

ORDINANCE NO. 1900

AN ORDINANCE OF THE CITY OF DANVILLE, KENTUCKY AUTHORIZING THE ISSUANCE OF ITS (I) GENERAL OBLIGATION PUBLIC PROJECT BONDS, SERIES 2017A TO PAY OR REIMBURSE COSTS OF PUBLIC PROJECTS FOR THE CITY AND (II) GENERAL OBLIGATION REFUNDING BONDS, SERIES 2017B TO REFUND AND REDEEM ALL OR A PORTION OF THE CITY'S OUTSTANDING GENERAL OBLIGATION BONDS, SERIES 2006A; APPROVING THE FORMS OF THE BONDS; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE BONDS; PROVIDING FOR THE PAYMENT AND SECURITY OF THE BONDS; CREATING BOND PAYMENT FUNDS; MAINTAINING THE HERETOFORE CREATED SINKING FUND; APPROVING AND AUTHORIZING THE ADVERTISEMENT AND ACCEPTANCE OF THE BIDS FOR THE PURCHASE OF THE BONDS; PROVIDING FOR A CONTINUING DISCLOSURE UNDERTAKING WITH RESPECT TO THE BONDS AND THE CITY'S COMPLIANCE THEREWITH; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, the City of Danville, Kentucky (the "City") has determined that it is necessary and desirable for the City to finance the costs of capital additions and improvements to property of the City, including, but not limited to, the water infrastructure project and energy efficiency project described in Exhibit A hereto (the "2017A Project"); and

WHEREAS, the City heretofore issued its General Obligation Bonds, Series 2006A (the "Series 2006A Bonds"), the proceeds of which were used to finance the costs of the acquisition and construction of a public parking garage; and

WHEREAS, the City has determined that it is in the best interests of the City that the City proceed at this time to issue its General Obligation Public Project Bonds, Series 2017A (the "Series 2017A Bonds") in an aggregate principal amount of \$8,890,000 (which aggregate principal amount may be decreased, in authorized denominations, in any such amount that is deemed to be in the interest of the City and which aggregate principal amount may be increased, in authorized denominations, to no more than \$9,750,000) to finance the 2017A Project; and

WHEREAS, the City has further determined that the present conditions of the municipal market are more favorable than at the time the Series 2006A Bonds were issued, and it is therefore advantageous and in the best interests of the City for the City to proceed with the issuance of its General Obligation Refunding Bonds, Series 2017B (the "Series 2017B Bonds", and together with the Series 2017A Bonds, the "Bonds") in the aggregate principal amount of \$2,760,000 (which aggregate principal amount may be decreased, in authorized denominations, in any such amount that is deemed to be in the interest of the City and which aggregate principal amount may be increased, in authorized denominations, to no more than \$3,100,000) to currently refund all or a portion of the outstanding Series 2006A Bonds;

WHEREAS, pursuant to the Constitution and laws of the Commonwealth of Kentucky, and particularly Sections 66.011 to 66.191 of the Kentucky Revised Statutes (the "Act"), a city may issue bonds or refunding bonds, subject to the requirements of the Act, to pay all or any portion of the costs of financing or refinancing any public project that such city is authorized to acquire, improve or construct;

WHEREAS, the Bonds are to be sold and awarded to the successful bidders (each a "Purchaser") at public, competitive sales in accordance with the provisions of Chapter 424 of the Kentucky Revised Statutes.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF DANVILLE, COMMONWEALTH OF KENTUCKY, AS FOLLOWS:

Section 1. Necessity, Authorization and Purpose. The City hereby declares that it is desirable and necessary to issue and authorize the issuance of its Series 2017A Bonds, in an approximate principal amount of \$8,890,000 subject to permitted adjustment (the "Series 2017A Permitted Adjustment") which aggregate principal amount may be decreased, in authorized

denominations, in any such amount that is deemed to be in the interest of the City and which aggregate principal amount may be increased, in authorized denominations, to no more than \$9,750,000, for the purpose of (i) paying the costs of the 2017A Project and (ii) paying costs of issuance of the Series 2017A Bonds.

The City hereby further declares that it is desirable and necessary to issue and authorizes the issuance of its Series 2017B Bonds, in an approximate principal amount of \$2,760,000 subject to permitted adjustment (the "Series 2017B Permitted Adjustment", and together with the Series 2017A Permitted Adjustment, the "Permitted Adjustments") which aggregate principal amount may be decreased, in authorized denominations, in any such amount that is deemed to be in the interest of the City and which aggregate principal amount may be increased, in authorized denominations, to no more than \$3,100,000 for the purpose of (i) currently refunding all or a portion of the outstanding Series 2006A Bonds and (ii) paying costs of issuance of the Series 2017B Bonds.

The exact principal amount of Series 2017A Bonds and Series 2017B Bonds to be issued shall be established in the Certificate of Award (as hereinafter defined).

In the event of any such Permitted Adjustments, no rebidding or recalculation of a submitted bid will be required or permitted, the price at which such adjusted principal amount of Bonds will be sold shall be at the same price per \$5,000 of Bonds as the price per \$5,000 of the Bonds bid.

Section 2. Form of Bonds. The Series 2017A Bonds shall be issued as fully registered Bonds, shall be designated "General Obligation Public Project Bonds, Series 2017A" and shall each express upon their face the purpose for which they are issued, that they are issued under the Act and shall be substantially in the form set forth in Annex A. Interest on the Series

2017A Bonds shall be payable semiannually on February 1 and August 1 of each year (each a “Series 2017A Interest Payment Date”), commencing February 1, 2018, at the stated interest rate or rates on the principal amount thereof. Interest shall be computed on the basis of a 360-day year of twelve 30-day months and rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The Series 2017A Bonds shall be serial or term bonds maturing on August 1 of the years and in the amounts to be established in the Certificate of Award after advertised competitive sale of the Series 2017A Bonds based on the interest rates bid in the successful bid and the provisions of this Section 2, provided that the final maturity date of the Series 2017A Bonds shall be no later than twenty years after the date of issuance.

The Series 2017B Bonds shall be issued as fully registered Bonds, shall be designated “General Obligation Refunding Bonds, Series 2017B” and shall each express upon their face the purpose for which they are issued, that they are issued under the Act and shall be substantially in the form set forth in Annex B. Interest on the Series 2017B Bonds shall be payable semiannually on June 1 and December 1 of each year (each a “Series 2017B Interest Payment Date”, and together with the Series 2017A Interest Payment Date, each an “Interest Payment Date”), commencing December 1, 2017, at the stated interest rate or rates on the principal amount thereof. Interest shall be computed on the basis of a 360-day year of twelve 30-day months and rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The Series 2017B Bonds shall be serial or term bonds maturing on December 1 of the years and in the amounts to be established in the Certificate of Award after advertised competitive sale of the Series 2017B Bonds based on the interest rates bid in the successful bid and the provisions of this Section 2, provided that the final maturity date of the Series 2017B Bonds shall be no later than twenty years after the date of issuance.

The interest rate or rates on the Bonds shall be determined in the Certificate of Award based on the bids received; provided that the aggregate net interest cost of the Bonds shall not exceed six percent (6.00%) per annum.

The Series 2017A Bonds issued as term bonds, if any, shall be subject to mandatory sinking fund redemption on the dates, in the years and in the amounts as set forth in the Certificate of Award. The Series 2017A Bonds maturing on and after August 1, 2028 shall be subject to optional redemption prior to their maturity on any date on or after August 1, 2027, in whole or in part, in such order of maturity as shall be designated in writing by the City, and by lot within a maturity, at the election of the City upon 45 days' written notice to U.S. Bank National Association, Louisville, Kentucky (the "Paying Agent and Registrar"), at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption.

The Series 2017B Bonds issued as term bonds, if any, shall be subject to mandatory sinking fund redemption on the dates, in the years and in the amounts as set forth in the Certificate of Award. The Series 2017B Bonds maturing on and after December 1, 2028 shall be subject to optional redemption prior to their maturity on any date on or after December 1, 2027, in whole or in part, in such order of maturity as shall be designated in writing by the City, and by lot within a maturity, at the election of the City upon 45 days' written notice to the Paying Agent and Registrar, at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption.

At least thirty (30) days before the redemption date of any Bonds subject to optional or mandatory redemption, the Paying Agent and Registrar shall cause a notice of such redemption either in whole or in part, signed by the Paying Agent and Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed in whole or in part at their

addresses as they appear on the registration books kept by the Paying Agent and Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds for which such notice has been sent. 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 number or letters, if any, of such Bonds to be redeemed.

On the date so designated for redemption, notice having been mailed in the manner under the conditions hereinabove provided and moneys for payment of the redemption price being held in the Bond Payment Fund, as hereinafter defined, by the Paying Agent and Registrar for the registered owners of the Bonds to be redeemed, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, interest on the Bonds so called for redemption shall cease to accrue, and the registered owners of such Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof.

Section 3. Execution and Delivery. The Bonds shall be executed by the manual or facsimile signature of the Mayor and duly attested by the manual or facsimile signature of the City Clerk (which, together with the Chief Financial Officer, and any other officer or employee of the City as may be authorized by resolution, are referred to as "Designated Officers"), and shall bear the manual authenticating signature of an authorized representative of the Paying Agent and Registrar. The Designated Officers are further authorized and directed to deliver the Bonds to the Purchasers, upon the terms and conditions provided herein and in the Certificate of Award, receive the proceeds therefor, execute and deliver such certificates and other closing documents and take such other action as may be necessary or appropriate in order to effectuate

the proper issuance, sale and delivery of the Bonds.

The City authorizes and directs the Paying Agent and Registrar to authenticate the Bonds and to deliver the Bonds to the Purchasers following execution of the Certificate of Award and payment of the purchase price thereof.

Section 4. Payment. The Bonds will initially be issued as book-entry bonds registered by the Paying Agent and Registrar in the name of a nominee of The Depository Trust Company ("DTC"), which will act as securities depository for the Bonds. Individual purchases of Bonds may be made in book-entry form only, in the principal amount of \$5,000 or any whole multiple of \$5,000. Principal of and interest on the Bonds shall be payable to DTC, which in turn will remit such principal and interest to the beneficial owners of the Bonds through DTC's participants. The principal of and interest on the Bonds not registered in book-entry form shall be payable in accordance with Section 11 hereof. Interest on each Bond not registered in book-entry form shall be payable by check, mailed to the person whose name appears on the fifteenth day of the month preceding the applicable Interest Payment Dates (the "Record Date") on the bond registration records as the registered owner, on each Interest Payment Date or by other transfer of funds acceptable to such registered owner and the Paying Agent and Registrar.

Section 5. Filing and Approvals. The Designated Officers are hereby authorized to undertake and cause all filings of notices or information which may be required by law to be filed by the City, including, but not limited to, the filing with the State Local Debt Officer and the Internal Revenue Service required by law.

Section 6. Bond Payment Funds, Payment of Bonds. There is hereby established with the Paying Agent and Registrar a bond payment fund in the name of the City to be known

as General Obligation Public Project Bonds, Series 2017A Bond Payment Fund (the “2017A Bond Payment Fund”), into which the City covenants to deposit, and into which the Designated Officers are hereby authorized and directed to deposit from the Sinking Fund (hereinafter identified), on or before the twenty-fifth day of each month which precedes a Series 2017A Interest Payment Date, the amount required to pay principal of and interest due on the Series 2017A Bonds on such Series 2017A Interest Payment Date. The Paying Agent and Registrar shall, without further authorization from the City, withdraw from the 2017A Bond Payment Fund, on such Series 2017A Interest Payment Date, the amounts necessary to pay principal of, and interest on, the Series 2017A Bonds to the registered owner of the same.

There is hereby further established with the Paying Agent and Registrar a bond payment fund in the name of the City to be known as General Obligation Refunding Bonds, Series 2017B Bond Payment Fund (the “Series 2017B Bond Payment Fund”, and together with the Series 2017A Bond Payment Fund, the “Bond Payment Funds”), into which the City covenants to deposit, and into which the Designated Officers are hereby authorized and directed to deposit from the Sinking Fund (hereinafter identified), on or before the twenty-fifth day of each month which precedes a Series 2017B Interest Payment Date, the amount required to pay principal of and interest due on the Series 2017B Bonds on such Series 2017B Interest Payment Date. The Paying Agent and Registrar shall, without further authorization from the City, withdraw from the Series 2017B Bond Payment Fund, on such Series 2017B Interest Payment Date, the amounts necessary to pay principal of, and interest on, the Series 2017B Bonds to the registered owner of the same.

Section 7. The Paying Agent and Registrar is hereby appointed depository of the Bond Payment Funds.

If the City shall fail or refuse to make any required deposit in the Bond Payment Funds from the Sinking Fund, the Paying Agent and Registrar shall (i) notify any agency of the Commonwealth of Kentucky or any political subdivision thereof which may collect and distribute taxes or revenues for the City, to seek any available necessary or proper remedial action; and (ii) upon being indemnified against cost and expense, exercise any remedy provided in the Act or at law or in equity for the benefit of the owners of the Bonds or their assignees, and shall disburse all funds so collected to the owners of the Bonds as payment of the Bonds.

Section 8. General Obligation. The Bonds shall be general obligations of the City and the full faith, credit and taxing power of the City are hereby pledged to the prompt payment of the principal of and interest on the Bonds. During the period the Bonds are outstanding, there shall be and there hereby is levied on all the taxable property in the City, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the principal of and interest on the Bonds when and as due, it being hereby found and determined that the current tax rates of the City are within all applicable limitations. Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended and collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof, provided, however, that in each year to the extent that other lawfully available funds of the City are available for the payment of the Bonds and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the City shall be reduced by the amount of such other funds so available and appropriated.

Section 9. Maintenance of Sinking Fund. There has previously been established a

sinking fund with the City in accordance with the requirements of the Act (the "Sinking Fund"), which is hereby ordered to be continued and maintained so long as any Bonds are outstanding. The funds derived from said tax levy hereby required or other lawfully available funds shall be placed in the Sinking Fund and, together with interest collected on the same, are irrevocably pledged for the payment of the interest on and principal of all bonds issued by the City under the Act and Tax-Supported Leases, as defined in the Act, entered into by the City, when and as the same fall due. Amounts shall be transferred from the Sinking Fund to the Bond Payment Fund at the times and in the amounts required by Section 6 hereof.

Section 10. Reserved.

Section 11. Sale of Bonds; Certificate of Award. The Designated Officers are hereby directed to sell the Bonds to the Purchasers at advertised competitive sales in accordance with KRS Chapters 66 and 424, the final principal amounts of, the principal amortization of, the interest rate or rates on, and the redemption provisions of the Bonds to be established in accordance with the requirements of Sections 1 and 2 hereof and the Certificate of Award.

Actions heretofore taken by the City in connection with the preparation of such instruments and the distribution of such information by the City as shall be necessary to accomplish the foregoing, including the preparation of a Preliminary Official Statement (the "Preliminary Official Statement"), which Preliminary Official Statement shall be deemed final by the Mayor of the City in accordance with Rule 15c2-12 of the U.S. Securities and Exchange Commission (the "Rule"), are hereby ratified and approved. In order to enable prospective purchasers to submit bids for the purchase of the Bonds, the City hereby covenants and agrees that it will execute, comply with and carry out all of the provisions of a continuing disclosure

undertaking (the "Continuing Disclosure Undertaking") in connection with the issuance of the Bonds. Failure to comply with any such provisions of the Continuing Disclosure Undertaking shall not constitute a default on the Bonds; however, any holder of the Bonds, including the beneficial owners of the Bonds, may take such action as may be necessary and appropriate, including seeking specific performance, to cause the City to comply with its obligations under the Continuing Disclosure Undertaking. If the Financial Advisor to the City recommends that it would be advantageous for the City to enter into a Disclosure Dissemination Agent Agreement with Digital Assurance Certification, L.L.C., or other dissemination agent, the City hereby authorizes and directs the Mayor to enter into such Disclosure Dissemination Agent Agreement and hereby authorizes and ratifies any such agreement heretofore entered into by the Mayor on behalf of the City. The cost to procure such Disclosure Dissemination Agent Agreement shall be deemed a proper cost of issuance of the Bonds.

Proposals for the purchase of the Bonds shall be opened and reviewed by any of the Designated Officers, and shall be acted upon by any of them on the same day without the need for further action by this City Commission. The City hereby ratifies and approves the use of the "Notices of Bond Sale", which shall be published as required by law, and the "Official Terms and Conditions of Bond Sale", each substantially in the forms attached hereto as Annex C and Annex D.

The Designated Officers, or any of them, shall, in the Certificate of Award, determine the exact principal amount of the Bonds to be awarded and the exact rate or rates of interest which said Bonds shall bear, and the interest rate or rates on said Bonds shall be automatically fixed at the rate or rates set out in the successful bid accepted by the Certificate of Award. The Designated Officers, or any of them, are hereby authorized to execute and deliver the Certificate

of Award without further action of this City Commission setting forth the terms of the Bonds and any other provisions required by and not inconsistent with this Bond Ordinance.

Section 12. Procedures In Respect of Registration and Transfer of Bonds; Payment of Principal and Interest. Interest on each Bond not registered in Book-Entry Form to a Securities Depository shall be payable by check mailed by the Paying Agent and Registrar to the Holder thereof as of the Record Date, at the address shown on the registration books kept by the Paying Agent and Registrar or at such other address as is furnished to the Paying Agent and Registrar in writing by such Holder. The principal of Bonds not registered in Book-Entry Form to a Securities Depository shall be payable, without exchange or collection charges, in lawful money of the United States of America on their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption or acceleration, at the designated corporate trust office of the Paying Agent and Registrar. On request of a Holder of at least \$1,000,000 in aggregate principal amount of the Bonds, all payments of principal of and interest on such Bonds shall be paid by wire transfer in immediately available funds to an account designated by such Holder.

Principal of and interest on Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee shall be payable by wire transfer from the Paying Agent and Registrar to the Securities Depository or its nominee. So long as any Bonds remain Outstanding, the Paying Agent and Registrar shall keep and maintain at its designated corporate trust office complete registration records in respect of the Bonds and shall provide for the registration of transfer and exchange of the Bonds in accordance with the terms of this Bond Ordinance, subject to such reasonable procedures and regulations as the Paying Agent and Registrar may prescribe.

Except as may be otherwise provided in Section 12 below for Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, each Bond shall be transferable or exchangeable only on the presentation and surrender thereof at the designated corporate trust office of the Paying Agent and Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Holder or his authorized representative.

Except as may be otherwise provided in Section 12 below for Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, Bonds shall be exchangeable for a Bond or Bonds of the same series, maturity and interest rate and in Authorized Denominations, within a single maturity in an aggregate principal amount or amounts equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Paying Agent and Registrar shall be and is hereby authorized to authenticate, deliver and exchange Bonds in accordance herewith. Each Bond delivered in exchange for a surrendered Bond shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Bond Ordinance to the same extent as the Bond or Bonds in lieu of which any Bond is delivered in exchange. Any Bonds surrendered for exchange shall be canceled by the Paying Agent and Registrar and the Paying Agent and Registrar shall maintain a complete record of all exchanges, transfers and cancellations of Bonds and shall make a report thereof to the City on request.

Except as may be otherwise provided in Section 12 below for Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, no service charge or other transfer fee shall be charged in connection with any transfer or exchange of a Bond. However, the registered owner of any Bond may be required to pay an amount equal

to any tax or other governmental charge, if any, that may be imposed in connection with the transfer or exchange of any Bond.

The Paying Agent and Registrar shall not be required to transfer or exchange any Bond for the period beginning 15 days prior to the selection by the Paying Agent and Registrar of Bonds to be redeemed prior to maturity and ending on the date of mailing of notice of any such redemption.

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

“Agent Member” means a member of, or participant in, the Securities Depository.

“Book-Entry Form” means, with respect to the Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in Bonds and bond service charges may be transferred only through a book entry and (ii) physical bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as Holder, with the physical bond certificates in the custody of a Securities Depository.

“Securities Depository” means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

“Securities Depository Nominee” means any nominee of a Securities Depository and shall initially mean Cede & Co., New York, New York, as nominee of The Depository Trust Company.

Section 13. Securities Depository, Ownership of Bonds. Except as provided in paragraph (B) of this Section 12, the Bonds shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members thereof. Initially, the Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Except as provided in paragraph (B) below of this Section 12, the Bonds may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the City or to a nominee of such successor Securities Depository. As to any Bond, the person in whose name the Bond shall be registered shall be the absolute owner thereof for all purposes, and payment of or on account of the principal of and interest on any such Bond shall be made only to or on the order of the registered owner thereof or his legal representative.

A. Neither the City nor the Paying Agent and Registrar shall have any responsibility or obligation with respect to:

(1) the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the Bonds;

(2) the delivery to any Agent Member, any beneficial owner of the Bonds or any other person, other than the Securities Depository, of any notice with respect to the Bonds; or

(3) the payment to any Agent Member, any beneficial owner of the Bonds or any other person, other than the Securities Depository, of any amount with respect to the principal or interest on the Bonds.

(4) So long as any Bonds are registered in Book-Entry Form, the City and the Paying Agent and Registrar may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such Bonds for all purposes whatsoever, including without limitation:

- (i) the payment of principal and interest on the Bonds;
- (ii) giving notices of redemption and other matters with respect to the Bonds;
- (iii) registering transfers with respect to the Bonds;
- (iv) selection of Bonds for redemption; and
- (v) for purposes of obtaining consents under this Bond Ordinance.
- (vi) notwithstanding the definition of the term "Bond-holder" or "Holder" or "Holder of Bonds" herein, as referencing registered holders of the Bonds, the Paying Agent and Registrar shall be entitled to rely on written instructions from a majority of the beneficial owners of the Bonds with reference to consent, if any, required from Holders pursuant to the terms of this Bond Ordinance.

B. If at any time the Securities Depository notifies the City that it is unwilling or unable to continue as Securities Depository with respect to the Bonds, or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Securities Depository is not appointed by the City within 60 days after the City receives notice or becomes aware of such condition, as the case may be, then this Section 12 shall no longer be applicable and the City shall execute and the Paying Agent and Registrar shall authenticate and deliver certificates representing the Bonds to the Bondholders.

C. Payment of principal of and interest on any Bonds not registered in Book-Entry Form shall be made as provided in Section 11 hereof.

Section 14. Disposition of Proceeds. The proceeds of the sale of the Series 2017A Bonds shall be deposited, together with other available funds of the City, as follows: (a) accrued interest, if any, shall be deposited to the Series 2017A Bond Payment Fund created in Section 6 hereof; (b) an amount sufficient to pay the costs of issuing the Series 2017A Bonds shall be deposited to a special cost of issuance fund hereby directed to be established and designated as the “City of Danville, Kentucky General Obligation Public Project Bonds, Series 2017A Cost of Issuance Fund” (the “Series 2017A Cost of Issuance Fund”) and used to pay the costs of issuance of the Series 2017A Bonds; and (c) the remainder of the proceeds shall be deposited to a special construction fund (the “City of Danville 2017A Construction Fund”) to be held by the construction fund depository designated in the Certificate of Award (the “Construction Fund Depository”) and used for the acquisition, construction, installation and equipping of the 2017A Project.

The proceeds of the sale of the Series 2017B Bonds shall be deposited, together with other available funds of the City, as follows: (a) accrued interest, if any, shall be deposited to the Series 2017B Bond Payment Fund created in Section 6 hereof; (b) an amount sufficient to pay the costs of issuing the Series 2017B Bonds shall be deposited to a special cost of issuance fund hereby directed to be established and designated as the "City of Danville, Kentucky General Obligation Refunding Bonds, Series 2017B Cost of Issuance Fund" (the "Series 2017B Cost of Issuance Fund") and used to pay the costs of issuance of the Series 2017B Bonds; and (c) an amount sufficient to refund the Series 2006A Bonds to be redeemed shall be deposited with The Bank of New York Mellon Trust Company, National Association, as bond registrar and paying agent for the Series 2006A Bonds, and applied to the redemption, within ninety days of the issuance and delivery of the Series 2017B Bonds, of the Series 2006A Bonds to be redeemed.

Section 15. Defeasance. The City may at any time provide for the discharge of all outstanding Series 2017A Bonds or all outstanding Series 2017B Bonds by depositing into the Sinking Fund moneys sufficient, or such principal amount of Defeasance Obligations as shall, together with the earnings thereon, be sufficient, to pay all principal and interest due on such Bonds to and including the respective maturity dates thereof or the date on which such Bonds have been called for redemption. "Defeasance Obligations" means any of the following: (a) direct obligations of the United States of America or of any agency or instrumentality thereof; (b) obligations the payment of the principal of and the interest on which is fully and unconditionally guaranteed by the United States of America; and (c) consolidated obligations of the Federal Home Loan Banks.

Section 16. Disclosure Undertaking Procedures. In order to ensure compliance with the continuing disclosure undertakings (the "Disclosure Undertaking") to be undertaken by the

City in connection with the issuance of the Bonds and submission of certain financial and operating data under the Rule, the City hereby adopts the following procedures:

A. On or before the 92nd day following the conclusion of each fiscal year of the City, the City shall compile and submit all financial data relating to the operations of the City that shall be required to enable the independent auditors of the City to prepare audited financial statements of the City for such fiscal year and to enable the City to submit the operating data required to be submitted to the Electronic Municipal Market Access (“EMMA”) system under the Disclosure Undertaking;

B. On or before the 150th day following the conclusion of each fiscal year of the City, the Chief Financial Officer of the City shall seek confirmation in writing from the City’s independent auditors that the audited financial statements of the City for such fiscal year shall be released and publicly available not less than 5 days prior to the date such audited financial statements are required to be submitted by the City under its Disclosure Undertaking;

C. On or before the 205th day following the conclusion of each fiscal year of the City, the Chief Financial Officer of the City shall determine whether the audited financial statements of the City for such fiscal year have been received from the City’s independent auditors, and, if so, shall cause such, together with the operating data referenced in subsection A above, to be transmitted in accordance with its Disclosure Undertaking;

D. In the event the City shall not have received on or before the 209th day following the conclusion of each fiscal year of the City, the audited financial statements of the City for such fiscal year from the City’s independent auditors, then the Chief Financial Officer of the City shall compile unaudited financial statements for such fiscal year (which unaudited financial

statements shall be in such form as may be approved by the Chief Financial Officer and shall not be required to be in a form consistent with the City's audited financial statements) and on before the 209th day following the conclusion of such fiscal year cause such unaudited financial statements to be immediately transmitted in accordance with its Disclosure Undertaking utilizing the same procedures as would have been utilized for the submission of audited financial statements; and

E. In the event the City shall have transmitted unaudited financial statements in accordance with its Disclosure Undertaking pursuant to the provisions of the foregoing subsection D., the Chief Financial Officer of the City shall cause the audited financial statements, when prepared and released by the City's independent auditors, to be transmitted in accordance with the Disclosure Undertaking within ten days of acceptance by the City Commission of the independent audited financial statements prepared by the City's independent auditors.

Section 17. Further Actions. In connection with the undertaking and implementation by the City of the plan of financing and refunding herein described, which is hereby expressly directed, the Designated Officers are hereby authorized and directed to take and carry out such further necessary, desirable or appropriate actions to effect such plan of financing and refunding.

Section 18. Discharge of Bond Ordinance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the owners of the Bonds the total principal and interest due or to become due thereon through maturity, in the manner stipulated therein and in this Bond Ordinance, then the pledges made under this Bond Ordinance, and all covenants, agreements and other obligations of the City hereunder, shall thereupon cease, terminate and become void and be

discharged and satisfied.

Section 19. Designation of Bonds. The City designates the Series 2017A Bonds as “qualified tax-exempt obligations” for the purposes set forth in §265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The City has not to date issued, and does not anticipate issuing more than \$10,000,000 of “qualified tax-exempt obligations” during calendar year 2017. The City acknowledges that the Series 2017B Bonds are deemed designated as “qualified tax-exempt obligations” under §265(b)(3) of the Code.

Section 20. Severability. If any one or more of the provisions of this Bond Ordinance should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed to be severable from all remaining provisions and shall not affect the validity of such other provisions.

Section 21. Inconsistent Actions. All prior ordinances, resolutions or parts thereof inconsistent herewith are hereby repealed.

Section 22. Open Meetings Compliance. All meetings of the City Commission and of its committees and any other public bodies, at which formal actions in connection with the issuance of the Bonds were taken, or at which deliberations that resulted in such formal actions were held, were open meetings, and such formal actions were taken and any such deliberations took place while such meetings, after proper notice, were open to the public, in compliance with all legal requirements including Sections 61.810, 61.815, 61.820 and 61.823 of the Kentucky Revised Statutes.

Section 23. Effective Date. This Ordinance shall become effective immediately upon adoption and publication of a summary thereof, as provided by law.

FIRST READING HELD on August 14, 2017.

DULY ADOPTED AFTER SECOND READING on August 28 2017.

CITY OF DANVILLE, KENTUCKY

By: 
Mayor

Attest:

City Clerk

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Danville, Kentucky, and as such City Clerk I further certify that the foregoing is a true, correct and complete copy of an Ordinance duly enacted by the City Commission of the City at a duly convened meeting held on the 28th day of August, 2017, on the same occasion signed by the Mayor as evidence of his approval, and now in full force and effect, all as appears from the official records of the City in my possession and under my control.

Witness my hand as City Clerk of said City as of the ___ day of _____, 2017.

City Clerk

EXHIBIT A
2017A PROJECT

Energy Efficiency Project

Energy-saving improvements to property of the City, including replacement of the existing water meters of the City's municipal water and sewer system with new, more accurate meters expected to increase the system's revenues and upgrades to existing building controls and lighting, roof repairs, installation of high-efficiency HVAC systems, and other energy saving improvements to the City Hall/Police Department, Community Art Building, 911 Center, Fire Station #2, Millennium Park, and Parking Garage/Transportation Office, expected to result in electric utility, maintenance, and operational savings.

The total contract price of the energy efficiency project is \$8,032,000 and will be paid or reimbursed with proceeds of the Series 2017A Bonds. The project is expected to be completed by April 15, 2018.

Water Infrastructure Project

Construction of a water line to provide upgraded water supply and improved water pressure for the Corporate Drive Industrial Area and industries located in the vicinity of Kentucky Highway 34 within the City, including 7,800 linear feet of 16 inch line, 7,900 linear feet of 12 inch line, 120 linear feet of 30 inch steel encased pipe, and related water hydrants and appurtenances. Construction will occur along existing roadways, and some agricultural lands, that are not floodplains or known to be environmentally sensitive and no historic properties or areas will be affected. The area to be served currently has inadequate water supply and water pressure due to the existing undersized water lines. The improvements will increase water supply and flow and thus support area business growth and expansion.

The Economic Development Administration of the U.S. Department of Commerce has granted the City \$980,000 toward the \$2,015,000 total estimated cost of the project and the balance of \$1,035,000 will be financed with proceeds of the Series 2017A Bonds. The project is expected to be completed by June 30, 2018.

ANNEX A

CITY OF DANVILLE, KENTUCKY
GENERAL OBLIGATION PUBLIC PROJECT BOND, SERIES 2017A

A- _____ \$ _____

<u>INTEREST RATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
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REGISTERED HOLDER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Danville, Kentucky (the "City"), for value received, hereby acknowledges itself obligated to, and promises to pay to the registered holder identified above, or registered assigns, the principal sum identified above (or, if any part thereof has been paid, the balance thereof remaining unpaid), on the maturity date specified above, and to pay interest on said principal sum (or, if any part thereof has been paid, the balance thereof remaining unpaid) from the date hereof, payable each February 1 and August 1, commencing February 1, 2018, at the Interest Rate per annum identified above, calculated on the basis of a 360 day year with 30 day months, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto. The principal of and interest of this bond are payable, without deduction for exchange, collection, or service charges, in lawful money of the United States of America. Principal is payable at the designated corporate trust office of U.S. Bank National Association, Louisville, Kentucky, or any successor (the "Paying Agent and Registrar") or by other transfer of funds acceptable to the Paying Agent and Registrar and such owner. All interest on this bond and principal payable prior to the final maturity date shall be payable by check or draft mailed to registered owner hereof as of the record date at the address shown on the registration records kept by the Paying Agent and Registrar or by other transfer of funds acceptable to the Paying Agent and Registrar and such owner. The record date shall be the fifteenth day of the month preceding each interest payment date.

This Bond is one of an issue of Bonds of like tenor and effect, except as to denomination and maturity, numbered from A-1 upward, of the denomination of \$5,000 or any whole multiple thereof, originally aggregating dollars (\$ _____) in principal amount, issued for the purpose of (i) paying the costs of capital additions and improvements to the property of the City (the "2017A Project") and (ii) paying costs of issuance of the Bonds, all pursuant to and in full compliance with the laws of the Commonwealth of Kentucky and particularly Sections 66.010 to 66.191 of the Kentucky Revised Statutes ("KRS"), and pursuant to an ordinance duly adopted by the City Commission of the City on August 28, 2017 (the "Bond Ordinance") upon the affirmative vote of at least a majority of the members of its City Commission at a public meeting

duly and regularly held, and after filing of notice of the issuance of the Bonds with the State Local Debt Officer of the Commonwealth of Kentucky required under KRS 66.310.

This Bond and the issue of which it forms a part is a general obligation of the City and the full faith, credit, and taxing power of the City are pledged to the payments due hereunder.

The Bonds mature on August 1 of the following years, in the respective principal amounts and bear interest at the following rates per annum:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
-------------	-----------------------------	----------------------

[INSERT ANY MANDATORY SINKING FUND REDEMPTION REQUIREMENTS]

The Bonds maturing on and after August 1, 2028 shall be subject to optional redemption prior to their maturity on any date on or after August 1, 2027, in whole or in part, in such order of maturity as shall be designated in writing by the City, and by lot within a maturity, at the election of the City upon 45 days' written notice to the Paying Agent and Registrar (hereinafter defined) at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption.

At least thirty (30) days before the redemption date of any Bonds the Paying Agent and Registrar shall cause a notice of such redemption, either in whole or in part, signed by the Paying

Agent and Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books kept by the Paying Agent and Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds for which such notice has been sent. 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 number or letters, if any, of such Bonds to be redeemed.

On the date so designated for redemption, notice having been published in the manner under the conditions hereinabove provided and moneys for payment of the redemption price being held in the Bond Payment Fund by the Paying Agent and Registrar for the registered owners of the Bonds to be redeemed, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, interest on the Bonds so called for redemption shall cease to accrue, and the registered owners of such Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof.

No recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the City, as such, either directly or through the City, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Bond.

The City may at any time provide for the discharge of all outstanding Bonds by depositing into the Sinking Fund moneys sufficient, or such principal amount of Defeasance Obligations as shall, together with the earnings thereon, be sufficient, to pay all principal and interest due on such Bonds to and including the respective maturity dates thereof or the date on which such Bonds have been called for redemption. "Defeasance Obligations" means any of the following: (a) direct obligations of the United States of America or of any agency or instrumentality thereof; (b) obligations the payment of the principal of and the interest on which is fully and unconditionally guaranteed by the United States of America; and (c) consolidated obligations of the Federal Home Loan Banks.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Bond, or in the creation of the obligations of which this Bond is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law; that the faith, credit and taxing power of the City are hereby irrevocably pledged for the prompt payment of the principal hereof and interest hereon; that the repayment obligation represented by this Bond is not in excess of any constitutional or statutory limitation; and that due provision has been made for the levy and collection of a tax sufficient in amount to pay the interest on this Bond as it falls due and to provide for the payment of this Bond at maturity or upon earlier redemption.

IN WITNESS WHEREOF, the City has caused this Bond to be signed either manually or by facsimile in its name by its Mayor and duly attested either manually or by facsimile by its City Clerk and an impression or facsimile of the City's seal to be imprinted hereon, as of the date set forth above.

CITY OF DANVILLE, KENTUCKY

Mayor

Attest:

City Clerk

CERTIFICATE

This is to certify that this Bond is one of the Bonds described hereinabove.

Dated: _____

U.S. Bank National Association, Louisville,
Kentucky, Paying Agent and Registrar

By: _____
Authorized Signature

CERTIFICATE

It is hereby certified that the following is a correct and complete copy of the text of the legal opinion of Wyatt, Tarrant & Combs, LLP, Louisville, Kentucky, regarding the issue of which the within bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for said issue and a copy of which is on file with the undersigned.

City Clerk

[FORM OF APPROVING OPINION]

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common	UNIF GIFT MIN ACT _____ Custodian _____ under Uniform Gift to Minors
TEN ENT – as tenants by the entireties	
JT Ten – as joint tenants with right of survivorship and not as tenants Act in common	_____ (State)

Additional Abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto:

(Please print or typewrite name and address of transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature

In the presence of:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed: _____

The signature of the assignor must be guaranteed by an eligible guarantor institution which is a member of or participant in a signature guarantee program, pursuant to Securities Exchange Commission Rule 17Ad-15 or similar rule or program.

ANNEX B

CITY OF DANVILLE, KENTUCKY
GENERAL OBLIGATION REFUNDING BOND, SERIES 2017B

A- _____ \$ _____

<u>INTEREST RATE</u>	<u>DATE OF ORIGINAL ISSUE</u>	<u>MATURITY DATE</u>	<u>CUSIP</u>
----------------------	-------------------------------	----------------------	--------------

REGISTERED HOLDER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Danville, Kentucky (the "City"), for value received, hereby acknowledges itself obligated to, and promises to pay to the registered holder identified above, or registered assigns, the principal sum identified above (or, if any part thereof has been paid, the balance thereof remaining unpaid), on the maturity date specified above, and to pay interest on said principal sum (or, if any part thereof has been paid, the balance thereof remaining unpaid) from the date hereof, payable each June 1 and December 1, commencing December 1, 2017, at the Interest Rate per annum identified above, calculated on the basis of a 360 day year with 30 day months, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto. The principal of and interest of this bond are payable, without deduction for exchange, collection, or service charges, in lawful money of the United States of America. Principal is payable at the designated corporate trust office of U.S. Bank National Association, Louisville, Kentucky, or any successor (the "Paying Agent and Registrar") or by other transfer of funds acceptable to the Paying Agent and Registrar and such owner. All interest on this bond and principal payable prior to the final maturity date shall be payable by check or draft mailed to registered owner hereof as of the record date at the address shown on the registration records kept by the Paying Agent and Registrar or by other transfer of funds acceptable to the Paying Agent and Registrar and such owner. The record date shall be the fifteenth day of the month preceding each interest payment date.

This Bond is one of an issue of Bonds of like tenor and effect, except as to denomination and maturity, numbered from A-1 upward, of the denomination of \$5,000 or any whole multiple thereof, originally aggregating dollars (\$ _____) in principal amount, issued for the purpose of (i) currently refunding all or a portion of the City's outstanding General Obligation Bonds, Series 2006A (the "2017B Refunding Project") and (ii) paying costs of issuance of the Bonds, all pursuant to and in full compliance with the laws of the Commonwealth of Kentucky and particularly Sections 66.010 to 66.191 of the Kentucky Revised Statutes ("KRS"), and pursuant to an ordinance duly adopted by the City Commission of the City on August 28, 2017 (the "Bond Ordinance") upon the affirmative vote of at least a majority of the members of its

City Commission at a public meeting duly and regularly held, and after filing of notice of the issuance of the Bonds with the State Local Debt Officer of the Commonwealth of Kentucky required under KRS 66.310.

This Bond and the issue of which it forms a part is a general obligation of the City and the full faith, credit, and taxing power of the City are pledged to the payments due hereunder.

The Bonds mature on December 1 of the following years, in the respective principal amounts and bear interest at the following rates per annum:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
-------------	-----------------------------	----------------------

[INSERT ANY MANDATORY SINKING FUND REDEMPTION REQUIREMENTS]

The Bonds maturing on and after December 1, 2028 shall be subject to optional redemption prior to their maturity on any date on or after December 1, 2027, in whole or in part, in such order of maturity as shall be designated in writing by the City, and by lot within a maturity, at the election of the City upon 45 days' written notice to the Paying Agent and Registrar (hereinafter defined) at a redemption price equal to the par amount thereof, plus accrued interest to the date of redemption.

At least thirty (30) days before the redemption date of any Bonds the Paying Agent and Registrar shall cause a notice of such redemption, either in whole or in part, signed by the Paying Agent and Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed in whole or in part at their addresses as they appear on the registration books kept by the Paying Agent and Registrar, but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Bonds for which such notice has been sent. 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 number or letters, if any, of such Bonds to be redeemed.

On the date so designated for redemption, notice having been published in the manner under the conditions hereinabove provided and moneys for payment of the redemption price being held in the Bond Payment Fund by the Paying Agent and Registrar for the registered owners of the Bonds to be redeemed, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date, interest on the Bonds so called for redemption shall cease to accrue, and the registered owners of such Bonds shall have no right in respect thereof except to receive payment of the redemption price thereof.

The City may at any time provide for the discharge of all outstanding Bonds by depositing into the Sinking Fund moneys sufficient, or such principal amount of Defeasance Obligations as shall, together with the earnings thereon, be sufficient, to pay all principal and interest due on such Bonds to and including the respective maturity dates thereof or the date on which such Bonds have been called for redemption. "Defeasance Obligations" means any of the following: (a) direct obligations of the United States of America or of any agency or instrumentality thereof; (b) obligations the payment of the principal of and the interest on which is fully and unconditionally guaranteed by the United States of America; and (c) consolidated obligations of the Federal Home Loan Banks.

No recourse shall be had for the payment of the principal of or the interest on this Bond, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the City, as such, either directly or through the City, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Bond.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Bond, or in the creation of the obligations of which this Bond is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law; that the faith, credit and taxing power of the City are hereby irrevocably pledged for the prompt payment of the principal hereof and interest hereon; that the repayment obligation represented by this Bond is not in excess of any constitutional or statutory limitation; and that due provision has been made for the levy and collection of a tax sufficient in amount to pay the interest on this Bond as it falls due and to provide for the payment of this Bond at maturity or upon earlier redemption.

IN WITNESS WHEREOF, the City has caused this Bond to be signed either manually or by facsimile in its name by its Mayor and duly attested either manually or by facsimile by its City Clerk and an impression or facsimile of the City's seal to be imprinted hereon, as of the date set forth above.

CITY OF DANVILLE, KENTUCKY



Mayor

Attest:

City Clerk

CERTIFICATE

This is to certify that this Bond is one of the Bonds described hereinabove.

Dated: _____

U.S. Bank National Association, Louisville,
Kentucky, Paying Agent and Registrar

By: _____
Authorized Signature

CERTIFICATE

It is hereby certified that the following is a correct and complete copy of the text of the legal opinion of Wyatt, Tarrant & Combs, LLP, Louisville, Kentucky, regarding the issue of which the within bond is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for said issue and a copy of which is on file with the undersigned.

City Clerk

[FORM OF APPROVING OPINION]

ASSIGNMENT

The following abbreviations, when used in the inscription on the face of this Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM – as tenants in common	UNIF GIFT MIN ACT _____ Custodian _____ under Uniform Gift to Minors
TEN ENT – as tenants by the entireties	
JT Ten – as joint tenants with right of survivorship and not as tenants in common	_____ (State)

Additional Abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned hereby sells, assigns and transfers unto:

(Please print or typewrite name and address of transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature

In the presence of:

NOTICE: The signature to this assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Signature Guaranteed:

The signature of the assignor must be guaranteed by an eligible guarantor institution which is a member of or participant in a signature guarantee program, pursuant to Securities Exchange Commission Rule 17Ad-15 or similar rule or program.

ANNEX C

NOTICE OF BOND SALE

ANNEX D

OFFICIAL TERMS AND CONDITIONS OF BOND SALE