RESOLUTION NO. 99-05

A RESOLUTION AUTHORIZING THE ISSUANCE OF INDUSTRIAL BUILDING REVENUE BONDS, SERIES 1999 (COLLEGES AND UNIVERSITIES POOLED LOAN PROGRAM) OF THE COUNTY OF MADISON, KENTUCKY IN A PRINCIPAL AMOUNT NOT TO EXCEED $2,000,000, THE PROCEEDS OF WHICH SHALL BE USED TO MAKE LOANS TO NONPROFIT COLLEGES AND UNIVERSITIES IN THE COMMONWEALTH OF KENTUCKY TO FINANCE THE ACQUISITION, CONSTRUCTION, INSTALLATION AND EQUIPPING OF FACILITIES TO BE USED IN FURTHERANCE OF THE EDUCATIONAL PURPOSES OF SUCH INSTITUTIONS; PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH BONDS; AUTHORIZING AN INDENTURE APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND TO FURTHER SECURE SUCH BONDS; AUTHORIZING A BOND PURCHASE AGREEMENT; AND AUTHORIZING OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

WHEREAS, in order to provide a vehicle for economically financing or refinancing the acquisition, construction, installation and equipping of facilities for use by nonprofit educational institutions of the Commonwealth of Kentucky (each a "Project", and collectively, the "Projects"), the Counties of Carter and Madison, Kentucky (the "Issuer") have, pursuant to the provisions of §§ 65.210 through 65.300 of the Kentucky Revised Statutes (the "Interlocal Cooperation Act"), heretofore authorized and established a program for the issuance of industrial building revenue bonds pursuant to Section 103.200 et. seq. of the Kentucky Revised Statutes (the "Act"), the proceeds of which are to be loaned to such Kentucky nonprofit educational institutions (each a "Borrower" and collectively, the "Borrowers") to finance the Projects (the "Program");

WHEREAS, the Cities of Midway, Kentucky ("Midway") and Danville, Kentucky ("Danville"), by virtue of the laws of the Commonwealth of Kentucky, including the Interlocal Cooperation Act, has heretofore adopted a resolution authorizing the participation by Midway and Danville, respectively, in the Program; and

WHEREAS, in order to assist the Program to fulfill its public purposes and functions, the Issuer now wishes to issue its Industrial Building Revenue Bonds, Series 1999 in the aggregate principal amount of up to $2,000,000 (the "Bonds"), to provide funds to finance one or more of the Projects in accordance with the provisions of the Program and the Interlocal Cooperation Act;

WHEREAS the Issuer is authorized and empowered among other things (a) to make a loan to the Borrowers to assist in defraying the cost of the acquisition, construction, installation and equipping of "industrial buildings", as defined in Section 103.200 of the Kentucky Revised Statutes, (b) to issue and sell its revenue bonds to provide moneys for such purposes and (c) to enact this Resolution and execute and deliver the agreements and instruments hereinafter identified; and

WHEREAS, this Fiscal Court (the "Issuing Authority") has determined and does hereby confirm that the Projects and the Program promote the welfare of the people of the Commonwealth of Kentucky, promote reconversion to a peacetime economy, relieving conditions of unemployment, aid in the rehabilitation of returning veterans, encourage the increase of industry in the Commonwealth of Kentucky, promote the economic welfare of the people of the Issuer, create or preserve jobs and employment opportunities and assist in the development of industrial activities to the benefit of the people of the Issuer, and that the Issuer, by assisting with the financing of the Projects and the Program through the issuance of revenue bonds in the maximum principal amount of $2,000,000 (the "Series 1999 Bonds") will be acting in the manner consistent with and in furtherance of the provisions of the laws of the Commonwealth of Kentucky, particularly the Act;

NOW THEREFORE, BE IT RESOLVED BY THE COUNTY OF MADISON, COMMONWEALTH OF KENTUCKY, AS FOLLOWS:

Section 1. Definitions. All defined terms used herein and those not otherwise defined herein shall have the respective meanings given to them in the Trust Indenture with respect to the Series 1999 Bonds (the "Indenture") between the Issuer and Fifth Third Bank, Cincinnati, Ohio and its successors in trust, as trustee (the "Trustee").

Any reference herein to the Issuer or the Issuing Authority, or to any officers or members thereof, shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms "hereof," "hereby," "hereto," "hereunder," and similar terms, mean this Resolution.

Section 2. Determinations of Issuer. Pursuant to the Act, this Issuing Authority hereby finds and determines that the Projects consist of the acquisition, construction, installation and equipping of "industrial buildings" suitable for use in furtherance of the educational purposes of such institutions, as set forth in Section 103.200(1)(d) of the Act; and that such industrial buildings are to be financed with the proceeds of the Series 1999 Bonds pursuant to the provisions of Sections 103.200 to 103.285 of the Act.

The Issuing Authority, as the "applicable elected representative" of the Issuer for purposes of Section 147(f) of the Code, hereby approves the issuance of the Series 1999 Bonds in the maximum aggregate face amount of $2,000,000, the proceeds of which will be used to finance a portion of the Projects as follows:

> The Projects consist of (i) the acquisition, construction, installation and equipping of infrastructure and miscellaneous improvements, including water and steam lines, building improvements and vehicles to be owned by Midway College and located at the campus in Midway, Kentucky the administrative address of which is 512 E. Stephens Street, Midway, Kentucky 40347 and (ii) the acquisition, construction, installation and equipping of dormitory improvements, library improvements and educational building improvements to be owned by Centre College and located at the campus in Danville, Kentucky, the administrative address of which is 600 West Walnut Street, Danville, Kentucky 40422.

The Issuer further determines and does hereby confirm that the Series 1999 Bonds are "qualified tax-exempt obligations" within the meaning of § 265(b)(3) of the Code. In compliance with § 265(b)(3)(D) of the Code, the Issuer hereby certifies that it will not designate more than $10,000,000 of "qualified tax-exempt obligations" issued by the Issuer in calendar year 1999 as "such qualified tax-exempt obligations". The Issuer hereby further certifies that the Issuer (including all subordinate entities of the Issuer) does not reasonably anticipate issuing more than $10,000,000 of "qualified tax-exempt obligations" during calendar year 1999.

Section 3. Authorization of Series 1999 Bonds. It is hereby determined to be necessary to, and the Issuer shall, issue, sell and deliver, as provided herein and pursuant to the authority of the Act, the Series 1999 Bonds for the purposes of financing the making loans to nonprofit colleges and universities located in the Commonwealth of Kentucky (collectively, the "Borrowers") to finance the Projects all in accordance with the provisions of the Indenture between the Issuer and the Trustee. The Series 1999 Bonds shall be designated "Industrial Building Revenue Bonds, Series 1999 (Colleges and Universities Pooled Loan Program)." The maximum amount of Series 1999 Bonds to be outstanding at any one time is $2,000,000. The Issuer may also issue, sell and deliver Additional Bonds on a parity with the Series 1999 Bonds for the purposes and in the manner provided in the Indenture.

Section 4. Terms and Execution of the Series 1999 Bonds. The Series 1999 Bonds shall be issued in the forms and denominations, shall be numbered, dated and payable as provided in the Indenture. The Series 1999 Bonds shall mature as provided in the Indenture, and have such terms, bear such interest, and be subject to mandatory and optional redemption as provided in the Indenture. This Issuing Authority hereby fixes and establishes the interest rate in effect from time to time on the Series 1999 Bonds in the manner and pursuant to the provisions of the Indenture. The Series 1999 Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its Judge/Executive and Fiscal Court Clerk, and the seal of the Issuer shall be impressed or printed on the Series 1999 Bonds. In case any officer whose signature or a facsimile thereof shall appear on the Series 1999 Bonds shall cease to be such officer before the issuance or delivery of the Series 1999 Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until after that time.

The form of the Series 1999 Bonds submitted to this meeting, subject to appropriate insertions and revisions in order to comply with the provisions of the Indenture, is hereby approved, and when the same shall be executed on behalf of the Issuer by the appropriate officers thereof in the manner contemplated hereby and by the Indenture, in a principal amount not to exceed $2,000,000, shall represent the approved form of Series 1999 Bonds of the Issuer.

Section 5. Sale of the Series 1999 Bonds. In accordance with a written request, addressed to the Judge/Executive from the Borrower, that the sale of the Series 1999 Bonds be made privately upon a negotiated basis, the Series 1999 Bonds are hereby awarded to Ross, Sinclaire & Associates, Inc. (the "Underwriter") for resale, at the purchase price set forth, and on the terms and conditions described, in the Bond Purchase Agreement with respect to the Series 1999 Bonds (the "Bond Purchase Agreement") between the Issuer and the Underwriter. The Judge/Executive and Fiscal Court Clerk are authorized and directed to make on behalf of the Issuer the necessary arrangements to establish the date, location, procedure and conditions for the delivery of the Series 1999 Bonds to the Underwriter, and to take all steps necessary to effect due execution and delivery to the Underwriter of the Series 1999 Bonds (or temporary bonds delivered in lieu of definitive Series 1999 Bonds until their preparation and delivery can be effectuated) under the terms of this Resolution, the Bond Purchase Agreement and the Indenture. It is hereby determined that the price for and the terms of the Series 1999 Bonds, and the sale thereof, all as provided in the aforesaid documents, are in the best interests of the Issuer and consistent with all legal requirements.

Section 6. Arbitrage Provisions. The Issuer will restrict the use of the proceeds of the Series 1999 Bonds in such manner and to such extent, if any, as may be necessary, after taking into account reasonable expectations at the time the Series 1999 Bonds are delivered to the Underwriter, so that they will not constitute arbitrage bonds under Section 148 of the Code. The Judge/Executive or any other officer having responsibility with respect to the issuance of the Series 1999 Bonds, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Issuer, to deliver a certificate for inclusion in the transcript of proceedings for the Series 1999 Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said Section 148 and regulations thereunder.

Section 7. Authorization of Indenture, Bond Purchase Agreement and All Other Documents to be Executed by the Issuer. In order to better secure the payment of the principal of, premium, if any, and interest on the Series 1999 Bonds as the same shall become due and payable, the Judge/Executive and Fiscal Court Clerk are authorized and directed to execute, acknowledge and deliver in the name and on behalf of the Issuer, the Indenture and Bond Purchase Agreement in substantially the forms submitted to the Issuer, which are hereby approved, with such changes therein not inconsistent with this Resolution and not substantially adverse to the Issuer as may be permitted by the Act and approved by the officers executing the same on behalf of the Issuer. The approval of such changes by said officers, and that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of such Indenture and Bond Purchase Agreement by such officers.

The Judge/Executive and Fiscal Court Clerk are each hereby separately authorized to take any and all actions and to execute such financing statements, assignments, certificates, deeds and other instruments that may be necessary or appropriate in the opinion of Peck, Shaffer & Williams LLP, as Bond Counsel, in order to effect the issuance of the Series 1999 Bonds and the intent of this Resolution. The Fiscal Court Clerk, or other appropriate officer of the Issuer, shall certify a true transcript of all proceedings had with respect to the issuance of the Series 1999 Bonds, along with such information from the records of the Issuer as is necessary to determine the regularity and validity of the issuance of the Series 1999 Bonds.

Section 8. Covenants of Issuer. In addition to other covenants of the Issuer in this Resolution, the Issuer further covenants and agrees as follows:

(a) Payment of Principal, Premium and Interest. The Issuer will, solely from the sources herein or in the Indenture provided, pay or cause to be paid the principal of, premium, if any, and interest on each and all Series 1999 Bonds on the dates, at the places and in the manner provided herein, in the Indenture and in the Series 1999 Bonds.

(b) Performance of Covenants, Authority and Actions. The Issuer will at all times faithfully observe and perform all agreements, covenants, undertakings, stipulations and provisions contained in the Series 1999 Bonds, Bond Purchase Agreement and Indenture, and in all proceedings of the Issuer pertaining to the Series 1999 Bonds. The Issuer warrants and covenants that it is, and upon delivery of the Series 1999 Bonds will be, duly authorized by the laws of the Commonwealth of Kentucky, including particularly and without limitation the Act, to issue the Series 1999 Bonds and to execute the Indenture and the Bond Purchase Agreement, and all other documents to be executed by it, to provide for the security for payment of the principal of, premium, if any, and interest on the Series 1999 Bonds in the manner and to the extent herein and in the Indenture set forth; that all actions on its part for the issuance of the Series 1999 Bonds and execution and delivery of the Indenture, the Bond Purchase Agreement and all other documents to be executed by it in connection with the issuance of the Series 1999 Bonds, have been or will be duly and effectively taken; and that the Series 1999 Bonds will be valid and enforceable special obligations of the Issuer according to the terms thereof. Each provision of the Resolution, the Indenture, the Bond Purchase Agreement and each Series 1999 Bond, and all other documents to be executed by the Issuer in connection with the issuance of the Series 1999 Bonds, is binding upon each officer of the Issuer as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such provision; and each duty of the Issuer and of its officers and employees undertaken pursuant to such proceedings for the Series 1999 Bonds is established as a duty of the Issuer and of each such officer and employee having authority to perform such duty.

Section 9. No Personal Liability. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Resolution, or in any Series 1999 Bond, or in the Indenture or the Bond Purchase Agreement, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to any holder of any Series 1999 Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any of the Series 1999 Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Issuer or any receiver thereof, or for or to the owner or any holder of any Series 1999 Bond, or otherwise, of any sum that may remain due and unpaid upon any Series 1999 Bond, shall be deemed to be expressly waived and released as a condition of and consideration for the execution and delivery of the Indenture and the Bond Purchase Agreement and the issuance of the Series 1999 Bonds.

Section 10. No Debt or Tax Pledge. The Series 1999 Bonds do not constitute an indebtedness of the Issuer within the meaning of the Constitution of the Commonwealth of Kentucky. The Series 1999 Bonds shall be payable solely from the revenues and security interests pledged for their payment as provided in the Indenture, and neither moneys raised by taxation nor any other general or special revenues of the Issuer shall be obligated or pledged for the payment of principal of, premium (if any) or interest on the Series 1999 Bonds.

Section 11. Severability. If any section, paragraph or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 12. Open Meetings Law. This Issuing Authority hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of this Issuing Authority, and that all deliberations of this Issuing Authority and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

Section 13. Effective Date. This Resolution shall be in full force and effect from and after its passage, attestation and publication of a summary hereof.

Introduced and read on the 13th day of July, 1999 and upon motion duly made and seconded, this Resolution was adopted.

Approved:

[signature]
Judge/Executive

ATTEST:

Mary Jane Binter
Fiscal Court Clerk

(SEAL)

CERTIFICATE

I, Fiscal Court Clerk of the County of Madison, Kentucky, do hereby certify that the above is a true copy of a Resolution, as adopted by the County of Madison at a meeting held on July 13, 1999, whereat a quorum of the Fiscal Court was present and voting, all as shown by the records of said Fiscal Court in my office.

SIGNED:

Mary Jane Ginter

Fiscal Court Clerk

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