

ORDINANCE NO. 12-11

AN ORDINANCE OF THE FISCAL COURT OF MADISON COUNTY, KENTUCKY, AUTHORIZING AND APPROVING THE ISSUANCE OF MADISON COUNTY, KENTUCKY GENERAL OBLIGATION REFUNDING BONDS , IN SUCH SERIES TO BE DETERMINED BY THE FINANCIAL ADVISOR (THE "BONDS") IN A PRINCIPAL AMOUNT NOT TO EXCEED \$9,900,000; AUTHORIZING THE LEVY OF A DIRECT ANNUAL TAX ON ALL TAXABLE PROPERTY WITHIN THE COUNTY, IN ADDITION TO ALL OTHER TAXES, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN AND AS THE SAME BECOME DUE; AUTHORIZING THE ESTABLISHMENT OF CERTAIN FUNDS TO PROVIDE FOR THE COLLECTION OF REVENUES, INCLUDING RENTALS FROM THE FACILITY AND, TO THE EXTENT REQUIRED, THE PROCEEDS OF THE TAX; AUTHORIZING AND APPROVING A LEASE AGREEMENT WITH THE ADMINISTRATIVE OFFICE OF THE COURTS OF THE COMMONWEALTH OF KENTUCKY, IF REQUIRED; AUTHORIZING THE PUBLICLY ADVERTISED, COMPETITIVE SALE OF SAID BONDS AND THE DISBURSEMENT OF THE PROCEEDS THEREOF; AUTHORIZING THE INVESTMENT OF FUNDS PURSUANT TO KRS § 66.480; AND AUTHORIZING CERTAIN OTHER ACTIONS WITH REGARD TO REFUNDING AND REDEEMING THE PRIOR BONDS GENERALLY, INCLUDING THE AUTHORIZATION OF AN ESCROW AGREEMENT, IF REQUIRED, CONTINUING DISCLOSURE AGREEMENT, DEED RECONVEYING THE REAL PROPERTY UPON WHICH THE FACILITY IS LOCATED BACK TO THE COUNTY, IF REQUIRED AND SUCH OTHER DOCUMENTS, AGREEMENTS AND CERTIFICATES NECESSARY OR REQUIRED FOR THE ISSUANCE OF THE BONDS.

WHEREAS, the County of Madison, Kentucky, acting by and through its Fiscal Court, (the "County") desires to refund the (A) \$3,320,000 County of Madison, Kentucky General Obligation Refunding and Improvement Bonds, Series 2001, dated August 1, 2001 (the "Series 2001 Bonds"); (B) \$1,635,000 County of Madison, Kentucky General Obligation Public Project Bonds, Series 2004A, dated March 1, 2004 (the "Series 2004A Bonds"); and (C) \$5,500,000 County of Madison, Kentucky General Obligation Public Project Bonds, Series 2004B dated October 1, 2004 (the "Series 2004B Bonds"), (collectively the "Prior Bonds");

WHEREAS, the proceeds from the Series 2001 Bonds were used to (i) redeem the outstanding amount of the Madison County Capital Projects Corporation First Mortgage Revenue Bonds, Series 1995 (the "Prior Bonds") of the County of Madison, Kentucky (ii) complete various projects with in the County, and (iii) pay for the costs of issuance for the Series 1995 Bonds.

WHEREAS, the proceeds from the Series 2004A Bonds were used to (i) purchase an existing golf course for public use, (ii) to make the necessary improvements and equip the public golf course, and (iii) pay the costs of issuance on the Series 2004A Bonds.

WHEREAS, the proceeds from the Series 2004B Bonds were used to (i) construct a new courthouse annex building to house both county and state offices, (ii) purchasing land for the Project, and (iii) paying the costs of issuance on the Series 2004B Bonds.

WHEREAS, the County proposes to (i) currently refund the Series 2001 Bonds; (ii) advance refund the Series 2004A Bonds; (iii) advance refund the Series 2004B Bonds; (iv) paying accrued interest, if any; and (iii) pay the cost of issuance incurred with respect to the issuance of the Bonds (“Project”).

WHEREAS, the County currently leases to the Administrative Office of the Courts for the Commonwealth of Kentucky (“AOC”) a majority of the Facility for use by the AOC as a courthouse and collects Rentals or “Use Allowance” as defined in KRS 26A.090, and, may enter into a new or revised Lease, if required by the AOC.

WHEREAS, in order to assure the payment of the Bonds, it is necessary that the County authorize a levy of a tax sufficient for that purpose; provided, however, that the Rentals or Rental Payments, as hereinafter defined, will provide for the payment of a portion of the Bonds used to refund the Series 2001 Bonds, but not the entire debt service for the Bonds, and that there may be Revenues from the projects funded with proceeds from the Series 2004A and Series 2004B Bonds for the payment of a portion of the Bonds, but not all of the debt service for the Bonds.

NOW, THEREFORE, BE AND IT IS HEREBY ORDAINED BY THE FISCAL COURT OF THE COUNTY OF MADISON, KENTUCKY, AS FOLLOWS:

**Section 1. Preamble Incorporated; Ordinance as Contract; Definitions.** That the Preamble to this Ordinance is hereby incorporated within the body of this Ordinance as fully as if copied in full hereat.

That this Ordinance shall constitute a contract between the County and the Registered and Beneficial Owners of the Bonds herein authorized and no change, alteration, or amendment in the provisions hereof shall be made subsequent to the delivery of said Bonds.

For the purposes of this Ordinance and the Bonds, unless defined elsewhere herein or the context clearly indicates some other meaning, the following terms shall have the meanings hereinafter set forth:

“Act” means Sections 66.011 through 66.191 of the Kentucky Revised Statutes.

“AOC” means the Administrative Office of the Courts of the Commonwealth of Kentucky.

“Bond Counsel” means McNair Law Firm, P.A., Lexington, Kentucky.

“Bonds” means the principal amount not to exceed \$9,900,000, as authorized by this Ordinance, of **County of Madison, Kentucky General Obligation Refunding Bonds**, to be dated and in such series as determined by the Financial Advisor.

“Bond Registrar” or “Registrar” means the Depository acting in its capacity as the registrar of the Bonds and Paying Agent for the Bonds, and assuming the obligations of a registrar as set forth in this Ordinance.

“Code” means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

“Costs” means all costs incident to the current refunding and redemption of the Prior Bonds; including, but not being limited to, the expenses of financing the Costs of Issuance expenses incident to the issuance of the Bonds.

“Costs of Issuance” means those expenses incident to the issuance of the Bonds, including, but not being limited to, the fees of any rating agency, Financial Advisor, Bond and/or Tax Counsel, Title Attorneys, Bond Registrar and Paying Agent, publication cost, and any other cost associated with the issuance and delivery of the Bonds.

“Costs of Issuance Fund” means the separate account established with the Depository from the proceeds of the Bonds from which the Costs of Issuance are to be paid.

“Depository” means such bank as may be appointed by the County Judge/Executive, without further action of the Fiscal Court, who may also act as Bond Registrar and Paying Agent for the Bonds and depository for the various funds established by this Ordinance.

“Escrow Fund” and/or “Project Fund” shall mean the fund so designated and established pursuant to this Ordinance.

“Event of Default” shall mean the County’s (i) failure to comply with the provisions of the Act or this Ordinance; (ii) failure to pay the principal and interest on the Bonds when due; (iii) failure to reimburse any Fund established hereby, in accordance with the reimbursement provisions hereof; and (iv) failure to comply with the Code.

“Facility” means the courthouse located in Madison County, Kentucky, currently leased to the AOC.

“Financial Advisor” means Civic Finance Advisors, LLC, Lexington, Kentucky.

“Investments” or “Investment Obligations” means those investments permitted under KRS § 66.480.

“Issuer” or “County” means the Madison County, Kentucky.

“KRS” means the Kentucky Revised Statutes, as amended.

“Lease” or “Lease Agreement” shall mean a new or revised Lease Agreement entered into by and between the County and the AOC, if required by the AOC.

“Paying Agent” means the Bond Registrar assuming the obligations of a paying agent as set forth in this Ordinance.

“Pledged Receipts” means the combination of the Tax, Rentals and/or Revenues.

“Prior Bonds” means collectively, the Series 2001 Bonds, the Series 2004A Bonds and the Series 2004B Bonds.

“Project” shall mean (i) current refunding of the Series 2001 Bonds; (ii) advance refunding of the Series 2004A Bonds; (iii) advance refunding of the Series 2004B Bonds; (iv) pay accrued interest, if any; and (iii) pay the cost of issuance incurred with respect to the issuance of the Bonds.

“Registered Owners” or “Bondowner” or “Owner” means, when used with referenced to the Bonds, the registered owner of any Bonds.

“Rentals” or “Rental Payments” means the Use Allowance paid by the AOC for use of the Facility.

“Revenue” means any proceeds from the projects funded by the Prior Bonds, if any, including Rentals.

“Series 2001 Bonds” shall mean the \$3,320,000 County of Madison, Kentucky General Obligation Refunding and Improvement Bonds, Series 2001, dated August 1, 2001);

“Series 2004A Bonds” shall mean the \$1,635,000 County of Madison, Kentucky General Obligation Public Project Bonds, Series 2004A dated March 1, 2004; and

“Series 2004B Bonds” shall mean the \$5,500,000 County of Madison, Kentucky General Obligation Public Project Bonds, Series 2004B dated October 1, 2004.

“Sinking Fund” shall mean the fund so designated for payment of principal of and interest on, and premium in respect of, the Bonds, which is established and created pursuant to this Ordinance.

“State” means the Commonwealth of Kentucky.

“State Local Debt Officer” shall have the same meaning as set forth in KRS § 66.011(24).

“Tax” means the direct, annual ad valorem tax on all property within the County of Madison, Kentucky, which is subject to taxation for County purposes, occupational license fees, insurance premium taxes and any and all other receipts of taxes, excises, utilities and service revenues, permits, licenses, fines or other sources of revenue of, or of revenue distributions to, the County.

**Section 2. Necessity for and Authorization of Bonds.**

That for the purposes set forth in the Preamble to this Ordinance, there is hereby declared a necessity for, and there is hereby authorized to be issued, an amount not to exceed \$9,900,000, as authorized by this Ordinance, principal amount of the **Madison County, Kentucky General Obligation Refunding Bonds**, to be dated and in such series as determined by the Financial Advisor.

The Bonds shall be dated as determined in the winning bid set forth in the Official Bid Form and selected by the County Judge/Executive, without further action of the Fiscal Court and with the advise of the Financial Advisor pursuant to section 6 of this Ordinance, awarding Bonds to the purchaser thereof and establishing the interest rate or rates on the Bonds. Principal on the Bonds shall be payable at maturity. Interest on the Bonds shall be payable semiannually, at the stated interest rate or rates on the principal amount thereof. The Bonds shall be serial or term bonds maturing in the years and in the amounts to be established in the Official Bid Form accepted by the County Judge/Executive as the successful bid for the purchase of the Bonds, after advertised competitive sale of the Bonds, based on the interest rates bid in the successful bid and the provisions of this Ordinance and specifically this Section 2, provided that the final maturity date of the Bonds shall be set forth in the Official Bid Form accepted by the County Judge/Executive as the successful bid for the purchase of the Bonds; and, further provided that the aggregate net interest cost of the Bonds shall not exceed nine percent (9%) per annum.

**Section 3. Form and Execution of Bonds; Authentication; Optional and Mandatory Redemption.**

(A) The Bonds shall be issued in book-entry only form, unless the successful bidder elects to issue standard bond certificates, and shall be substantially in the same form as that attached to this Ordinance as Exhibit "A" (except as amounts and dates may be changed therein), the redemption provisions of which are incorporated herein by reference thereto.

The Bonds shall be executed with the facsimile signature of the County Judge/Executive, attested by the facsimile signature of the Fiscal Court Clerk and may be imprinted with a facsimile of the corporate seal of the County.

The Bonds shall be payable at the principal office of such bank as may be appointed by the County Judge/Executive, without further action by the Fiscal Court. No Bond shall be valid or binding upon the County unless and until it is authenticated by the manual signature of a duly authorized representative of the Registrar and Paying Agent.

(B) Mandatory Redemption/Term Bonds. In the event the purchaser of the Bonds so elects, the Bonds may be issued as term bonds in which event the Paying Agent shall select by lot a principal maturity originally scheduled to mature on the principal due date as reflected by the successful bid and shall notify the Registered Owners of Bonds so selected for mandatory redemption not less than thirty (30) days prior to the principal due date by regular United States Mail. Any Mandatory Sinking Fund Redemption provisions shall be set forth in the final Bond certificate and/or the Final Official Statement or similar disclosure document or memorandum, which provisions are incorporated herein, without further action of the Fiscal Court.

(C) Optional Redemption. Any Optional Redemption provisions shall be set forth in the final Bond certificate and/or the Final Official Statement or similar disclosure document or memorandum, which provisions are incorporated herein, without further action of the Fiscal Court.

(D) Notice of Redemption. If less than all Bonds which are payable by their terms on the same date are to be called, the particular Bonds, or portions of Bonds payable on such same date and to be redeemed from such series, shall be selected by lot by the Registrar and Paying Agent, in such manner as the Registrar and Paying Agent in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof, and that, in selecting Bonds for redemption, the Registrar and Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

At least thirty (30) days before the Redemption Date of any Bonds, the Registrar and Paying Agent shall cause a notice of such redemption to be mailed, postage prepaid, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar and Paying Agent, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive numbers or letters, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the Redemption Date upon surrender of such Bonds, a new Bond in principal amount equal to the unredeemed portion of such Bonds will be issued.

On the date so designated for redemption, notice having been sent in the manner and under the conditions hereinabove provided and moneys for payment of the redemption price being held in separate accounts by the Bond Registrar/Paying Agent for the Bondowners or portions thereof to be redeemed, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date, interest on the Bonds or portions of the Bonds so called for redemption shall cease to accrue, and the Bondowners or Registered Owners of such Bonds or portions of Bonds shall have no rights in respect thereof except to receive payment of the redemption price thereof and to receive Bonds for any unredeemed portions of Bonds.

In case part but not all of an outstanding Bond shall be selected for redemption, the Registered Owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar/Paying Agent for payment of the principal amount hereof so called for redemption, and the County shall execute and the Bond Registrar/Paying Agent shall authenticate and deliver to or upon the order of such Registered Owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered a Bond of the same series and maturity and bearing interest at the same rate.

**Section 4. Compliance with Constitution; Designation and Certification of Public Project; Authorization of Tax; Pledge of Tax, Rentals or Rental Payments and Pledged Receipts to Payment of Bonds; Designation as General Obligation Refunding Bonds.**

(A) That the debt represented by the Bonds is hereby determined to be within the maximum indebtedness of the County permitted under Section 158 of the Constitution of Kentucky.

(B) That the County is authorized to contract the indebtedness represented by the Bonds pursuant to Section 159 of the Constitution of Kentucky and provide for the collection of an annual tax sufficient to pay the interest on said Bonds and establish the hereinafter identified Sinking Fund to provide for the payment of the principal thereof.

(C) That pursuant to Section 157 of the Constitution of Kentucky and KRS § 66.111, there is hereby authorized to be levied, and the County hereby covenants to so levy and collect, each year that the Bonds remain outstanding, a Tax in an amount sufficient to provide for the full payment of the principal and interest requirements on said Bonds; provided, however, that said Tax shall be levied only to the extent that the Rentals or Rental Payments or other receipts from taxes or other sources are not sufficient to provide for the full payment of the accruing interest and maturing principal on the Bonds each year.

(D) That by the adoption of this Ordinance, the County covenants with Owners of the Bonds that it shall levy each year a Tax in a sufficient amount and appropriate in its annual budget, together with other moneys available to it, including the Rentals or Rental Payments, an amount of funds sufficient to pay the “debt charges” on the Bonds as defined in KRS § 66.011(4).

(E) That the Tax shall include the ad valorem property taxes permitted under Section 157 of the Constitution of Kentucky, occupational license fees, insurance premium taxes, excises and any other receipts from taxes, excises, utilities and service revenues, permits, licenses, fines or other sources of revenue of, or of revenue distributions to, the County.

Notwithstanding the foregoing, the Tax shall only be levied, collected and applied to the payment of said “debt charges” on the Bonds to the extent the Rentals or Rental Payments are not sufficient to meet such “debt charges.”

(F) That there is hereby pledged to the payment of the Bonds the Tax, to the extent required each year, and the Rentals or Rental Payments, which together, shall constitute the “Pledged Receipts” securing said Bonds in accordance with the terms of this Ordinance.

(G) That the County hereby declares, determines and certifies that the Project, including the projects funded by the Prior Bonds to be refunded with the proceeds from the issuance of the Bonds, constitutes a “public project” within the meaning of KRS § 66.011(17).

(H) That in accordance with KRS § 66.011(22), the County hereby states its belief that the Bonds shall be “self-supporting obligations” to be retired exclusively from the Rentals or Rental Payments, but, nevertheless, the County covenants to levy, collect and segregate the Tax

to the extent the Rentals or Rental Payments are inadequate to meet the current annual debt service requirements of the Bonds and hereby designates the Bonds as full general obligations of the County to the payment of which the full faith, credit, revenue and taxing authority of the County are hereby pledged for the prompt payment thereof.

(I) That the Tax, to the extent required, and the Rentals or Rental Payments, shall, as received, be deposited in the appropriate Sinking Fund for the Bonds and applied solely to the payment of the principal and interest requirements of and administrative expenses for the Bonds.

**Section 5. Execution of Documents Authorized; Approval of State Local Debt Officer.**

That in order to effect the financing plan evidenced by the Bonds, the County Judge/Executive, Fiscal Court Clerk, County Treasurer and/or such other County official as may be designated by the County, are hereby authorized to execute those documents necessary to provide for the issuance of said Bonds and the payment thereof, including but not limited to the following:

- (i) the Bonds and such Bond closing documents and/or certificates as Bond Counsel may require, and
- (ii) such other documents as are required to implement the refunding and redemption of the Prior Bonds and the issuance of the Bonds generally, including an Escrow Agreement, if required, Continuing Disclosure Agreement, Tax Certificates, Deed of Conveyance from the Madison County Capital Projects Corporation to the County, if required, Lease by and between the AOC and the County, substantially in the form of the current lease with the AOC (referred to as a Use and Sublease Agreement), if a new or revised Lease is required by the AOC, and any other certificates or documents required by Bond Counsel to sell and issue the Bonds.

The Bonds shall only be issued to the extent approved by a decision of the State Local Debt Officer, if required.

**Section 6. Employment of Financial Advisor and Bond Counsel; Advertised Sale of Bonds; Acceptance of Bid.**

The employment of Civic Finance Advisors, LLC, Lexington, Kentucky, as Financial Advisor is hereby authorized, approved and directed; and, the employment of McNair Law Firm, P.A., Lexington, Kentucky, as Bond Counsel is hereby authorized, approved and directed. Notwithstanding, the County Judge/Executive may designate a successor Financial Advisor or Bond Counsel without further action of the Fiscal Court.

The Bonds shall be sold at public sale after advertising according to law, and the County Judge/Executive is hereby authorized and directed to make such advertising. The specific terms, bidding conditions and restrictions governing the sale of said Bonds shall be as set forth in the forms of "Notice of Bond Sale," "Official Terms and Conditions of Bond Sale" and "Official Bid Form" which shall be prepared by the Financial Advisor.

Upon the receipt of the sealed, competitive bids after the required advertisement, the County Judge/Executive, in conjunction with the Financial Advisor, shall calculate the best purchase offer and the exact principal amount of Bonds to be awarded, and accept the offers to purchase said Bonds on behalf of the County without further action by the Fiscal Court.

**Section 7.     Establishment of Funds.**

That there are hereby authorized to be established the following funds or accounts which shall be maintained with the Depository:

(A)    The Sinking Fund (or Bond Fund), which shall receive the receipts of the Tax herein authorized, to the extent required for payment of the Bonds, the Rentals, and/or Revenues (collectively the "Pledge Receipts"), and any amount remaining in the Escrow Fund after the Prior Bonds have been finally discharged and all fees and expenses in connection therewith have been paid. Said Sinking Fund moneys shall be used only for the payment of the principal and interest requirements of the Bonds. Upon the delivery of the Bonds, any accrued and capitalized interest shall be deposited into said fund.

(B)    Costs of Issuance Fund, which shall receive from the proceeds of the Bonds, the amounts necessary to pay the Costs of Issuance of the Bonds upon the delivery of said Bonds. The Depository shall remit the required payments in the amounts and to the parties specified in writing by the County Judge/Executive or County Treasurer, or such other County official as may be designated by the County, upon the delivery of the Bonds. Any amounts remaining in the Costs of Issuance Fund following the payment of all such Costs of Issuance shall be transferred to the Escrow Fund and/or Project Fund.

(C)    Escrow Fund and/or Project Fund, which shall receive the proceeds from the issuance of the Bonds, which shall be used to pay the costs and expenses associated refunding and redeeming the Prior Bonds, and funding of an Escrow Agreement, if any, as specified in writing by the County Judge/Executive, or such other County official as may be designated by the County.

(D)    Any other fund authorized by this Ordinance, required by law, or deemed necessary and appropriate by the Financial Advisor.

(E)    Moneys on deposit in the funds enumerated in subsections (A) through (D) of this Section shall be invested in the Investments permitted and any earnings carried to the credit of the fund from which the investment was made.

**Section 8.     Registration of Bonds; Duties of Bond Registrar and Paying Agent.**

Such bank as may be appointed by the County Judge/Executive, without further action by the Fiscal Court, is hereby designated as the Bond Registrar, Paying Agent and Depository for the Bonds. The Bond Registrar, Paying Agent and Depository shall receive compensation for its services in accordance with its agreement with the County.

(A)    The duties of the Bond Registrar shall be as follows:

- (i) To register all Bond certificates in the name of the Registered Owner thereof in accordance with the provisions of the Code;
  - (ii) Upon being supplied with a properly authenticated assignment satisfactory to said Bond Registrar (in the sole discretion of said Bond Registrar), to transfer the ownership of Bond certificates from one Registered Owner to another within three (3) business days of the receipt of proper authentication by said Bond Registrar; and
  - (iii) To cancel and destroy (or remit to the County for destruction) all exchanged or matured Bond certificates, and to maintain adequate records relative thereto;
- (B) The duties of the Paying Agent and Depository shall be as follows:
- (i) To maintain the various funds established under this Ordinance and to invest the same in accordance with the provisions hereof;
  - (ii) Receive and deposit Rentals to the appropriate fund maintained by the Paying Agent or Depository for payment of principal and interest due on the Bonds;
  - (iii) To remit, but only to the extent that all required funds are made available to the Paying Agent by the County, semiannual interest payments direct to the Registered Owner of each Bond by regular United States Mail; said interest payments shall be deposited in the United States Mail no later than each interest due date. Matured or redeemed Bonds shall be payable upon presentation of Bond certificates to the Paying Agent. For interest payment purposes, the Paying Agent shall be entitled to rely on its records as Bond Registrar as to the ownership of each Bond as of the 15th day of the month preceding an interest due date and the Paying Agent's checks shall be drawn and mailed accordingly;
  - (iv) To notify each Registered Owner to be prepaid and to redeem Bonds prior to their stated maturity upon their presentation in accordance with the provisions of this Ordinance upon being supplied with sufficient funds; and
  - (v) To supply the County with a written accounting evidencing the payment of interest and principal within thirty days following each due date.

The Bond Registrar/Paying Agent shall be entitled to the advice of its attorney and shall be protected for any acts taken by it in good faith and reliance upon such advice. The Bond Registrar/ Paying Agent shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be within its discretion or the power conferred upon it by this Ordinance or any agreement with the County, or be responsible for the consequences of any oversight or error of judgment.

The Bond Registrar/Paying Agent may at any time resign from its duties set forth in this Ordinance or in any agreement with the County by filing its resignation with the County Judge/Executive and notifying the Registered Owners of the Bonds herein authorized. Thereupon, the County shall designate a successor Bond Registrar/Paying Agent which shall be an incorporated bank or trust company. Notwithstanding the foregoing, in the event of the resignation of the Bond Registrar/Paying Agent, provisions shall be made for the orderly transition of the books, records and accounts relating to the Bonds to the successor Bond Registrar/Paying Agent in order that there will be no delinquencies in the payment of interest or principal due on the Bonds.

The Bond Registrar/Paying Agent may be removed by the County if at any time so requested by an instrument or concurrent instruments in writing, filed with the Bond Registrar/Paying Agent and signed by the Registered Owners of a majority in principal amount of the Bonds then outstanding or their attorneys-in-fact duly authorized.

### **Section 9. Tax Covenants.**

The County shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the County on the Bonds shall be excludable from the gross income of the recipients thereof for Federal income tax purposes under any valid provision of the Code.

The County shall not permit at any time or times any of the proceeds of the Bonds to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause such Bonds to be "arbitrage bonds" as defined in Section 148 of the Code, as then in effect.

The County further covenants that prior to the issuance of said Bonds and as a condition precedent to such issuance, the County shall certify by issuance of a certificate of the County Judge/Executive, or County Treasurer, or such other County official as may be designated by the County, supplemental to this Ordinance, that on the basis of the facts, estimates and circumstances in existence on the date of issue of said Bonds, it is not expected that the proceeds of said Bonds will be used in a manner which would cause such obligations to be "arbitrage bonds" under the Code.

**Section 10. Contractual Nature of Ordinance.** This Ordinance shall constitute a contract between the County and all who may become the Registered Owners of the Bonds, and any Bonds subsequently issued ranking on a parity therewith, and after the issuance and delivery of such Bonds, no change, variation or alteration of any kind in the provisions of this Ordinance shall be made in any manner except for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein.

The County Judge/Executive and Fiscal Court Clerk are hereby authorized to execute a Continuing Disclosure Agreement with the Depository in order to comply with Rule 15c2-12 of the Securities and Exchange Commission in providing annual financial information in connection with the Bonds; all expenses in connection therewith to be borne by the County.

**Section 11.** **Bank Qualified.** The Fiscal Court, by the adoption of this Ordinance, reasonably anticipates that the total principal amount of qualified tax-exempt obligations which it will issue during the calendar year ending December 31, 2012, will not exceed \$10,000,000 and therefore designates the Bonds as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

**Section 12.** **Severability.** If any section, paragraph or clause hereof shall be held invalid, the invalidity of said section, paragraph or clause shall not affect any of the remaining provisions of this Ordinance.

**Section 13.** **Conflicts Repealed; Effective Date of Ordinance.** All ordinances, resolutions or parts thereof in conflict with the provisions of this Ordinance are hereby repealed and this Ordinance shall take effect and be in force upon its adoption. This Ordinance shall take effect from and after its passage, approval and the publication of a summary thereof.


*[Signatures and certification for Ordinance on the following pages]*

Given first reading on 9-11, 2012.

Given second reading and passed and adopted on 9-25, 2012.

  
\_\_\_\_\_  
County Judge/Executive

Attest:

  
\_\_\_\_\_  
Fiscal Court Clerk

**CERTIFICATION**

I, the undersigned, do hereby certify that I am the duly qualified and acting Fiscal Court Clerk of the Madison County, Kentucky; that the foregoing is a true and complete copy of a certain Ordinance duly adopted by the Fiscal Court of Madison County, Kentucky, at a duly convened public meeting properly held on 9-25, 2012, that said Ordinance appears as a matter of public record in the official records of the Fiscal Court; that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.805 to 61.850; that a quorum was present at said meeting; that said Ordinance has not been amended, modified, revoked or repealed; and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature this Sept 25<sup>th</sup>, 2012.

  
\_\_\_\_\_  
Fiscal Court Clerk

**EXHIBIT "A"**

**[Form of Bond]**

Register Classifieds  
To place your  
YARD SALE ad  
Call 624-6681

Refrigerator stays.  
New deck & skirting.  
Yellow brown color,  
great condition.  
Asking  
\$12,000 or OBO  
859-661-8927

Dep. No pets. 825-9110.

630 Apartments

3-bdrm, 2-1/2 Ba. w/ga-  
rage. \$800mo \$5500dep.  
Lease & Ref. 661-2456.

623-3556  
391 Gibson Ln.

Richmond: 1 & 2 apts.  
Pet friendly. We pay wa-  
ter/elec. W/D available.  
No Sec. 8. 859-636-  
7791. 859-749-6511.

No pets. 859-369-5253.

*Sun, Sept 16, 2012*



TO HER FRIENDS, SHE WORKS IN RETAIL.

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### NOTICE OF INTENDED ENACTMENT OF GENERAL OBLIGATION BOND ORDINANCE

The Fiscal Court of the County of Madison, Kentucky, gave first reading to the Ordinance below at a Meeting of the Fiscal Court on September 11, 2012, and stated its intention to give Second Reading and adopt said Ordinance at a Regular Meeting of the Fiscal Court to be held on September 25, 2012, beginning at the hour of 9:30 a.m., at the Madison County Courthouse, 101 West Main Street, Richmond, Kentucky:

AN ORDINANCE OF THE FISCAL COURT OF MADISON COUNTY, KENTUCKY, AUTHORIZING AND APPROVING THE ISSUANCE OF MADISON COUNTY, KENTUCKY GENERAL OBLIGATION REFUNDING BONDS, IN SUCH SERIES TO BE DETERMINED BY THE FINANCIAL ADVISOR (THE "BONDS") IN A PRINCIPAL AMOUNT NOT TO EXCEED \$9,900,000; AUTHORIZING THE LEVY OF A DIRECT ANNUAL TAX ON ALL TAXABLE PROPERTY WITHIN THE COUNTY, IN ADDITION TO ALL OTHER TAXES, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN AND AS THE SAME BECOME DUE; AUTHORIZING THE ESTABLISHMENT OF CERTAIN FUNDS TO PROVIDE FOR THE COLLECTION OF REVENUES, INCLUDING RENTALS FROM THE FACILITY AND, TO THE EXTENT REQUIRED, THE PROCEEDS OF THE TAX; AUTHORIZING AND APPROVING A LEASE AGREEMENT WITH THE ADMINISTRATIVE OFFICE OF THE COURTS OF THE COMMONWEALTH OF KENTUCKY, IF REQUIRED; AUTHORIZING THE PUBLICLY ADVERTISED, COMPETITIVE SALE OF SAID BONDS AND THE DISBURSEMENT OF THE PROCEEDS THEREOF; AUTHORIZING THE INVESTMENT OF FUNDS PURSUANT TO KRS § 66.480; AND AUTHORIZING CERTAIN OTHER ACTIONS WITH REGARD TO REFUNDING AND REDEEMING THE PRIOR BONDS GENERALLY, INCLUDING THE AUTHORIZATION OF AN ESCROW AGREEMENT, IF REQUIRED, CONTINUING DISCLOSURE AGREEMENT, DEED RECONVEYING THE REAL PROPERTY UPON WHICH THE FACILITY IS LOCATED BACK TO THE COUNTY, IF REQUIRED AND SUCH OTHER DOCUMENTS, AGREEMENTS AND CERTIFICATES NECESSARY OR REQUIRED FOR THE ISSUANCE OF THE BONDS.

This Ordinance authorizes the issuance of Madison County, Kentucky General Obligation Refunding Bonds, Series 2012, in a principal amount not to exceed \$9,900,000, the levy of a direct annual tax on all taxable property within the County, in addition to all other taxes, in an amount sufficient to pay the principal of and interest on the Bonds; authorizing the establishment of certain funds to provide for the collection of revenues from the project and to the extent required proceeds of the tax, if any; and authorizing certain other actions with regard to the acquisition of land and construction and equipping of the public project for which the Bonds are being issued. The Bonds shall be full general obligations of the County and, for the payment of said Bonds and interest thereon, the full faith, credit and revenue of the County of Madison, Kentucky is pledged for the prompt payment thereof.

Net proceeds of the Bonds will be used by the County of Madison, Kentucky, for the purpose of (i) current refunding of the \$3,320,000 County of Madison, Kentucky General Obligation Refunding and Improvement Bonds, Series 2001, dated August 1, 2001, (the "Series 2001 Bonds"), the proceeds of which were used to (a) redeem the outstanding amount of the Madison County Capital Projects First Mortgage Revenue Bonds, Series 1995 of the County of Madison, Kentucky (the "Series 1995 Bonds"); (b) complete various projects within the County; and (c) pay costs of issuance for the Series 1995 Bonds; (ii) advanced refunding of the \$1,635,000 County of Madison, Kentucky County General Obligation Public Project Bonds, Series 2004A, dated March 1, 2004, (the "Series 2004A Bonds"), the proceeds of which were used to (a) purchase an existing golf course for public use; (b) to make the necessary improvements and equip the public golf course; and (c) pay the cost of issuance on the Series 2004A Bonds; and (iii) advanced refunding of the \$5,500,000 County of Madison, Kentucky General Obligation Public Project Bonds, Series 2004B dated October 1, 2004 (the "Series 2004B Bonds"), the proceeds of which were used to (a) construct a new courthouse annex building to house both county and state offices; (b) purchase land for the Project, and (c) pay the costs of issuance on the Series 2004B Bonds.

The Bonds are being issued pursuant to KRS § 66.011 through 66.220 and KRS § 67.083. In compliance with §159 of the Constitution of Kentucky and Kentucky Revised Statutes and for the purpose of providing funds required to pay the interest on the Bonds when due, the Ordinance authorizes the levy upon all of the taxable property in Madison County, Kentucky each year as long as any of the Bonds are outstanding, a direct annual tax sufficient, to the extent other lawful available monies of Madison County are not provided for that purpose. The County has covenant to levy and collect each year, that the Bonds remain outstanding, a tax in an amount sufficient to provide for the full payment of the principal of and interest thereon provided, however, that said tax will be levy only to the extent that the project revenues, or other revenues received from taxes or other sources, are not sufficient to provide for the full payment of the accruing interest and maturing principal on the Bonds each year.

This Summary has been prepared by McNair Law Firm, P.A., Lexington, Kentucky, Bond Counsel to the County of Madison, Kentucky.