

COUNTY OF HART

ORDINANCE NO. 140.0

ORDINANCE OF THE FISCAL COURT OF THE COUNTY OF HART, KENTUCKY, AUTHORIZING (1) THE EXECUTION OF A DEED FROM THE HART COUNTY INDUSTRIAL AUTHORITY, INC. TO THE HART COUNTY INDUSTRIAL AUTHORITY FINANCE CORPORATION; (2) A LEASE AGREEMENT WITH THE HART COUNTY INDUSTRIAL AUTHORITY FINANCE CORPORATION; (3) A SUBLEASE AGREEMENT WITH THE HART COUNTY INDUSTRIAL AUTHORITY, INC.; (4) THE EXECUTION OF ANY OTHER INSTRUMENTS NECESSARY TO CARRY OUT A PLAN OF FINANCING AND THE COST OF THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROGRESS PARK INDUSTRIAL PARK; AND (5) EVIDENCING THE AGREEMENT OF THE COUNTY TO ACCEPT A CONVEYANCE OF THE PROGRESS PARK INDUSTRIAL PARK FROM THE HART COUNTY INDUSTRIAL AUTHORITY FINANCE CORPORATION AFTER THE RETIREMENT OF ALL OBLIGATIONS ISSUED BY SAID CORPORATION TO FINANCE SAID PROJECT.

WHEREAS, the County of Hart, Kentucky (the "County"), desires to finance the acquisition, construction and equipping of the Progress Park industrial park located in the City of Horse Cave, Hart County, Kentucky (the "Project"), and

WHEREAS, the Hart County Industrial Authority Finance Corporation (the "Corporation"), has been duly organized under the laws of the Commonwealth of Kentucky, pursuant to a Resolution of this Fiscal Court to act as an agency and instrumentality of the County, in order to enable the Corporation to assist the County in financing the Project, pursuant to a plan, and

WHEREAS, it is contemplated that the Corporation will issue, sell and deliver \$2,000,000 (subject to an adjustment upward or downward by an amount not to exceed ten percent (10%)) of Hart County Industrial Authority Finance Corporation Mortgage Revenue Bond Anticipation Notes, Series 2002, dated the date of their delivery (the "Series 2002 Notes"), for the purpose of financing the interim cost, not otherwise provided, of the Project and that the Corporation will lease said Project to the County, for an initial period ending June 30, 2002, with an exclusive option to the County to renew such lease for periods of one year at a time from year to year until the Series 2002 Notes have been paid in full, at such rentals as will be sufficient to pay the principal and interest requirements of the Series 2002 Notes, and

WHEREAS, it is necessary for the County to sublease the Project to the Hart County Industrial Authority, Inc. (the "Authority") for an initial period ending June 30, 2002, with options to renew thereafter from year to year for periods of one year at a time, at no annual rental so that the Authority will continue to manage the Project, and

WHEREAS, it is necessary that the County authorize the execution of Deeds from the Authority to the Corporation conveying the site of the proposed Project to the Corporation, and

WHEREAS, it is anticipated that the Corporation will issue its bonds (the "Bonds") to permanently finance the improvements to the Project; and

WHEREAS, under said plan of financing, the County will be entitled to obtain a reconveyance of said property, with all improvements thereon, after all of the Notes and Bonds have been retired,

NOW, THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF THE COUNTY OF HART, KENTUCKY, AS FOLLOWS:

1. That the Hart County Industrial Authority Finance Corporation, which has been heretofore authorized as an agency of the County, pursuant to Chapter 58 of the Kentucky Revised Statutes and pursuant to an adopted Resolution of this Fiscal Court, shall be and is authorized to proceed as an agency of the County, and to authorize the issuance, sale, and delivery of \$2,000,000 (subject to an adjustment upward or downward by an amount not to exceed ten percent (10%)) principal amount of its Series 2002 Notes, secured by a mortgage lien and revenue pledge against the Project, a portion of the cost of which, not otherwise provided, is to be financed through the application of the proceeds of the Series 2002 Notes.

2. That the County has authorized the execution by the Authority of such Deeds to the Corporation as are necessary to convey the land and properties upon which the Project is located and to be constructed, such Deeds being in the customary form.

3. That the proposed form of Lease Agreement (the "Lease") between the County and the Corporation, is hereby approved, and the County Judge/Executive and the County Clerk are authorized to execute the Lease on behalf of the County and to deliver same to the Secretary of the Corporation, upon the description and sources of title being inserted as to the properties upon which the Project shall be located.

4. That the proposed form of Sublease Agreement (the "Sublease") between the County and the Authority, is hereby approved, and the County Judge/Executive and the County Clerk are authorized to execute the Sublease on behalf of the County and to deliver same to the Secretary of the Authority, upon the description and sources of title being inserted as to the properties upon which the Project shall be located.

5. That this Fiscal Court specifically agrees that as and when all Series 2002 Notes and/or the Bonds constituting an encumbrance against said property have been retired, the property shall be reconveyed by the Corporation to the County, such reconveyance from the Corporation to the County will be accepted by the governing body of the County.

6. That the sale of said Series 2002 Notes by solicitation pursuant to Chapter 58 of the Kentucky Revised Statutes is hereby authorized and approved in accordance with a Resolution duly adopted by the members and Board of Directors of the Corporation.

7. That this Fiscal Court hereby specifically approves the execution by the officers of the Corporation of a Mortgage Deed of Trust (the "Mortgage"), authorizing and securing said proposed Series 2002 Notes, substantially in the form examined and considered by this Fiscal Court, and further approves the execution of any supplemental or amended mortgages in connection therewith as may be deemed appropriate in order to carry out the plan of financing contemplated herein.

8. That the County Judge/Executive and the County Clerk and the appropriate officers of said Corporation (constituting an agency and instrumentality of the County) are hereby authorized, requested and directed to execute any and all other and further instruments and to take all other appropriate legal action as may be deemed reasonably necessary or desirable in carrying out the plan of financing represented by the instruments referred to above, with a view toward compliance with all applicable Kentucky Statutes and court decisions and with a view toward assuring that the receipt of interest on said Series 2002 Notes will be excluded from gross income for Federal income tax purposes and exempt from all Federal income taxes and that the principal of said Series 2002 Notes will be exempt from all Kentucky ad valorem taxes.

9. That the County hereby certifies that it does not reasonably anticipate issuing "qualified tax-exempt obligations" during the calendar year in which the Series 2002 Notes are being issued in excess of \$10,000,000, and, that the Corporation, by the adoption of its Resolution, certifies that it does not reasonably anticipate issuing "qualified tax-exempt obligations" during the calendar year in which the Series 2002 Notes are being issued in excess of \$10,000,000, and, therefore, the County does hereby designate the Series 2002 Notes as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986.

10. That all Ordinances, Orders, Resolutions, motions or parts thereof in conflict herewith are hereby repealed, and this Ordinance shall take effect and be in force immediately after its passage, approval and publication.

Introduced at a duly convened meeting held on February 21, 2002, given first reading and ordered by the County Judge/Executive to be held over in the office of the County Clerk, subject to public inspection, pending consideration by the Fiscal Court at a subsequent meeting.

Given Second Reading and Adopted by the Fiscal Court of the County of Hart, Kentucky, at a duly convened meeting held on March 7, 2002, signed by the County Judge/Executive indicating his approval, attested under seal by the County Clerk, ordered to be recorded and published by Summary and to be in effect.

COUNTY OF HART, KENTUCKY

By [Signature]
County Judge/Executive

Attest:

[Signature]
County Clerk

CERTIFICATE OF COUNTY CLERK

I, Doris Crain, the duly qualified and acting County Clerk of the County of Hart, Kentucky, do hereby certify that the foregoing is a true, complete, and correct copy of an Ordinance which received its first reading by the Fiscal Court of said County on February 21, 2002, that said Ordinance was then placed on file in my office for public inspection in its completed form until March 7, 2002, on which date it was given its second reading and final passage and adopted by said Fiscal Court, executed by the County Judge/Executive and attested by the County Clerk, and that said Ordinance has been duly recorded in the official records of the County, as shown by the official records of said County in my custody and under my control.

WITNESS my hand and seal of said County, this 7 day of March, 2002.

[Signature]
County Clerk

(Seal of County)