

COUNTY OF HART
ORDINANCE NO. 220.8

ORDINANCE OF THE FISCAL COURT OF THE COUNTY OF HART, KENTUCKY, AUTHORIZING THE EXECUTION OF A DEED TO AND A LEASE AGREEMENT WITH THE HART COUNTY PUBLIC PROPERTIES CORPORATION; AUTHORIZING THE EXECUTION OF ANY OTHER INSTRUMENTS NECESSARY TO CARRY OUT A PLAN OF FINANCING AND THE COST OF THE CONSTRUCTION AND EQUIPPING OF A DETENTION FACILITY; AND EVIDENCING THE AGREEMENT OF THE COUNTY TO ACCEPT A CONVEYANCE OF THE DETENTION FACILITY FROM THE HART COUNTY PUBLIC PROPERTIES CORPORATION AFTER THE RETIREMENT OF ALL BONDS ISSUED BY SAID CORPORATION TO FINANCE THE DETENTION FACILITY.

WHEREAS, the County of Hart, Kentucky (the "County"), desires to finance the acquisition, construction and equipping of a new detention facility (the "Project"), and

WHEREAS, the Hart County Public Properties 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 \$3,840,000 (subject to an adjustment upward or downward by an amount not to exceed \$380,000) of Hart County Public Properties Corporation First Mortgage Revenue Bonds (Detention Facility Project) Series 1998, dated March 1, 1998 (the "Series 1998 Bonds"), for the purpose of financing the 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, 1998, with an exclusive option to the County to renew such lease for periods of one year at a time from year to year until March 1, 2019, at such rentals as will be sufficient to pay the principal and interest requirements of the Series 1998 Bonds, and

WHEREAS, it is necessary that the County execute (a) Deed conveying the site of the proposed Project to the Corporation, and (b) a Lease Agreement as to the Project, in which the Corporation is the Lessor and the County is the Lessee, 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 Series 1998 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 Public Properties Corporation, which has been heretofore authorized as an agency of the County, pursuant to Chapter 58 of the Kentucky Revised Statutes and

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 \$3,840,000 (subject to an adjustment upward or downward by an amount not to exceed \$380,000) principal amount of its Series 1998 Bonds, secured by a mortgage lien and revenue pledge against the Project, the cost of which, not otherwise provided, is to be financed through the application of the proceeds of the Series 1998 Bonds.

2. That the County has executed or shall execute such Deeds to the Corporation conveying the land and properties upon which the Project is located and to be constructed, such Deeds being in the customary form, the legality of the form being approved by the County Attorney.

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 Fiscal Court 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 this Fiscal Court specifically agrees that as and when all Series 1998 Bonds constituting an encumbrance against said property have been retired, whether through rentals payable by the County or otherwise, under which circumstances the Lease requires that said property 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, and all of the terms and conditions of the Lease so providing are hereby specifically approved within the meaning of the Internal Revenue Code of 1986.

5. That this Fiscal Court hereby officially records its intention to renew the Lease of said property contained in the Lease, and to provide for the payment of the rentals specified in the Lease until all of the Series 1998 Bonds have been retired, in order to enable the County to obtain fee simple title to the property, it being understood that this statement of intention is not and cannot (under Section 157 of the Kentucky Constitution) be legally binding on the County or on this Fiscal Court.

6. That the sale of said Series 1998 Bonds by publicly advertised bid 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") from the Corporation to First Citizens Bank, Elizabethtown, Kentucky, authorizing and securing said proposed Series 1998 Bonds, substantially in the form examined and considered by this Fiscal Court, upon the same descriptions being inserted, hereinbefore referred to as the descriptions to be inserted in the Lease, 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 Fiscal Court 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 1998 Bonds 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 1998 Bonds will be exempt from all Kentucky ad valorem taxes.

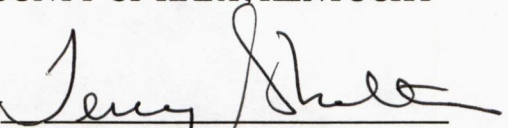
9. That the County hereby certifies that it does not reasonably anticipate issuing "qualified tax-exempt obligations" during the calendar year in which the Series 1998 Bonds are being issued in excess of \$10,000,000, and, that the Corporation, by the adoption of its Resolution, certifies that it does not reasonably anticipate issuing "qualified tax-exempt obligations" during the calendar year in which the Series 1998 Bonds are being issued in excess of \$10,000,000, and, therefore, the County does hereby designate the Series 1998 Bonds 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 26, 1998, given first reading and ordered by the County Judge/Executive to be held over in the office of the Fiscal Court 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 12, 1998, signed by the County Judge/Executive indicating his approval, attested under seal by the Fiscal Court Clerk, ordered to be recorded and published by Summary and to be in effect.

COUNTY OF HART, KENTUCKY

By 
County Judge/Executive

Attest:

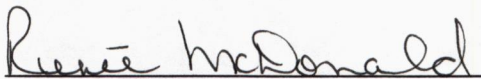

Fiscal Court Clerk

(Seal)

CERTIFICATE OF FISCAL COURT CLERK

I, Renee Curry McDonald, the duly qualified and acting Fiscal Court 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 26, 1998, that said Ordinance was then placed on file in my office for public inspection in its completed form until March 12, 1998, 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 Fiscal Court 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 12th day of March, 1998.


Fiscal Court Clerk

(Seal of County)