



FLOYD COUNTY BOARD OF EDUCATION
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Dr. Chandra Varia, Member- District 2
Keith Smallwood, Member - District 4
Steve Slone, Member - District 5

DATE: 10/13/25

CONSENT AGENDA ITEM: A resolution of the Board of Education of Floyd County, Kentucky, authorizing and approving the issuance of General Obligation Refunding Bonds not to exceed \$35,000,000 to refund the prior Series 2015 Bonds.

APPLICABLE STATUTE(S), REGULATION(S), BOARD POLICY/PROCEDURE(S):
BOE Policy 01.1

FISCAL/BUDGETARY IMPACT: Total savings to the school district are estimated at \$1,250,000. The refunding bonds will only be issued if the KDE and SFCC required savings thresholds are met. The District will not incur any expenses if the bonds are not sold.

HISTORY/BACKGROUND: 2015 bonds were issued to construct Floyd Central High School and were originally issued at an interest rate of 3.65%.

RECOMMENDED ACTION: Approve as presented.

CONTACT PERSON: Tiffany Warrix Campbell, Director of Finance

CONTACT PERSON: Tiffany Warrix Campbell, Chief Finance Officer


DIRECTOR


SUPERINTENDENT

RESOLUTION NO. _____

A RESOLUTION OF THE BOARD OF EDUCATION OF FLOYD COUNTY, KENTUCKY ("BOARD"), AUTHORIZING AND APPROVING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS, SERIES 2026 IN THE PRINCIPAL AMOUNT NOT TO EXCEED \$35,000,000 (THE "BONDS") IN ACCORDANCE WITH KRS SECTIONS 66.011 THROUGH 66.191, SECTIONS 157.611 THROUGH 157.640 AND SECTION 160.160 THE PROCEEDS OF WHICH ARE TO BE USED TO RETIRE PRIOR TO THEIR RESPECTIVE MATURITIES ALL OR A PORTION OF THE OUTSTANDING FLOYD COUNTY SCHOOL DISTRICT FINANCE CORPORATION SCHOOL BUILDING REVENUE BONDS, SERIES OF 2015 DATED JULY 1, 2015 (THE "PRIOR BONDS") THROUGH THE DEPOSIT AND INVESTMENT IN ESCROW OF THE NET PROCEEDS OF THE REFUNDING BONDS; PROVIDING FOR THE CREATION OF CERTAIN FUNDS TO EFFECT THE DEFEASEMENT OF THE RIGHTS OF THE OWNERS OF ALL OR A PORTION OF THE PRIOR BONDS; AUTHORIZING THE ESTABLISHMENT OF CERTAIN FUNDS TO PROVIDE FOR THE COLLECTION OF, TO THE EXTENT REQUIRED, THE PROCEEDS OF A DIRECT ANNUAL TAX ON ALL TAXABLE PROPERTY WITHIN THE SCHOOL DISTRICT, IN ADDITION TO ALL OTHER TAXES; AUTHORIZING THE EXECUTION OF THE BONDS AND THE DISBURSEMENT OF THE PROCEEDS THEREOF; AUTHORIZING THE INVESTMENT OF FUNDS PURSUANT TO KRS § 66.480; PROVIDING FOR DELEGATION BY THE BOARD OF EDUCATION OF AUTHORITY TO THE SECRETARY OF THE BOARD TO DETERMINE CERTAIN MATTERS RELATING TO THE BONDS; AND AUTHORIZING SUCH OTHER DOCUMENTS, AGREEMENTS AND CERTIFICATES NECESSARY OR REQUIRED FOR THE ISSUANCE OF THE BONDS.

WHEREAS, the Floyd County School District ("District") desires to refinance Floyd County School District Finance Corporation School Building Revenue Bonds, Series of 2015, dated July 1, 2015 ("Prior Bonds") originally issued to finance the construction and equipping of a new High School (the "2015 Project") to save interest costs associated with the Prior Bonds; and

WHEREAS, the Board of Education of Floyd County, Kentucky (the "Board of Education"), as the governing body of the District, has an obligation to provide financing for the costs incident to the acquisition, construction, and equipping of school buildings necessary for the Board to fulfill its duties delegated under KRS Chapter 160 in maintaining a system of common schools in the County of Floyd, Kentucky (the "County"); and

WHEREAS, the School Facilities Construction Commission of the Commonwealth of Kentucky (the "Commission") is an agency and instrumentality of the Commonwealth of Kentucky established for the purpose of assisting the boards of education of any county or independent school district, in a manner which will ensure an equitable distribution of funds based upon unmet need pursuant to the provisions of Sections 157.611 through 157.640 of the Kentucky Revised Statutes ("KRS"), as repealed, amended, and reenacted, and

WHEREAS, the Commission pursuant to the Act and the Regulations of the Commission determined that the District was an eligible district as certified by the Kentucky Board of Education and as such made an Offer of Assistance to the Board of Education, which Offer was accepted by resolution of the Board of Education adopted in a timely manner in accordance with the Regulations of the Commission in connection with the issuance of the Prior Bonds, and

WHEREAS, said Offer of Assistance set forth the Commission's Agreed Participation and the Board's Contribution, as defined in the Participation Agreement hereinafter referred to in connection with the financing of the 2015 Project herein and therein identified, and

WHEREAS, the conditions of the municipal bond market are much more favorable at the present time than in 2015 when the Prior Bonds were sold making it possible for the Board of Education to realize a substantial savings in interest costs by refinancing all or a portion of the Prior Bonds through the issuance of a sufficient principal amount of General Obligation Bonds, Series 2026 (the "Refunding Bonds"), on behalf of the District, in a principal amount not to exceed \$35,000,000 subject to a decrease in an amount determined to be in the best interest of the Board of Education, and paying the costs of issuance of the Bonds, pursuant to the provisions of KRS Chapter 66, 157.611 through 157.640 and 160.160 as repealed, amended, and reenacted (collectively, the "Act") for the purpose of refinancing the construction of the 2015 Project, and

WHEREAS, in order to assure the payment of the Bonds it is necessary that the Board levy a tax sufficient for that purpose; provided, however, it is now anticipated that the current revenues of the Board will be sufficient to provide, in full, for the payment of the Refunding Bonds, as applicable.

NOW, THEREFORE, BE AND IT IS HEREBY RESOLVED BY THE BOARD OF EDUCATION OF FLOYD COUNTY, KENTUCKY, AS FOLLOWS:

Section 1. Preamble Incorporated; Resolution as Contract; Definitions.

That the Preamble to this Resolution is hereby incorporated within the body of this Resolution as fully as if copied in full hereat.

That this Resolution shall constitute a contract between the Board and the holders of the Bonds herein authorized and no change, alteration, or amendment in the provisions hereof shall be made subsequent to the delivery of said Bonds.

For the purposes of this Resolution and the Bonds the following terms shall have the meanings hereinafter set forth:

"Act" means, collectively, Sections 66.011 through 66.191, 157.611 through 157.640 and 160.160 of the Kentucky Revised Statutes.

"Agreed Participation" means that portion of the Percentage Discount or Rate of Participation to which the Board was determined to be entitled by the Commission for the 2015 Project; said annual amount being equal to approximately \$387,663 of the annual debt service requirements for the Refunding Bonds herein identified is the maximum annual amount which the Commission will pay toward principal and interest requirements of the Refunding Bonds. The actual annual Agreed Participation for each year is set forth in the Amended Participation Agreement.

"Agreement" or "Participation Agreement" means the amended agreement between the Commission and the Board establishing the terms of the Commission's participation in financing the 2015 Project.

"Available Local Revenue" means the amount required under the Commission Act, as determined by the Department, in order for the Board to qualify as an Eligible District under the Act.

"Board" or "Board of Education" means the Board of Education of Floyd County, Kentucky.

"Board's Contribution" means that part of the "Available Local Revenue" under the Commission Act and the Regulations of the Commission which the Board is required to expend for the 2015 Project in order to qualify as an "Eligible District" under the Commission Act and the Regulations of the Commission; no **cash contribution** shall be provided of the Board but the Board shall be required to pay an annual Debt Service Requirement in such amount as is necessary to meet the principal and interest requirements of the Bonds to the extent the Agreed Participation is insufficient.

"Bond Counsel" means Steptoe & Johnson PLLC, Louisville, Kentucky.

"Bond Registrar" or "Registrar" means U.S. Bank Trust Company, National Association, Louisville, Kentucky acting in its capacity as the Registrar and Paying Agent for the Bonds, and assuming the obligations of a registrar as set forth in this Resolution.

"Bonds" or "Refunding Bonds" means the Board of Education of Floyd County, Kentucky General Obligation Refunding Bonds, Series 2026.

"Code" means the Internal Revenue Code of 1986, as amended, and the Regulations promulgated thereunder.

"Commission" means the School Facilities Construction Commission of the Commonwealth established pursuant to the Act.

"Costs of Issuance" means those expenses incident to the issuance of the Bonds, including, but not being limited to, the fees of any rating agency, Municipal Advisor, Bond and/or Tax Counsel, Bond Registrar and Paying Agent, publication cost, and any other cost associated with the issuance and delivery of the Bonds.

"Costs of Issuance Fund" means the separate account established with the Depository from the proceeds of the Bonds from which the Costs of Issuance are to be paid.

"Depository" means U.S. Bank Trust Company, National Association, Louisville, Kentucky, or such other bank as may be appointed by the Secretary, without further action of the Board of Education, who may act as depository for the various funds established by this Resolution.

"District" means the Floyd County School District acting by and through the Board of Education.

"Escrow Agent Bank" means U.S. Bank Trust Company, National Association, Louisville, Kentucky or such other bank as is determined by the Secretary of the Corporation without further action of the Board.

"Escrow Agreement" means the contract authorized herein among the Board, the Corporation and the Escrow Agent Bank providing for the Investments for the Escrow Fund.

"Escrow Fund" means the "Board of Education of Floyd County, Kentucky General Obligation Refunding Bond Escrow Fund " established under the Escrow Agreement to receive the proceeds of the Refunding Bonds and hold the Investments for transfer to the Prior Bond Fund to retire in advance of maturity the Refunded Bonds.

"Event of Default" shall mean the Board's (i) failure to comply with the provisions of the Act or this Resolution; (ii) failure to pay the principal and interest on the Bonds when due; or (iii) failure to comply with the Code.

"Investments" means those investments permitted under KRS § 66.480.

"Issuer" or "Board" means the Board of Education of Floyd County, Kentucky.

"KRS" means the Kentucky Revised Statutes, as amended.

"Municipal Advisor" means Compass Municipal Advisors, LLC, Lexington, Kentucky.

"Offer of Assistance" means the offer, subsequently amended, submitted to the Board by the Commission in connection with the Prior Bonds pursuant to the Commission Act and its Regulations, indicating the required amount of Available Local Revenue, as certified by the Department; the priority order of facilities to be built, as certified; the Commission's Rate of Participation; and such other terms and conditions as required by the Regulations of the Commission.

"Official Statement" means the Board's information disclosure statement issued pursuant to Securities and Exchange Commission Rule 15c2-12 (the "Rule") in connection with the offering and sale of the Bonds and deemed final within the meaning of the Rule.

"Percentage Discount" as defined under the Commission Act or "Rate of Participation" as defined under the Regulations of the Commission means the total annual amount to which the Commission Act and Regulations to be applied to the Board's "Unmet Need" as defined in the Act.

"Permitted Adjustment" means the permitted increase or decrease in the authorized principal amount of the Refunding Bonds as set forth in detail in this Bond Resolution.

"Pledged Receipts" means the combination of the Tax, and other taxes and revenues available to the Board, including those payments under the Agreed Participation due from the Commission to the Board, adequate each year to pay the principal and interest requirements of the Bonds.

"Prior Bond Fund" refers to the Floyd County School District Finance Corporation School Building Revenue Bond and Interest Redemption Fund of July 1, 2015 established by the Prior Bond Resolution to provide for the payment of the Prior Issue and maintained with U.S. Bank Trust Company, National Association, Louisville, Kentucky.

"Prior Bond Resolution" means the Resolution adopted by the Corporation authorizing the Prior Bonds.

"Prior Bonds" or "2012 Bonds" refers to the Corporation's outstanding Floyd County School District Finance Corporation School Building Revenue Bonds, Series of 2015, dated July 1, 2015, outstanding as of the date this Resolution is adopted in the principal amount of \$33,955,000.

"Prior Lease" refers to the Lease Agreement, dated as of July 1, 2015, by and between the Board and the Corporation and executed in conjunction with the Prior Bonds.

"Refunded Bonds" means the Prior Bonds maturing August 1, 2026 and thereafter or such other Prior Bonds as are determined by the Board's Municipal Advisor to be in the best interest of the Board.

“Registered Owners” or “Owner” means the registered owners of the Bonds.

"Regulations" means the Regulations of the Commission designated as 750 KAR 1:010, Commission Procedures.

"Remaining Bonds" means Prior Bonds, if any, that may remain outstanding after the issuance of the Refunding Bonds.

“Sinking Fund” means the separate fund established with the Depository into which the proceeds of the Tax herein authorized and other taxes and revenues of the Board, to the extent required for payment of debt service on the Bonds, are to be deposited and used only for the payment of the Bonds.

“State” means the Commonwealth of Kentucky.

“Tax” means the direct, annual ad valorem tax on all real and personal property within the District, which is subject to taxation for District purposes, which are pledged to the payment of Bonds.

“2015 Project” means the new High School acquired, constructed and equipped with the proceeds of the Prior Bonds.

Section 2. Necessity for and Authorization of Bonds.

That for the purposes set forth in the Preamble to this Resolution, there is hereby declared a necessity for, and there is hereby authorized to be issued Board of Education of Floyd County, Kentucky General Obligation Refunding Bonds, Series 2026 in a principal amount not to exceed \$35,000,000 (subject to a decrease in an amount determined to be in the best interest of the Board), as authorized by this Resolution to be dated their date of issuance as determined by the Secretary upon the advice of the Board’s Municipal Advisor.

The Bonds shall be dated as determined in the Certificate of the Secretary awarding the Bonds (“Award Certificate”), without further action of the Board and with the advice of the Municipal Advisor, pursuant to Section 7 of this Resolution, awarding Bonds to the purchaser thereof and establishing the interest rate or rates on the Bonds. Subject to modification in the Award Certificate, principal on the Bonds shall be payable on August 1, 2026 and each August 1 thereafter through August 1, 2035 as set forth in the Award Certificate. Interest on the Bonds shall be payable semi-annually on February 1 and August 1, beginning August 1, 2026, at the interest rate or rates established in the Award Certificate on the outstanding principal amount thereof. The Bonds may be serial and/or term bonds maturing in the month, years and in the amounts to be established in the Award Certificate accepted by the Board Secretary as the successful bid for the purchase of the Bonds, after advertised competitive sale of the Bonds,

based on the interest rates bid in the successful bid and the provisions of this Resolution, specifically this Section 2; provided, that the final maturity date of the Bonds shall not be later than August 1, 2035 and such final maturity may not exceed the maximum maturity as established in Section 66.091 of the Kentucky Revised Statutes.

The Board's Contribution to debt service shall be paid directly to the Paying Agent semi-annually on the 15th day of January and the 15th day of July commencing July 15, 2026. The January payment shall be equal to the Board's Contribution to debt service for interest becoming due on the Bonds on February 1 and the July payment shall be equal to the Board's Contribution to debt service for interest becoming due August 1, plus the Board's portion of principal due on August 1.

The maximum permissible net interest cost for the Bonds shall not exceed "The Bond Buyer's" Index of 20 Municipal Bonds as established on the Thursday immediately preceding the sale of said Bonds plus 1.50%.

Section 3. Form and Execution of Bonds; Authentication; Optional and Mandatory Redemption.

(A) The Bonds shall be issued in book-entry only form, unless the successful bidder elects to issue standard bond certificates and shall be substantially in the same form as that attached to this Resolution as Exhibit "A" (except as amounts and dates may be changed therein), the redemption provisions of which are incorporated herein by reference thereto.

The Bonds shall be executed with the facsimile signature of the Board Chairperson, attested by the facsimile signature of the Board Secretary.

The Bonds shall be payable at the principal office of the Registrar and Paying Agent, being such bank as may be appointed by the Board Secretary, without further action of the Board of Education, who may also act as Depository for the various funds established by this Resolution.

No Bond shall be valid or binding upon the Board unless and until it is authenticated by the manual signature of a duly authorized representative of the Registrar and Paying Agent.

The Bonds are to be issued in fully registered form (both principal and interest). U.S. Bank Trust Company, National Association, Louisville, Kentucky has been designated as the Bond Registrar and Paying Agent, shall remit interest on each semiannual due date to Cede & Co. Principal and interest will be payable through the Book-Entry-Only-System administered by The Depository Trust Company (Record Date is the 15th day of month preceding interest due date).

(B) Optional Redemption. The Bonds shall not be subject to redemption at the option of the Board prior to their stated maturity.

(C) Mandatory Redemption/Term Bonds. In the event the purchaser of the Bonds so elects, the Bonds may be issued as term bonds in which event the Paying Agent shall select a principal maturity originally scheduled to mature on the principal due date as reflected by the successful bid and shall notify the Registered Owners of Bonds so selected for mandatory redemption not less than thirty (30) days prior to the principal due date by regular United States Mail. Any Mandatory Sinking Fund Redemption provisions shall be set forth in the Award Certificate, final Bond certificate and/or the Final Official Statement or similar disclosure document or memorandum, which provisions are incorporated herein, without further action of the Board of Education.

(D) Notice of Redemption. If less than all Bonds which are payable by their terms on the same date are to be called, the particular Bonds, or portions of Bonds payable on such same date and to be redeemed from such series, shall be selected by lot by the Registrar and Paying Agent, in such manner as the Registrar and Paying Agent in its discretion may determine; provided, however, that the portion of any Bond to be redeemed shall be in the principal amount of \$5,000 or some multiple thereof, and that, in selecting Bonds for redemption, the Registrar and Paying Agent shall treat each Bond as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

At least thirty (30) days before the redemption date of any Bonds, the Registrar and Paying Agent shall cause a notice of such redemption to be mailed, postage prepaid, to all Registered Owners of the Bonds to be redeemed at their addresses as they appear on the registration books kept by the Registrar and Paying Agent, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption. Each such notice shall set forth the date fixed for redemption, the redemption price to be paid and, if less than all of the Bonds being payable by their terms on a single date then outstanding shall be called for redemption, the distinctive numbers or letters, if any, of such Bonds to be redeemed and, in the case of Bonds to be redeemed in part only, the portion of the principal amount thereof to be redeemed. In case any Bond is to be redeemed in part only, the notice of redemption which relates to such Bond shall state also that on or after the redemption date upon surrender of such Bonds, a new Bond in principal amount equal to the unredeemed portion of such Bonds will be issued.

On the date so designated for redemption, notice having been sent in the manner and under the conditions hereinabove provided and moneys for payment of the redemption price being held in separate accounts by the Bond Registrar/Paying Agent for the Bondowners or portions thereof to be redeemed, the Bonds or portions of Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds or portions of Bonds on such date, interest on the Bonds or portions of the Bonds so called for redemption shall cease to accrue, and the Registered Owners of the Bonds or portions of Bonds

shall have no rights in respect thereof except to receive payment of the redemption price thereof and to receive Bonds for any unredeemed portions of Bonds.

In case part but not all of an outstanding Bond shall be selected for redemption, the Registered Owner thereof or his attorney or legal representative shall present and surrender such Bond to the Bond Registrar/Paying Agent for payment of the principal amount hereof so called for redemption, and the Board shall execute and the Bond Registrar/Paying Agent shall authenticate and deliver to or upon the order of such Registered Owner or his legal representative, without charge therefor, for the unredeemed portion of the principal amount of the Bond so surrendered a Bond of the same series and maturity and bearing interest at the same rate.

Section 5. Compliance with Constitution; Designation and Certification of Public Project; Determination that Refunding the Prior Bonds is in the Best Interest of the Commission and the Board; Authorization of Tax; Pledge of Tax, Pledged Receipts to Payment of Bonds; Designation as General Obligation Bonds.

(A) That the debt represented by the Bonds is hereby determined to be within the maximum indebtedness of the Board permitted under Section 158 of the Constitution of Kentucky.

(B) That the Board, as the governing body of the District and acting on behalf of the District, is authorized to contract the indebtedness represented by the Bonds pursuant to Section 159 of the Constitution of Kentucky and provide for the collection of an annual tax sufficient to pay the Bonds and establish the hereinafter identified Sinking Fund to provide for the payment of the principal thereof.

(C) That pursuant to Section 157 of the Constitution of Kentucky and KRS § 66.111, there is hereby authorized to be levied, and the Board hereby does so levy, without limitation as to rate or amount, each year that the Bonds remain outstanding, a Tax in an amount sufficient to provide for the full payment of the principal and interest requirements on said Bonds; provided, however, that said Tax shall be collected only to the extent that other receipts from existing Board taxes or other sources, including those payments under the Agreed Participation due from the Commission to the Board, are not sufficient to provide for the full payment of the debt service payments on the Bonds each year.

(D) That by the adoption of this Resolution, the Board covenants with the holders of the Bonds that it shall levy and collect each year a Tax in a sufficient amount and appropriate in its annual budget, together with other taxes and revenues available to it, including those payments under the Agreed Participation due from the Commission to the Board, an amount of funds sufficient to pay the principal of and interest on the Bonds as defined in KRS § 66.011(4).

(E) That the Tax shall include the ad valorem property taxes permitted under Section 157 of the Constitution of Kentucky levied and collected by the Board.

Notwithstanding the foregoing, the Tax shall only be collected and applied to the payment of said Bonds to the extent other taxes and revenues available to the Board, including those payments under the Agreed Participation due from the Commission to the Board, are not sufficient to meet such debt service on the Bonds.

(F) That there is hereby pledged to the payment of the Bonds, as applicable, the Tax to the extent required each year, and other taxes and revenues available to the Board, including those payments under the Agreed Participation due from the Commission to the Board, which together, shall constitute the "Pledged Receipts" securing said Bonds, in accordance with the terms of this Resolution.

(G) That the Board hereby declares, determines and certifies that the 2015 Project constitutes a "public project" within the meaning of KRS § 66.011(17) and that the conditions of the municipal bond market are much more favorable at the present time than in 2015 when the Prior Bonds were sold making it possible for the Board of Education to realize a substantial savings in interest costs by refinancing all or a portion of the Prior Bonds through the issuance of the Refunding Bonds.

(H) The Board hereby designates the Bonds as full general obligations of the Board to the payment of which the full faith, credit, revenue and taxing authority of the Board are hereby pledged for the prompt payment thereof.

(I) That the Tax, to the extent required, and other taxes and revenues of the Board sufficient to meet the debt service on the Bonds, shall be deposited in the appropriate Sinking Fund for the Bonds and applied solely to the payment of the debt service of the Bonds.

(J) The Board agrees so long as the Bonds remain outstanding, and in conformance with the intent and purpose of KRS 160.160(5), in the event of a failure by the Board to pay the debt service payments due on the Bonds, and unless sufficient funds have been transmitted to the Paying Agent, or will be so transmitted, for paying said debt service payments when due, the Board hereby agrees to allow the Paying Agent to notify and request the Kentucky Department of Education to withhold from the Board a sufficient portion of any undisbursed funds then held, set aside, or allocated to the Board and to request said Department or Commissioner of Education to transfer the required amount thereof to the Paying Agent for the payment of such debt service payments.

Section 6. Delegation of Authority to Determine Certain Matters Relating to the Bonds.

The Bonds shall be sold pursuant to an advertised competitive bid under the authority of KRS Chapter 424. The Board Secretary is hereby delegated the authority to determine the final terms of the Bonds upon the advice of the Municipal Advisor, within the parameters established herein, after bids have been received, such terms to be set forth in the Award Certificate.

Section 7. Execution of Documents Authorized.

That in order to effect the financing plan evidenced by the Bonds the Board Chairperson, Board Secretary, Board Treasurer and/or such other Board official as may be designated by the Board, are hereby authorized to execute those documents necessary to provide for the issuance of said Bonds and the payment thereof, including but not limited to the following:

- (i) the Bonds and such closing documents and/or certificates as Bond Counsel may require, and
- (ii) such other documents as are required to implement the financing of the Projects and the execution of the Bonds generally, including, but not limited to the Amended Participation Agreement, an Escrow Agreement, a Bond Registrar/Paying Agent Agreement, Continuing Disclosure Certificate, Tax Compliance Procedures, Continuing Disclosure Procedures, Tax Certificates and any other certificates or documents required by Bond Counsel to issue the Bonds.

Section 8. Employment of Municipal Advisor and Bond Counsel; Advertised Sale of Bonds; Acceptance of Bid.

The employment of Compass Municipal Advisors, LLC, Lexington, Kentucky, as Municipal Advisor is hereby authorized, approved and directed; and, the employment of Steptoe & Johnson PLLC, Louisville, Kentucky, as Bond Counsel is hereby authorized, approved and directed.

The Bonds shall be sold at public sale after advertising according to law. The specific terms, bidding conditions and restrictions governing the sale of said Bonds shall be as set forth in the forms of "Notice of Bond Sale," "Official Terms and Conditions of Bond Sale" and "Official Bid Form.

Upon the receipt of the competitive bids after the required advertisement, the Board Secretary, with the advice of the Municipal Advisor, shall calculate the best purchase offer and the exact principal amount of Bonds to be awarded, and accept the offer to purchase said Bonds on behalf of the Board without further action by the Board of Education.

Section 9. Establishment of Funds.

That there are hereby authorized to be established the following funds or accounts which shall be maintained with the Depository and or Escrow Agent:

(A) The Sinking Fund (or Bond Fund), which shall receive the receipts of the Tax herein authorized and other taxes and revenues of the Board, to the extent required for payment of debt service on the Bonds. Said Sinking Fund moneys shall be used only for the payment of the Bonds. Upon the delivery of the Bonds any accrued or capitalized interest shall be deposited into said fund.

(B) Costs of Issuance Fund, which shall receive from the proceeds of the Bonds the amounts necessary to pay the Costs of Issuance of the Bonds upon the delivery of said Bonds. The Depository shall remit the required payments in the amounts and to the parties specified in writing by the Board Secretary or Board Treasurer upon the delivery of the Bonds. Any amounts remaining in the Costs of Issuance Fund following the payment of all such Costs of Issuance shall be transferred to the Sinking Fund.

(C) Escrow Fund or Prior Bond Fund, which shall receive a sufficient amount of the proceeds of said Refunding Bonds, together with a sum in cash to be paid by the Board if required, and invested only in direct Obligations of the United States Government or Obligations fully guaranteed by the United States Government (the "Investments"), sufficient to accomplish the purposes intended, which Investments shall be scheduled to mature at such times and in such amounts as are necessary to pay the accruing interest until the redemption date and the redemption of principal of the Refunded Bonds prior to their stated maturities on or about April 1, 2026 or such other date as the Corporation may determine to be in its best interest. The Treasurer of the Corporation is hereby authorized to act on behalf of the Corporation in making such Investments, purchasing directly or through the Municipal Advisor, as designee of such officer.

(D) The amounts required to accomplish the purposes set forth in subsection (c) above shall be deposited in the Escrow Fund established pursuant to the terms of a certain Escrow Agreement by and among the Board, the Corporation and the Escrow Agent Bank and transferred to the Prior Bond Fund as required. The Chair and Secretary of the Board of Education are hereby authorized to execute such Escrow Agreement on behalf of the Board.

Money in the Bond Fund or Escrow Fund shall be invested for the benefit of the respective accounts in such portions and in such manner as is designated by the Treasurer of the Board. The investments shall be restricted to those "permitted investments" as enumerated under the provisions of KRS 66.480, which minimum provisions of said Statute are hereby incorporated in this Bond Resolution as fully as if copied in full herein; provided, however, should this Bond Resolution impose investment limitations more strict than KRS 66.480, then the provisions hereof shall govern.

Section 10. Refunded Bonds Shall be Fully Provided for Through Escrow of the Proceeds of the Refunding Bonds.

That provisions having been made in Section 9 of this Resolution and in the Prior Bond Fund or Escrow Fund for the orderly payment prior to their stated maturities of the Refunded Bonds and the interest requirements thereon, it is hereby recognized and acknowledged that as of the date of delivery of the Refunding Bonds, provisions will have been made for the performance of all covenants and agreements of the Board and the Commission incident to the issuance of the Refunded Bonds, and that accordingly, and in compliance with all that has been heretofore provided, the Board and the Commission will have no further obligation with reference to the aforesaid Refunded Bonds, except to assure that the Refunded Bonds are paid from the funds so escrowed in accordance with the provisions of this Resolution and required legal notice of prior redemption given.

It is expressly provided and covenanted that all of the provisions for the payment of the principal of, interest on and redemption premium, for the Refunded Bonds from said Prior Bond Fund or Escrow Fund, shall be strictly observed and followed in all respects, and the income from said Prior Bond Fund or Escrow Fund shall not be applied for any purpose other than the payment of the principal of, interest on and redemption premium for said Refunded Bonds. Upon the retirement of the Refunded Bonds any surplus remaining in said Prior Bond Fund shall be transferred to the "Bond Fund" and the amounts due from the Board toward payment on the Bonds shall be reduced for the period then in effect at the time the transfer of such surplus, if any, is made.

The Board and Commission have expressly retained all options and rights contained in the proceedings authorizing the Prior Bonds to redeem said Bonds, in whole or in part, prior to the respective maturity dates thereof, provided no such redemption shall be made if the effect of such redemption would be to cause the Refunding Bonds, or any part thereof, to become (taxable) arbitrage bonds within the meaning of the Code; provided, however, that upon deposit of the required amount to the Prior Bond Fund or Escrow Fund by the Board and the Commission, the terms and conditions relating to the payment or redemption of the Prior Bonds prior to their stated maturities shall be fixed and shall constitute a contract between the Board, the Commission and the Registered Owners of the Prior Bonds which shall not be subject to amendment.

Section 11. Registration of Bonds; Duties of Bond Registrar, Paying Agent, and Depository.

U.S. Bank Trust Company, National Association, Louisville, Kentucky or such other bank as may be appointed by the Secretary of the Board, without further action by the Board of Education, is hereby designated as the Bond Registrar, Paying Agent and Depository for the Bonds. The Bond Registrar, Paying Agent and Depository shall receive compensation for its services in accordance with its agreement with the Board.

- (A) The duties of the Bond Registrar shall be as follows:

- (i) To register all Bond certificates in the name of the Registered Owner thereof in accordance with the provisions of the Code;
 - (ii) Upon being supplied with a properly authenticated assignment satisfactory to said Bond Registrar (in the sole discretion of said Bond Registrar), to transfer the ownership of Bond certificates from one Registered Owner to another within three (3) business days of the receipt of proper authentication by said Bond Registrar; and
 - (iii) To cancel and destroy (or remit to the Board for destruction) all exchanged or matured Bond certificates, and to maintain adequate records relative thereto;
- (B) The duties of the Paying Agent and Depository shall be as follows:
- (i) To maintain the various funds established under this Resolution and to invest the same in accordance with the provisions hereof;
 - (ii) To remit, but only to the extent that all required funds are made available to the Paying Agent by the Board, semiannual interest payments direct to the Registered Owner of each Bond by regular United States Mail; said interest payments shall be deposited in the United States Mail no later than each interest due date, Matured or redeemed Bonds shall be payable upon presentation of Bond certificates to the Paying Agent. For interest payment purposes, the Paying Agent shall be entitled to rely on its records as Bond Registrar as to the ownership of each Bond as of the 15th day of the month preceding an interest due date and the Paying Agent's checks shall be drawn and mailed accordingly;
 - (iii) To notify each Registered Owner to be prepaid and to redeem Bonds prior to their stated maturity upon their presentation in accordance with the provisions of this Resolution upon being supplied with sufficient funds; and
 - (iv) To supply the Board and the Commission with a written accounting evidencing the payment of interest and principal within thirty days following each due date.

The Bond Registrar/Paying Agent shall be entitled to the advice of its attorney and shall be protected for any acts taken by it in good faith and reliance upon such advice. The Bond Registrar/Paying Agent shall not be liable for any action taken or omitted to be taken by it in good faith and believed by it to be within its discretion or the power conferred upon it by this

Resolution or any agreement with the Board or be responsible for the consequences of any oversight or error of judgment.

The Bond Registrar/Paying Agent may at any time resign from its duties set forth in this Resolution or in any agreement with the Board by filing its resignation with the Board Secretary and notifying the Registered Owners of the Bonds herein authorized. Thereupon, the Board shall designate a successor Bond Registrar/Paying Agent which shall be an incorporated bank or trust company. Notwithstanding the foregoing, in the event of the resignation of the Bond Registrar/Paying Agent, provisions shall be made for the orderly transition of the books, records and accounts relating to the Bonds to the successor Bond Registrar/Paying Agent in order that there will be no delinquencies in the payment of interest or principal due on the Bonds.

The Bond Registrar/Paying Agent may be removed by the Board if at any time so requested by an instrument or concurrent instruments in writing, filed with the Bond Registrar/Paying Agent and signed by the Registered Owners of a majority in principal amount of the Bonds then outstanding or their attorneys-in-fact duly authorized.

Section 12. Tax Covenants.

The Board shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the Board with respect to the Bonds shall be excludable from the gross income of the recipients thereof for Federal income tax purposes under any valid provision of the Code.

The Board shall not permit at any time or times any of the proceeds of the Bonds to be used directly or indirectly to acquire any securities or obligations the acquisition of which would cause such Bonds to be "arbitrage bonds" as defined in Section 148 of the Code, as then in effect.

The Board further covenants that prior to the issuance of said Bonds and as a condition precedent to such issuance, the Board shall certify by issuance of a certificate of the Chairperson, Secretary or Treasurer of the Board, that on the basis of the facts, estimates and circumstances in existence on the date of issue of said Bonds, it is not expected that the proceeds of said Bonds will be used in a manner which would cause such obligations to be "arbitrage bonds" under the Code.

The Board hereby certifies that it does reasonably expect to issue in its own name, or request the School District Finance Corporation, or another state or local governmental agency to issue on its behalf, bonds or other obligations considered under the Code to be "tax-exempt obligations" in a principal amount in excess of \$15,000,000 during the calendar year ending December 31, 2025, and for that reason the Board has been advised by Bond Counsel that the Bond Fund, Escrow Fund, or any other fund or account established under the provisions of this Resolution are subject to the "rebate requirements" on excess earnings in favor of the United

States of America imposed by the Code. The Board covenants and agrees that if the Bond Fund, Escrow Fund, or any other fund established under this Resolution 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 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 "Excess Earnings and 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 on or before a date five years and thirty days from the date said Bonds are delivered, and once every five years thereafter until the final retirement of the Bonds; the last installment, to the extent required, to be made no later than sixty 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 13. Not Qualified Tax-Exempt Obligations. The Board, by the adoption of this Resolution, reasonably anticipates that the total principal amount of tax-exempt obligations which it will issue or which will be issued on its behalf during the calendar year ending December 31, 2026, will exceed \$10,000,000 and therefore determines that it may not designate the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. If the Board, or Finance Corporation on behalf of the Board, determines after the adoption of this resolution that it may in fact issue less than \$10,000,000 principal amount of tax-exempt obligations during the calendar year ending December 31, 2026 then the Bonds shall be issued as "qualified tax-exempt obligations" and such determination will be made in the tax certificate which accompanies the Bonds at issuance.

Section 14. Official Statement Authorized. Compass Municipal Advisors, LLC, Lexington, Kentucky, Municipal Advisor for the Board, having assisted in the preparation of a Preliminary Official Statement in conjunction with the Board for the sale of the Bonds containing all pertinent information concerning said Bonds; the Preliminary Circular portion of said Preliminary Official Statement having been reviewed by the Board, same is hereby authorized, ratified and approved, acknowledge same on behalf of the Board. The Chairperson and Secretary are also authorized to execute said Municipal Advisor's contract on behalf of the Board, which contract is hereby authorized, ratified and approved.

Section 15. Contractual Nature of Resolution. This Resolution shall constitute a contract between the Board and the holders of the Bonds, and after the issuance and delivery of such Bonds no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner except for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective or inconsistent provisions contained herein.

Section 16. Severability. If any section, paragraph or clause hereof shall be held invalid, the invalidity of said section, paragraph or clause shall not affect any of the remaining provisions of this Resolution.

Section 17. Conflicts Repealed; Effective Date of Resolution. All resolutions or parts thereof in conflict with the provisions of this Resolution are hereby repealed and this Resolution shall take effect and be in force upon its adoption. This Resolution shall take effect from and after its passage.

Section 18. Kentucky School Facilities Construction Commission Participation.

The Board of Education has been determined to be entitled to financial assistance from the School Facilities Construction Commission of the Commonwealth of Kentucky pursuant to the provisions of KRS Sections 157.611 through 157.640 as repealed, amended and reenacted; and, the Board of Education hereby determines to apply such assistance to the Bonds and the Commission and the Board shall enter into an Amended Participation Agreement in order to implement the Commission's assistance to the Board through the annual payment of an Agreed Participation which is to be applied directly to the payment of a portion of the principal and interest requirements for the Bonds. Said Participation Agreement is hereby incorporated by reference in this Resolution as fully as if copied herein.

The Commission's Agreed Participation to debt service shall be paid directly to the Paying Agent semi-annually on the 1st day of February and the 1st day of August commencing August 1, 2026. The February payment shall be equal to the Commission's Agreed Participation to debt service for interest becoming due on the Bonds on February 1 and the August payment shall be equal to the Commission's Agreed Participation to debt service for interest becoming due August 1, plus the Commission's portion of principal due on August 1.

[SIGNATURE PAGE – GENERAL OBLIGATION BOND RESOLUTION]

Passed and adopted on July 21, 2025.

Chairperson

Attest:

Secretary

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education Floyd County, Kentucky; that the foregoing is a true and complete copy of a certain Resolution duly adopted by the Board of Education of Floyd County, Kentucky, at a duly convened public meeting properly held on July 21, 2025; that said Resolution appears as a matter of public record in the official records of the Board of Education; that said meeting was duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.805 to 61.850; that a quorum was present at said meeting; that said Resolution has not been amended, modified, revoked or repealed; and that same is now in full force and effect.

IN TESTIMONY WHEREOF, witness my signature as of July 21, 2025.

Secretary,
Board of Education of Floyd County,
Kentucky