

SUMMARY OF ORDINANCE
CITY OF GEORGETOWN, KENTUCKY

At a meeting held on December 10, 2018, the City of Georgetown, Kentucky gave second reading to, and adopted, an Ordinance entitled:

ORDINANCE NO. 18-021

GENERAL BOND ORDINANCE OF THE CITY OF GEORGETOWN, KENTUCKY PROVIDING FOR THE ESTABLISHMENT OF RULES, REGULATIONS AND CONDITIONS FOR THE ISSUANCE FROM TIME TO TIME BY SAID CITY OF WATER AND SEWER REVENUE BONDS AND PROVIDING FOR THE COLLECTION, SEGREGATION AND DISTRIBUTION OF THE REVENUES OF THE COMBINED AND CONSOLIDATED WATER AND SEWER SYSTEM.

This is a combined and consolidated water and sewer system revenue bond ordinance setting forth general rules, regulations and conditions for the issuance of utility revenue bonds by the City of Georgetown, Kentucky. Provisions are made for the authorization and issuance of water and sewer system revenue bonds in series upon adoption of a series bond ordinance; for the application of the proceeds of each series; for the establishment of a Bond Proceeds Fund, a Revenue Fund, a Bond Fund, a Reserve Account within the Bond Fund, an Operation and Maintenance Fund and a Depreciation Fund; for certain covenants of the City with respect to its utility revenue bonds; and for defaults and remedies with respect to such bonds. Such bonds when issued will not constitute an indebtedness of the City within the meaning of any constitutional or statutory provisions or limitations, but are payable solely from the revenues of the combined and consolidated water and sewer system of the City of Georgetown, Kentucky to be operated by the Georgetown Board of Water and Sanitary Sewer Commissioners. Reference is hereby made to the full text of the ordinance for a complete statement of its provisions and terms.

The City Clerk of the City of Georgetown, Kentucky hereby certifies that the above summary is true and correct and written in a way calculated to inform the public of its content. Reference is made to the full text of the Ordinance which may be reviewed at the office of the City Clerk, Georgetown, Kentucky in the Georgetown City Hall, 100 North Court Street, Georgetown, Kentucky 40324, for a complete statement of its provisions and terms.

/s/ Tracie Hoffman

City Clerk
City of Georgetown, Kentucky

2018 SERIES A BOND ORDINANCE

SERIES A BOND ORDINANCE AUTHORIZING THE ISSUANCE OF \$4,018,000 PRINCIPAL AMOUNT OF WATER AND SEWER REVENUE REFUNDING BONDS, 2018 SERIES A (WHICH AMOUNT MAY BE INCREASED OR DECREASED BY UP TO \$400,000), OF THE CITY OF GEORGETOWN, KENTUCKY; DESIGNATING THE PAYING AGENT AND REGISTRAR IN RESPECT THEREOF; APPROVING THE PREPARATION OF PRELIMINARY AND FINAL OFFICIAL STATEMENTS IN RESPECT THEREOF; PROVIDING FOR THE SALE OF SUCH BONDS TO THE LOWEST AND BEST BIDDER; AND AUTHORIZING THE EXECUTION OF DOCUMENTS ON BEHALF OF THE CITY.

WHEREAS, the City of Georgetown, Kentucky (the "City"), pursuant to the provisions of Chapter 58 and Section 96.190 of the Kentucky Revised Statutes, has, under date of November 26, 2018, authorized and adopted its "2018 General Bond Ordinance," authorizing the issuance of and securing Water and Sewer Revenue Bonds (the "General Bond Ordinance") pursuant to which the City is authorized to issue its Water and Sewer Revenue Bonds from time to time, the proceeds of which, in whole or in part, are to be used for the purposes described with particularity in the General Bond Ordinance; and

WHEREAS, the General Bond Ordinance authorizes the issuance of such Water and Sewer Revenue Bonds in one or more series pursuant to one or more Series Ordinances and authorizes the issuance and sale of such series of Water and Sewer Revenue Bonds; and

WHEREAS, the City has determined that it is necessary and desirable that the City issue at this time a Series of Water and Sewer Revenue Bonds, to be designated "City of Georgetown, Kentucky Water and Sewer Revenue Refunding Bonds, 2018 Series A," to provide moneys to refund the Prior Assistance Agreement, as hereinafter defined, which was originally entered into to pay the costs of the construction of additions and improvements to the City's combined and consolidated water and sanitary sewer system (the "System"), to fund the Reserve Account and to pay the costs of issuing the 2018 Series A Bonds.

NOW, THEREFORE, BE IT ORDAINED by the City of Georgetown, Kentucky, that pursuant to the General Bond Ordinance authorizing the issuance of and securing Water and Sewer Revenue Bonds, this 2018 Series A Bond Ordinance is adopted, as follows:

ARTICLE I

AUTHORITY AND DEFINITIONS

101. Short Title. This ordinance may hereafter be cited by the City and is hereinafter sometimes referred to as the "2018 Series A Bond Ordinance."

102. Defined Words and Terms.

(1) All words and terms which are defined in the General Bond Ordinance, which General Bond Ordinance is incorporated herein by reference, shall have the same and

identical meanings respectively in this 2018 Series A Bond Ordinance as such terms are given in Article I of the General Bond Ordinance.

(2) “Depreciation Reserve Requirement” means initially, the amount required by Section 507(7) of the General bond Ordinance and when the Prior Bonds are no longer outstanding, the lesser of (i) twelve percent (12%) of annual Revenues for the immediately preceding Fiscal Year and (ii) the amount determined by the Engineers and set forth in a certificate filed with the Utilities Commission to be necessary as a reserve for major repairs or replacements of the System.

(3) “Financial Advisor” means Compass Municipal Advisors, LLC, Lexington, Kentucky.

(4) “Prior Assistance Agreement” means the Assistance Agreement dated as of January 30, 2007 between the City and Kentucky Rural Water Finance Corporation.

(5) The “2018 Series A Bonds” means the Water and Sewer Revenue Bonds which are authorized by Article II of this 2018 Series A Bond Ordinance.

103. Authority. This 2018 Series A Bond Ordinance is adopted pursuant to authority of Article II, Section 204 of the General Bond Ordinance, and pursuant to authority contained in the Act.

104. Determination by City that 2018 Series A Bonds Be Issued. It is hereby determined by the City that it is necessary and desirable that approximately \$4,018,000 principal amount of Water and Sewer Revenue Bonds, 2018 Series A (which amount may be increased or decreased by up to \$400,000) (the “Permitted Adjustment”), be authorized and issued by the City for the purpose of (i) refunding its obligations under the Prior Assistance Agreement, (ii) funding the Reserve Account in accordance with the General Bond Ordinance, and (iii) paying the costs of issuance of the 2018 Series A Bonds.

105. Determination of Depreciation Reserve Requirement. It is hereby determined by the City that, so long as the 2018 Series A Bonds are Outstanding, the Depreciation Reserve Requirement, as defined in the General Bond Ordinance, be the Depreciation Reserve Requirement, as defined in this Series Ordinance.

106. Authorization to Execute Documents and Accept Bids. The City hereby authorizes the Authorized Officers to execute all necessary documents including the Official Statement and authorizes Authorized Officers to accept the best bid for the 2018 Series A Bonds.

ARTICLE II

AUTHORIZATION AND TERMS OF 2018 SERIES A BONDS

201. Authorization of Bonds; Principal Amount; Designation; Form. In order to provide sufficient funds necessary for refunding the Prior Assistance Agreement, funding the Reserve Account and paying the costs of issuance of the 2018 Series A Bonds in accordance with and subject to the terms, conditions and limitations established in the Act, the General Bond Ordinance and this 2018 Series A Bond Ordinance, a series of Water and Sewer Revenue Bonds is hereby authorized to be issued in the aggregate principal amount of approximately \$4,018,000

(subject to the Permitted Adjustment). As stated aforesaid, the City is of the opinion and hereby determines that the issuance of the 2018 Series A Bonds in such principal amount as is necessary to provide debt service savings. As provided by Article II, Section 204 of the General Bond Ordinance, in addition to the designation “Water and Sewer Revenue Refunding Bonds,” such Series of Bonds hereby authorized shall bear the additional designation “2018 Series A” and each Bond as so designated shall be a “Water and Sewer Revenue Refunding Bond, 2018 Series A.” The 2018 Series A Bonds shall be issued in fully registered, Book-Entry Form.

202. Purpose for Issue of 2018 Series A Bonds. The purpose for which the 2018 Series A Bonds are being issued is to provide funds for deposit in the 2018 Series A Cost of Issuance Account and the Reserve Account Fund and to pay an amount that will be sufficient so that all amounts due and to become due under the Prior Assistance Agreement are no longer outstanding under the terms of the Prior Assistance Agreement, all to the extent and in the amounts or subject to the determinations provided in Article III of this 2018 Series A Bond Ordinance.

203. Issue Date. The Issue Date for the 2018 Series A Bonds shall be the date of their issuance and delivery.

204. Maturities. The 2018 Series A Bonds shall be issued as serial bonds or term bonds maturing or subject to mandatory sinking fund redemption on January 1 of the years and in the principal amounts (subject to the Permitted Adjustment), as follows:

<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>	<u>YEAR</u>	<u>PRINCIPAL AMOUNT</u>
2020	\$403,000	2024	\$458,000
2021	416,000	2025	473,000
2022	430,000	2026	488,000
2023	444,000	2027	906,000

The right is reserved in the City to increase or decrease the total principal amount of 2018 Series A Bonds awarded to the best bidder as provided in Section 401 hereof by the amount of the Permitted Adjustment, with such increase or decrease to be made in any principal maturity so that the total amount of 2018 Series A Bonds awarded to such best bidder may be a maximum of \$4,418,000 or a minimum equal to \$3,618,000. In the event of any such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted; the price at which such adjusted principal amount of 2018 Series A Bonds will be sold shall be at the same price per \$1,000 of Bonds as the price per \$1,000 of the 2018 Series A Bonds bid.

If the successful bidder and original purchaser of the 2018 Series A Bonds elects, in accordance with the provisions of the Official Terms and Conditions of Bond Sale prepared for the 2018 Series A Bonds (the “Official Terms and Conditions”), to combine the 2018 Series A Bonds stated to mature on the maturity dates set out in the successful bid of such original purchaser to comprise a term bond (“Term Bonds”) as set out in the successful bid, then such Term Bonds shall be subject to mandatory redemption in part, at the selection of the Paying Agent and Bond Registrar by lot in such manner as the Paying Agent and Bond Registrar may determine, from moneys in the Sinking Fund on each applicable January 1 at par plus accrued interest to the redemption date, according to the mandatory sinking fund redemption schedule or schedules set out in the accepted bid and in principal amounts corresponding to the maturity schedule set out in Section 204 hereof (subject to the Permitted Adjustment as herein provided).

205. Interest Payment Date; Rates. The 2018 Series A Bonds shall bear interest from their Issue Date, payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2019, at the rates set out in the successful bid.

206. Denominations, Numbers and Letters. The 2018 Series A Bonds shall be issued in the denomination of Five Thousand Dollars (\$5,000) or any integral multiple thereof or One Thousand Dollars (\$1,000) or any integral multiple thereof, as determined at the time of sale, not exceeding, however, the aggregate principal amount of 2018 Series A Bonds maturing in the year of maturity of the Bond for which the denomination is to be specified. The 2018 Series A Bonds shall be lettered and numbered separately consecutively from R-1 upwards.

207. Place of Payment and Designation of Paying Agent and Registrar. The principal and Redemption Price on the 2018 Series A Bonds shall be payable in lawful money of the United States of America at the principal office of the Paying Agent and Registrar identified in the Certificate of Award, hereinafter defined. The Mayor and City Clerk of the City are hereby authorized to enter into an agreement between the City and the Paying Agent and Registrar hereby appointed. Interest on 2018 Series A Bonds will be paid by wire transfer or by check or draft mailed to the registered owner as of the fifteenth day of the month preceding the date on which a payment of interest is due at such address as shall be shown by the registration records of the Registrar in accordance with the provisions of Article III of the General Bond Ordinance.

208. Redemption of 2018 Series A Bonds; Redemption Terms and Prices. The 2018 Series A Bonds shall be subject to redemption as set forth in the Certificate of Award.

At the option of the City, to be exercised at least 45 days prior to the date for application of the mandatory redemption of the Term Bonds, the City may receive a credit against the mandatory redemption requirement for Term Bonds of the same maturity as the Term Bonds subject to the application of the mandatory redemption requirement set forth in the successful bid for the 2018 Series A Bonds which, prior to the date for application of such requirement (and of which a credit has not previously been taken) (i) have been redeemed other than through the application of such mandatory redemption procedure, and cancelled by the Paying Agent, or (ii) have been delivered to the Paying Agent by the City for cancellation.

ARTICLE III

DISPOSITION OF PROCEEDS OF 2018 SERIES A BONDS

301. Prepayment of Prior Assistance Agreement. From the proceeds of the 2018 Series A Bonds there shall be paid, in accordance with the terms of the Prior Assistance Agreement, an amount that will be sufficient so that all amounts due and to become due under the Prior Assistance Agreement are no longer outstanding.

302. Reserve Account. From the proceeds of the 2018 Series A Bonds there shall be deposited in the Reserve Account proceeds of the 2018 Series A Bonds such that the amount on deposit in the Reserve Account will equal the Aggregate Debt Service Reserve Requirement.

303. 2018 Series A Costs of Issuance Account. All amounts remaining after the payments of amounts required with respect to the Prior Assistance Agreement and required to be deposited in the Reserve Account, shall be deposited in a cost of issuance account, hereby created, known as the "2018 Series A Cost of Issuance Account." Amounts in the 2018 Series A

Cost of Issuance Account shall be used only to pay the costs of issuance specifically identified in amounts set forth in an order (the "Order") of an Authorized Officer regarding the delivery of the 2018 Series A Bonds. Any amounts remaining in the 2018 Series A Cost of Issuance Account after payment of all costs of issuance shall be transferred to the Bond Fund, as determined by an Authorized Officer.

ARTICLE IV

ISSUANCE AND SALE OF THE 2018 SERIES A BONDS

401. Award of 2018 Series A Bonds to Lowest and Best Bidder. The 2018 Series A Bonds shall be awarded to the lowest and best bidder (the "Purchaser") in accordance with the Official Terms and Conditions of Bond Sale. The Mayor or any other Authorized Officer shall, in a certificate of award (the "Certificate of Award") to be executed on the date of the public sale of the 2018 Series A Bonds, accept the bid which the Mayor or such other Authorized Officer determines to be the best bid in accordance with the Official Terms and Conditions of Sale; shall in accepting the successful bid, determine the exact principal amount of 2018 Series A Bonds to be issued and the rates of interest which the 2018 Series A Bonds shall bear; and shall evidence such acceptance and determination by the completion and execution of the Official Bid Form submitted by the successful bidder.

402. Approval of Preliminary Official Statement and Official Statement. The City hereby authorizes the use of a Preliminary Official Statement, including the Official Bid Form and Official Terms and Conditions of Bond Sale to be prepared by the City and its Financial Advisor, ratifies the public distribution of such Preliminary Official Statement and authorizes the Financial Advisor for the City to complete the Preliminary Official Statement to reflect the interest costs to be borne by the 2018 Series A Bonds and other relevant facts to serve as the City's Official Statement regarding the 2018 Series A Bonds. The Mayor and any Authorized Officer are further authorized to declare the Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12.

403. Continuing Disclosure Undertaking. The City hereby authorizes and approves a Continuing Disclosure Undertaking/Agreement (the "Continuing Disclosure Undertaking") between the City and the Paying Agent and Registrar substantially in the form presented or described to the City Council, with such modifications and additions as may be approved by the officer of the City executing the same. Failure to comply with the provisions of the Continuing Disclosure Undertaking shall not constitute a default on the 2018 Series A Bonds; however, any holder of the 2018 Series A 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 this section and the Continuing Disclosure Undertaking. The Mayor and the City Clerk are each separately authorized to execute and deliver the Continuing Disclosure Undertaking.

404. General Authorization. The Mayor, the City Clerk and each other Authorized Officer, are hereby authorized to do and perform any act or sign any and all documents required by the General Bond Ordinance, and perform any other acts or sign and execute any other documents necessary or convenient in connection with the authorization, sale, delivery and issuance of the 2018 Series A Bonds. The 2018 Series A Bonds shall be executed, authenticated and sealed pursuant to the General Bond Ordinance and supplemental ordinances not inconsistent therewith, provided that the attestation shall be by an Authorized Officer.

405. Delivery of 2018 Series A Bonds. The Mayor, the City Clerk and all Authorized Officers are hereby severally authorized, after execution of the 2018 Series A Bonds to deliver the 2018 Series A Bonds to or upon the order of the Purchaser thereof, to receive the proceeds of sale of the 2018 Series A Bonds and give a written receipt thereof on behalf of the City, to apply the proceeds and any other moneys in accordance with the terms of the General Bond Ordinance and this 2018 Series A Bond Ordinance, and in such manner as is required to cause the conditions to the issuance of the 2018 Series A Bonds as stipulated in the General Bond Ordinance to be complied with and to do and perform, or cause to be done and performed, for and on behalf of the City, all acts and things that constitute conditions to the authentication and delivery of the 2018 Series A Bonds, or that are otherwise required to be done and performed by or on behalf of the City prior to, or simultaneously with, the delivery of the 2018 Series A Bonds.

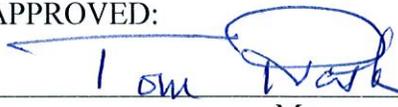
ARTICLE V

EFFECTIVE DATE

601. Effective upon Adoption and Publication. This 2018 Series A Bond Ordinance and any supplement thereto shall be in full force and effect from and after its adoption and publication of a summary thereof.

Introduced and given first reading at a meeting held on November 12, 2018. Introduced and given second reading and adopted on November 26, 2018.

APPROVED:



Mayor

ATTEST:

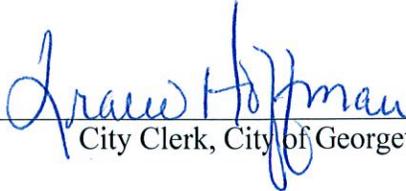


City Clerk

CERTIFICATION

I, the undersigned, the duly appointed and qualified City Clerk of City of Georgetown, Kentucky, do hereby certify that the foregoing Ordinance is a true, accurate and complete copy of a certain Ordinance duly adopted by the City Council of the City at a duly and properly convened or recessed meeting of the City Council held on November 26, 2018, on the same occasion signed in open session by the Mayor attested under seal by the City Clerk, and declared to be in full force and effect upon publication of a summary thereof.

IN WITNESS WHEREOF I have hereunto set my hand this 14th day of December, 2018.



City Clerk, City of Georgetown, Kentucky

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