
ORDINANCE NO. 2008-04

COUNTY OF HOPKINS, KENTUCKY GENERAL
OBLIGATION BOND ANTICIPATION NOTES, SERIES 2008

INDEX TO NOTE ORDINANCE

Section 1 Definitions 2
Section 2 Words of Masculine Gender; Plural as Well as Singular Form 4
Section 3 Authorization of Series 2008 Notes 5
Section 4 Interest Payable on Interest Payment Date 5
Section 5 Place of Payment 5
Section 6 Principal Amount and Maturities 5
Section 7 Redemption Provisions 5
Section 8 Tax Levy and Pledge; Sinking Fund 5
Section 9 Note Form 6
Section 10 Execution of the Notes 6
Section 11 Notes Shall Be Fully Registered 6
Section 12 Authentication of Notes 6
Section 13 Registration and Payment 6
Section 14 Sale of Notes 7
Section 15 Use of Proceeds of Series 2008 Notes 7
Section 16 Compliance with Federal Arbitration Regulations 7
Section 17 Creation of Funds 9
Section 18 Bank Eligibility and Rebate Provisions 9
Section 19 Defeasement 10
Section 20 Covenant as to Audits 10
Section 21 Default; Remedies 11
Section 22 Rights of Noteowners 12
Section 23 Ordinance is Contractual With Noteowners 12
Section 24 Annual Disclosure Requirements 13
Section 25 Signatures of Officers 14
Section 26 Terms of Notes and this Ordinance May be Revised Before Issuance 15
Section 27 Severability Clause 15
Section 28 Captions of Clauses 15
Section 29 Effective Date of Ordinance; Publication of Summary 15

Certificate of County Clerk 16

Exhibit A - Form of Series 2008 Note
Exhibit B - Responses to Solicitation for Purchase of Series 2008 Notes

ORDINANCE NO. 2008-04

ORDINANCE OF THE FISCAL COURT OF THE COUNTY OF HOPKINS, KENTUCKY, PROVIDING FOR THE ISSUANCE OF ITS COUNTY OF HOPKINS, KENTUCKY GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES 2008 FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR THE ACQUISITION AND CONSTRUCTION OF A COURT FACILITY FOR THE COUNTY; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE SERIES 2008 NOTES ARE TO BE ISSUED AND OUTSTANDING; AND ORDERING AND PROVIDING FOR THE CONTINUATION OF THE CURRENT LEVY OF AN ANNUAL TAX, TO THE EXTENT NECESSARY, IN AN AMOUNT SUFFICIENT TO PAY THE INTEREST ON AND PRINCIPAL OF THE SERIES 2008 NOTES.

WHEREAS, the County of Hopkins, Kentucky (the "County") deems it necessary to borrow money for the purpose of financing the costs of the acquisition and construction of a court facility for the County (the "Project") and for that purpose, desires to issue its County of Hopkins, Kentucky General Obligation Bond Anticipation Notes, Series 2008, in the approximate amount of \$5,000,000 (the "Series 2008 Notes"), the payment of the principal thereof and interest thereon is secured by the full faith, credit and resources of the County which is hereby pledged for such purpose; and

WHEREAS, to provide funds for the interim financing of the Project, it is now appropriate for the County to cause the sale and issuance of the Series 2008 Notes according to authority of Chapters 158 and 159 of the Constitution of Kentucky and applicable laws, as amended, including Sections 66.011 through 66.171 and Chapter 58 of the Kentucky Revised Statutes (the "Act"); and

WHEREAS, it is the desire and intent of the County at this time to adopt this Ordinance which, among other things, authorizes and provides for the issuance of the Series 2008 Notes for the purposes aforesaid and sets forth the restrictions and conditions on which the Series 2008 Notes are to be issued and outstanding;

NOW, THEREFORE, BE IT ORDAINED BY THE FISCAL COURT OF THE COUNTY OF HOPKINS, 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, and Chapter 58 of the Kentucky Revised Statutes.

"*Bank*" refers to Integra Bank, National Association.

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

"*Business Day*" means any day other than a Saturday, Sunday or holiday or a day on which banks located in Kentucky 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 Hopkins, Kentucky General Obligation Bond Anticipation Notes, Series 2008 Construction Fund created in Section 17 of this Ordinance.

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

"*County Attorney*" refers to the elected County Attorney of the County.

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

"*County Treasurer*" refers to the County Treasurer of the County.

"*Final Maturity Date*" refers to May 1, 2010.

"*Financial Advisor*" collectively refers to C.D. Bowling & Associates LLC and Morgan Keegan & Company, Inc.

"*Fiscal Court*" shall mean the Fiscal Court of the County of Hopkins, Kentucky.

"*Funds*" refers to the Sinking Fund and the Construction Fund.

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

"*Interest Payment Date*" shall mean each May 1 and November 1, beginning May 1, 2009.

"*Interest Rate*" means the fixed rate calculated on the 7th day prior to the delivery of the Notes which fixed rate shall be equal to the Bank's two-year tax exempt cost of funds, plus 1.75%.

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

"*Noteowner*" or "*Owner*" refers to the registered Owner of any of the Notes.

"*Notes*" refers to the Series 2008 Notes.

"*Outstanding*" or "*Notes Outstanding*" means all Notes which have been authenticated and delivered under this Ordinance, except:

(a) Notes cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Notes for the payment or redemption of which cash funds and/or noncallable U.S. Obligations have been theretofore deposited with the Noteowner (whether upon or prior to the maturity or redemption date of any such Notes); provided that if such Notes are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Noteowner shall have been made therefor;

(c) Notes paid or deemed to be paid pursuant to Section 18 of this Ordinance; and

(d) Notes in lieu of which others have been authenticated under Section 13 of this Ordinance.

"*Permitted Investments*" refers to the following:

(a) U.S. Obligations;

(b) Noncallable direct obligations of the United States of America;

(c) Obligations of, or guaranteed as to timely payment of principal and interest by, the United States of America, or obligations of any of its agencies or instrumentalities;

(d) Bonds or certificates of indebtedness of the Commonwealth of Kentucky and of its agencies and instrumentalities rated in the top three rating categories by Moody's and S&P;

(e) Interest bearing deposits in national or state banks chartered in the Commonwealth of Kentucky and insured by Federal Deposit Insurance

Corporation where the deposit amount does not exceed the amount so insured; and

- (f) Repurchase agreements for obligations described in (a) or (b) above with national or state banks chartered in Kentucky which have a long term debt rating of "Aa" or better by Moody's and "AA" or better by S&P (so long as an opinion is rendered that the repurchase agreement is a "Repurchase Agreement" as defined in the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA") and that such bank is subject to FIRREA); provided the term of such repurchase agreement is for one year or less.

"*Project*" refers to the acquisition, construction and equipping of a court facility for use by the County and the Administrative Office of the Courts.

"*Purchasers*" refers to the original purchasers of the Notes, 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 15 days prior to such Interest Payment Date.

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

"*S&P*" means Standard & Poor's Rating Services.

"*Series 2008 Notes*" refers to the County of Hopkins, Kentucky General Obligation Bond Anticipation Notes, Series 2008, dated the date of their delivery.

"*Sinking Fund*" refers to the County of Hopkins, Kentucky General Obligation Bond Anticipation Notes, Series 2008 Sinking Fund, created in Section 17 of this Ordinance.

"*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 Series 2008 Notes. In order to provide funds necessary to finance the Project and to defray all costs and expenses incident to the issuance of the Series 2008 Notes, there shall be and there are hereby authorized to be issued the County of Hopkins, Kentucky General Obligation Bond Anticipation Notes, Series 2008, in the aggregate principal amount of \$5,000,000, to be dated as of the date of their delivery, the same to bear interest from their date of delivery until paid in full on the Interest Payment Date.

Section 4. Interest Payable on Interest Payment Date. The Notes shall bear interest on the aggregate unpaid principal balance of the Notes advanced thereunder at the Interest Rate payable as anticipated on the Interest Payment Dates.

Section 5. Place of Payment. Interest on each Note shall be payable by check or draft mailed to the registered owner thereof at the address shown on the registration books kept by the County. The principal of and premium, if any, on the Notes 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 main office of the County.

Section 6. Principal Amount and Maturities. The aggregate principal amount of the Series 2008 Notes shall be \$5,000,000 and shall mature on the Final Maturity Date.

Section 7. Redemption Provisions. (a) *Optional Redemption.* The Series 2008 Notes shall be subject to redemption, in whole or in part, in advance of maturity, at any time upon payment of the principal amount to be redeemed plus accrued interest to the date of redemption at the sole option and determination of the County.

(b) *Notice of Redemption.* The County shall, in the event of an optional redemption, cause notice of the call for any redemption identifying the Notes or portions thereof (integral multiples of \$5,000) to be redeemed to be sent by United States mail, postage prepaid, at least three days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books maintained by the County. Failure to give such notice by mailing or any defect therein in respect of any Note shall not affect the validity of any proceedings for the redemption of any Note.

Section 8. Tax Levy and Pledge; Sinking Fund. For the purpose of providing funds required to pay the interest on the Series 2008 Notes 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 Series 2008 Notes become due, there shall be and there is hereby currently being levied upon all of the taxable property within the County, and which shall continue in each year as long as any of the Series 2008 Notes are 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 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 Series 2008 Notes, and shall be designated the County's "Sinking Fund". The proceeds of said 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 Series 2008 Notes and shall never be used for any other purpose. The County hereby covenants with the holders of the Series 2008 Notes that it will levy said 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 Series 2008 Notes 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 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 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. Note Form. The Notes shall be in substantially the form set forth in Exhibit A attached hereto.

Section 10. Execution of the Notes. The Notes 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 County Clerk of the County.

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

Section 12. Authentication of Notes. The Notes herein authorized shall be signed and executed by the County Judge/Executive and the County Clerk.

Section 13. Registration and Payment. All Notes shall be registered as to both principal and interest on the books of the County. No transfer of any Notes 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 Note. The County shall not be required to transfer or exchange any Note 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 County of Notes 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 Note is registered upon the books of the County shall be deemed the owner thereof for all purposes.

Section 14. Sale of Notes. The Notes are hereby authorized to be sold to Integra Bank, National Association, Madisonville, Kentucky pursuant to a competitively negotiated sale, conducted on behalf of the County by its Financial Advisor, in accordance with provisions of the Act. The proposals for the purchase of the Series 2008 Notes received by the Financial Advisor are attached to this Ordinance as Exhibit B.

Section 15. Use of Proceeds of Series 2008 Notes. The proceeds of the Series 2008 Notes issued and sold hereunder, when received, shall be allocated as follows:

(1) All sums received as accrued interest shall be set aside and deposited in the Sinking Fund and applied to payment of the interest on the Notes first thereafter becoming due;

(2) The balance of the proceeds of the Notes shall be deposited in the Construction Fund and used and disbursed on orders of the Fiscal Court to pay the costs of issuance of the Notes, which shall include but not be limited to the \$1,500 commitment fee of the purchaser of the Notes, and the costs of the interim financing of the Project.

If the Fiscal Court finds at any time that any portion of the proceeds of the Series 2008 Notes will not be needed for immediate expenditure, such portion shall be deposited in the Sinking Fund.

Section 16. Compliance with Federal Arbitrage Regulations. The Fiscal Court covenants that the proceeds of the Notes shall not be invested in investments which will produce a net adjusted yield in excess of the net interest cost (effective yield) of the Notes authorized herein, if such investment would cause such Notes to be treated as "arbitrage bonds" within the meaning of Section 148 of the Code; provided, however, that the funds may be invested to whatever extent and whenever the Code permits same to be invested without causing the Notes to be treated as "arbitrage bonds."

On the basis of known facts and circumstances in existence on the date of adoption of this Ordinance, the Fiscal Court certifies that it is not expected that the proceeds of the Series 2008 Notes will be used in a manner that would cause the Series 2008 Notes to be "arbitrage bonds." The Fiscal Court covenants with the purchasers and/or owners of the Series 2008 Notes authorized herein that (a) the Fiscal Court will make no use of the proceeds of the Series 2008 Notes that, if such use had been reasonably expected on the date of issuance of the Series 2008 Notes, would cause the Series 2008 Notes to be "arbitrage bonds," and (b) that the Fiscal Court will comply with (1) all of the requirements of Section 148 of the Code; and (2) all of the requirements of the applicable Regulations thereunder, to whatever extent is necessary to assure that the Series 2008 Notes shall not be treated as "arbitrage bonds."

On the basis of known facts and reasonable expectations on the date of adoption of this Ordinance, the Fiscal Court certifies as follows:

- (a) that there has been no overissuance of the Series 2008 Notes;
- (b) that it is anticipated and covenanted that amounts on deposit in the Sinking Fund will be used within thirteen (13) months from the date of deposit for the payment of principal of and/or interest on the outstanding Notes, and that, except for an amount equal to not more than the greater of (1) one-twelfth (1/12) of debt service requirements on the outstanding Notes for the then ensuing year, or (2) one year's earnings on the Sinking Fund, such Sinking Fund will be depleted annually through such application for current debt service requirements of the outstanding Notes;
- (c) that the only amount required to be capitalized out of the proceeds of the Series 2008 Notes is an amount equal to the collected accrued interest and such capitalized amount will in fact be applied to pay interest accruing and falling due on the Series 2008 Notes during the first twelve (12) months after the issuance of the Series 2008 Notes;
- (d) that the Fiscal Court has not been advised of any listing or contemplated listing by the Internal Revenue Service determining that the foregoing type of certification with respect to the Fiscal Court's obligations may not be relied on.

The Fiscal Court covenants and agrees that in the event it is subsequently determined by the Fiscal Court upon the advice of nationally recognized Bond Counsel, that the funds created herein are subject to the "rebate requirements" on excess earnings in favor of the United States of America imposed by Section 148(f) of the Code and that such funds 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 Series 2008 Notes, plus any income attributable to such excess, it shall rebate to the United States of America any such excess generated from such investments and remit such excess to the United States of America on or before five (5) years from the date of issuance of the Series 2008 Notes, and once every five years thereafter until the final retirement of the Series 2008 Notes; the last 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 Series 2008 Notes are deposited with any escrow agent. The Fiscal Court further covenants to file any and all reports, if any, as may be required to be filed with the United States Government with regard to the liability or non-liability of the Fiscal Court as to any such rebate requirements and to maintain records in regard thereto for the period of time required by applicable Treasury Regulations.

The Fiscal Court reserves the right to make any investment permitted by state law if, whenever, and to the extent that Section 148 of the Code or the Treasury Regulations relating thereto shall be repealed, amended or relaxed, or shall be held void by a final decision of a court of competent jurisdiction, but only if any investment made by virtue of such repeal, or relaxation,

amendment, or decision would not, in the opinion of recognized Bond Counsel, result in making the interest on the Series 2008 Notes subject to Federal income taxation.

Prior to or at the time of delivery of the Series 2008 Notes, the County Judge/Executive and/or the County Treasurer are (is) authorized 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 applicable arbitrage regulations under the Code, as amended, in order to assure that interest on the Notes will be exempt from all Federal income taxes and that the Notes will not be treated as "arbitrage bonds."

Section 17. Creation of Funds. There is hereby created the "County of Hopkins, Kentucky General Obligation Bond Anticipation Notes, Series 2008 Sinking Fund (the "Sinking Fund") into which there shall be set aside out of the proceeds of the sale of the Notes the amount of the accrued interest accruing on said Notes from their issuance date to their date of delivery.

There is hereby separately created the "County of Hopkins, Kentucky General Obligation Bond Anticipation Notes, Series 2008 Construction Fund (the "Construction Fund"), into which Construction Fund there shall be set aside and deposited the issuance costs of the Note.

Funds on deposit in the Construction Fund and 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 Notes.

The investment of funds shall be made by the County. The investments of funds may be made or transacted by the County through its County Treasurer.

The Sinking Fund shall be used solely and only and are hereby pledged for the payment of the interest on and principal of the Notes.

No further payments need be made into the Sinking Fund whenever and so long as such amount of the Notes 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 and at the time of the retirement and/or maturity of all the Notes then remaining outstanding.

Section 18. 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 Notes are being issued in excess of \$10,000,000, and, therefore, the County does hereby designate the Notes 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, are subject to said rebate requirements and do, 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 Notes, plus any income attributable to such excess, there shall be established a separate and special fund to be designated as the "County of Hopkins, Kentucky General Obligation Bond Anticipation Notes 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 Notes; 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 Notes.

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 if the County shall keep, perform, and observe all and singular the covenants and promises in the Notes 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.

All outstanding Notes 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 Notes are to be redeemed on any date prior to their maturity, the County shall have given to the Noteowners notice of redemption of such Notes on said date as provided herein, (b) there shall have been deposited with an escrow 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 said escrow 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 Notes 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 Notes are not to be redeemed in accordance with the redemption provisions hereof within the next succeeding 60 days, the County shall have given the Noteowners, in the same manner as a notice of redemption is required to be given herein, a notice that the deposit required by (b) above has been made with an escrow agent, that said Notes 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 Notes.

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

Section 20. Covenant as to Audits. The County agrees that so long as any of the Notes are outstanding it will, as soon as may be feasible after the close of each fiscal year, in any event, not later than sixty days thereafter, cause an audit of the financial affairs of the County to be made by a Certified Public Accountant, covering the status of payments of principal and interest on the Notes.

It will properly mail or cause to be mailed, to the original purchaser of the Notes, a copy of such audit report. It will furnish or cause to be furnished, on or before ninety (90) days after the close of each fiscal year, a copy of such audit report to any owner of said Notes who shall request same in writing.

All expenses incurred in causing such audits to be made and copies distributed, shall constitute proper expenses incident to the issuance of the Series 2008 Notes and shall be paid by the County as an expense of the Notes in addition to the rentals and amounts otherwise required to be paid hereunder.

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 Notes, 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 ordinance of the County, or the Notes, or the County shall default in the performance or observance of any covenant, other than payment of rental agreements or conditions on its part contained in the Ordinance, 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 Notes.

Upon the happening and continuance of any Event of Default, the Noteowner may proceed to protect and enforce its rights by such of the following remedies, being advised by counsel, shall deem most effectual to protect and enforce such rights:

- (a) by mandamus or other suit, action or proceeding at law or in equity, to enforce all rights of the Noteowners, 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 Noteowners and to perform its duties under the Act;
- (b) by bringing suit upon the Notes;
- (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 Notes;

(d) by declaring all Notes 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 Notes, by annulling such declaration and its consequences;

(e) in the event that all Notes are declared due and payable, by selling Permitted Investments of the County (to the extent not theretofore set aside for redemption of Notes 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 Notes.

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

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

Section 22. Rights of Noteowners. Notwithstanding any other provisions herein contained, the owners of the Notes shall have all of the rights provided for thereunder to require the County 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 Notes shall be paid in full.

Such owners of such Notes 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 Noteowners. The provisions of this Ordinance and of any authorized supplemental ordinance entered into prior to the delivery and payment of the Notes to the successful purchaser(s), shall constitute a contract between the County and the owners of any Notes, 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 Notes 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 Noteowners in any way, without (1) the consent in writing of the original successful purchaser of the Notes, if the Notes have not yet been delivered or (2) the consent of 75% in amount of the owners of the outstanding Notes, if the Notes have been delivered; and

(b) the owners of seventy-five percent (75%) in principal amount of the Notes at any time outstanding shall have the right to consent to, and approve the adoption of ordinances, resolutions 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

Notes, or any parity notes, or (2) a reduction in the principal of any Note and/or Notes or the redemption premium or the rate of interest thereon, or (3) a preference or priority of any Note or parity notes over any other note or notes, or (4) a reduction in the percentage of the aggregate principal amount of the Notes required to consent to any modification or amendment, or (5) impair in any way the rights of the owners of the Notes.

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 has agreed to provide or cause to be provided through a designated agent (the "Agent"), in a timely manner, to (i) each nationally recognized municipal securities information repository ("NRMSIR") designated by the Commission in accordance with the Rule or to the Municipal Securities Rulemaking Board ("MSRB") and (ii) the appropriate state information depository ("SID"), if any, designated by the Commonwealth of Kentucky in accordance with the Rule, certain audited financial statements prepared in accordance with the comprehensive cash basis of accounting prescribed by the Commonwealth of Kentucky whereby certain revenues and the related assets are recognized when received rather than when earned, and certain expenses are recognized when paid rather than when a liability is incurred, and financial information and operating data (commencing with the fiscal year ended June 30, 2008).

The County reserves the right to modify from time to time the specific types of information provided or the format of the presentation of such information, to the extent necessary or appropriate in the judgment of the County; provided that the County agrees that any such modification will be done in a manner consistent with the Rule.

The annual financial information and operating data, including audited financial statements, will be made available on or before 180 days after the end of each fiscal year (June 30). The annual financial information and operating data will be made available, in addition to the NRMSIR's and the SID, to each holder or beneficial owner of Notes who makes request for such information.

Financial information regarding the County can be obtained from the County Judge/Executive's office at Hopkins County Fiscal Court, 56 North Main Street, Madisonville, Kentucky 42431, telephone number (270) 821-8294.

The County agrees to provide or cause to be provided, in a timely manner, to the Municipal Securities Rulemaking Board ("MSRB") and the SID, if any, notice of the occurrence of any of the following events with respect to the Notes, if such event is material:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinion or events affecting the tax-exempt status of the Notes;
- (g) modifications to rights of the Noteowners;

- (h) Note calls;
- (i) defeasances;
- (j) release, substitution or sale of property securing repayment of the Notes; and/or
- (k) rating changes.

The County may from time to time choose to provide notice of the occurrence of certain other events, in addition to those listed above, if the County determines that such other event is material with respect to the Notes, but the County does not undertake to commit to provide any such notice of the occurrence of any material event except those events listed above.

As of the date of this Ordinance, the County is in compliance with the reporting requirements of the Rule for all undertakings for which it is an "obligated person" as defined in the Rule.

The obligations of the County described above will remain in effect only for such period that (i) the Notes are outstanding in accordance with their terms and (ii) that the County remains an obligated person with respect to the Notes 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 Notes 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 Noteowners (including holders of beneficial interests in the Notes).

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 Notes, 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 Noteowners.

In the event of a failure of the County to comply with any provision of this Section, any Noteowner 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.

Section 25. Signatures of Officers. If any of the officers whose signatures or facsimile signatures appear on any of the Notes cease to be such officers before delivery of the Notes, 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 26. Terms of Notes and this Ordinance May be Revised Before Issuance. The County reserves the right, prior to the issuance of the Notes, to amend this Ordinance as to the date, amount, maturities, redemption premiums and other provisions of the Notes, consistent with market conditions and other pertinent factors at the time of such issuance.

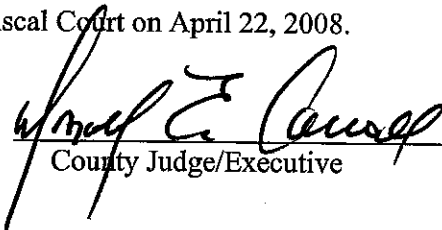
Section 27. Severability Clause. If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Ordinance.

Section 28. 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 29. 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 County 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.

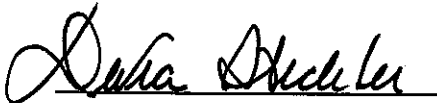
Introduced and given first reading by the Fiscal Court on April 1, 2008.

Given second reading and enacted by the Fiscal Court on April 22, 2008.



County Judge/Executive

Attest:

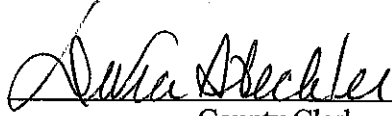


County Clerk

CERTIFICATE OF COUNTY CLERK

I, Devra Steckler, certify that I am the duly qualified and acting County Clerk of the County of Hopkins, Kentucky, that the foregoing Ordinance is a true and correct copy of an Ordinance authorizing the issuance of the County of Hopkins, Kentucky General Obligation Bond Anticipation Notes, Series 2008, dated the date of delivery, which Ordinance was duly enacted by the Fiscal Court of said County, signed by the County Judge/Executive of said County, and attested under Seal by me as County Clerk at a properly convened meeting of the Fiscal Court held on April 22, 2008, 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 County Clerk and the official seal of said County this April 22, 2008.



County Clerk

(Seal of County)

EXHIBIT A

FORM OF SERIES 2008 NOTE

**UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY
COUNTY OF HOPKINS, KENTUCKY
GENERAL OBLIGATION BOND
ANTICIPATION NOTES, SERIES 2008**

NO. BAN-1

Interest Rate

Maturity Date

Dated as of

____ %

May 1, 2010

____, 2008

KNOW ALL PERSONS BY THESE PRESENTS:

That the County of Hopkins, Kentucky (the "County"), a political subdivision of the Commonwealth of Kentucky, acknowledges itself to owe and for value received, hereby promises to pay to the order of

INTEGRA BANK, NATIONAL ASSOCIATION

the sum of

**FIVE MILLION DOLLARS AND NO CENTS
(\$5,000,000)**

on the Maturity Date set forth above and to pay interest on the aggregate unpaid balance of advances made under this Note, at the Interest Rate set forth above, per annum, from the date hereof, payable on each May 1 and November 1, beginning on May 1, 2009, except as the provisions hereinafter set forth as to prior redemption may be and become applicable hereto, such interest as may accrue on and prior to the maturity of this Note, to be paid by check or by draft to the registered owner hereof, both principal and interest being payable, without deduction for exchange or collection charges, in lawful money of the United States of America, at the main office of the County.

This Note is one of a series of Notes in the aggregate principal sum of Five Million Dollars (\$5,000,000), of like tenor and effect (except possibly as to numbering, maturities, interest rates, and provisions as to prior redemption), and this Note and the issue of which it forms a part (hereinafter sometimes collectively referred to as the "Notes"), are authorized and issued under an Ordinance (the "Ordinance") enacted by the County on April 22, 2008, for the purpose of financing on an interim basis the costs of the acquisition, construction and equipping of a court facility for the County (the "Project"), pursuant to and in full compliance with the laws of the Commonwealth of Kentucky.

Advances or readvances may be made by the Integra Bank, National Association (the "Bank"), at the Bank's sole discretion, to the County from time to time under the Notes. Upon the disbursement of each such advance, the Bank shall record as part of its normal operations the making and amount of each such advance and repayment of amounts of principal made on the Notes. The aggregate amount of all advances made by the Bank, less the amounts of payment of principal made by the County, shall be the principal amount outstanding under the Notes. The Bank's computer records shall be prima facie evidence of the unpaid amount of principal outstanding under the Notes.

The Notes constitute general obligations of the County and the full faith, credit and taxing power of the County is irrevocably pledged to the prompt payment of the principal of, premium, if any, and interest on the Notes when the same become due. Reference is hereby made to the Ordinance for a more particular description of the terms and conditions under which the Notes are issued, a more specific identification of the Project, the revenues pledged for the payment of the Notes, the nature and extent of the security, the rights and duties of the County and the rights of the owners of the Notes with respect to such security.

For the purpose of providing funds required to pay the principal of and interest on (and premium, if any) the Notes as and when the same become due, there is and shall be currently levied upon all of the taxable property within the County, and which shall continue in each year as long as any of the Notes are 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 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 Notes, and shall be designated the County's "Sinking Fund". The proceeds of said annual tax and the balances accumulated from time to time in the Sinking Fund are irrevocably pledged for the purpose of paying the principal of and interest (and premium, if any) on the Notes and shall never be used for any other purpose.

In the Ordinance, the County has covenanted with the holders of the Notes that it will levy said 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 principal of and interest (and premium, if any) on the Notes 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 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 tax provided in the Ordinance when the same shall have been collected.

The Notes are subject to redemption, in whole or in part, in advance of maturity, at any time upon payment of the principal amount to be redeemed plus accrued interest to the date of redemption at the sole option and determination of the County.

The County shall cause notice of the call for any redemption identifying the Notes or portions thereof to be redeemed to be sent by United States mail, postage prepaid, at least three days prior to the date fixed for redemption to the registered owner of each Note to be redeemed at the address shown on the registration books maintained by the County. Failure to give such notice by mailing or any defect therein in respect of any Note shall not effect the validity of any proceedings for the redemption of any Note.

All of the Notes as to which the County reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given, and for the retirement of which, upon the terms aforesaid, funds are duly provided, will cease to bear interest on the redemption date. Notice of such redemption may be waived with the written consent of the owner of the Note called for redemption.

It is hereby certified, recited and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Note, do exist, have happened and have been performed in due time, form and manner as required by law, and that the amount of this Note, together with all other obligations of the County, does not exceed the debt incurring authority and capacity of this County; and the County, so long as the Notes remain outstanding, shall perform all duties imposed upon it by the Ordinance.

IN WITNESS WHEREOF, the County of Hopkins, Kentucky has caused this Note to be executed on its behalf with the duly authorized signature of its County Judge/Executive and its corporate seal to be imprinted hereon, attested by the signature of the County Clerk, and this Note is to be dated as of the date set forth above.

COUNTY OF HOPKINS, KENTUCKY

By: _____
County Judge/Executive

Attest:

By _____
County Clerk

ASSIGNMENT

For value received, the undersigned hereby sells, assigns, and transfers unto
_____ the
within Note and hereby irrevocably constitutes and appoints _____
attorney to transfer said Note on the books kept for registration and transfer of this Note, with full
power of substitution in the premises.

Dated: _____

Signature Guaranteed By:

Social Security Number or
other taxpayer
identification number:

EXHIBIT B

PROPOSALS FOR THE PURCHASE OF THE SERIES 2008 NOTES

**HOPKINS COUNTY, KENTUCKY
AOC INTERIM FINANCING
BANK PROPOSALS**

Financial Institution	Fixed Rate	Variable Rate	Conditions
First United Bank	4.25%	Prime less 2.75% (currently 3.75%)	
Fifth Third Bank	3.21%	66% of 30 day LIBOR plus 1.75% adjust monthly (current rate 3.82%)	Loan advances made into a Fifth Third depository account
Integra Bank	3.01% 2.85%	NA	No depository account required One operating account required Commitment fee of \$1,500 for either option selected
US Bank	NA	US Bank Prime Lending Rate currently 4.25%	