

COMMISSIONERS ORDINANCE NO. O-2023-021

AN ORDINANCE OF THE BOARD OF COMMISSIONERS CITY OF NEWPORT, KENTUCKY AUTHORIZING THE ISSUANCE OF CITY OF NEWPORT, KENTUCKY GENERAL OBLIGATION BONDS, SERIES 2023 IN THE APPROXIMATE AGGREGATE PRINCIPAL AMOUNT OF \$16,500,000 (WHICH AMOUNT MAY BE INCREASED BY UP TO \$1,650,000 OR DECREASED IN ANY AMOUNT) FOR THE PURPOSE OF FINANCING A PORTION OF THE COSTS OF THE CONSTRUCTION OF A PARKING FACILITY; 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 a parking facility (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 financing of the Project through the issuance of its General Obligation Bonds, Series 2023 in the approximate principal amount of \$16,500,000 (which amount may be increased by up to \$1,650,000 or decreased in any amount) (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 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 all or a portion of (i) the costs of the Project, (ii) the costs of any capitalized interest on the Bonds, (iii) the costs of any credit enhancement for the Bonds, and (iv) the costs of issuance of the Bonds to all be financed through the issuance of the Bonds, which are to be sold and awarded to the successful bidder therefor (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

Section 1 -- Affirmation of Preamble. It is hereby found, determined, and declared that the facts, recitals, declarations, and definitions set forth in the preamble of this Bond Ordinance are true and correct, and such facts, recitals, declarations, and definitions are hereby affirmed, adopted, and incorporated as a part of this Bond Ordinance, and all acts described in the preamble of this Bond Ordinance are hereby ratified.

Section 2 -- 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 2023 in the aggregate principal amount of \$16,500,000, subject to a permitted adjustment (the "Permitted Adjustment") increasing the principal amount of Bonds awarded to the purchasers thereof by up to \$1,650,000 or decreasing it in any amount deemed by the city to be in its best interest, for the

purpose of paying (i) the costs of the Project, (ii) the costs of any capitalized interest on the Bonds, (iii) the costs of any credit enhancement for the Bonds, and (iv) the costs of issuance of the Bonds.

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

Section 3 -- Form of Bonds. The Bonds shall be issued as fully registered Bonds, shall be designated "General Obligation Bonds," together with a series designation indicating the year in which the Bonds are issued, and shall each express upon their face the purpose for which they are issued, that they are issued under the Act and shall be substantially in the form set forth in Annex A. If the Bonds are issued in a calendar year after calendar year 2023, their designation may be adjusted to reflect the calendar year and order of issuance.

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 an Award Certificate accepting the bids of the Purchaser (the "Award Certificate") to be executed by the Mayor, City Manager, or Director of Finance of the City on the date of the sale of the Bonds.

Interest on the Bonds shall be payable semiannually on the first day of the months (an "Interest Payment Date") set forth in the Award Certificate, commencing on the date set forth in the Award Certificate, at the stated interest rate or rates on the principal amount thereof, calculated on the basis of a 360 day year with 30 day months.

The Bonds shall be serial or term Bonds maturing, on the basis of substantially level debt service, payable in the years and in the amounts to be established in the Award Certificate after advertised competitive sale of the Bonds based on the interest rates set forth in the successful bid (the "Bid") and the provisions of this Section 3, provided that the final maturity date of the Bonds shall be no later than the end of calendar year 2043.

The interest rate or rates on the Bonds shall be determined in the Award Certificate based on the Bid; provided that the aggregate net interest cost of the Bonds shall not exceed seven percent (7.0%).

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 Award Certificate.

The Bonds shall be subject to optional redemption prior to their maturity on any date on or after the date established in the Award Certificate, 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 Trust Company, 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 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 the 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; provided, however, that the failure to mail any such redemption notice shall not affect the validity of the proceedings for the redemption of any Bonds for which such notice has been sent. Each such redemption 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. In addition to the foregoing, if any Bond is to be redeemed in part only, the redemption notice shall also set forth the portion of the principal amount thereof to be redeemed and include a statement that on or after the date fixed for redemption, upon the surrender of such Bond for redemption, a new Bond will be issued in a principal amount equal to the unredeemed portion of the Bond so redeemed.

On the date so designated for redemption of any of the Bonds, notice of such redemption having been mailed in the manner and under the conditions hereinabove provided and moneys for the payment of the redemption price of the Bonds to be redeemed being held by the Paying Agent and Registrar in the Bond Payment Fund established in accordance with Section 7 hereof for the registered owners of the Bonds to be redeemed, (a) the Bonds so called for redemption shall become and be due and payable, at the redemption price provided for the redemption of such Bonds on such date, (b) interest on the Bonds so called for redemption shall cease to accrue, and (c) the registered owners of the Bonds to be redeemed shall have no right in respect thereof, except for the right to receive payment of the redemption price thereof.

Notwithstanding the foregoing, any optional redemption of the Bonds may be conditioned upon funds in an amount sufficient to carry out such redemption being deposited with the Paying Agent and Registrar on or before the applicable redemption date. Any failure to make such a deposit shall not constitute an event of default under this Bond Ordinance or the Bonds, and in such event, the optional redemption shall be cancelled. If the City knows in advance of an applicable optional redemption date that the necessary deposit will not occur, the City shall notify the Paying Agent and Registrar with instructions to give notice of the cancellation of the redemption to the registered owners of the Bonds so called for redemption, and the redemption shall be of no force or effect.

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 4 -- 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"). 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 Award Certificate 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 5 -- Payment. Payment of, or on account of, the principal of the Bonds shall be made at the designated corporate trust office of the Paying Agent and Registrar, upon delivery of the Bonds to the Paying Agent and Registrar, or by any other transfer of funds acceptable to the Paying Agent and Registrar and the registered owners of the Bonds. Interest on the Bonds shall be payable on each Interest Payment Date, by check, mailed to each person whose name appears as a registered owner of any Bonds on the bond registration records on the fifteenth day preceding an Interest Payment Date, or by any other transfer of funds acceptable to the registered owner and the Paying Agent and Registrar. The principal of and interest on the Bonds 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. 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 6 -- 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 7 -- 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 the “City of Newport, Kentucky General Obligation Bonds, Series 2023 – 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 identified), 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 8 -- 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 and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the City shall be reduced by the amount of such other funds so available and appropriated.

Section 9 -- Maintenance of Sinking Fund. There has previously been established 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 7 hereof.

Section 10 -- Approval of Preliminary Official Statement and Official Statement; Sale of Bonds; Award Certificate. 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 Bonds and other relevant facts to serve as the City's Official Statement regarding the Bonds. Each of the Mayor, City Manager and Director of Finance of the City is further authorized to declare the Official Statement to be "final" for purposes of Securities and Exchange Commission Rule 15c2-12.

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 and the Award Certificate. The Mayor is hereby authorized to execute the Award Certificate without further action of the Board of Commissioners setting forth the terms of the Bonds and any other provisions required by and not inconsistent with this Bond Ordinance.

Section 11 -- 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 12 -- Disposition of Proceeds of Bonds. The proceeds of the sale of the Bonds shall be deposited, together with any other available funds of the City, as follows:

(a) accrued interest and a rounding amount, if any, shall be deposited in the Bond Payment Fund; (b) an amount sufficient to pay the costs of issuing the Bonds shall be deposited in a special cost of issuance fund hereby directed to be established and designated as the “City of Newport, Kentucky General Obligation Bonds, Series 2023 – Cost of Issuance Fund” (the “Cost of Issuance Fund”); (c) the remainder of the proceeds shall be deposited in a special construction fund hereby directed to be established and designated as the “City of Newport, Kentucky General Obligation Bonds, Series 2023 – Construction Fund” (the “Construction Fund”) to be held and administered by the construction fund depository designated in the Award Certificate (the “Construction Fund Depository”) and used to pay the costs incurred in connection with the acquisition, construction, installation, and equipping of the Project.

Section 13 -- 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 14 -- 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 15 -- 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 16 -- Inconsistent Actions. All prior ordinances, resolutions, orders or parts thereof inconsistent herewith are hereby repealed.

Section 17 -- 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 18 -- Effective Date. This Bond Ordinance shall become effective immediately upon adoption and publication of a summary thereof, as provided by law.

SECTION II

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

PASSED FIRST READING on October 23, 2023.

PASSED SECOND READING on _____, 2023.

CITY OF NEWPORT, KENTUCKY

By: _____
Mayor

Attest:

City Clerk

Draft Only

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified 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 _____, 2023, 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 _____, 2023.

City Clerk

Draft Only

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 2023

Number R-[] \$[]

<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
[]%	February 1, 20[]	[], 2023	[]
<u>Registered Owner:</u>	Cede & Co.		
<u>Principal Amount:</u>	[] Dollars		

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 Owner identified above, or its registered assigns, the Principal Amount specified above (or, if any part thereof has been paid, the balance thereof remaining unpaid) on the Maturity Date set forth above, and to pay interest on the Principal Amount (or, if any part thereof has been paid, the balance thereof remaining unpaid), at the Interest Rate per annum identified above, from the Date of Original Issue set forth above, calculated on the basis of a 360-day year with twelve 30-day months, on each February 1 and August 1, commencing August 1, 2024, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto. The Principal Amount of and interest on this Bond are payable, without any deduction for exchange, collection, or service charges, in lawful money of the United States of America. The Principal Amount of this Bond is payable at the designated corporate trust office of U.S. Bank Trust Company, National Association, Louisville, Kentucky, or any successor (the "Paying Agent and Registrar"), upon delivery of this Bond to the Paying Agent and Registrar, or by any other transfer of funds acceptable to the Paying Agent and Registrar and the Registered Owner hereof. All interest on this Bond payable prior to the Maturity Date shall be paid by check or draft mailed to the Registered Owner hereof, as of the record date, at the address shown on the registration records kept by the Paying Agent and Registrar, or by any other transfer of funds acceptable to the Paying Agent and Registrar and the Registered Owner hereof.

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 a parking facility (collectively, the "Project"); (ii) [paying any capitalized interest on the Bonds]; (iii) [paying the costs of credit enhancement for the Bonds]; and (iv) paying the costs of 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 _____, 2023 (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 TAXING POWER OF THE CITY.

The Bonds mature on the 1st day of February 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>
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The Bonds maturing on or after [_____] shall be subject to optional redemption prior to their maturity on any date on or after [_____], 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 principal amount to be redeemed, plus accrued interest to the date of redemption.

[INSERT ANY MANDATORY SINKING FUND REDEMPTION REQUIREMENTS]

At least thirty 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 the redemption of any Bonds for which such notice has been sent. Each such redemption 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 of such redemption having been mailed in the manner and under the conditions hereinabove provided and moneys for the 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, (i) the Bonds so called for redemption shall become and be due and payable, at the redemption price provided for the redemption of such Bonds on such date, (ii) interest on the Bonds so called for redemption shall cease to accrue, and (iii) the registered owners of the Bonds to be redeemed shall have no right in respect thereof, except to receive payment of the redemption price thereof.

Notwithstanding the foregoing, any optional redemption may be conditioned upon funds in an amount sufficient to carry out such optional redemption being deposited with the Paying Agent and Registrar on or before the applicable optional redemption date. Any failure to make such deposit shall not constitute an event of default under this Bond or the Bond Ordinance, and in such event, the optional redemption shall be cancelled. If the City knows in advance of an applicable optional redemption date that the necessary deposit will not occur, the City shall notify the Paying Agent and Registrar with instructions to give notice of the cancellation of the optional redemption to the registered owner of the Bonds called for optional redemption, and the optional redemption shall be of no force or effect.

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.

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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, as of the date set forth above.

CITY OF NEWPORT, KENTUCKY

By: _____
Mayor

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 Trust Company, National
Association
Paying Agent and Registrar

Date of Authentication: _____

ASSIGNMENT

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

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with right of survivorship and not as tenants in common and not as community property
- UNIF TRANS
- MIN ACT - _____ Custodian _____
(Custodian) (Minor)
under Uniform Transfers to Minors Act

(State)

Additional abbreviations may be used although not in the above list.

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 _____ or its successor as Paying Agent and Registrar to transfer the Bond on the books kept for registration thereof with full power of substitution in the premises.

Signature guaranteed: _____

(Type or Print Name)

(Signature)

NOTE: The signature of the assignor must be guaranteed by an eligible guarantor institution which is a member of or participant in a signature guarantee program under Securities and Exchange Commission Rule 17Ad-15 or any successor provision.

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