

ORDINANCE NO. 1274, SERIES 2011

AN ORDINANCE OF THE CITY OF JEFFERSONTOWN, KENTUCKY AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION FLOATING INDEBTEDNESS REFUNDING NOTES, SERIES 2011 IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$500,000; APPROVING A FORM OF NOTE; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE NOTES; AUTHORIZING AND DIRECTING THE FILING OF NOTICE WITH THE STATE LOCAL DEBT OFFICER; PROVIDING FOR THE PAYMENT AND SECURITY OF THE NOTES; CREATING A NOTE PAYMENT FUND; MAINTAINING A SINKING FUND; AUTHORIZING ACCEPTANCE OF THE PROPOSAL OF THE NOTE PURCHASER FOR THE PURCHASE OF THE NOTES; AND REPEALING INCONSISTENT ORDINANCES.

WHEREAS, the City of Jeffersontown, Kentucky (the "City") heretofore adopted a General Fund Budget (the "Budget") relating to the total of all general fund expenditures by the City for the fiscal year ending June 30, 2008 based on a good-faith estimate by the governing body of the City of expenditures and funds and receipts available to fund those expenditures; and

WHEREAS, due to changes in retirement and pension laws affecting employees of the City, several employees retired during such fiscal year, causing expenditures by the City for accrued vacation and sick pay and related payments to the County Employees Retirement System that were not foreseeable at the time of adoption of the Budget; and

WHEREAS, these unforeseen circumstances caused a short-fall in available funds and receipts in the General Fund for such fiscal year so that the total of all funds and receipts of the City for such fiscal year which were available to the City for the purpose of funding General Fund expenditures was less than the total of all required expenditures, which short-fall (the "Floating Indebtedness") constituted a "Floating indebtedness" as defined in KRS 66.011 et seq (the "Act"); and

WHEREAS, the City determined, by an Ordinance adopted on June 2, 2008, that it was necessary to fund the Floating Indebtedness through the issuance of City of Jeffersontown,

Kentucky General Obligation Floating Indebtedness Funding Notes, Series 2008 (the "Original Notes"); and

WHEREAS, the City retired \$150,000 of the Original Notes, in accordance with the terms thereof, and determined the necessity of refunding a portion of the Original Notes through the issuance of City of Jeffersontown, Kentucky General Obligation Floating Indebtedness Refunding Notes, Series 2009 (the "2009 Prior Notes"), which were issued in the aggregate principal amount of \$1,000,000; and

WHEREAS, the City retired \$250,000 of the 2009 Prior Notes, in accordance with the terms thereof, and determined the necessity of refunding a portion of the 2009 Prior Notes through the issuance of City of Jeffersontown, Kentucky General Obligation Floating Indebtedness Refunding Notes, Series 2010 (the "2010 Prior Notes"), which were issued in the aggregate principal amount of \$750,000; and

WHEREAS, the City retired \$185,735 of the 2010 Prior Notes, in accordance with the terms thereof, and determined the necessity of refunding a portion of the 2010 Prior Notes through the issuance of City of Jeffersontown, Kentucky General Obligation Floating Indebtedness Refunding Notes, Series 2010 (the "2010 Prior Notes"), which were issued in the aggregate principal amount of \$750,000 and have a final maturity date of September 21, 2011; 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 a "Floating indebtedness," as defined in the Act and to issue bonds or notes to refund any bonds or notes issued for such purpose; and

WHEREAS, the City desires to refund the Prior Notes through the sale of the Notes to Republic Bank & Trust Company (the "Purchaser") by negotiated sale in accordance with the Purchaser's proposal (the "Proposal"), as permitted by KRS 66.141.

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

Section 1 -- Necessity, Authorization and Purpose. The City finds and determines the facts set for in the recitals to this Ordinance and hereby declares that it is necessary to issue and authorizes the issuance of its General Obligation Floating Indebtedness Refunding Notes, Series 2011, in the aggregate principal amount not to exceed \$500,000, for the purpose of (i) refunding the Prior Notes and (ii) paying the costs of issuance of the Notes.

Section 2 -- Form. The Notes shall be issued as fully registered Notes, shall be designated "General Obligation Floating Indebtedness Refunding Notes, Series 2011," shall express upon their faces 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. The Notes shall be in denominations as requested by the Purchaser, which shall be in integral multiples of five hundred dollars (\$500). The Notes shall be dated as of the date of their initial issuance and delivery or such other date as is determined in a certificate of award establishing the aggregate principal amount of the Notes based upon a final determination of the Floating Indebtedness (the "Certificate of Award"). Interest on the Notes shall be payable at maturity, or on such other dates as is determined in the Certificate of Award, at the stated interest rate on the principal amount thereof. The Notes shall mature no later than September 21, 2012 in the amount to be established in the Certificate of Award. The interest rate on the Notes shall be determined in the Certificate of Award based on the Proposal; provided that the aggregate net interest cost of the Notes shall not exceed five

percent (5.00%). The Certificate of Award shall be executed by the Mayor or the City Administrator.

The Notes shall be subject to optional redemption prior to their maturity on any date, in whole or in part, by lot, at the election of the City upon 30 days' written notice to the registered owners of the Notes, at a redemption price not to exceed 103% of the principal amount of Notes to be redeemed, plus accrued interest to the date of redemption. Any notice of redemption shall be mailed, first class, postage prepaid, to all registered owners of the Notes to be redeemed at their addresses as they appear on the registration books kept by the City as registrar for the Notes (the "Registrar"), but failure to mail any such notice shall not affect the validity of the proceedings for such redemption of Notes 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 Notes 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 Notes 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 Note Payment Fund by the Registrar for the registered owners of the Notes to be redeemed, the Notes so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Notes on such date, interest on the Notes so called for redemption shall cease to accrue, and the registered owners of such Notes shall have no right in respect thereof except to receive payment of the redemption price thereof.

The Notes may be issued in book-entry-only form through the services of the Depository Trust Company ("DTC"). If the City determines to issue the Notes in book-entry-only form the Designated Officers (hereinafter defined) are authorized to execute all documents necessary to accomplish such form of issuance.

Section 3 -- Execution and Delivery. The Notes 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"). The Designated Officers are further authorized and directed to deliver the Notes to the Purchaser, upon the terms and conditions provided herein and in the Certificate of Award and in the Proposal, 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 Notes.

Section 4 -- Payment. Payment of or on account of the interest on and principal of the Notes shall be made directly to the registered owner. Principal of and interest on the Notes 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 Notes to the City or by other transfer of funds acceptable to the City and such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Notes 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 required by law.

Section 6 -- Note Payment Fund, Payment of Notes. There is hereby established with the Registrar a note payment fund in the name of the City to be known as General Obligation Floating Indebtedness Refunding Notes, Series 2011 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 from the Sinking Fund (heretofore established), at least

five (5) days prior to date for the payment of the principal of or interest on the Notes, the amount required to pay principal of and interest due on the Notes on such date. The City shall withdraw from the Note Payment Fund, on each payment date, the amount necessary to pay principal of, and interest on, the Notes due on such dates to the registered owner of the same.

The City shall act as the Registrar for the Notes.

If the City shall fail or refuse to make any required deposit in the Note Payment Fund from the Sinking Fund, any registered owner may 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.

Section 7 -- General Obligation. The Notes shall be full general obligations of the City and, for the payment of said Notes 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 Notes 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 Notes 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 Notes 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 8 -- Sinking Fund. There has heretofore been established by the City a sinking fund (the "Sinking Fund") which is ordered to be maintained so long as any Notes 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 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.

Section 9 -- Sale of Notes; Certificate of Award. The Designated Officers are hereby directed to sell the Notes to the Purchaser, the final principal amount of, and the interest rate on the Notes to be established in accordance with the requirements of Sections 1 and 2 hereof by execution of the Certificate of Award. The Mayor of the City or the City Administrator are hereby authorized to execute the Certificate of Award establishing the terms of the Notes described herein without any further action by the City Council.

Section 10 -- Registered Owner; Transfer; Exchange. As long as the Notes executed and delivered hereunder shall remain outstanding, the Registrar shall maintain books for such registration and transfer of Notes. The registered owner of the Notes, as set forth in the registration books maintained by the Registrar, shall be treated as the owner of the Notes and shall be entitled to all rights and security of the owner of the Notes hereunder.

Upon surrender for registration of transfer of the Notes at the office of the Registrar with a written instrument of transfer satisfactory to the Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, the Registrar shall execute and deliver, in the name of the designated transferee or transferees, one or more Notes of the same series of any authorized denomination and of a like tenor and effect.

All Notes, upon surrender thereof at the office of the Registrar, may, at the option of the registered owner thereof be exchanged for an equal aggregate principal amount of Notes of any authorized denomination.

In all cases in which the privilege of exchanging or transferring Notes is exercised, the Registrar shall execute and deliver Notes in accordance with the provisions of this Section. Every such exchange or transfer of Notes, whether temporary or definitive, shall be without charge; provided that the 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 11 -- Disposition of Proceeds. The proceeds of the sale of the Notes shall be deposited in the General Fund.

Section 12 -- Designation of Notes. The City designates the Notes 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 2011.

Section 13 -- Discharge of Note Ordinance. If the City shall pay or cause to be paid, or there shall otherwise be paid, to the owners of the Notes the total principal and interest due or to become due thereon through maturity, in the manner stipulated therein and in this Note Ordinance, then the pledges made under this Note 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 14 -- Severability. If any one or more of the provisions of this Note 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 Notes 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 61.825.

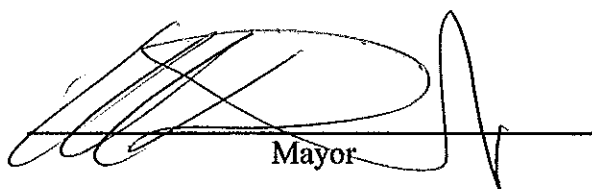
Section 17 -- Effective Date. This Ordinance shall become effective immediately upon adoption and publication of a summary thereof, as provided by law.

INTRODUCED AND PUBLICLY READ ON FIRST READING on the 6th day of September, 2011.

PUBLICLY READ, ADOPTED AND APPROVED ON SECOND READING, this the 21st day of September, 2011.


CITY OF JEFFERSONTOWN, KENTUCKY

By:


Mayor

Attest:

By:



City Clerk

SUMMARY OF ORDINANCE

The City of Jeffersontown, Kentucky, at a meeting held on September 21, 2011, adopted the following ordinance:

AN ORDINANCE OF THE CITY OF JEFFERSONTOWN, KENTUCKY AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION FLOATING INDEBTEDNESS REFUNDING NOTES, SERIES 2011 IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$500,000; APPROVING A FORM OF NOTE; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE NOTES; AUTHORIZING AND DIRECTING THE FILING OF NOTICE WITH THE STATE LOCAL DEBT OFFICER; PROVIDING FOR THE PAYMENT AND SECURITY OF THE NOTES; CREATING A NOTE PAYMENT FUND; MAINTAINING A SINKING FUND; AUTHORIZING ACCEPTANCE OF THE PROPOSAL OF THE NOTE PURCHASER FOR THE PURCHASE OF THE NOTES; AND REPEALING INCONSISTENT ORDINANCES.

It is hereby certified that the foregoing ordinance provides for approval of a note to be issued by the City for refunding a prior note that was issued for the purpose of financing a floating indebtedness of the City and provides a general obligation pledge to assess sufficient taxes to comply with the obligations to pay note payments. The full text of the sections relating to the pledge to levy and assess a tax to pay the note payments are:

Section 7 -- General Obligation. The Notes shall be full general obligations of the City and, for the payment of said Notes 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 Notes 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 Notes 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 Notes 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.

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A complete copy of the ordinance may be reviewed at the office of the City Clerk, City of Jeffersontown, Kentucky.

City of Jeffersontown, Kentucky

By : /s/ William Fox

City Clerk

PREPARATION CERTIFICATE

The undersigned Attorney at Law, licensed to practice in Kentucky, hereby certifies that the foregoing title summary of an Ordinance of the City of Jeffersontown, Kentucky, was prepared by the undersigned and constitutes a general summary of essential provisions of said Ordinance, reference to the full text of which is hereby made for a complete statement of its provisions and terms.

/s/ Roger L. Peterman
Peck, Shaffer & Williams LLP
118 W. Fifth Street
Covington, Kentucky 41011

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