

ORDINANCE NO. 220.152

AN ORDINANCE OF THE COUNTY OF SIMPSON, KENTUCKY AUTHORIZING THE ISSUANCE OF COUNTY OF SIMPSON, KENTUCKY TAXABLE GENERAL OBLIGATION REFUNDING AND IMPROVEMENT BONDS, SERIES 2012 IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$6,500,000 TO PROVIDE FUNDS TO FINANCE THE ACQUISITION OF REAL PROPERTY AND THE INSTALLATION AND CONSTRUCTION OF INFRASTRUCTURE IMPROVEMENTS AND TO CURRENTLY REFUND OUTSTANDING OBLIGATIONS ISSUED TO FINANCE THE ACQUISITION OF REAL PROPERTY AND CONSTRUCT DETENTION FACILITY IMPROVEMENTS; APPROVING THE FORM OF BONDS; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE BONDS; PROVIDING FOR THE PAYMENT AND SECURITY OF THE BONDS; CREATING A BOND PAYMENT FUND; MAINTAINING A SINKING FUND; AUTHORIZING THE EXECUTION OF SUCH FINANCIAL SUPPORTING INSTRUMENTS AS MAY BE NECESSARY WITH THE CITY OF FRANKLIN, KENTUCKY AND/OR THE FRANKLIN-SIMPSON INDUSTRIAL AUTHORITY TO PROVIDE ADDITIONAL SOURCES OF PAYMENT FOR THE BONDS AND TO EFFECT THE PLAN OF FINANCING AND REFINANCING; AUTHORIZING ACCEPTANCE OF THE BID OF THE BOND PURCHASER FOR THE PURCHASE OF THE BONDS; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, the County of Simpson, Kentucky (the "County") heretofore determined that it is a public purpose to reduce unemployment in the County, to increase the County's tax base, to foster economic development within the County and to promote the development of a skilled workforce, all to the benefit of the citizens and residents of the County; and

WHEREAS, the County further previously determined that it was necessary and desirable in order to accomplish such public purposes certain real property (the "Prior Property Projects") be acquired for use by the Franklin-Simpson Industrial Authority (the "Authority"), an industrial authority and a body politic and corporate of the Commonwealth of Kentucky established by the County and the City of Franklin, Kentucky (the "City") pursuant to Chapter 154 of the Kentucky Revised Status; and

WHEREAS, the County further previously determined that it was necessary and desirable for the County to construct additions and improvements to its detention facilities (the "Prior Detention Facility Project," and together with the Prior Property Projects, the "Prior Projects"); and

WHEREAS, the Prior Property Projects were financed and refinanced with the proceeds of a certain Loan Agreement dated as of June 13, 2011 between the Kentucky Economic Development Finance Authority and the Authority and certain other obligations issued or incurred by the Authority (collectively, the "Prior Property Obligations"), and the Prior Detention Facility Project was financed with the proceeds of a certain Lease Agreement dated as of April 18, 2002 between the Kentucky Area Development Districts Financing Trust and the County (the "Prior Lease," and together with the Prior Property Obligations, the "Prior Obligations"); and

WHEREAS, the County has determined that it is necessary and desirable in order to increase the County's tax base, to foster economic development within the County and to promote the development of a skilled workforce, all to the benefit of the citizens and residents of the County, that the County permanently finance the acquisition of additional real property and install and construct infrastructure improvements on the sites thereof (collectively, the "New Money Project," and together with the Prior Projects, the "Project"); and

WHEREAS, the County has determined that the present conditions of the municipal market are more favorable than at the time the Prior Obligations were issued and that it is therefore advantageous and in the best interests of the County for the County to proceed at this time with the issuance of its Taxable General Obligation Refunding and Improvement Bonds, Series 2012 in an aggregate principal amount not to exceed \$6,500,000 (the "Bonds") to provide

funds to refund all or a portion of the Prior Obligations and to finance the New Money Project;
and

WHEREAS, pursuant to the Constitution and Laws of the Commonwealth of Kentucky, and particularly Sections 66.011 et. seq. of the Kentucky Revised Statutes, as amended (the "General Obligation Act") and Sections 58.010 et. seq. of the Kentucky Revised Statutes, as amended (the "Public Project Act"), a county may issue bonds, subject to the requirements of the General Obligation Act and/or Public Project Act, to pay the costs of any public project that the County is authorized to acquire, improve or construct and to refund outstanding bonds or obligations issued to pay all or any portion of the costs of any public project that the County is authorized to acquire, improve or construct; and

WHEREAS, the County desires to refund all or a portion of the Prior Obligations and finance the New Money Project through the issuance of general obligation bonds of the County to be sold and awarded to the successful bidder (the "Purchaser") at public, competitive sale in accordance with the provisions of Chapter 424 of the Kentucky Revised Statutes, as amended.

NOW, THEREFORE, BE IT ORDAINED by the Fiscal Court, County of Simpson, Commonwealth of Kentucky, as follows:

Section 1 -- Necessity, Authorization and Purpose. The County hereby declares that it is necessary to issue and authorizes the issuance of its Taxable General Obligation Refunding and Improvement Bonds, Series 2012 in an aggregate principal amount not to exceed \$6,500,000, for the purpose of: (i) refunding the Prior Obligations, (ii) paying the costs of the New Money Project; and (iii) paying the costs of issuance of the Bonds. The exact principal amount of Bonds to be issued shall be established in a Certificate of Award (as hereinafter defined).

Section 2 -- Forms. The Bonds shall be issued as fully registered Bonds, shall be designated "Taxable General Obligation Refunding and Improvement Bonds, Series 2012" and shall each express upon their face the purpose for which they are issued, that they are issued under the General Obligation Act and shall be substantially in the form set forth in Annex A.

The Bonds shall be in denominations as requested by the Purchaser, which shall be in integral multiples of five thousand dollars (\$5,000). The Bonds shall each be dated their date of initial issuance and delivery as is determined in a certificate of award to be executed by the Judge/Executive of the County (the "Certificate of Award") awarding the Bonds to the Purchaser.

Interest on the Bonds shall be payable semi-annually on the dates determined in the Certificate of Award (an "Interest Payment Date"), commencing on the date set forth in the Certificate of Award, at the stated interest rate or rates on the principal amount thereof, calculated on the basis of a 360 day year with 30 day months. The Bonds shall be serial or term Bonds maturing, on the basis of substantially level debt service, on the dates and in the amounts to be established in the Certificate of Award after advertised competitive sale of the Bonds based on the interest rates bid in the successful bid (the "Bid") and the provisions of this Section 2, provided that the final maturity date of the Bonds shall be as set forth in the Certificate of Award but shall be no later than twenty and one-half years from their date of initial issuance and delivery. The interest rate or rates on the Bonds shall be determined in the Certificate of Award based on the Bid; provided that the aggregate net interest cost of the Bonds shall not exceed seven percent (7.00%).

The Bonds may be subject to optional redemption prior to maturity on such dates as may be set forth in the Certificate of Award, with any such Bonds subject to redemption prior to

maturity to be selected for redemption in such order of maturity as shall be designated in writing by the County, and by lot within a maturity, at the election of the County upon 45 days' written notice to the Paying Agent and Registrar (hereinafter defined) at a redemption price equal to the par amount thereof, plus accrued interest to the date of redemption.

If the successful bidder and original purchaser of the Bonds elects, in accordance with the provisions of the Official Terms and Conditions of Bond Sale (the "Official Terms and Conditions of Bond Sale"), to combine the Bonds stated to mature on the maturity dates set out in the Bid of such original purchaser to comprise a term bond ("Term Bonds"), as set out in said successful Bid, then such Term Bonds shall be subject to mandatory redemption in part, at the selection of the Paying Agent and Bond Registrar (as hereinafter defined) by lot in such manner as the Paying Agent and Bond Registrar may determine, on the dates set forth in the Certificate of Award at par plus accrued interest to the redemption date, according to the mandatory sinking fund redemption schedule or schedules set out in the Bid and in principal amounts corresponding to the maturity schedule set out in the Official Terms and Conditions of Bond Sale.

At least thirty (30) days before the redemption date of any Bonds the Paying Agent and Registrar shall cause a notice of such redemption either in whole or in part, signed by the Paying Agent and Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books kept by the Paying Agent and Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds for which such notice has been sent. 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 number or letters, if any, of such Bonds to be redeemed.

On the date so designated for redemption, notice having been mailed in the manner under the conditions hereinabove provided and moneys for payment of the redemption price being held in the Bond Payment Fund (as hereinafter defined) by the Paying Agent and Registrar for the registered owners of the Bonds to be redeemed, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, interest on the Bonds so called for redemption shall cease to accrue, and the registered owners of such Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof.

The Bonds may be issued in book-entry-only form through the services of the Depository Trust Company ("DTC"). If the County determines to issue the Bonds in book-entry-only form the Designated Officers (hereinafter defined) are authorized to execute all documents necessary to accomplish such form of issuance.

Section 3 -- Execution and Delivery. The Bonds shall be executed by the manual or facsimile signature of the Judge/Executive and duly attested by the manual or facsimile signature of the Fiscal Court Clerk (which, together with any other person as may be authorized by resolution are referred to as "Designated Officers"), and shall bear the manual authenticating signature of an authorized representative of the bank named as the Paying Agent and Registrar for the Bonds in the Certificate of Award (the "Paying Agent and Registrar"). The Designated Officers are further authorized and directed to deliver the Bonds to the Purchaser, upon the terms and conditions provided herein, in the Certificate of Award and in the Bids, receive the proceeds therefor, execute and deliver such certificates and other closing documents and take such other

action as may be necessary or appropriate in order to effectuate the proper issuance, sale and delivery of the Bonds.

The County authorizes and directs the Paying Agent and Registrar to authenticate the Bonds and to deliver the Bonds to the Purchaser upon execution of the Certificate of Award and payment of the respective purchase price thereof.

Section 4 -- Payment. Payment of or on account of the interest on and principal of the Bonds shall be made directly to the Paying Agent and Registrar for the account of the registered owner. Interest on the Bonds shall be payable by check, mailed to the person whose name appears on the fifteenth day of the month preceding an Interest Payment Date on the bond registration records as the registered owner, on each Interest Payment Date or by other transfer of funds acceptable to such registered owner and the Paying Agent and Registrar. Principal shall be payable in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts at the time and place of payment upon delivery of the Bonds to the Paying Agent and Registrar or by other transfer of funds acceptable to the Paying Agent and Registrar and such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bonds to the extent of the sum or sums so paid.

Section 5 -- Filing and Approvals. The Designated Officers are hereby authorized to undertake and cause all filings of notices or information, and to obtain such other approvals, which may be required by law to be filed or obtained by the County, including, but not limited to, securing any approval of the State Local Debt Officer required for the issuance of the Bonds.

Section 6 -- Bond Payment Fund, Payment of Bonds. There is hereby established with the Paying Agent and Registrar a bond payment fund in the name of the County to be known as General Obligation Refunding and Improvement Bonds, Series 2012 Bond Payment Fund (the

"Bond Payment Fund"), into which the County covenants to deposit, and into which the Designated Officers are hereby authorized and directed to deposit from the Sinking Fund (hereinafter identified), on or before the twentieth day of each month which precedes an Interest Payment Date on the Bonds, the amount required to pay principal of and interest due on the Bonds on such Interest Payment Date. The Paying Agent and Registrar shall, without further authorization from the County, withdraw from the Bond Payment Fund, on such Interest Payment Date of the Bonds, the amounts necessary to pay principal of, and interest on, the Bonds to the registered owner of the same.

The Paying Agent and Registrar is hereby appointed depository of the Bond Payment Fund with respect to the Bonds.

If the County shall fail or refuse to make any required deposit in the Bond Payment Fund from the Sinking Fund, the Paying Agent and Registrar shall (i) notify any agency of the Commonwealth of Kentucky or any political subdivision thereof which may collect and distribute taxes or revenues for the County to seek any available necessary or proper remedial action; and (ii) upon being indemnified against cost and expense, exercise any remedy provided in the Act or at law or in equity for the benefit of the owner of the Bonds or its assignee, and shall disburse all funds so collected to the owners of the Bonds as payment of the Bonds.

Section 7 -- General Obligation; Sinking Fund. The Bonds shall be full general obligations of the County and, for the payment of said Bonds and the interest thereon, the full faith, credit and revenue of the County are hereby pledged for the prompt payment thereof. During the period the Bonds are outstanding, there shall be and there hereby is levied on all the taxable property in the County, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the principal of and interest on the Bonds when and

as due, it being hereby found and determined that current tax rates are within all applicable limitations. Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended and collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof provided, however, that in each year to the extent that the other lawfully available funds of the County are available for the payment of the Bonds and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the County shall be reduced by the amount of such other funds so available and appropriated.

There has heretofore been established a sinking fund with the County in accordance with the requirements of the Act (the "Sinking Fund"), which is hereby ordered to be continued and maintained so long as any Bonds are outstanding. The funds derived from said tax levy hereby required or other lawfully available funds shall be placed in the Sinking Fund and, together with interest collected on the same, are irrevocably pledged for the payment of the interest on and principal of all bonds issued under the Act and Tax-Supported Leases, as defined in the Act, when and as the same fall due. Amounts shall be transferred from the Sinking Fund to the Bond Payment Fund at the times and in the amounts required by Section 6 hereof.

Section 8 – Sale of Bonds; Certificate of Award. The Designated Officers are hereby directed to sell the Bonds to the Purchaser at advertised competitive sale, the final principal amount of, the principal amortization of and the interest rate or rates on the Bonds to be established in accordance with the requirements of Sections 1 and 2 hereof and the Certificate of Award. The Judge/Executive is hereby authorized to execute the Certificate of Award without

further action of the Fiscal Court setting forth the terms of the Bonds and any other provisions required by and not inconsistent with this Ordinance.

Section 9 -- Registered Owner; Transfer; Exchange. As long as the Bonds executed and delivered hereunder shall remain outstanding, the Paying Agent and Registrar shall maintain an office for the registration of such Bonds and shall also keep at such office books for such registration and transfers. The registered owner of the Bonds, as set forth in the registration books maintained by the Paying Agent and Registrar on the fifteenth day preceding an Interest Payment Date, or its assignees, for purposes of this Ordinance, to the extent of its interest, shall be treated as the owner of the Bonds and shall be entitled to all rights and security of the owner of the Bonds hereunder.

Upon surrender for registration of transfer of the Bonds at the office of the Paying Agent and Registrar with a written instrument of transfer satisfactory to the Paying Agent and Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, the Paying Agent and Registrar shall execute and deliver, in the name of the designated transferee or transferees, one or more Bonds of the same series of any authorized denomination and of a like tenor and effect.

All Bonds, upon surrender thereof at the office of the Paying Agent and Registrar, may, at the option of the registered owner thereof be exchanged for an equal aggregate principal amount of Bonds of the same series of any authorized denomination.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Paying Agent and Registrar shall execute and deliver Bonds in accordance with the provisions of this Section. Every such exchange or transfer of Bonds, whether temporary or definitive, shall be without charge; provided that the Paying Agent and Registrar may impose a charge sufficient

to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Section 10 – Approval and Authorization of Supporting Financial Instruments with City of Franklin, Kentucky and/or Franklin-Simpson Industrial Authority. The County hereby approves and authorizes the execution and delivery of any necessary interlocal cooperation agreements, leases or similar instruments with the City and/or the Authority (collectively, “Supporting Financial Instruments”) in connection with the refinancing of the Prior Property Obligations and the financing of the New Money Project, in such form(s) as may be required by Peck, Shaffer & Williams LLP, as bond counsel to the County, and the County Attorney, in order to provide additional sources of revenue for payment of the Bonds. Any funds received from such Supporting Financial Instruments shall be deposited in the Bond Payment Fund and shall constitute a credit against amounts next required to be deposited in the Bond Payment Fund by the County. It is hereby found and determined that any such Supporting Financial Instruments are for the purposes of furthering proper public purposes of the County. The Judge/Executive and Fiscal Court Clerk of the County are hereby authorized to execute such Supporting Financial Instruments, together with such other agreements, instruments or certifications which may be necessary in the opinion of bond counsel and the County Attorney to accomplish the transactions contemplated by this Ordinance and which are not substantially adverse to the County and are approved by the officials executing the same on behalf of the County. The approval of such changes by said officials, and that such are not substantially adverse to the County, shall be

conclusively evidenced by the execution of such Supporting Financial Instruments by such officials.

Section 11 -- Disposition of Proceeds. The proceeds of the sale of the Bonds shall be deposited, together with other available funds of the County, as follows: (a) the amount necessary to finance the costs of the New Money Project shall be deposited to a special acquisition fund (the "County of Simpson, Kentucky - Series 2012 Acquisition Fund") to be held at the depository bank designated as such in the Certificate of Award and used for the acquisition, construction and installation of the New Money Project and to discharge any interim temporary financing for the New Money Project; (b) the amount necessary to retire the Prior Obligations, or such portion thereof as may be set forth in the Certificate of Award shall be deposited to a special redemption fund (the "County of Simpson, Kentucky - Series 2012 Redemption Fund") to be held at the depository bank designated as such in the Certificate of Award and applied to the redemption and retirement of the Prior Obligations within ninety days of the date of issuance and delivery of the Bonds; and (c) the remainder of the proceeds shall be deposited to a special cost of issuance fund hereby directed to be established and designated as the "County of Simpson, Kentucky General Obligation Bonds, Series 2012 Cost of Issuance Fund" (the "Cost of Issuance Fund").

Section 12 -- Discharge of Ordinance. If the County shall pay or cause to be paid, or there shall otherwise be paid, to the owners of the Bonds the total principal and interest due or to become due thereon through maturity, in the manner stipulated therein and in this Ordinance, then the pledges made under this Ordinance, and all covenants, agreements and other obligations of the County hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

Section 13 -- Severability. If any one or more of the provisions of this Ordinance should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed to be severable from all remaining provisions and shall not affect the validity of such other provisions.

Section 14 -- Inconsistent Actions. All prior ordinances, resolutions or parts thereof inconsistent herewith are hereby repealed.

Section 15 -- Open Meetings Compliance. All meetings of the Fiscal Court and of its committees and any other public bodies, at which the formal actions in connection with the issuance of the Bonds were taken, or at which deliberations that resulted in such formal actions were held, were open meetings, and such formal actions were taken and any such deliberations took place while such meetings, after proper notice, were open to the public, in compliance with all legal requirements including KRS Sections 61.810, 61.815, 61.820 and 61.823.

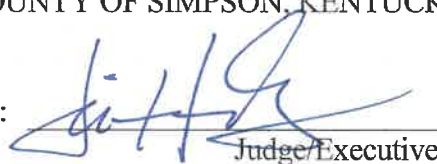
Section 16 -- Effective Date. This Ordinance shall become effective immediately upon adoption and publication of a summary thereof, as provided by law.

FIRST READING HELD on February 7, 2012

DULY ADOPTED AFTER SECOND READING on March 6, 2012.

COUNTY OF SIMPSON, KENTUCKY

By:



Judge/Executive

Attest:



Fiscal Court Clerk