

ORDINANCE NO. 270.1

AN ORDINANCE OF HART COUNTY, KENTUCKY, RELATING TO AND REAFFIRMING PARTICIPATION IN THE KENTUCKY ASSOCIATION OF COUNTIES ALL LINES FUND INSURANCE PROGRAM; REAFFIRMING, APPROVING AND AUTHORIZING A SELF-INSURANCE PROGRAM AGREEMENT, A DECLARATION OF TRUST, BY-LAWS AND INTERLOCAL COOPERATION AGREEMENT AND RELATED MATTERS; ACKNOWLEDGING THAT PENDLETON COUNTY, KENTUCKY, IS ISSUING REVENUE BONDS PURSUANT TO THE KENTUCKY INTERLOCAL COOPERATION ACT TO PROVIDE FUNDS TO ESTABLISH THE PROGRAM; AND REAFFIRMING THE APPROPRIATION OF MONEYS TO PAY THE COUNTY'S PREMIUM UNDER THE PROGRAM

WHEREAS, the Fiscal Court of Hart County, Kentucky (the "Participant"), is a duly and regularly created, organized and existing county and political subdivision of the Commonwealth of Kentucky, existing as such under and by virtue of the Constitution, statutes and laws of the Commonwealth of Kentucky; and

WHEREAS, the Participant has determined, and hereby determines, that it is in the best interests of the Participant to participate in the Kentucky Association of Counties All Lines Fund Insurance Program (the "Program") and, in order to do so, to enter into the Declaration of Trust, By-Laws and Interlocal Cooperation Agreement for the KACo All Lines Fund (KALF) (the "Declaration of Trust") pursuant to which the Program has been implemented, and to enter into a Self-Insurance Program Agreement (the "Agreement") among the Participant, the Kentucky Association of Counties All Lines Fund ("KACo") and Citizens Fidelity Bank and Trust Company, Louisville, Kentucky, pursuant to which a Coverage Memorandum (the "Coverage Memorandum") (the initial form of which is attached to the Agreement as Exhibit A) will be issued with respect to the Participant; and

WHEREAS, the Participant has appropriated for the current fiscal year and intends to appropriate, on an annual basis, sufficient funds to pay the Premium (as defined in the Agreement); and

WHEREAS, the Declaration of Trust and the Agreement have been previously authorized and approved by official action of the Fiscal Court of the Participant, and it is now the desire and purpose of the Participant to reaffirm such action;

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

Section 1. The Participant hereby reaffirms, approves and authorizes participation in the Program and further reaffirms, approves and authorizes the Agreement and the Declaration of Trust in substantially the forms previously authorized and approved by official action of the Participant. It is acknowledged and agreed that Pendleton County is the issuer of revenue bonds under authority of the Kentucky Interlocal Cooperation Act (KRS 65.210 through 65.300) and the Declaration of Trust to provide funds to establish the Program.

Section 2. The Participant hereby designates the County Judge/Executive to act as representative of the Participant in connection with the matters provided in this Ordinance and said representative or his designee is authorized and directed to execute and deliver for and on behalf of the Participant the Agreement and the Declaration of Trust and any and all additional certificates, documents or other papers, and to perform all other acts necessary or desirable for the Participant in connection with the Participant's participation in the Program.

Section 3. The Participant has appropriated and authorized payment of, and hereby reaffirms the appropriation and authorization of payment of, moneys sufficient to pay the Premium (as defined in the Agreement) for the initial term of the Coverage Memorandum.

Section 4. If any section, phrase or provision of this Ordinance is for any reason declared to be invalid, such declaration will not affect the validity of the remainder of the sections, phrases or provisions of this Ordinance. To the extent any resolution, ordinance or part thereof is in conflict, the provisions of this Ordinance will prevail and be given effect. This Ordinance will be in full force and effect from and after adoption as provided by law.

INTRODUCED, SECONDED, READ AND GIVEN FIRST-READING APPROVAL:
October 29, 1987.

GIVEN SECOND READING AND ADOPTED: November 19, 1987.

Attest:

Vince Lang
County Judge/Executive

Tammie Sims
Clerk of the Fiscal Court

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Clerk of the Fiscal Court of Hart County, Kentucky, and as such Clerk I further certify that the foregoing is a true, correct and complete copy of an Ordinance duly adopted by said Fiscal Court at a duly convened meeting held on November 19, 1987, signed by the County Judge/Executive, duly published and filed, recorded and indexed in my office and now in full force and effect, and that all actions taken in connection with such Ordinance occurred at regular or duly called special meetings of said Fiscal Court in compliance with the requirements of KRS 61.810 through 61.825, all as appears from the official records of said Fiscal Court in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said County this November 19, 1987.

Tammie Sims

Clerk of the Fiscal Court
of Hart County, Kentucky

(SEAL)

COUNTY ATTORNEY'S OPINION

As counsel to the Participant, I have reviewed the foregoing Ordinance, the Agreement, the Declaration of Trust and such other material as I have deemed relevant. Based on my review, I am of the opinion that:

The Participant is a county and political subdivision duly organized and existing under the Constitution and laws of the Commonwealth of Kentucky, and has full legal right, power and authority to participate in the Program and to enter into and perform its obligations under the Agreement and the Declaration of Trust.

The Agreement and the Declaration of Trust have been duly authorized and executed by the Participant and constitute valid, binding and enforceable obligations of the Participant, except to the extent enforcement may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally, now or hereafter in effect, or by application of equitable principles.

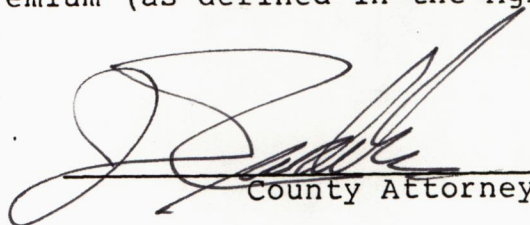
All consents, approvals or authorizations of any governmental entity and all filings required on the part of the Participant in connection with participation in the Program and the authorization, execution and delivery of the Agreement and the Declaration of Trust and the consummation of the transactions contemplated thereby have been obtained and are in full force and effect.

Neither participation in the Program, the execution and delivery of the Agreement and the Declaration of Trust, nor the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions of the Agreement and Declaration of Trust conflict with or constitute a violation of any provision of law governing the Participant or, to the best of my knowledge after reasonable investigation, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Participant is now a party or by which the Participant is bound. To the best of my knowledge, after reasonable investigation, the Participant is not currently in default in any material respect on any obligation.

To the best of my knowledge, after reasonable investigation, there is no controversy, budget protest or litigation pending or threatened involving the incorporation, organization, existence or boundaries of the Participant, or the titles of its

officers to their respective positions, or the validity of the adopted budget, or the power and duty of the Participant to provide and apply adequate ad valorem tax receipts and other general fund receipts in accordance with its adopted budget for the current fiscal year; and there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any public board or body pending or, to the best of our knowledge, after reasonable investigation, any basis therefor, where an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by the Agreement or the Declaration of Trust or give rise to a claim under the Coverage Memorandum.

The Participant will be jointly and severally liable along with all other Participants (as defined in the Agreement) for the payment of the Risk Adjustment Premium (as defined in the Agreement) in accordance with the Agreement.


County Attorney