000</u> | <u>117,000</u> |
| Total | 2,605,673 | 2,755,236 |
| Less Current Maturities | <u>1,044,986</u> | <u>617,665</u> |
| Total Long-Term Debt | <u>\$1,560,687</u> | <u>\$2,137,571</u> |

NOTE 4. PROVISION (CREDIT) FOR INCOME TAXES

| | | |
|--|------------------|--|
| Provision computed at Federal Statutory rate | \$ 230,226 | |
| Federal surtax exemption | (20,124) | |
| Other income tax net of federal tax benefits | 7,379 | |
| Investment credit (net of recapture) | (120,257) | |
| Other | <u>(1,819)</u> | |
| Provision (credit) as reported | <u>\$ 95,405</u> | |

Deferred income taxes result from timing differences between pretax earnings reported in the financial statements and taxable income. The timing difference consists principally of depreciation.

CONTINENTAL METAL SPECIALTY, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 1983

NOTE 5. TREASURY STOCK

In 1982 the Company repurchased 25 shares of its outstanding common stock for \$9,521. At the balance sheet date the Company had no plans to cancel treasury stock.

NOTE 6. COMMITMENTS AND CONTINGENT LIABILITIES

The Company is obligated under a long-term land and building lease agreement beginning October 1, 1979 for annual rentals of approximately \$124,471 through September 30, 1989.

The Company is obligated under several equipment lease agreements for annual rentals of approximately:

| | | | |
|------|-----------|------|-----------|
| 1984 | \$278,938 | 1987 | \$223,971 |
| 1985 | 267,191 | 1988 | 202,825 |
| 1986 | 241,093 | | |

NOTE. 7 MERGER

On October 1, 1982 Richmond Tool and Stamping, Inc. was merged into Continental Metal Specialty, Inc. The stockholders of each company being substantially the same. Under the terms of the merger agreement the shareholders of Richmond Tool and Stamping, Inc. received an aggregate of 1,911.5 shares of Continental Metal Specialty, Inc. common stock. The merger has been accounted for as a pooling of interests and, accordingly the financial statements for prior years have been restated to reflect the accounts of Richmond Tool and Stamping, Inc.

S U P L E M E N T A L

S C H E D U L E S

CONTINENTAL METAL SPECIALTY, INC.
SCHEDULE A
COST OF MANUFACTURED PRODUCT
FOR THE YEARS ENDED SEPTEMBER 30, 1983 AND 1982

| | <u>1983</u> | <u>1982</u> |
|--|---------------------|--------------------|
| <u>INVENTORY AT BEGINNING OF YEAR</u> | \$ 927,605 | \$ 654,457 |
| <u>MERCHANDISE PURCHASED FOR MANUFACTURE</u> | <u>9,277,164</u> | <u>8,728,939</u> |
| <u>TOTAL</u> | 10,204,769 | 9,383,396 |
| <u>LESS INVENTORY AT END OF YEAR</u> | <u>1,601,584</u> | <u>927,605</u> |
| <u>COST OF MANUFACTURED PRODUCT</u> | <u>\$ 8,603,185</u> | <u>\$8,455,791</u> |

CONTINENTAL METAL SPECIALTY, INC.
SCHEDULE B
GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 1983 AND 1982

| | <u>1983</u> | <u>1982</u> |
|--|--------------------|--------------------|
| <u>GENERAL AND ADMINISTRATIVE EXPENSES</u> | | |
| Salaries and wages | \$3,127,859 | \$2,336,916 |
| Taxes: | | |
| Payroll | 681,788 | 575,782 |
| Other | 32,414 | 5,970 |
| Supplies | 390,349 | 357,085 |
| Repairs and maintenance | 117,674 | 53,059 |
| Utilities | 281,892 | 252,792 |
| Depreciation | 558,535 | 453,961 |
| Rent | 538,355 | 580,758 |
| Employee insurance | 237,805 | 194,569 |
| Other insurance | 102,917 | 112,612 |
| Travel | 31,312 | 12,607 |
| Outside services | 46,767 | 32,083 |
| Professional services | 29,000 | 16,670 |
| Directors' fees | 300 | 7,950 |
| Postage | 5,399 | 4,518 |
| Membership | 2,556 | 1,024 |
| Miscellaneous | 18,794 | 18,790 |
| Employee relocation | 4,942 | 6,521 |
| Commissions | 86,597 | 151,088 |
| Airplane | 36,501 | 149,003 |
| Bad debts | 5,396 | 45,525 |
| Employee bonus | 20,026 | 5,189 |
| Gas and oil | 104,476 | 2,929 |
| Penalties | 13,843 | 6,308 |
| | <u> </u> | <u> </u> |
| <u>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</u> | <u>\$6,475,497</u> | <u>\$5,383,709</u> |