

AN ORDINANCE OF THE FISCAL COURT OF THE COUNTY OF CALLOWAY, KENTUCKY, AUTHORIZING, CONFIRMING AND APPROVING ACTIONS TAKEN OR TO BE TAKEN BY CALLOWAY COUNTY PUBLIC PROPERTIES CORPORATION (THE "CORPORATION"), AS THE AGENCY AND INSTRUMENTALITY OF THE COUNTY IN CONNECTION WITH FINANCING THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF DETENTION FACILITIES (THE "PROJECT"); SPECIFICALLY AUTHORIZING AND APPROVING SPECIAL VOTED AD VALOREM TAX, FIRST MORTGAGE REVENUE BONDS, SERIES 1996, OF THE CORPORATION WHICH WILL BE AUTHORIZED AND ISSUED BY SAID CORPORATION IN THE PRINCIPAL AMOUNT OF UP TO \$4,670,000; AND APPROVING AN AMENDED INDENTURE OF TRUST AND AMENDED CONTRACT, LEASE AND OPTION IN CONNECTION WITH THE AUTHORIZED FINANCING.

WHEREAS, the Calloway County Public Properties Corporation (the "Corporation") has been established pursuant to the provisions of Chapter 273 of the Kentucky Revised Statutes at the request of the County of Calloway, Kentucky (the "County"), for the purpose of acting as an agency and instrumentality of said County of Calloway, Kentucky (the "County") in providing public project facilities, to be utilized for the benefit of the citizens and residents of the County, and

WHEREAS, the County determined that it was necessary to acquire, construct and equip Detention Facilities (the "Project") in order that the public health and safety could be promoted through the availability of adequate public facilities, including, but not being limited to the Project; and

WHEREAS, at the direction of the Fiscal Court the Corporation duly authorized and issued \$4,085,000 of its "Calloway County Public Properties Corporation First Mortgage Revenue Bond Anticipation Notes, Series 1995, dated July 1, 1995" (the "Notes") to provide temporary financing for the Project in anticipation of the issuance of the Corporation's Special Voted Ad Valorem Tax, First Mortgage Revenue Bonds, Series 1996, dated December 1, 1996 (the "Bonds") to provide permanent, long term financing for said Project and retire the Notes; and

WHEREAS, the interest on the Notes has been paid from rental payments made by the County to the Corporation under a certain Contract, Lease and Option whereunder the Project was leased by the Corporation to the County for one year at a time, with the option in the County to renew said Lease for one year at a time thereafter so long as the Notes remained outstanding and unpaid, and the obligation of the County in each year that the Lease is renewed shall be equal to the interest requirements becoming due on the Notes in that year, plus the costs of operation, maintenance and insurance of the Project; the principal of the Notes and all accrued interest shall be paid from the proceeds of the Bonds, and

WHEREAS, the Bonds will be issued pursuant to the provisions of a Resolution adopted by the Members-Directors of the Corporation and the provisions of an Amended Indenture of Trust made by the Corporation in favor of a Trustee bank, acting for the Registered Owners of the Bonds, under which the Project will be mortgaged to secure the Bonds and will be subject to mortgage lien in favor of the Trustee on behalf of the Registered Owners and a pledge of the rentals due under the Amended Lease from the Corporation to the County; the right being reserved in the Trustee to foreclose the mortgage in the event of a failure by the County to renew the Lease or to make the required annual payments due thereunder and the resulting default in the payment of the principal and interest requirements on the Bonds;

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

Section 1. That the Fiscal Court of the County of Calloway, Kentucky (the "County") requests and directs the Calloway County Public Properties Corporation (the "Corporation") to forthwith authorize to be issued approximately \$4,670,000 principal amount of its Special Voted Ad Valorem Tax, First Mortgage Revenue Bonds, Series 1996 in the form and in accordance with the documents referred to in the preamble hereto, all of which documents shall be subject to the approval of the County Judge/Executive and County Attorney. The maturity schedules, security provisions, redemption provisions, designation of Trustee, form of Bonds, conditions of sale and all other terms and provisions incident to said Bonds shall be in accordance with the provisions set forth in said Indenture of Trust hereinbefore and hereinafter further referred to and described.

Section 2. That the County hereby specifically approves the issuance, sale and delivery by the Corporation of the Bonds in a sufficient principal amount to pay and retire the Notes, establish an adequate debt service reserve for the Bonds, pay the costs incident to the retirement of the Notes, acquire and construct the Project, and other expenses in connection with financing the Project.

Section 3. That it is acknowledged that the Bonds are to be issued by the Corporation acting as an agency and instrumentality of the County, for the purpose of providing for permanent financing for said Project pursuant to the provisions of KRS 58.180 and KRS 67.083.

Section 4. That in order to vest title to the site of the Project in the Corporation for the purpose of mortgaging said site to secure the Bonds, the County has heretofore authorized and approved the execution by the County Judge/Executive and County Clerk of a Deed conveying the site of the Project from the County to the Corporation.

Section 5. That the County hereby expressly approves and directs the execution by the Corporation of a certain "Amended Indenture of Trust" to a bank as Trustee; provided, however, that said approval is conditioned upon the review and approval of the definitive document constituting said Indenture of Trust by the County Judge/Executive and County Attorney. The provisions of said Amended Indenture of Trust shall convey in trust to said Trustee the site of the Project, shall assign all income, revenues and rights of the Corporation arising under the Amended Contract, Lease and Option hereinafter referred to; all of the same being done for the security of those who shall become Registered Owners of the Bonds.

Section 6. That the County hereby expressly approves and directs the execution by the County Judge/Executive and County Clerk of a certain "Amended Contract, Lease and Option" (the "Amended Lease"). Said Amended Lease shall provide for the lease of the Project by the County for an initial period ending June 30, 1997, with exclusive options to the County to renew the Lease from year to year for one year at a time upon the terms and conditions therein expressed until the Bonds are paid and retired.

Section 7. That the Corporation, its Board of Directors and officers are hereby authorized and requested by the County to carry out any and all necessary desirable or appropriate actions in order to implement the financing of the Project as evidenced by the financing plan permitting the issuance of Bonds; including, but not being limited to, the execution of a Bond Registrar/Paying Agent Appointment with the Trustee under the Amended Indenture of Trust.

Section 8. That for the purposes of the Internal Revenue Code of 1986, as amended (the "Code") the Corporation is an agency and instrumentality of the County acting on its behalf in connection with the financing plan represented by the Bonds as if the County itself were the issuer of said Bonds; therefore, by the adoption of this Ordinance, the County hereby designates the Bonds as "qualified tax-exempt obligations" within the meaning of Code Section 265(b)(3) and, by the adoption of this Ordinance, the County hereby certifies that it does not reasonably anticipate that the total principal amount of qualified tax-exempt obligations which it will issue, including those obligations issued for its own purposes and in its own name and those obligations issued in its name on behalf of other governmental agencies, during the calendar year ending December 31, 1996 will exceed \$10,000,000. The County hereby assigns to the Corporation the exemptions available to the County under Section 148 of the Code.

Section 9. That the issuance of the Bonds by the Corporation on behalf of the County and the execution by the County of the Amended Lease are required pursuant to the provisions of KRS 65.944 to be approved by the State Local Debt Officer and said State Local Debt Officer has entered his Decision approving the issuance of said Bonds and the execution of said Amended Lease on May 11, 1995.

Section 10. That if any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provisions shall not affect any of the remaining provisions.

Section 11. That all ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are to the extent of such conflict, hereby repealed and all actions previously taken by the County in connection with the submission of the Special Voted Jail Tax to the voters, the authorization of the Notes and Bonds and the ratification thereof, are hereby authorized, ratified and approved.

Section 12. That this Ordinance shall become effective upon its passage and approval on its second reading and a publication of the summary thereof as required by law.

Introduced and given first reading at a duly convened meeting on October 10, 1996.

Given second reading, approval and adopted at a duly convened meeting on November 14, 1996.


County Judge/Executive

Attest:


County Clerk