

**CITY OF JEFFERSONTOWN  
JEFFERSON COUNTY, KENTUCKY**

**ORDINANCE NO. 1297, SERIES 2013**

AN ORDINANCE OF THE CITY OF JEFFERSONTOWN, KENTUCKY AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION NOTE, SERIES 2013 IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$3,000,000; APPROVING A GENERAL OBLIGATION LEASE AGREEMENT WITH REPUBLIC BANK & TRUST COMPANY IN A MAXIMUM PRINCIPAL AMOUNT NOT TO EXCEED \$5,750,000; APPROVING THE FORM OF NOTE; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE NOTE AND THE LEASE; AUTHORIZING AND DIRECTING THE FILING OF NOTICE WITH THE STATE LOCAL DEBT OFFICER; PROVIDING FOR THE PAYMENT AND SECURITY OF THE NOTE AND THE LEASE, AND DEPOSITS TO A SINKING FUND; CREATING A NOTE PAYMENT FUND; MAINTAINING THE ESTABLISHED SINKING FUND; AUTHORIZING ACCEPTANCE OF THE PROPOSAL OF THE PURCHASER OF THE NOTE; AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO THE NOTE AND THE LEASE; MAKING CERTAIN DESIGNATIONS REGARDING THE NOTE AND THE LEASE; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, the City of Jeffersontown, Kentucky (the "City") has previously issued General Obligation Unfunded Liability Funding Notes, Series 2008 (the "Prior Notes") for the purpose of immediately funding accrued liability for employees vacation and sick pay, constituted an "unfunded liability" as that term is used in KRS 66.011 et seq (the "Act"); and

WHEREAS, pursuant to the Constitution and Laws of the Commonwealth of Kentucky, and particularly the Act, a city may issue bonds or notes, subject to the requirements of the Act, to fund or refund an "unfunded liability," as provided in KRS 66.051; and

WHEREAS, the City has previously issued \$5,730,000 General Obligation Bonds, Series 2005A (the Series 2005 Bonds) for the purpose of financing and refinancing certain public projects (the "2005 Projects"); and

WHEREAS, the City has previously entered into a Lease Agreement with the Kentucky League of Cities Funding Trust, dated June 9, 2000 (the "Prior Lease"), for the purpose of financing and refinancing certain public projects (the "2000 Projects," and together with the 2005 Projects, the "Prior Projects"); and

WHEREAS, the City has previously determined, and hereby further determines, that the City is in need of the Prior Projects, which have been and will be used for public purposes; and

WHEREAS, the City has determined that it is desirable for the City to issue its General Obligation Unfunded Liability Refunding Note, Series 2013, in the aggregate principal amount not to exceed \$3,000,000 (the "Series 2013 Note") to: (i) refund and retire the Prior Notes; and (ii) and pay the costs of retiring the Note.

WHEREAS, the City has determined that it is desirable for the City to enter into a General Obligation Lease Agreement with Republic Bank & Trust Company, in the aggregate principal amount not to exceed \$5,750,000 (the "Lease Agreement") to: (i) refund and retire the Series 2005 Bonds; (ii) refund and retire the Prior Lease; and (iii) paying the costs of issuing the Lease.

WHEREAS, pursuant to the Constitution and Laws of the Commonwealth of Kentucky, and particularly Sections 66.011 et. seq of the Kentucky Revised Statutes, as amended (the "General Obligation Act") and Sections 58.010 et. seq. of the Kentucky Revised Statutes, as amended (the "Public Project Act"), a city may issue notes, bonds or refunding notes or bonds, subject to the requirements of the General Obligation Act and/or Public Project 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; and

WHEREAS, the City desires to finance the Project through the issuance of the Series 2013 Note to be sold and awarded to Republic Bank & Trust Company (the "Purchaser") at private negotiated sale in accordance with the provisions of Section 66.141 of the Kentucky Revised Statutes; and

WHEREAS, the City desires to finance the costs of the refunding and retiring the Series 2005 Bonds and the Prior Lease through a Lease Agreement (the "Lease") with Republic Bank & Trust Company (the "Lessor"), in a maximum principal amount not to exceed \$5,750,000, pursuant to Section 65.940 et. seq. of the Kentucky Revised Statutes (the "Act").

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF JEFFERSONTOWN, KENTUCKY, AS FOLLOWS:

Section 1 – Necessity, Authorization of General Obligation Note; Authorization of General Obligation Lease. The City hereby declares that it is necessary to issue and authorizes the issuance of its Series 2013 Note in the aggregate principal amount of \$3,000,000, bearing interest at an annual rate not to exceed 1.40%, for the purpose of: (i) refunding and retiring the Series 2013 Note; and (ii) paying the costs of issuance of the Series 2013 Note.

The City, as lessee, hereby approves a General Obligation Lease Agreement with Republic Bank & Trust Company (the "Lease") in the usual and customary form, having an aggregate of principal components of lease payments of no more than \$5,750,000 and interest components of lease payments based on an annual interest rate of no more than 2.26%, for the purpose of: (i) refunding and retiring the Series 2005 Bonds; (ii) refunding and retiring the Prior Lease; and (iii) paying the costs of issuing the Lease. The execution and delivery of the Lease and all representations, certifications and other matters contained in the closing memorandum with respect to the Lease, or as may be required by Peck, Shaffer & Williams LLP, as Bond

Counsel, prior to delivery of the Lease, are hereby approved, ratified and confirmed. The Mayor and Clerk of the City are hereby authorized to execute the Lease, together with such other agreements or certifications which may be necessary to accomplish the transaction contemplated by the Lease.

Section 2 – Form of Note. The Series 2013 Note shall be issued as a fully registered note, shall be designated "City of Jeffersontown, Kentucky General Obligation Unfunded Liability Refunding Note, Series 2013", and shall each express upon their face the purpose for which they are issued, that they are issued under the General Obligation Act and shall be substantially in the form set forth in Annex A. The Series 2013 Note shall be dated their date of delivery or such other date as is determined by the Mayor, after consultation with the Purchaser. Principal and Interest on the Series 2013 Note shall be payable each March 1 (an "Payment Date"), commencing March 1, 2014. The Series 2013 Note shall have a final maturity of March 1, 2017. Interest on the Series 2013 Note shall be computed at the per annum interest rate of 1.40%, calculated on an actual/365 basis. The Series 2013 Note shall be subject to optional redemption prior to maturity on any date, in whole or in part, at the election of the City upon fifteen (15) days written notice to Republic Bank & Trust Company (the "Paying Agent and Registrar") at a redemption price equal to the principal amount of the Series 2013 Note to be redeemed, plus accrued interest to the date of redemption.

Section 3 -- Execution and Delivery. The Series 2013 Note 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 any other person 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 Series 2013 Note to the Purchaser, upon the terms and conditions provided herein, 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 Series 2013 Note.

The City authorizes and directs the Paying Agent and Registrar to authenticate the Series 2013 Note and to deliver the Series 2013 Note to the Purchaser upon payment of the purchase price thereof.

Section 4 -- Payment. Payment of or on account of the interest on and principal of the Series 2013 Note shall be made directly to the Paying Agent and Registrar for the account of the registered owner. Interest and principal shall be payable in such coin or currency of the United States of America as shall be legal tender for the payment of public and private debts at the time and place of payment upon delivery of the Series 2013 Note to the Paying Agent and Registrar or by other transfer of funds acceptable to the Paying Agent and Registrar and such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2013 Note to the extent of the sum or sums so paid.

Section 5 -- Filing. 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 as required by law.

Section 6 -- Note Payment Fund, Payment of Series 2013 Note. There is hereby established with the Paying Agent and Registrar a note payment fund in the name of the City to be known as General Obligation Unfunded Liability Refunding Note, Series 2013 Note Payment Fund (the " Note Payment Fund"), into which the City covenants to deposit, and into which the Designated Officers are hereby authorized and directed to deposit on or before a Payment Date

for the Series 2013 Note, the amounts required to pay principal of and interest due on the Series 2013 Note on such Payment Date. The Paying Agent and Registrar shall, without further authorization from the City, withdraw from the Note Payment Fund, on each Payment Date, the amounts necessary to pay principal of, and interest on, the Series 2013 Note to the registered owner of the same.

The Paying Agent and Registrar is hereby appointed as the depository of the Note Payment Fund herein established with respect to the Series 2013 Note.

If the City shall fail or refuse to make any required deposit in the Note Payment Fund 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 owner of the Series 2013 Note or its assignee, and shall disburse all funds so collected to the owners of the Series 2013 Note as payment of the Series 2013 Note.

Section 7 -- General Obligation; Maintenance of Sinking Fund. The Series 2013 Note and the Lease shall be full general obligations of the City and, for the payment of said Series 2013 Note and the Lease and the interest thereon, the full faith, credit and revenue of the City are hereby pledged for the prompt payment thereof. During the period the Series 2013 Note and the Lease 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 Series 2013 Note and the Lease when and as due, it being hereby found and determined that current tax rates 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 the other lawfully available funds of the City are available for the payment of the Series 2013 Note and the Lease 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.

There has heretofore been established by the City a sinking fund (the "Sinking Fund"), which is hereby ordered to be continued and maintained as long as the Series 2013 Note or the Lease shall remain 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 and notes issued under the Act and Tax-Supported Leases, as defined in the Act, when and as the same fall due. Amounts shall be transferred from the Sinking Fund to the Note Payment Fund at the times and in the amounts required by Section 6 hereof and as provided in the Lease.

Section 8 -- Award. The Series 2013 Note are awarded to the Purchaser in accordance with the proposal of the Purchaser submitted for the purchase of the Series 2013 Note, the interest rate or rates on the Series 2013 Note to be in accordance with the requirements of Sections 2 hereof.

Section 9 -- Registered Owner; Transfer; Exchange. As long as the Series 2013 Note executed and delivered hereunder shall remain outstanding, the Paying Agent and Registrar shall

maintain an office for the registration of such Series 2013 Note and shall also keep at such office books for such registration and transfers. The registered owners of the Series 2013 Note, as set forth in the registration books maintained by the Paying Agent and Registrar on the fifteenth day of the month preceding a Payment Date, or their assignees, for purposes of this Ordinance, to the extent of its interest, shall be treated as the owners of the Series 2013 Note and shall be entitled to all rights and security of the owners of the Series 2013 Note hereunder.

Upon surrender for registration of transfer of the Series 2013 Note at the office of the Paying Agent and Registrar with a written instrument of transfer satisfactory to the Paying Agent and Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, the Paying Agent and Registrar shall execute and deliver, in the name of the designated transferee or transferees, the Series 2013 Note.

In all cases in which the privilege of exchanging or transferring the Series 2013 Note is exercised, the Paying Agent and Registrar shall execute and deliver Series 2013 Note in accordance with the provisions of this Section. Every such exchange or transfer of Series 2013 Note, whether temporary or definitive, shall be without charge; provided that the Paying Agent and Registrar may impose a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

Section 10 -- Disposition of Proceeds. The proceeds of the sale of the Series 2013 Note shall be deposited or transferred as follows: (i) the amount necessary to refund and retire the Series 2005 Bonds shall be transferred to the Series 2005 Bond Fund and used to retire the Series 2005 Bonds; (ii) all remaining funds are to be deposited in a fund hereby directed to be

established and designated as the "City of Jeffersontown Series 2013 Cost of Issuance Fund" to be held at Republic Bank & Trust Company and used solely for payment of the costs of issuance of the Series 2013 Note.

Section 11 -- Designation of Note and Lease. The City designates both the Series 2013 Note and the Lease as "qualified tax-exempt obligations" for the purposes set forth in § 265(b)(3) of the Internal Revenue Code of 1986, as amended. The City does not anticipate issuing more than \$10,000,000 of "qualified tax-exempt obligations" during calendar year 2013.

Section 12 -- Discharge of Ordinance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the owners of the Series 2013 Note and the Lease the total principal and interest due or to become due thereon through maturity, in the manner stipulated therein and in this Ordinance, then the pledges made under this 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 13 – Recitals and Authorization. The recitals to this Ordinance are incorporated herein as if set forth in this Section in their entirety, and are hereby found and determined to be true and correct.

Section 14 -- Severability. If any one or more of the provisions of this 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 15 -- Inconsistent Actions. All prior ordinances, resolutions or parts thereof inconsistent herewith are hereby repealed.

Section 16 -- Open Meetings Compliance. All meetings of the City Council and of its committees and any other public bodies, at which the formal actions in connection with the issuance of the Series 2013 Note 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 KRS Sections 61.810, 61.815, 61.820 and 61.823.

Section 17 -- Effective Date. This Ordinance shall become effective immediately upon adoption and publication of a summary thereof, as provided by law.

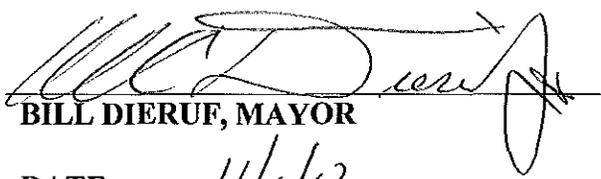
**INTRODUCED AND READ AT A MEETING OF THE CITY COUNCIL OF THE CITY OF JEFFERSONTOWN, KENTUCKY AT A MEETING HELD ON THE 15TH DAY OF OCTOBER, 2013.**

**READ, PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF JEFFERSONTOWN, KENTUCKY AT A MEETING HELD ON THE 5TH DAY OF NOVEMBER, 2013.**

**VETOED:**

**APPROVED:**

\_\_\_\_\_  
**BILL DIERUF, MAYOR**

  
\_\_\_\_\_  
**BILL DIERUF, MAYOR**

**DATE:** \_\_\_\_\_

**DATE:** 11/6/13

**ATTEST:**

  
\_\_\_\_\_  
**BILL FOX, CITY CLERK**

**CERTIFICATION**

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City Council of the City of Jeffersontown, 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 Council of the City at a duly convened meeting held on the 5th day of November, 2013, 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 and the seal of said City as of the 7th day of November, 2013.

By: Beth Fep  
City Clerk

ANNEX A

CITY OF JEFFERSONTOWN, KENTUCKY  
GENERAL OBLIGATION UNFUNDED LIABILITY REFUNDING NOTE, SERIES 2013

No. R-1 \$ \_\_\_\_\_

NOTE DATE: \_\_\_\_\_, 2013

FINAL MATURITY DATE: March 1, 2017

INTEREST RATE: 1.40%

REGISTERED HOLDER: Republic Bank & Trust Company

PRINCIPAL AMOUNT: \_\_\_\_\_ Dollars

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Jeffersontown, 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) and interest on said principal sum (or, if any part thereof has been paid, the balance thereof remaining unpaid) from the date hereof, payable each March 1, as set forth on attached Schedule I, commencing March 1, 2014, at the Interest Rate per annum identified above, calculated on actual/365 basis, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto. The principal and interest of this Note 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 office of Republic Bank & Trust Company, 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. The record date shall be the first day of the month preceding the final maturity date.

This Note is issued for the purpose of permanently paying a portion of the costs of refunding and retiring the City's General Obligation Unfunded Liability Funding Notes, Series 2008; and (ii) and pay the costs of retiring the Note, all pursuant to and in full compliance with the general laws of the Commonwealth of Kentucky and particularly Chapter 66 of the Kentucky Revised Statutes, and pursuant to an ordinance duly adopted by the City Council of the City on the \_\_\_\_ day of \_\_\_\_\_, 2013 (the " Ordinance") upon the affirmative vote of at least a majority of the members of its City Council at a public meeting duly and regularly held, and after filing proper notice with the State Local Debt Officer of the Commonwealth of Kentucky.

THIS NOTE AND THE ISSUE OF WHICH IT FORMS A PART IS A GENERAL OBLIGATION OF THE CITY AND THE FULL FAITH, CREDIT AND REVENUE OF THE CITY ARE PLEDGED TO THE PAYMENTS DUE HEREUNDER. THIS NOTE IS CONTINUALLY SECURED BY THE FAITH, CREDIT AND REVENUE OF THE CITY.

This Note shall be subject to optional redemption prior to their maturity on any date, in whole or in part, at the election of the City upon fifteen (15) days written notice to the Paying Agent and Registrar at a redemption price equal to the principal amount of Note to be redeemed, plus accrued interest to the date of redemption.

No recourse shall be had for the payment of the principal of or the interest on this Note, 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 Note.

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 Note, or in the creation of the obligations of which this Note 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 revenue 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 Note 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 Note as it falls due and to provide for the redemption of this Note at maturity or upon earlier redemption.

IN WITNESS WHEREOF, the City has caused this Note 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, as of the date set forth above.

**CITY OF JEFFERSONTOWN, KENTUCKY**

By: \_\_\_\_\_  
Mayor

ATTEST:

By: \_\_\_\_\_  
City Clerk

**CERTIFICATE OF AUTHENTICATION**

This is to certify that this is the General Obligation Unfunded Liability Refunding Note, Series 2013 described hereinabove.

Date of Authentication: \_\_\_\_\_

**REPUBLIC BANK & TRUST COMPANY,**  
Paying Agent

By: \_\_\_\_\_  
Authorized Signer

## **CERTIFICATE**

It is hereby certified that the following is a correct and complete copy of the text of the legal opinion of Peck, Shaffer & Williams LLP, Attorneys, Covington, Kentucky, regarding the issue of which the within Note 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.

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City Clerk

## **FORM OF APPROVING OPINION**

### SCHEDULE I

<u>Payment Date</u>	<u>Principal Amount</u>	<u>Interest Amount</u>	<u>Total</u>
March 1, 2014	\$679,129.00	\$11,947.01	\$691,076.01
March 1, 2015	662,465.00	28,611.53	691,076.53
March 1, 2016	671,816.00	19,260.83	691,076.83
March 1, 2017	681,404.00	9,672.15	691,076.15

**ASSIGNMENT**

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

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(Please print or typewrite name and address of transferee)

the within note and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within note 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 note in every particular, without alteration or enlargement or any change whatever.

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