

**EXCERPT FROM MINUTES OF A REGULAR MEETING OF
THE BOARD OF EDUCATION OF HARDIN COUNTY SCHOOL DISTRICT**

At a regular meeting of the Board of Education of Hardin County School District, held on the 16th day of February, 2012, at 6:00 P.M., E.S.T., at the regular meeting place of the Board, there were present the following:

Kay Sharon, Chairperson
Charlie Wise, Vice Chairman
John Emary
Mike Kinney
Suzanne Broadwater

There were also present: Nannette Johnston, Superintendent and Secretary and Chip Sutherland of J.J.B. Hilliard, W.L. Lyons, LLC, Louisville, Kentucky, Financial Advisor.

There were absent:

* * * * *

Thereupon, there were presented to the Board certain instruments in connection with the plan of refinancing improvements at East Hardin Middle, West Hardin Middle and a new Sonora/Upton Elementary School ("Projects"). After said instruments had been fully considered, a motion to adopt the following Resolution was made by _____ and seconded by _____:

RESOLUTION OF THE BOARD OF EDUCATION OF HARDIN COUNTY SCHOOL DISTRICT, INITIATING THE REFINANCING PROCESS IN ORDER TO REFUND AND RETIRE CERTAIN SCHOOL BUILDING REVENUE BONDS ORIGINALLY ISSUED TO FINANCE CERTAIN SCHOOL BUILDING PROJECTS; AUTHORIZING AND APPROVING THE EXECUTION OF AN ADJUSTED PARTICIPATION AGREEMENT WITH THE SCHOOL FACILITIES CONSTRUCTION COMMISSION; AUTHORIZING AND APPROVING THE EXECUTION OF A LEASE AGREEMENT WITH THE HARDIN COUNTY SCHOOL DISTRICT FINANCE CORPORATION AND ANY FURTHER NECESSARY INSTRUMENTS; AND APPROVING THE PLAN OF REFINANCING SAID PROJECTS GENERALLY.

WHEREAS, the Board of Education (hereinafter referred to as the "Board") in carrying out of the duties and authority vested in it determined that it was necessary to finance certain school facilities in the District through the issuance of Hardin County School District Finance Corporation School Building Revenue Bonds, Series of 2003, dated July 1, 2003 ("Series 2003 Bonds") and the Corporation's School Building Revenue Bonds, Series of 2004, dated June 1, 2004 ("Series 2004 Bonds") (collectively, the "Prior Issues"), and

WHEREAS, the financing programs represented by the Prior Issues were implemented through the Hardin County School District Finance Corporation ("Corporation"). The Bonds of the Prior Issues were issued in the name of the Corporation and the Projects leased to the Board under two lease agreements, each styled Contract, Lease and Option, dated as of July 1, 2003, and dated June 1, 2004, respectively ("Prior Leases") at sufficient rentals to amortize the Bonds of the Prior Issues as the same became due, and

WHEREAS, the Kentucky School Facilities Construction Commission ("Commission") pursuant to the KRS 157.611 through 157.640 and the Regulations and Resolutions of the Commission has determined that the Board is a school district which continues to be eligible for participation by the Commission, and

WHEREAS, the conditions of the municipal bond market are much more favorable at the present time than on the dates on which the Bonds of the Prior Issues were sold, making it possible for the Board and Commission to realize a substantial savings in interest costs by refinancing the debt represented by the Prior Issues through the issuance of approximately \$15,465,000 of Hardin County School District Finance Corporation School Building Refunding Revenue Bonds, Series of 2012, dated the date of issuance ("Refunding Bonds"), which Refunding Bonds may be issued in two series and designated as Series A of 2012 Bonds and Series B of 2012 Bonds and

WHEREAS, the Commission will by Resolution and the execution of an Adjusted Participation Agreement authorize the Board to proceed with the issuance of the Refunding Bonds through the Board of Directors of the Hardin County School District Finance Corporation pursuant to the provisions of KRS 162.120 through 162.300 and 162.385 (the "School Bond Act"), and

WHEREAS, the Commission will authorize the execution of an Adjusted Participation Agreement with the Board whereunder the Commission will agree to continue to pay the Board the same proportionate amount as was allocated to the debt service requirements of the Series 2004 Prior Issue for the Refunding Bonds.

WHEREAS, the proceeds of the Refunding Bonds will be applied to the prior redemption of certain of the Series 2003 Bonds and certain of the Series 2004 Bonds.

WHEREAS, it is desired by the Board that the Corporation authorize, issue and sell said Refunding Bonds for the purpose of obtaining sufficient funds to provide for the retirement of certain Bonds of the Prior Issues in order that the Board and Commission may realize substantial savings in interest costs by obtaining the benefit of lower interest rates now prevalent in the municipal bond market, and

WHEREAS, the Corporation has acknowledged its willingness to cooperate with the Board and to authorize the Refunding Bonds in accordance with the provisions of the School Bond Act, and

WHEREAS, upon the deposit of sufficient funds to provide for the orderly retirement of certain Bonds of the Prior Issues maturing July 1, 2014 and thereafter and June 1, 2015 and thereafter, or such other maturities of the Bonds of the Prior Issues as determined by the Chairman and Secretary without further action of this Board ("Defeased Bonds") prior to their stated maturities in a special escrow account or accounts, the rights of the Registered Owners of the Defeased Bonds in and to the school property originally financed therefrom and in and to the income and revenues derived therefrom by the Corporation under the Prior Leases will be terminated; however, the Series 2003 Bonds maturing June 1, 2012 through June 1, 2014 and the Series 2004 Bonds maturing July 1, 2012 and July 1, 2013 will not be defeased and will remain payable under the respective Prior Lease ("Remaining Bonds"), and

WHEREAS, it is necessary that the Board enter into a Lease or Leases with the Corporation in substitution of the Prior Leases as to the Refunded Bonds in order to provide for the orderly payment of the Refunding Bonds and the rights and security interests of the Registered Owners of the Refunding Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF THE HARDIN COUNTY, SCHOOL DISTRICT AS FOLLOWS:

RESOLVED, that the Chairperson and Secretary are hereby authorized and instructed to execute an Adjusted Participation Agreement with the Commission in order to implement the Commission's continued assistance to the Board in the payment of the principal and interest requirements on the Refunding Bonds allocated to the Prior Issues.

RESOLVED FURTHER, that the Chairperson and Secretary are hereby authorized and instructed to execute a Lease Agreement or Agreements dated as of the date of issuance of the Refunding Bonds ("Lease") with and a Deed to the Corporation with respect to said Projects, which Lease and Deed shall be prepared by Bond Counsel and shall contain a description of said properties constituting the Projects.

RESOLVED FURTHER, that the Chairperson and Secretary are hereby authorized and instructed to execute all further instruments necessary and desirable in carrying out the plan of refinancing encompassed in the issuance of said Refunding Bonds; including, but not being limited to the execution of an Appointment Agreement with the Registrar/Paying Agent regarding the administration of the registration and payment of said Refunding Bonds and an Escrow Agreement with a bank or trust company in order to provide for the establishment of a special Escrow Fund and the investment and application of the proceeds of the Refunding Bonds to the retirement of the Refunded Bonds.

RESOLVED FURTHER, that upon the effective date of the Lease, which effective date is to be the date on which the Refunding Bonds are issued and delivered and the proceeds thereof deposited in a special escrow account to be used exclusively for the retirement of the Refunded Bonds, the Prior Leases shall terminate as to those Refunded Bonds.

RESOLVED FURTHER, that the public sale said Refunding Bonds is hereby authorized, approved, ratified and confirmed, in accordance with the terms of a Bond Resolution to be adopted by the Board of Directors of the Corporation, the form of which has been reviewed by the Board and is hereby approved.

RESOLVED FURTHER, that the Secretary of the Board of Education is hereby authorized and instructed to file a certified copy of this Resolution with the Executive Director of the Commission, and the Secretary of the Corporation, with the request that it be brought to the attention of the Commission, and the Corporation's Board of Directors, and same shall constitute a request and notice on behalf of the Board that the Commission and Corporation, take all action necessary and appropriate (1) for the authorization and sale of said Refunding Bonds; (2) to see that the proceeds of the sale of said Refunding Bonds be set apart and held separate from all other funds of the Corporation for the purpose of retiring the Prior Issues and expenses; (3) for executing on behalf of said Corporation the proposed Lease.

RESOLVED FURTHER, that pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, (the "Code") the Board, by the adoption of this Resolution, hereby acknowledges that it cannot designate the Bonds as "qualified tax-exempt obligations" within the meaning of the Code and certifies that it reasonably anticipates that the total principal amount of qualified tax-exempt obligations which will be issued by the Board (or the Corporation acting on its behalf) during the calendar year ending December 31, 2012 will exceed \$10,000,000.

RESOLVED FURTHER, that pursuant to the amendments to the Code, the Board, by the adoption of this Resolution, certifies that it does not reasonably anticipate that less than 100% of the "available project proceeds" of the Bonds will be expended for capital expenditures in connection with the Project but that the aggregate face amount of all tax-exempt bonds issued by the Board (or the Corporation acting on its behalf) during the calendar year ending December 31, 2012 will exceed \$10,000,000.

RESOLVED FURTHER, that the exception for governmental units contained in Section 148(f)(4)(C) of the Code, is not available with regard to the Bonds as the principal amount of tax exempt obligations issued by the Corporation on behalf of the Board will in fact exceed the aggregate sum of \$15,000,000 for the calendar year ending December 31, 2012. Nevertheless, Bond Counsel has advised that said Bonds will be exempt if the spend down requirements set forth in Section 16 of the Bond Resolution are observed.

RESOLVED FURTHER, that the Contract of J.J.B. Hilliard, W.L. Lyons, LLC, Louisville, Kentucky, for its services as Fiscal Agent are hereby authorized, ratified and approved and the Chairperson and Secretary are hereby authorized to execute said Lease on behalf of the Board.

RESOLVED FURTHER, that J.J.B. Hilliard, W.L. Lyons, LLC, Louisville, Kentucky, Fiscal Agent for the Board of Education and the Corporation, is hereby directed to prepare an Official Statement on behalf of and in conjunction with the Board of Education and the Board of Directors of the Corporation in regard to the issuance of the Refunding Bonds containing all pertinent information with regard thereto to be supplied prospective bidders for said Refunding Bonds.

RESOLVED FURTHER, that in accordance with the "Disclosure Rules" of the Securities and Exchange Commission, Rule 15c2-12(b)(5), as a result of the aggregate amount of bonds issued by the Corporation (or any other agency acting on behalf of the Board) exceeding \$1,000,000 the Board and the Corporation shall enter into a written agreement for the benefit of all parties who may become Registered or Beneficial Owners of the Bonds whereunder said Corporation and Board will agree to comply with the provisions of the Municipal Securities Disclosure Rules set forth in Securities and Exchange Commission Rule 15c2-12 by filing annual financial statements and material events notices with the Electronic Municipal Market Access (EMMA) System maintained by the Municipal Securities Rule Making Board.

Passed and approved the 16th day of February, 2012

Upon a vote being taken on the motion to adopt the above Resolution, the result was as follows:

Yeas

Kay Sharon, Chairperson
Charlie Wise, Vice Chairman
John Emary
Mike Kinney
Suzanne Broadwater

Nays

Thereupon, the Chairperson declared that the motion had carried and the Resolution had been adopted.

* * * * *

Thereupon, a motion was made, seconded and unanimously carried that the meeting be adjourned.

CERTIFICATE

I, Nannette Johnston, Secretary of the Board of Education of Hardin County School District, certify that the foregoing is a true copy of an excerpt from the minutes of regular meeting of the Board of Education held on the 16th day of February, 2012, insofar as they pertained to the matters hereinbefore set forth.

Witness my hand as Secretary of the Board of Education as of this 16th day of February, 2012.

Secretary, Board of Education