

ORDINANCE NO. O-2015 – 0xx (tentative 12)

AN ORDINANCE OF THE CITY OF NEWPORT, KENTUCKY AUTHORIZING THE ISSUANCE OF CITY OF NEWPORT, KENTUCKY GENERAL OBLIGATION BONDS, SERIES 2015B IN THE APPROXIMATE AGGREGATE PRINCIPAL AMOUNT OF \$5,085,000 (SUBJECT TO A PERMITTED ADJUSTMENT INCREASING OR DECREASING THE PRINCIPAL AMOUNT OF SERIES 2014 BONDS BY UP TO \$505,000) FOR THE PURPOSE OF (I) FINANCING A PORTION OF THE COSTS OF MULTIPLE PUBLIC PROJECTS; (II) CURRENTLY REFUNDING THE OUTSTANDING CITY OF NEWPORT, KENTUCKY GENERAL OBLIGATION BOND ANTICIPATION NOTES, SERIES 2014 (THE "NOTES"), THE PROCEEDS OF WHICH WERE USED TO FINANCE ON AN INTERIM BASIS A PORTION OF THE COSTS OF THE PROJECTS; APPROVING THE FORM OF BONDS; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE BONDS; AUTHORIZING AND DIRECTING THE FILING OF NOTICE WITH THE STATE LOCAL DEBT OFFICER; PROVIDING FOR THE PAYMENT AND SECURITY OF THE BONDS; CREATING A BOND PAYMENT FUND; MAINTAINING THE HERETOFORE ESTABLISHED SINKING FUND; AND AUTHORIZING ACCEPTANCE OF THE BIDS OF THE BOND PURCHASER FOR THE PURCHASE OF THE BONDS.

WHEREAS, the City of Newport, Kentucky (the "City") has heretofore determined that it is a public purpose to acquire, construct, install and equip multiple public projects, comprised of infrastructure improvements, a new public works facility, underground utilities and multiple miscellaneous capital improvements (collectively, the "Project"); and,

WHEREAS, the City heretofore entered issued its General Obligation Bond Anticipation Notes, Series 2014 (the "Notes"), the proceeds of which were used to finance on an interim basis a portion of the costs of the Project; and,

WHEREAS, the City has determined that the present conditions of the municipal market are favorable and that it is therefore advantageous and in the best interests of the City for the City to proceed with the permanent financing of the Project and the refunding of the Notes through the issuance of its General Obligation Bonds, Series

2015B in the approximate principal amount of \$5,085,000 (which amount may be increased or decreased by up to \$505,000) (the "Bonds"); and

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 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 to the extent that such city is authorized to cause the acquisition, construction, installation and equipping thereof; and

WHEREAS, the City desires to cause the Project to be financed and refinanced through the issuance of the Bonds to be sold and awarded to the successful bidder or bidders (the "Purchaser") at public, competitive sale in accordance with the provisions of Chapter 424 of the Kentucky Revised Statutes, as amended.

NOW, THEREFORE, BE IT ORDAINED by the City of Newport, Kentucky, as follows:

SECTION I

Necessity, Authorization and Purpose. The City hereby declares that it is desirable and necessary to issue, and hereby authorizes the issuance, of its General Obligation Bonds, Series 2015B in the aggregate principal amount of \$5,085,000, subject to a permitted adjustment (the "Permitted Adjustment") increasing or decreasing the principal amount of Bonds awarded to the purchasers thereof by up to \$505,000, for

the purpose of (i) paying the costs of the Project, (ii) currently refunding the Notes, and (iii) paying the costs of issuance of the Bonds.

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

SECTION II

Form of Bonds. The Bonds shall be issued as fully registered Bonds, shall be designated "General Obligation Bonds, Series 2015B", 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.

The Bonds shall be in denominations as requested by the Purchaser, which shall be in integral multiples of five thousand dollars (\$5,000). The Bonds shall each be dated their date of initial issuance and delivery, or such other date as is determined in a certificate of award accepting the bids of the Purchaser (the "Certificate of Award") to be executed by the Mayor, City Manager or Chief Financial Officer of the City on the date of the sale of the Bonds.

Interest on the Bonds shall be payable each April 1 and October 1 (an "Interest Payment Date"), commencing April 1, 2016, at the stated interest rate or rates on the principal amounts thereof, calculated on the basis of a 360 day year with 30 day months,.

The Bonds shall be serial or term Bonds maturing or subject to mandatory sinking fund redemption on October 1, 2015 and each October 1 thereafter in the years and in the amounts to be established in the Certificate of Award after advertised competitive sale of the Bonds based on the interest rates set forth in the successful bid

for the Bonds (the "Bid") and the provisions of this Section 2, provided that the final maturity date of the Bonds shall be as set forth in the Certificate of Award but shall be no later than October 1, 2040.

The interest rate or rates on the Bonds shall be determined in the Certificate of Award based on the Bid; provided that the aggregate net interest cost of the Bonds shall not exceed six percent (6.0%).

The Bonds issued as term Bonds 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 Bonds shall be subject to optional redemption prior to their maturity on any date on or after October 1, 2025, 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 designated for the Bonds (the "Paying Agent and Registrar") 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 optional or mandatory sinking fund 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 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 series, 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 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 Bonds may be issued in book-entry-only form through the services of the Depository Trust Company ("DTC"). If the City determines to issue the Bonds in book-entry-only form the Designated Officers (hereinafter defined) are authorized to execute all documents necessary to accomplish such form of issuance.

SECTION III

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 any other person as may be authorized by resolution are referred to as "Designated Officers") and shall have the seal of the City or a facsimile thereof affixed thereto. Additionally, the Bonds shall bear the manual authenticating signature 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, in the Certificate of Award and in the Bids for the Bonds, 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 upon payment of the purchase price thereof.

SECTION IV

Payment. Payment of or on account of the interest on and principal of the Bonds shall be made directly to the Paying Agent and Registrar for the account of the registered owner. Interest on the Bonds shall be payable by check, mailed to the person whose name appears on the fifteenth day preceding an Interest Payment 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. 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 Bonds 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 Bonds to the extent of the sum or sums so paid.

Section V

Filing. The Designated Officers are hereby authorized to undertake and cause all filings which may be required by law to be filed by the City with respect to the Bonds, including, but not limited to, the filing with the State Local Debt Officer required by law.

SECTION VI

Bond Payment Fund; 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 Bonds, Series 2015B Bond Payment Fund (the "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 defined), on or before the twenty-fifth day of each month which precedes an Interest Payment Date, the amount required to pay principal of and interest due on the Bonds on such Interest Payment Date. The Paying Agent and Registrar shall, without further authorization from the City, withdraw from the Bond Payment Fund, on such Interest Payment Date, the amounts necessary to pay principal of, and interest on, the Bonds to the registered owner of the same.

The Paying Agent and Registrar is hereby appointed depository of the Bond Payment Fund with respect to the Bonds.

If the City shall fail or refuse to make any required deposit in the Bond 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

Bonds or its assignee, and shall disburse all funds so collected to the owners of the Bonds as payment of the Bonds.

SECTION VII

General Obligation. The Bonds shall be full general obligations of the City and, for the payment of said Bonds, 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 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 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 Bonds, including amounts available under 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.

SECTION VIII

Maintenance of Sinking Fund. There has previously been established the Sinking Fund with the City in accordance with the requirements of the Act, 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 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 Bond Payment Fund at the times and in the amounts required by Section 6 hereof.

SECTION IX

Sale of Bonds; Certificate of Award. The Designated Officers are hereby directed to sell the Bonds to the Purchaser at advertised competitive sale, the final principal amount of, the principal amortization of and the interest rate or rates on the Bonds to be established in accordance with the requirements of Sections 1 and 2 hereof by adoption of the Certificate of Award. Each of the Mayor, City Manager and Chief Financial Officer of the City is hereby authorized to execute the Certificate of Award establishing the terms of the Bonds described herein without any further action by the Board of Commissioners.

SECTION X

Bonds Registered Owners; Transfer; Exchange. As long as the Bonds executed and delivered hereunder shall remain outstanding, the Paying Agent and Registrar shall maintain an office for the Registration of such Bonds and shall also keep at such office books for such registration and transfers. The registered owner of the Bonds, as set forth in the registration books maintained by the Paying Agent and Registrar on the fifteenth day preceding an Interest Payment Date, or its assignees, for

purposes of this Bond Ordinance, to the extent of its interest, shall be treated as the owner of the applicable Bonds and shall be entitled to all rights and security of the owner of the Bonds hereunder.

Upon surrender for registration of transfer of Bonds 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, one or more Bonds of the same series of any authorized denomination and of a like tenor and effect.

All Bonds, upon surrender thereof at the office of the Paying Agent and Registrar, may, at the option of the registered owner thereof be exchanged for an equal aggregate principal amount of Bonds of the same series of any authorized denomination.

In all cases in which the privilege of exchanging or transferring Bonds is exercised, the Paying Agent and Registrar shall execute and deliver Bonds in accordance with the provisions of this Section. Every such exchange or transfer of Bonds, 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 XI

Disposition of Proceeds of Bonds. The proceeds of the sale of the Bonds shall be deposited, together with other available funds of the City, as follows: (a) the amount necessary and sufficient to redeem and retire the Notes within ninety (90) days of the date of issuance and delivery of the Bonds shall be deposited with the paying agent or trustee for the Notes and applied to the redemption and retirement of the Notes; (b) the amount determined by the Designated Officers as being necessary to finance the acquisition, construction, installation and equipping of the Project shall be deposited to a special construction fund (the "City of Newport 2015B 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 Project, and (c) the remainder of the proceeds of the Bonds shall be deposited to a special cost of issuance fund hereby directed to be established and designated as the "City of Newport, Kentucky General Obligation Bonds, Series 2015B Cost of Issuance Fund" (the "Cost of Issuance Fund") and used to pay the costs of issuance of the Bonds.

SECTION XII

Further Actions. In connection with the undertaking and implementation by the City of the plan of financing 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.

SECTION XIII

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 XIV

Designation of Bonds. The City designates the 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 City does not anticipate issuing more than \$10,000,000 of "qualified tax-exempt obligations" during calendar year 2015.

SECTION XV

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 XVI

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

SECTION XVII

Open Meetings Compliance. All meetings of the Board of Commissioners and of its committees and any other public bodies, at which the 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 KRS Sections 61.805 through 61.850.

Section XVIII

That this Ordinance shall be signed by the Mayor and attested to by the City Clerk, recorded, published, and effective upon publication.

PASSED: First reading October 19, 2015
PASSED: Second reading November 23, 2015

Jerry R. Peluso, Mayor

ATTEST:

Amy B. Able, City Clerk

PUBLISHED: In summary in the Campbell County Recorder the 3rd of December, 2015.

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Newport, Kentucky, and as such City Clerk, I further certify that the foregoing is a true, correct and complete copy of a Bond Ordinance duly enacted by the Board of Commissioners of the City at a duly convened meeting held on the ____ day of _____, 2015, 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 _____, 2015.

City Clerk

ANNEX A

Unless this certificate is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC") to issuer or its agent for registration of transfer, exchange, or payment and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

COMMONWEALTH OF KENTUCKY
CITY OF NEWPORT, KENTUCKY
GENERAL OBLIGATION BOND, SERIES 2015B

No. R-1 \$ _____

BOND DATE: _____, 2015

MATURITY DATE: October 1, _____

INTEREST RATE: _____%

REGISTERED HOLDER: _____

PRINCIPAL AMOUNT: _____

KNOW ALL PERSONS BY THESE PRESENTS: That the City of Newport, 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 April 1 and October 1, commencing April 1, 2016, 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 on 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 the record date registered holder hereof 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 R-1 upward, inclusive, of the denomination of \$5,000 or any integral multiple thereof originally aggregating _____ dollars (\$_____) in principal amount, issued for the purpose of (i) financing the acquisition, construction, installation and equipping of multiple public projects, comprised of infrastructure improvements, a new public works facility, underground utilities and multiple miscellaneous capital improvements (collectively, the "Project"); (ii) currently refunding the City's outstanding General Obligation Notes, Series 2014 (the "Notes"), the proceeds of which were used to finance on an interim basis a portion of the costs of the Project; and (iii) paying costs related to the issuance of the Bonds, 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 Board of Commissioners of the City on the ___ day of _____, 2015 (the "Bond Ordinance") upon the affirmative vote of at least a majority of the members of its Board of Commissioners 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 Bond 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 BOND IS CONTINUALLY SECURED BY THE FAITH, CREDIT AND REVENUE OF THE CITY.

The Bonds mature on the 1st day of October of the following years, in the respective principal amounts and bear interest at the following rates of interest:

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate Per Annum</u>
October 1, 2016		
October 1, 2017		
October 1, 2018		
October 1, 2019		
October 1, 2020		
October 1, 2021		
October 1, 2022		
October 1, 2023		
October 1, 2024		
October 1, 2025		
October 1, 2026		
October 1, 2027		
October 1, 2028		
October 1, 2029		
October 1, 2030		
October 1, 2031		
October 1, 2032		
October 1, 2033		
October 1, 2034		

October 1, 2025
October 1, 2036
October 1, 2037
October 1, 2038
October 1, 2039
October 1, 2040

The Bonds maturing on or after October 1, 2026 shall be subject to optional redemption prior to their maturity on any date on or after October 1, 2025, 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 35 days' written notice to the Paying Agent and Registrar at a redemption price equal to the par amount thereof, plus accrued interest to the date of redemption.

[INSERT ANY MANDATORY SINKING FUND REDEMPTION REQUIREMENTS]

At least thirty (30) days before the redemption date of any Bonds the Paying Agent and Registrar shall cause a notice of such redemption signed by the Paying Agent and Registrar, to be mailed, first class, postage prepaid, to all registered owners of the Bonds to be redeemed at their addresses as they appear on the registration books kept by the 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 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.

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 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 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 redemption of this Bond at maturity or upon earlier redemption.

Unofficial Copy

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 NEWPORT, KENTUCKY

By: _____
Mayor

(SEAL)

Attest:

By: _____
City Clerk

CERTIFICATE OF AUTHENTICATION

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

Authorized Signature
U.S. Bank National Association
Paying Agent and Registrar

Date of Authentication: _____

CERTIFICATE

It is hereby certified that the following is a correct and complete copy of the text of the legal opinion of Dinsmore & Shohl LLP, Attorneys, Newport, 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]

Unofficial Copy

ASSIGNMENT

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

(please print or typewrite social security number or other identifying number and name and

address of transferee)

the within Bond and does hereby irrevocably constitute and appoint the

_____ or its successor as Bond Paying Agent and Registrar to transfer

the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

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

Unofficial Copy