

Owen County Fiscal Court
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Owenton, Kentucky 40359

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Casey Ellis
County Judge/Executive

Magistrates
Todd Spurgeon, District 1
Stuart Bowling, District 2
Teresa Davis, District 3
Travis Fitzgerald, District 4

ORDINANCE # 215

BOND ORDINANCE OF COUNTY OF OWEN, KENTUCKY GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$1,675,000

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BOND ORDINANCE #215

ORDINANCE OF THE FISCAL COURT OF THE COUNTY OF OWEN, KENTUCKY, PROVIDING FOR THE ISSUANCE OF THE COUNTY OF OWEN, KENTUCKY GENERAL OBLIGATION BONDS, SERIES 2017, IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$1,675,000, FOR THE PURPOSE OF PROVIDING FUNDS NECESSARY TO PAY THE COSTS OF FINANCING VARIOUS PUBLIC PROJECTS FOR THE COUNTY OF OWEN, KENTUCKY; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE BONDS ARE TO BE ISSUED AND OUTSTANDING; ORDERING AND PROVIDING FOR THE LEVY OF AN ANNUAL TAX, TO THE EXTENT NECESSARY, IN AN AMOUNT SUFFICIENT TO PAY THE INTEREST ON AND PRINCIPAL OF THE BONDS; AND PROVIDING FOR A PUBLIC SALE OF THE BONDS AND THE APPLICATION OF THE PROCEEDS THEREOF

WHEREAS, the County of Owen, Kentucky (the "County") desires to finance the construction of various public projects (collectively, the "Project") for the County; and

WHEREAS, the County desires to finance the Project through the issuance of the County of Owen, Kentucky General Obligation Bonds, Series 2017, in the principal amount not to exceed \$1,675,000 (the "Bonds"); and

WHEREAS, the Project being financed by the Bonds and other funds, constitutes a public project within the meaning of Section 66.011 of the Kentucky Revised Statutes; and the life or period of usefulness of the Project, as estimated by the County, extends beyond one year; and

WHEREAS, to provide funds for the Project, it is now appropriate for the County to cause the sale and issuance of the Bonds according to the provisions of Chapters 158 and 159 of the Constitution of Kentucky and applicable laws, as amended, including Sections 66.011 through 66.171 of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, upon issuance of the Bonds, the total indebtedness of the County within the meaning of Section 158 of the Constitution of Kentucky, as amended, and the total net indebtedness of the County within the meaning of the Act, do not exceed 2% of the total value of taxable property within the County, as determined by the last certified assessment with respect to such property; and

WHEREAS, it is the desire and intent of the County at this time to enact this Ordinance which, among other things, authorizes and provides for the issuance of the Bonds for the purposes aforesaid and sets forth the restrictions and conditions on which the Bonds are to be issued and outstanding;

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

ARTICLE 1

DEFINITIONS

Section 1. Definitions. As used in this Ordinance, unless the context requires otherwise, the following terms shall have the following respective meanings:

"*Act*" refers to Chapter Sections 66.011 through 66.171, inclusive, of the Kentucky Revised Statutes.

"*Bond Counsel*" refers to Rubin & Hays, Louisville, Kentucky, or any other nationally recognized individual or firm in the field of municipal bond law.

"*Bondowner*" or "*Owner*" refers to the registered Owner of any of the Bonds.

"*Bond Register*" means the books and records maintained by the Bond Registrar as to the registered ownership and transfers of ownership of the Bonds from time to time.

"*Bond Registrar*" or "*Registrar*" or "*Paying Agent*" or "*Transfer Agent*" refers to the bank which shall constitute the Bond Registrar and Paying Agent with respect to the Bonds, which bank shall have the duties and responsibilities of (a) issuing semiannual checks in payment of interest requirements as to the Bonds, (b) paying the principal of same at maturity or applicable mandatory redemption or optional redemption prior to maturity upon surrender of the Bonds, (c) authenticating, issuing and delivering the Bonds to the original purchasers of same in accordance with the sale of the Bonds, at the direction of the County, (d) maintaining the Bond Register, and (e) handling exchanges, cancellations, reissuance, redemption and all apparent duties of a Bond Registrar, Paying Agent and Transfer Agent with respect to the Bonds, as hereinafter set out. The Bond Registrar, Paying Agent and Transfer Agent shall be U.S. Bank National Association, provided, however, it is understood that the County reserves the right to designate a different Federal Deposit Insurance Corporation instrumentality to perform any and all of such functions of Bond Registrar, Paying Agent and Transfer Agent as to the Bonds.

"*Bonds*" refers to the County of Owen, Kentucky General Obligation Bonds, Series 2017, in the principal amount not to exceed \$1,675,000.

"*Business Day*" means any day other than a Saturday, Sunday or holiday or a day on which banks located in the city or cities in which the principal corporate trust office of the Paying Agent is located are required or authorized to close for general banking business or on any day on which the New York Stock Exchange is closed.

"*Code*" refers to the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

"*Construction Fund*" refers to the County of Owen, Kentucky General Obligation Bonds, Series 2017 Construction Fund, created in Section 18 of this Ordinance.

"*Construction Fund Depository*" refers to a bank or banks designated by the County Judge/Executive for the Construction Fund.

"*Costs of Issuance Fund*" refers to the County of Owen, Kentucky General Obligation Bonds, Series 2017 Costs of Issuance Fund created in Section 18 of this Ordinance.

"*Costs of the Project*" means and includes the following:

- (a) the cost of publishing any proceedings, if any, as may be required by law;
- (b) the fee and out-of-pocket expenses of Bond Counsel, the fee and out-of-pocket expenses of the Paying Agent and its counsel and the fee and out-of-pocket expenses of the Financial Advisor;
- (c) any discount below par, as determined at the public sale of the Bonds; and
- (d) all other costs and expenses, necessary to be incurred in connection with the renovation, improvement, construction, equipping and/or financing of the Project.

"*County*" refers to the County of Owen, Kentucky.

"*County Attorney*" refers to the elected County Attorney of Owen County, Kentucky.

"*County Judge/Executive*" refers to the elected County Judge/Executive of the County.

"*Depository*" means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership of book entry interests in the Bonds, and to effect transfers of book entry interests in the Bonds in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

"*Disclosure Certificate*" refers to the Continuing Disclosure Certificate executed by the County and dated as of date of delivery of the Bonds.

"*Equipment*" or "*Project Equipment*" refers to machinery, equipment, furniture and fixtures paid for (or reimbursed) out of the proceeds of the Bonds, if any, and which Equipment then becomes a part of the Project.

"*Final Maturity Date*" refers to the date of final maturity of the Bonds as determined by the Financial Advisor.

"*Financial Advisor*" refers to Ross, Sinclair and Associates, LLC, Lexington, Kentucky.

"*Funds*" refers to the Sinking Fund, the Costs of Issuance Fund and the Construction Fund.

"*Governing Body*" refers to the Fiscal Court of the County.

"*Interest Payment Date*" shall mean the semi-annual date that interest is due and payable on the Bonds.

"*IRS*" refers to the Internal Revenue Service of the Treasury Department of the United States of America.

"*Moody's*" means Moody's Investors Service.

"*Outstanding*" or "*Bonds Outstanding*" means all Bonds which have been authenticated and delivered by Paying Agent under this Ordinance, except:

- (a) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity; and
- (b) Bonds for the payment or redemption of which cash funds and/or noncallable U.S. Obligations have been theretofore deposited with the Paying Agent (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Paying Agent shall have been made therefor, or waiver of such notice satisfactory in form to the Paying Agent, shall have been filed with the Paying Agent; and
- (c) Bonds paid or deemed to be paid pursuant to Section 19 of this Ordinance; and
- (d) Bonds in lieu of which others have been authenticated under Section 12 of this Ordinance.

"*Participants*" means those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds as securities depository and for whom the Depository effects book-entry transfers and pledges of securities deposited with the Depository.

"*Paying Agent*" refers to U.S. Bank National Association or such other financial institution as determined by the Financial Advisor and approved by the County. If a Paying Agent is not required, the term Paying Agent shall refer to the Purchasers of the Bonds.

"*Permitted Investments*" refers to the following:

(a) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements reached with sources including, but not limited to, national or state banks chartered in Kentucky;

(b) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:

- (i) United States Treasury;
- (ii) Export-Import Bank of the United States;
- (iii) Farmers Home Administration;
- (iv) Government National Mortgage Corporation; and
- (v) Merchant Marine bonds;

(c) Obligations of any corporation of the United States government, including but not limited to:

- (i) Federal Home Loan Mortgage Corporation;
- (ii) Federal Farm Credit Banks;
- (iii) Bank for Cooperatives;
- (iv) Federal Intermediate Credit Banks;
- (v) Federal Land Banks;
- (vi) Federal Home Loan Banks;
- (vii) Federal National Mortgage Association; and
- (viii) Tennessee Valley Authority;

(d) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4);

(e) Uncollateralized certificates of deposit issued by any bank or savings and loan institution rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

(f) Bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

(g) Commercial paper rated in the highest category by a nationally recognized rating agency;

(h) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;

(i) Securities issued by a state or local government; or any instrumentality or agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a nationally recognized rating agency;

(j) Shares of mutual funds, each of which shall have the following characteristics:

(i) The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;

(ii) The management company of the investment company shall have been in operation for at least five (5) years; and

(iii) All of the securities in the mutual fund shall be eligible investments listed in (a) through (i) above; and

(k) Any other lawful investment authorized by the Kentucky Revised Statutes to be utilized by local governments with a rating equal to or higher than the rating of the Bonds, as rated by each rating agency than rating the Bonds, including an investment agreement with investment agreement provider whose obligations have a current rating at least equal to the rating on the Bonds.

"Project" collectively refers to the construction and equipping of various public projects for the County.

"Purchasers" refers to the original purchasers of the Bonds at the public sale, including all members of their purchasing syndicate or group.

"Record Date" shall mean with respect to any Interest Payment Date, the close of business on the fifteenth day of the month preceding any Interest Payment Date, whether or not such Record Date is a business day.

"Regulations" refers to the applicable Federal income tax regulations issued by the Department of Treasury of the United States of America interpreting the Code.

"Required Signatures" refers to the signatures necessary to be obtained with reference to the approval of the expenditures to be made from the Construction Fund, which required signatures shall consist of the signature of the County Judge/Executive or such other County official as may be designated by the Governing Body.

"S&P" means Standard & Poor's Ratings Group.

"Sinking Fund" refers to the County of Owen, Kentucky General Obligation Bonds, Series 2017 Sinking Fund, created in Section 18 of this Ordinance.

"Term Bonds" refers to the Bonds, if any, which are required to be mandatorily redeemed in accordance with the provisions of Section 7 hereof.

"Treasurer" refers to the Treasurer of the County.

"U. S. Obligations" means bonds or notes which are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

Section 2. Words of Masculine Gender; Plural as Well as Singular Form. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as to the singular form of any of such words and terms. All words and terms used in this Ordinance have the meaning set forth therein. Unless otherwise indicated, references to Articles or Sections refer to those in this Ordinance.

Section 3. Authorization of Bonds. For the purpose of defraying the Costs of the Project under the Act, the County is authorized to issue and sell its negotiable bonds in the principal amount not to exceed \$1,675,000, numbered consecutively beginning with R-1 and issued as fully registered bonds.

Section 4. Interest Payable Semiannually. The Bonds shall bear interest, to be set by a public sale, from the date of issuance thereof, payable semiannually as anticipated on the Interest Payment Dates.

Section 5. Place of Payment. Interest on each Bond shall be payable by check or draft mailed to the registered owner thereof at the address shown on the registration books kept by the Paying Agent as registrar. The principal of and premium, if any, on the Bonds shall be payable, without exchange or collection charges, in lawful money of the United States of America upon their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption, at the principal office of the Paying Agent. Both principal and interest on the Bonds shall be payable at the main office of the Paying Agent.

The Bonds may originally be issued as (a) printed, typewritten bond forms; or (b) in book entry form to a Depository to be held in a book entry system in which event: (i) the Bonds shall be registered in the name of the Depository or its nominee, as Bondholder, and immobilized in the custody of the Depository; (ii) there shall, unless otherwise requested by the Depository, be a single Bond certificate representing the aggregate principal amount of the Bonds; and (iii) the Bonds shall not be transferable or exchangeable, except for transfer to another Depository or another nominee

of a Depository without further action by the County as set forth in the next succeeding paragraph of this Section.

If any Depository determines not to continue to act as a Depository for the Bonds held in a book entry system, the County may attempt to have established a securities depository/book entry system relationship with another Depository under this Ordinance. If the County does not continue to act as a Depository for the Bonds or is unable to do so, the County and the Bond Registrar, after the Bond Registrar has made provision for notification of the owners of book entry interests by appropriate notice to the then Depository, shall permit withdrawal of the Bonds from the Depository and shall authenticate and deliver Bond certificates in fully registered form to the assignees of the Depository or its nominee. If the event is not the result of the County's action or inaction, such withdrawal, authentication and delivery shall be at the cost and expense (including costs of printing or otherwise preparing, and delivering, such replacement Bonds), of those persons requesting that authentication and delivery. Such replacement Bonds shall be in the denominations specified in this Ordinance.

Subject to the provisions of this Section, (i) the principal of and any premium on any Bond shall be payable when due (a) on any Bond held in a book entry system, registered in the name of a Depository or its nominee, in next day or federal funds by check or wire transfer delivered or transmitted to the Depository or its authorized representative upon presentation and surrender of such Bond at the principal office of the Paying Agent or at the office, designated by the Paying Agent, of any Paying Agent, and (b) on any Bond not in a book entry system, to a Holder upon presentation and surrender of such Bond at the principal office of the Paying Agent or at the office designated by the Paying Agent, and (ii) interest on any Bond shall be paid on each Interest Payment Date (a) on any Bond held in a book entry system, registered in the name of a Depository or its nominee, in next day or federal funds by check or wire transfer delivered or transmitted to the Depository or its authorized representative and (b) on any Bond not in a book entry system, to the Person in whose name the Bond is registered at the close of business on the Record Date applicable to that Interest Payment Date on the Register at the address appearing therein by check or draft which the Paying Agent shall cause to be mailed on the Interest Payment Date such interest is due.

Anything herein to the contrary notwithstanding, in the case of any Bonds registered in the name of the Depository or its nominee, the Paying Agent shall comply with the requirements stated in the Depository Operational Arrangements memorandum dated June 29, 1987 (as it may be amended, modified or superseded) and with the provisions of the Letter of Representations from each of them to the Depository executed and delivered with respect to the Bonds. Specifically, the Paying Agent shall make payments on the Bonds and will provide notices of redemption to the Depository in the manner and at the times set forth in such memorandum and shall regard the Depository as the Holder of such Bonds for all purposes hereunder, except for the purpose of giving any consent requested of Bondholders pursuant to this Ordinance, in which case the Depository will mail an Omnibus Proxy to the County which assigns the Depository's or its nominee's voting rights to the participants in the Depository having the Bonds credited to their accounts as of the record date for mailing of requests for consents (who are identified in a list attached to the Omnibus Proxy).

The County agrees hereby to promptly provide the Omnibus Proxy to the Paying Agent, which shall then treat the Participants as Bondholders for purposes of obtaining such consents.

Pending the preparation of the definitive Bonds, the County may execute, and upon the County's request, the Bond Registrar shall authenticate and deliver one or more temporary bond(s) which are printed, lithographed, typewritten, mimeographed, or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, in fully registered form, and with such appropriate insertions, omissions, substitutions and other appropriate and necessary variations as the officers of the County executing such temporary bond(s) may determine, as evidenced by their signing such temporary bond(s).

Until exchanged for Bonds in definitive form, such temporary bond(s) shall be entitled to the benefit and security of this Ordinance. The County shall, without unreasonable delay, prepare, have the Bond Registrar authenticate and deliver printed Bonds to the Original Purchasers and/or their designees, and thereupon, upon the presentation and surrender of the temporary bond(s), such printed Bonds shall be delivered to the Original Purchasers and/or their designees in exchange therefor. Such exchange shall be made without the making of any charge therefor to any owner of the Bonds.

Section 6. Principal Amount and Maturities. The total principal amount and the maturities of said Bonds shall be finally determined by the Financial Advisor, provided that the Bonds shall mature no later than the Final Maturity Date.

Section 7. Redemption Provisions. *(a) Optional Redemption.* The Bonds may be subject to redemption, in whole or in part, in advance of maturity, on any date, as established by the Financial Advisor, (less than all Bonds of a single maturity to be selected in such manner as the Paying Agent may determine) upon payment of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

(b) Mandatory Redemption. The Term Bonds, if any, must be mandatorily redeemed on such dates in each of the respective years set forth in the mandatory redemption schedule set forth in the winning bid form. The Term Bonds to be so redeemed shall be selected by the Bond Registrar by lot in such manner as may be determined in the discretion of the Bond Registrar. Such Term Bonds due shall be so mandatorily redeemed at 100% of the aggregate principal amounts specified in accordance with the provisions of Section 14 hereof for each year plus accrued interest to the respective dates of mandatory redemption.

At the option of the County, to be exercised at least 45 days prior to the date for application of the mandatory redemption of the Term Bonds, if any, the County may receive a credit against the mandatory redemption requirement for Term Bonds subject to the application of such mandatory redemption requirement which, prior to the date for application of such requirement (and for which a credit has not previously been taken) (i) have been redeemed other than through the application of such mandatory redemption procedure, and cancelled by the Bond Registrar, or (ii) have been delivered to the Bond Registrar by the County for cancellation.

(c) Notice of Redemption. Upon receipt of the written direction of the County, the Paying Agent shall cause notice of the call for any redemption identifying the Bonds or portions thereof (integral multiples of \$5,000) to be redeemed to be sent by United States mail, postage prepaid, at least thirty days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books maintained by the Paying Agent as Bond Registrar. Failure to give such notice by mailing or any defect therein in respect of any Bond shall not affect the validity of any proceedings for the redemption of any Bond.

Section 8. Tax Levy and Pledge; Sinking Fund. For the purpose of providing funds required to pay the interest on the Bonds as and when the interest becomes due and in order to create a sinking fund to pay and discharge the principal thereof (and premium, if any) as the Bonds become due, there shall be and there is hereby levied upon all of the taxable property within the County, in each year that the Bonds remain outstanding, a direct annual tax sufficient, to the extent other lawfully available moneys of the County are not provided for that purpose, as mandatorily required by Section 159 of the Kentucky Constitution. The proceeds derived from said special annual tax levied from time to time, together with other lawfully available moneys of the County provided for the purpose, shall be deposited and carried in a special and separate bank account in the name of the County and held apart from all other funds of the County, shall be applied only for the purpose of paying the principal of and interest (and premium, if any) on the Bonds, and shall be designated the County's "Sinking Fund." The proceeds of said special annual tax and the balances accumulated from time to time in the Sinking Fund are hereby irrevocably pledged for the purpose of paying the principal of and interest (and premium, if any) on the Bonds and shall never be used for any other purpose. The County hereby covenants with the holders of the Bonds that it will levy said special annual tax in each year at whatever rates may be necessary from time to time in order to produce the amounts required in each year, to the extent not otherwise provided, to pay the Bonds and interest (and premium, if any) when and as they mature or become due.

If principal or interest should fall due in any year at a time when there are insufficient funds on hand, collected by reason of the foregoing special tax levy, such principal and interest shall be paid from other available funds of the County and reimbursement therefor shall be made out of the special tax hereby provided when the same shall have been collected.

All moneys held in the Sinking Fund shall be deposited in a bank or banks which are members of the Federal Deposit Insurance Corporation ("FDIC"), and all such deposits which cause the aggregate deposits of the County in any one bank to be in excess of the amount insured by FDIC shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Sinking Fund may be invested in Permitted Investments, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Sinking Fund.

Section 9. Bond Form. The Bonds shall be in substantially the form set forth in Exhibit A attached hereto.

Section 10. Execution of the Bonds. The Bonds shall be executed on behalf of the County and signed with the manual or facsimile signature of the County Judge/Executive, with the corporate seal of the County imprinted thereon and attested by the manual or facsimile signature of the Fiscal Court Clerk of the County.

Section 11. Bonds Shall Be Fully Registered. The Bonds shall be fully registered and transferred and assigned in accordance with the written authorized instruction of the registered owner by the Paying Agent. The Paying Agent shall establish and maintain a list of the registered owners of the Bonds.

Section 12. Authentication of Bonds by Paying Agent. The Bonds herein authorized may, upon the signing and execution thereof, be duly authenticated by the Paying Agent, and delivered by it and only such Bonds as shall be authenticated by the Paying Agent or by any successor Paying Agent by the signing of the Paying Agent's Certificate of Authentication endorsed thereon shall be secured by this Ordinance and be entitled to any benefit or pledge herein; and such duly executed Certificate shall be conclusive evidence that the Bonds so authenticated have been duly issued, are authentic, and are entitled to the benefit of the trust hereby created.

Section 13. Registration and Payment. All Bonds shall be registered as to both principal and interest on the books of the County maintained at the principal office of the Paying Agent. No transfer of any Bonds shall be valid unless made on said books at the request of the registered owner in person or by his attorney duly authorized in writing, and similarly noted on such Bond. The Paying Agent, as registrar, shall not be required to transfer or exchange any Bond on any date which is after the fifteenth day of the month preceding any interest payment date, or during any period beginning 15 days prior to the selection by the Paying Agent of Bonds to be redeemed prior to maturity and ending on the date of mailing of notice of any such redemption. The person in whose name a Bond is registered upon the books of the County shall be deemed the owner thereof for all purposes.

Section 14. Conditions of Sale of Bonds. The Bonds shall be sold at a publicly advertised sale, upon the basis of sealed bids, at such time as the County Judge/Executive or Financial Advisor may deem desirable. The County Judge/Executive and/or the Fiscal Court Clerk, are hereby authorized to prepare or cause to be prepared, the Notice of Bond Sale, Official Terms and Conditions of Bond Sale, Bid Form, Official Statement or any other offering documents, in the customary forms as may be necessary or desirable, without further action being taken, after the execution of this instrument is authorized, it being provided, however, that there shall be no sale of the Bonds unless and until the County Judge/Executive accepts a successful bid for the sale of the Bonds.

Said bids shall be received in the County Judge/Executive's office, or such other place or in such other manner as deemed appropriate by the Financial Advisor. The County Judge/Executive is hereby authorized to accept the successful bid, determine the final principal maturities and the exact rates of interest which said Bonds shall bear, which rates of interest may be either a fixed rate or rates or a variable rate based on a percentage of an easily identifiable and calculable index

formula, and the interest rates on the Bonds shall be automatically set at the rates set in the Bid Form of the successful bid, without the necessity of any further action by the Governing Body fixing said rates, provided however that the successful bid shall not have a net interest cost in excess of 8% per annum. The proceeds of the sale of said Bonds shall be used only for the purposes herein described.

Section 15. Disposition of Proceeds of Sale of Bonds. Whenever the Bonds shall have been sold and delivered, the proceeds thereof shall be used as follows:

- (1) to deposit such moneys in the Costs of Issuance Fund as are necessary to pay the issuance expenses of the Bonds;
- (2) to deposit such moneys in the Sinking Fund representing capitalized interest, if any; and
- (3) the remaining proceeds of the Bonds shall be deposited into the Construction Fund.

Upon receipt of a properly executed form of a Requisition Certificate signed by the Required Signatures, the Construction Fund Depository pay out amounts on deposit in the Construction Fund toward the Costs of the Project, the Construction Fund Depository to make such payments only upon checks drawn upon said Construction Fund Depository by a duly authorized officer of the Construction Fund Depository. The Requisition Certificate is to be in substantially the form set forth as Exhibit B attached hereto.

Such checks shall be fully negotiable, and the Construction Fund Depository shall be authorized to honor and pay the same, providing the Construction Fund Depository has received a completed Requisition Certificate which has been executed with the Required Signatures.

Pending disbursement for the authorized purposes, the proceeds of the Bonds shall be subject to a first and paramount lien and charge in favor of the owners of the Bonds and for their further security, and shall be invested by the Construction Fund Depository as directed by the County Judge/Executive who is charged with the responsibility for issuing the Bonds, in Permitted Investments.

Interest earned on investments of sums on deposit in the Construction Fund, shall be carried to the credit of the Construction Fund and applied to pay the Costs of the Project.

Whenever the construction and equipping of the Project is complete, as evidenced by a certificate signed by the County Judge/Executive, any surplus then remaining in the Construction Fund shall be transferred to the Sinking Fund, and the next payments for interest and principal shall be reduced by such amount. Any such amount equivalent to 5% or less of the net proceeds of the Bonds (after deducting collected accrued interest and all fees, expenses and discount incident to the issuance of the Bonds) may be used (1) to pay or reimburse the costs of additions, extensions and/or improvements to the Project and/or the purchase of Equipment for the Project or (2) to constitute a credit against payments required on the Bonds to be made by the County. In the event that an

amount in excess of 5% of said net proceeds of the Bonds shall be available from sums remaining in the Construction Fund, same shall be applied at the earliest feasible date, as follows:

- (1) to the purchase of Bonds in the open market at a price not exceeding the next optional redemption price, plus accrued interest;
- (2) to pay the costs of additions, extensions or improvements to the Project and/or the purchase of Equipment for the Project; and/or
- (3) to be deposited in the Sinking Fund to be invested and the proceeds earmarked to be applied at the earliest permissible optional call date to redeem Bonds pursuant to the permissible redemption terms, if such (in the opinion of recognized Bond Counsel) will not cause the Bonds to be "arbitrage bonds".

Section 16. Arbitrage Limitation. The County covenants that sums derived from the proceeds of the Bonds shall not be invested in investments that will produce a net adjusted yield that is in excess of the yield of the Bonds if such investment would cause such Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code and the applicable Regulations thereunder; provided, however, that such proceeds may be invested to whatever extent and whenever such Code and/or applicable Regulations permit same to be invested without causing the Bonds to be treated as "arbitrage bonds."

The County further covenants to the bondowners that:

- (1) the County will make no use of the proceeds of the Bonds which, if such use had been reasonably expected on the date of issuance of such Bonds, would have caused such Bonds to be "arbitrage bonds," and
- (2) that the County will comply with:
 - (i) all of the requirements of Section 148 of the Code; and
 - (ii) all of the requirements of the applicable Regulations thereunder, to whatever extent is necessary to assure that the Bonds shall not be treated as "arbitrage bonds."

On the basis of known facts, circumstances and reasonable expectations in existence on the date of approval of this Ordinance, the County certifies as follows:

- (1) that it is not expected that the proceeds of the Bonds will be used in a manner which would cause such Bonds to be "arbitrage bonds;"
- (2) that it is anticipated that amounts on deposit in the Sinking Fund will be used within thirteen (13) months from the date of deposit for the payment of debt

service on the Bonds, and that, except for an amount equal to not more than the greater of (i) one-twelfth (1/12) of debt service requirements of the Bonds for the then ensuing year, or (ii) one year's earnings on the Sinking Fund, such Sinking Fund will be depleted through such application for current debt service requirements of the Bonds;

- (3) that it is not anticipated that amounts will be accumulated in any reserve fund anticipated to be used for debt service on the Bonds in excess of 10% of the total issued principal amount of the Bonds; and
- (4) that the original proceeds of the Bonds will not exceed by more than 5%, the amount required for the financing of the Costs of the Project and that there has therefore been no overissuance of the Bond.

Prior to or at the time of delivery of the Bonds, the County Judge/Executive is authorized, based on information furnished to the County, to execute the appropriate certification with reference to the matters referred to above, setting out all known and contemplated facts concerning such anticipated expenditures and investments, including the execution of necessary and/or desirable certifications of the type contemplated by the Regulations, in order to assure that interest on the Bonds will be excludable from gross income for Federal income tax purposes and that the Bonds will not be treated as "arbitrage bonds."

Section 17. Bank Eligibility and Rebate Provisions. The County hereby certifies that it does not reasonably anticipate issuing "qualified tax-exempt obligations" during the calendar year in which the Bonds are being issued in excess of \$10,000,000, and, therefore, the County does hereby designate the Bonds as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Code.

The County covenants and agrees that in the event it is subsequently determined by the County, upon advice of nationally recognized bond counsel, that the Sinking Fund, or any other fund established under this Ordinance, is subject to said rebate requirements and does, in fact, generate earnings from "non-purpose investments" in excess of the amount which said investments would have earned at a rate equal to the "yield" on the Bonds, plus any income attributable to such excess, there shall be established a separate and special fund with the Paying Agent to be designated as the "County of Owen, Kentucky General Obligation Bonds, Series 2017 Rebate Fund," which shall be utilized for the collection and payment of any excess generated from investments and the remittance thereof to the United States of America until the final retirement of the Bonds; the installment, to the extent required, to be made no later than sixty (60) days following the date on which funds sufficient for the complete retirement of the Bonds are deposited with the Paying Agent or any escrow agent.

Section 18. Creation of Funds. (a) There is hereby created the "County of Owen, Kentucky General Obligation Bonds, Series 2017 Sinking Fund (the "Sinking Fund") to be

deposited with the Paying Agent. The Sinking Fund shall be used solely and only and is hereby pledged for the payment of the interest on and principal of the Bonds.

Funds on deposit in the Sinking Fund may be invested in accordance with KRS 66.480, in Permitted Investments. All income earned from investment of moneys in the Sinking Fund (including the capitalized interest, if any, deposited therein) shall, as earned, be used to pay principal and interest on the Bonds.

No further payments need be made into the Sinking Fund whenever and so long as such amount of the Bonds shall have been retired that the amount then held in the Sinking Fund is equal to (or sufficient to defease) the entire amount of the interest and principal (and redemption premium, if any) that will be payable to the Bondholders at the time of the retirement and/or maturity of all the Bonds then remaining outstanding.

(b) There is hereby separately created the "County of Owen, Kentucky General Obligation Bonds, Series 2017 Costs of Issuance Fund (the "Costs of Issuance Fund"), which shall also be deposited with the Paying Agent as and when needed, into which Costs of Issuance Fund there shall be set aside and deposited the issuance costs of the Bond. Funds on deposit in the Costs of Issuance Fund shall not be invested.

(c) There is hereby created the "County of Owen, Kentucky General Obligation Bonds, Series 2017 Construction Fund (the "Construction Fund") to be deposited with the Construction Fund Depository, into which there shall be set aside out of the proceeds of the sale of the Bonds the amount remaining for the construction of the Project.

Funds on deposit in the Construction Fund may be invested in accordance with KRS 66.480, in Permitted Investments. All income earned from investment of moneys in the Construction Fund shall be kept in the Construction Fund and used to pay the costs of the Project.

The investment of funds shall be made by the Construction Fund Depository upon and at the direction of the County or in the absence of such direction, in the money market mutual fund of the Construction Fund Depository which is a Permitted Investment. The investments of funds may be made or transacted by the Construction Fund Depository through the Construction Fund Depository's investment department.

Whenever the acquisition, construction and equipping of the Project is complete, as evidenced by the Certificates of Required Signatures, any surplus then remaining in the Construction Fund shall then be transferred to the Sinking Fund.

Section 19. Defeasement. If the County shall pay or cause to be paid, or there shall otherwise be paid as hereinafter set out in this Section, the principal and interest due or to become due thereon, at the times and in the manner provided herein, and all other amounts due to the Paying Agent shall have been paid, and if the County shall keep, perform, and observe all and singular the covenants and promises in the Bonds and expressed herein to be kept, performed, and observed by

it or on its part, then these presents, and the pledge, lien and other rights hereby granted shall cease, terminate, and be void, and thereupon the Paying Agent shall execute and deliver to the County such instruments, if any, in writing as shall be requisite to cancel the lien hereof, and assign and deliver to the County any pertinent property encumbered hereby which may then be in its possession, except funds, or securities in which such funds are invested, held by the Paying Agent and earmarked for the payment of principal of and interest on the Bonds.

All outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the County shall have given to the Paying Agent in form satisfactory to it irrevocable instructions to give notice of redemption of such Bonds on said date as provided herein, (b) there shall have been deposited with the Paying Agent (1) moneys in an amount which shall be sufficient, and/or (2) U. S. Obligations, the principal of which, with or without the interest on such principal, as the case may be, will provide moneys which together with other moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient, to pay when due the principal and the interest due and to become due (and, where applicable, the redemption premium) on the Bonds on and prior to the redemption date and/or the maturity date thereof, as the case may be, and (c) in the event any of the Bonds are not to be redeemed in accordance with the redemption provisions hereof within the next succeeding 60 days, the County shall have given the Paying Agent, in form satisfactory to it, irrevocable instruction to give, as soon as practicable, in the same manner as a notice of redemption is required to be given herein, a notice to the owners of such Bonds that the deposit required by (b) above has been made with the Paying Agent, that said Bonds are deemed to have been paid in accordance with this Section, and stating such maturity and/or redemption date upon which moneys are to be available for the payment of the principal of and interest on said Bonds.

No investment may be made under this Section which would cause the Bonds to become "arbitrage bonds" within the meaning of Section 148 of the Code or the applicable Regulations thereunder.

Section 20. Covenant as to Insurance. The County, so long as any of the Bonds are outstanding, agrees to keep the Project insured against loss or damage by fire, windstorm, tornado, or other casualties to an extent at least equal to the insurable value thereof, and such other forms of insurance shall be carried in such amounts as are ordinarily carried for property of like character in a responsible insurance company or companies, which insurance companies shall be rated "A" or better by S&P (a "Qualified Insurer"). If an insurer's rating falls below "A" such insurer shall be replaced with a Qualified Insurer. Any amount collected under said policies for any loss covered or damage done shall first be applied to the replacement or restoration of any building or buildings damaged or destroyed, and any surplus then remaining after such replacement or restoration shall be paid into the Sinking Fund, depending on whether the Bonds are outstanding; provided that if following any partial or complete destruction, any principal or interest payment on the Bonds is due and there are no other funds available for such payment(s), such insurance proceeds must be applied first to the defaulted payment(s). All insurance to be maintained on the Project shall not be part of a self insurance program.

Section 21. Default; Remedies. The following shall be considered an "Event of Default" under this Ordinance:

- (1) there shall be any default in the payment of the principal of or the interest on the Bonds, when due, or
- (2) the insolvency of, or the filing of a petition in bankruptcy by or against the County, or
- (3) the County shall fail or refuse to comply with the provisions of the Act, or shall default in the performance or observance of any other of the covenants, agreements or conditions on its part contained in the Ordinance, any authorizing resolution of the County, or the Bonds, or the County shall default in the performance or observance of any covenant, other than payment of the principal of or the interest on the Bonds, and such failure, refusal or default shall continue for a period of forty-five (45) days after written notice thereof by owners of not less than five percent (5%) in principal amount of the outstanding Bonds.

Upon the happening and continuance of any Event of Default, any Bondowner may pursue any of the following actions it deems most effectual to protect and enforce its rights:

- (a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the bondowners, including the right to require the County to enforce fully the Ordinance and to charge, collect and fully account for the County revenues and to require the County to carry out any and all other covenants or agreements with the bondowners and to perform its duties under the Act;
- (b) by bringing suit upon the Bonds;
- (c) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the owners of the Bonds;
- (d) by declaring all Bonds due and payable, and if all defaults shall be made good, then, with the written consent of the owners of not less than fifty percent (50%) in principal amount of the outstanding Bonds, by annulling such declaration and its consequences; or
- (e) in the event that all Bonds are declared due and payable, by selling Permitted Investments of the County (to the extent not theretofore set aside for redemption of Bonds for which call has been made), and enforcing all courses in action of the County to the fullest legal extent in the name of the County for the use and benefit of the owners of the Bonds.

The County expressly waives any right to claim a trespass in connection with any such action.

In the event of default, each defaulted Bond shall continue to bear interest after maturity at the interest rate applicable to such respective Bonds until the necessary funds are made available for the payment thereof.

Section 22. Rights of Bondowners. Notwithstanding any other provisions herein contained, the owners of the Bonds shall have all of the rights provided for thereunder to require the County to operate the Project and to charge whatever rents and rates are necessary for the services provided by such facilities and to levy such taxes as provided for in the Act, within any limitations imposed by law, in order that all of the interest on and the principal of such Bonds shall be paid in full.

Such owners of such Bonds shall be secured to the full extent provided by law by a pledge of the tax and other revenues of the County in accordance with the terms of the Act.

Section 23. Ordinance is Contractual With Bondowners. The provisions of this Ordinance and of any authorized supplemental Ordinance entered into prior to the delivery and payment of the Bonds to the successful purchaser(s), shall constitute a contract between the County and the owners of any Bonds, no change in the provisions of this Ordinance or of any supplemental Ordinance shall be made in any manner except as herein provided until such time as all of the Bonds and the interest thereon have been paid in full; provided:

- (a) the County may adopt a supplemental ordinance for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein or in any proceedings pertaining hereto, provided no change may be made which would impair the security or interests of the bondowners in any way, without (1) the consent in writing of the original successful purchaser of the Bonds, if the Bonds have not yet been delivered or (2) the consent of 75% in amount of the owners of the outstanding Bonds, if the Bonds have been delivered; and
- (b) the owners of seventy-five percent (75%) in principal amount of the Bonds at any time outstanding shall have the right to consent to, and approve the adoption of resolutions, ordinances or other proceedings, modifying or amending any of the terms or provisions contained in this Ordinance; provided, however, that no such modifications or amendments shall be made which will permit: (1) an extension of the maturity of any of the Bonds, or any parity bonds, or (2) a reduction in the principal of any Bond, or any parity bonds, or the redemption premium or the rate of interest thereon, or (3) a preference or priority of any Bond or parity bonds over any other bond or bonds, or (4) a reduction in the percentage of the aggregate principal

amount of the Bonds required to consent to any modification or amendment, or (5) impair in any way the rights of the owners of the Bonds.

Section 24. Annual Disclosure Requirements. In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission (the "Commission"), the County agrees to execute a Disclosure Certificate, if such a certificate is required by Bond Counsel.

Financial information regarding the County can be obtained from the County Treasurer, Owen County Courthouse, Owenton, Kentucky 40359, telephone: (502) 484-3405.

The obligations of the County described in the Disclosure Certificate will remain in effect only for such period that (1) the Bonds are outstanding in accordance with their terms and (2) that the County remains an obligated person with respect to the Bonds within the meaning of the Rule. The County reserves the right to terminate its obligation to provide notices of material events, as set forth above, if and when the County no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The County acknowledges that its undertaking pursuant to the Rule described under this Section is intended to be for the benefit of the Bondowners (including holders of beneficial interests in the Bonds).

In the event of a failure of the County to comply with any provision of this Section, any Bondowner may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the County to comply with its obligations under this Section. A default under this Section shall not be deemed an Event of Default under the Ordinance, and the sole remedy under this Section, in the event of any failure of the County to comply with this Section, shall be an action to compel performance.

Notwithstanding any other provision of this Ordinance, this Section may be amended, if the County receives an opinion of independent legal counsel to the effect that:

- (i) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the types of activities in which the County is engaged;
- (ii) this Section as so amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (iii) such amendment does not materially impair the interests of the Bondowners.

Section 25. Acceptance of Paying Agent. The Paying Agent, if required, shall signify its acceptance of the duties and obligations imposed upon it by this Ordinance by executing this

Ordinance and by executing the Paying Agent's Certificate of Authentication endorsed upon each of the Bonds.

Section 26. Duties and Responsibilities of Paying Agent. The duties of the Paying Agent shall be as follows:

- (a) To receive such funds of which it is hereby designated depository and to transfer and disburse moneys received by it in strict accordance with the provisions hereof; but such Paying Agent shall not be liable for the payment of any moneys by the County, and shall be liable only to account for the moneys actually received by it;
- (b) To authenticate the Bonds as herein provided;
- (c) To pay the interest on and principal of the Bonds as same fall due, if and to the extent that there are moneys in the Sinking Fund sufficient for such purposes;
- (d) To invest surplus amounts of cash, if any, in the Funds herein provided, and in the manner herein provided, to hold such obligations, to sell same, and to credit the proceeds to such Funds all as herein provided, such Paying Agent to have the right to take all of such actions without any further authorization by the County or any other party, except as is otherwise herein provided;
- (e) Upon receipt by the Paying Agent of actual notice of any default of the County in any of the terms, conditions, covenants, or agreements hereof, or should the County fail to meet the obligations imposed upon it hereunder, the Paying Agent, may, in its discretion, and shall, upon request in writing of the holder or holders of a majority in amount of the outstanding Bonds, and upon being properly indemnified against its costs and expenses, proceed at once to file suit in any court of competent jurisdiction for such relief as may be proper for the benefit of the owner or owners of such Bonds;
- (f) The Paying Agent, prior to the occurrence of an Event of Default and after the curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Ordinance and as a corporate Paying Agent ordinarily would perform such duties. In case an Event of Default has occurred (which has not been cured or waived) the Paying Agent shall exercise such of the rights and powers vested in it by this Ordinance, and use the same degree of care and skill in their exercise, as a Paying Agent ordinarily would perform under the circumstances; and

- (g) The provisions herein as to the Paying Agent bringing suit upon behalf of such bondowners are in addition to any and all rights which any bondowner or bondowners may have to bring suit upon their own behalf. The Paying Agent, may, in its discretion, or shall, upon request in writing of the owner or owners of at least 25% in principal amount of the outstanding Bonds, and upon being properly indemnified against costs and expenses, ask to join in any suit which may have already been brought upon behalf of any owner or owners of such Bonds. In determining whether or not the owners of at least 25% in principal amount of the outstanding Bonds have so requested the Paying Agent to join in any suit, the Bonds held by any owners who have already brought a pending suit may be included in the amount of Bonds calculated in such determination.

Section 27. Immunities and Other Rights of Paying Agent. The acceptance by the Paying Agent of the trusts, duties and responsibilities herein is subject to the following immunities and other rights of the Paying Agent:

- (a) The Paying Agent shall not be required to take notice or be deemed to have notice of any default hereunder, except failure by the County to cause to be made any of the payments to the Paying Agent required to be made by this Ordinance, or failure by the County to file with the Paying Agent any document required by this Ordinance to be so filed, unless the Paying Agent shall be notified of such default by the County or by the owners of 25% in aggregate principal amount of Bonds then outstanding.
- (b) The Paying Agent may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay reasonable compensation to all such attorneys, agents, receivers and employees as may reasonably be employed in connection with the trust hereof. The Paying Agent may act upon an opinion of its counsel and shall not be responsible for any loss or damage resulting from any action or non-action by it taken or omitted to be taken in good faith and in reliance upon such opinion.
- (c) The Paying Agent shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Paying Agent and its directors, officers, employees or agents, may in good faith buy, sell, own, hold and deal in the Bonds and may join in any action which any Bondowner may be entitled to take with like effect as if such bank or trust company were not the Paying Agent, and may also receive tenders and purchase in good faith

Bonds from itself, including any department, affiliate or subsidiary, with like effect as if it were not the Paying Agent.

- (d) The Paying Agent shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Paying Agent pursuant to this Ordinance upon the request, authority or consent of any person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.
- (e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the Paying Agent shall be entitled to rely upon a certificate signed on behalf of the County by its County Judge/Executive and attested by its County Clerk, or by such other person or persons as may be designated for such purposes by resolution of the County, as sufficient evidence of the facts therein contained; and prior to the occurrence of a default of which the Paying Agent has been notified as provided in Section 21 hereof, or of which by said provision it is deemed to have notice, may also accept a similar certificate to the effect that any particular dealing, transaction or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Paying Agent may accept a certificate of the County Clerk of the County under its seal to the effect that a resolution in the form therein set forth has been adopted by the County as conclusive evidence that such resolution has been duly adopted and is in full force and effect.
- (f) The permissive right of the Paying Agent to do things or to take actions enumerated in this Ordinance shall not be construed as a duty and the Paying Agent shall not be answerable for other than its negligence or willful misconduct.
- (g) The Paying Agent shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or non-fulfillment of contracts during any period in which it may be in the possession of or managing the Project as provided in this Ordinance.
- (h) At any and all reasonable times the Paying Agent and its duly authorized agents, attorneys, experts, engineers, accountants and representatives and the holders of an aggregate of not less than five percent (5%) of the principal amount of Bonds then outstanding or their representatives duly authorized in

writing), shall have the right, but shall not be required, to inspect the Project and all books, papers and records of the County pertaining to the Project and the Bonds, and to make such memoranda from and in regard thereto as may be desired.

- (i) The Paying Agent shall not be required to give any bond or surety in respect of the execution of such trusts and powers or otherwise in respect of the premises.
- (j) Notwithstanding anything elsewhere contained in this Ordinance, the Paying Agent shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Ordinance, any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, in addition to that required by the terms hereof, as a condition of establishing the right of the County to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Paying Agent.
- (k) Before taking any action under this Ordinance, the Paying Agent may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.
- (l) All moneys received by the Paying Agent shall, until used, be applied or invested as herein provided, be held in trust in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Ordinance or by law. The Paying Agent shall not be under any liability for interest on any moneys received thereunder except as such may be agreed upon.

Section 28. Fees, Charges and Expenses of Paying Agent. The Paying Agent shall be entitled to payment of and reimbursement for reasonable fees for its services rendered hereunder and for all advances, counsel fees and other expenses reasonably and necessarily made or incurred by the Paying Agent in connection with such services.

Section 29. Merger or Consolidation of Paying Agent. Any corporation or association into which the Paying Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Paying Agent hereunder and vested with all the trusts, powers, discretion, immunities, privileges and all other matters as was its

predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 30. Replacement of Paying Agent. In case the Paying Agent hereunder shall resign or be removed, or be dissolved, or otherwise become incapable of acting hereunder, a successor may be appointed by the owners of a majority in principal amount of the Bonds hereby secured and then outstanding by an instrument or concurrent instruments in writing, signed by such owners, or their duly authorized agents, provided that in any such event, the County may appoint a temporary Paying Agent, which may immediately act until a permanent successor Paying Agent is appointed. No successor Paying Agent shall act without signing a written acceptance of the appointment. Such successor Paying Agent shall be entitled to receive an instrument from the Paying Agent transferring the trust, but shall be fully authorized to act without such instrument.

Any Paying Agent appointed under the provisions of this Section as successor to the Paying Agent appointed at the issuance of the Bonds shall be a trust company or bank having the powers of a trust company within or outside the Commonwealth of Kentucky having capital and surplus aggregating at least Ten Million Dollars (\$10,000,000) if there be such a trust company or bank, willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by this Ordinance.

Section 31. Signatures of Officers. If any of the officers whose signatures or facsimile signatures appear on any of the Bonds cease to be such officers before delivery of the Bonds, such signatures shall nevertheless be valid for all purposes the same as if said officers had remained in office until delivery, as provided in KRS 61.390.

Section 32. Terms of Bonds and this Ordinance May be Revised Before Issuance. The County reserves the right, prior to the issuance of the Bonds, to amend this Ordinance as to the date, amount, maturities, redemption premiums and other provisions of the Bonds, consistent with market conditions and other pertinent factors at the time of such issuance.

Section 33. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 34. Captions of Clauses. The captions and headings of this Ordinance are for convenience only and are not to be construed as part of this instrument nor as defining or limiting in any way the scope or intent of the provisions hereof.

Section 35. Effective Date of Ordinance; Publication of Summary. This Ordinance shall be introduced at a meeting of the Governing Body and shall remain on file for public inspection in the office of the Fiscal Court Clerk until the next following regular, adjourned regular or called, special session of the Governing Body, in the completed form in which it shall be put on its final enactment. If enacted, this Ordinance shall be in full force and effect immediately, and a Notice of

Enactment and Summary of the provisions of this Ordinance, in the form submitted to the Governing Body, and approved hereby, shall be published as required by law.

Introduced and given first reading by the Fiscal Court on November 28, 2017.

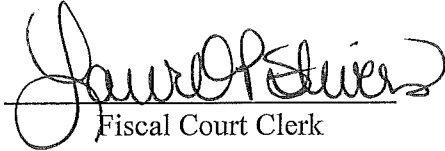
Given second reading and enacted by the Fiscal Court on December 12, 2017.

COUNTY OF OWEN, KENTUCKY



County Judge/Executive

Attest:

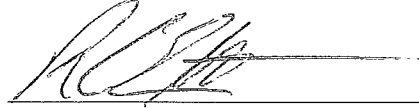

Fiscal Court Clerk

Enactment and Summary of the provisions of this Ordinance, in the form submitted to the Governing Body, and approved hereby, shall be published as required by law.

Introduced and given first reading by the Fiscal Court on November 28, 2017.

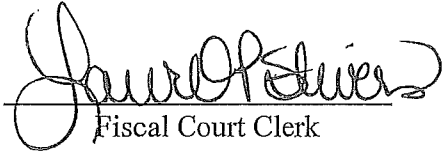
Given second reading and enacted by the Fiscal Court on December 12, 2017.

COUNTY OF OWEN, KENTUCKY



County Judge/Executive

Attest:



Fiscal Court Clerk

CERTIFICATE OF FISCAL COURT CLERK

I, the undersigned, certify that I am the duly qualified and acting Fiscal Court Clerk of the County of Owen, Kentucky, that the foregoing Ordinance is a true and correct copy of an Ordinance duly enacted by the Fiscal Court of said County, signed by the County Judge/Executive of said County, and attested by me as Fiscal Court Clerk at a properly convened meeting of the Fiscal Court held on December 12, 2017, as shown by the official records of the County in my custody and under my control, that said Ordinance has been ordered to be published by title and summary as required by law, and that said Ordinance has been recorded in the official Ordinance Book of the County.

IN TESTIMONY WHEREOF, witness my signature as Fiscal Court Clerk of said County this December 12, 2017.


Fiscal Court Clerk

