

Ordinance No. 11-012,

AN ORDINANCE OF THE CITY OF GEORGETOWN, KENTUCKY AUTHORIZING THE ISSUANCE OF ITS INDUSTRIAL BUILDING REVENUE NOTE, SERIES 2011 (GEORGETOWN COLLEGE PROJECT) IN A PRINCIPAL AMOUNT NOT TO EXCEED \$2,000,000 TO PROVIDE PERMANENT FINANCING FOR A PORTION OF THE COSTS OF CONSTRUCTING AND EQUIPPING THE RUCKER VILLAGE STUDENT TOWNHOUSE COMPLEX BY GEORGETOWN COLLEGE (THE "BORROWER"); AUTHORIZING THE EXECUTION AND DELIVERY ON BEHALF OF THE CITY OF (1) A LOAN AGREEMENT PROVIDING FOR LOAN PAYMENTS FROM THE BORROWER SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE NOTE AS THEY BECOME DUE, (2) A TAX COMPLIANCE AGREEMENT PROVIDING FOR THE CONTINUING TAX EXEMPTION OF THE NOTE; AND TAKING OTHER RELATED ACTION.

Recitals

A. The City of Georgetown, Kentucky (the "City") is a municipal corporation and political subdivision of the Commonwealth of Kentucky (the "Commonwealth") and is authorized by the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 of the Kentucky Revised Statutes (the "Act"), to issue industrial building revenue bonds and notes and to loan the proceeds thereof to any person to finance the cost of any "industrial building" (as defined in the Act), including specifically any buildings, structures and facilities, including the site thereof and machinery, equipment, and furnishings suitable for any non-profit educational institution in any manner related to or in furtherance of the educational purposes of such institution, including but not limited to classroom, laboratory, housing, administrative, medical research and treatment facilities, physical education and athletic facilities, in order to accomplish the public purposes of promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein, provided that such bonds are payable solely from the loan repayments and other revenues derived in respect of the loan and do not constitute an indebtedness of the City within the meaning of the Constitution and laws of the Commonwealth.

B. Georgetown College (the "Borrower"), a Kentucky nonprofit corporation exempt from federal income tax as a charitable organization described in Section 501(c)(3) of the Internal Revenue Code, has applied to the City for the issuance of an industrial building revenue note of the City and the loan of the proceeds thereof to the Borrower to permanently finance a portion of the costs of constructing and equipping the 84 bed Rucker Village Student Townhouse Complex located on Dudley Avenue, Georgetown, Kentucky 40324 (the "Project"), for occupancy and operation by the Borrower in furtherance of its nonprofit educational purposes.

C. In order to accomplish the public purposes of promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein, the City considers it necessary and proper to [i] authorize the issuance of its Industrial Building Revenue Note, Series 2011 (Georgetown College Project)

from the City and the Borrower in favor of Fifth Third Bank, an Ohio banking corporation (the "Bank") in a principal amount not to exceed \$2,000,000 (the "Note") and the loan of the proceeds thereof to the Borrower to finance costs of the Project; [ii] authorize the execution and delivery on behalf of the City of the Loan Agreement and the Tax Compliance Agreement hereinafter identified; and [iii] authorize other related actions.

D. Prior to the adoption of this ordinance and following published notice, the City Council conducted a public hearing affording an opportunity for members of the public to express their views regarding the Project and the Note.

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

1. Public Purposes. The City hereby finds and declares that the issuance of the Note and the loan of the proceeds thereof to the Borrower to finance costs of the Project, as herein provided, will further the public purposes of the Act by promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein.

2. Authorization of Note and Project. For the purposes set forth in the recitals hereto, there is hereby authorized and directed the issuance, execution, sale, and delivery of the Note in a principal amount not to exceed \$2,000,000 and the loan of the proceeds thereof to the Borrower to finance costs of the Project, in consideration of loan payments from the Borrower sufficient to pay the principal of and interest on the Note as they become due, all as provided in the Loan Agreement hereinafter identified.

3. Authorization of Loan Agreement. The Mayor and City Clerk are hereby authorized and directed to execute and deliver on behalf of the City a Loan Agreement by and among the City, the Borrower, and the Bank, in substantially the form and with such changes as the officers of the City executing the same shall approve, such approval to be conclusively evidenced by their execution thereof.

4. Authorization of Tax Compliance Agreement. The Mayor and City Clerk are hereby authorized and directed to execute and deliver on behalf of the City a Tax Compliance Agreement, providing for the continuing tax exemption of the Note, in substantially the form and with such changes as the officers of the City executing the same shall approve, such approval to be conclusively evidenced by their execution thereof.

5. Qualified Tax-Exempt Obligations. Pursuant to Section 265(b)(3)(B)(ii) of the Internal Revenue Code, the City hereby designates the Note as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of such Code.

6. Further Acts and Deeds. The Mayor, the City Clerk, the City Attorney, and other appropriate officers and employees of the City are hereby authorized and directed to execute, acknowledge, and deliver on behalf of the City any and all papers, instruments, certificates, affidavits, and other documents and to do and cause to be done any and all acts and things necessary or proper for entering into and effecting this ordinance, the Loan Agreement,

and the Note, provided that neither the City nor any of its elected officials, officers, employees, or agents incur any general liability thereby.

7. Limited Liability. No recourse shall be had for the payment of the principal of or premium or interest on the Note or for any claim based thereon or upon any obligation, covenant, or agreement therein contained against any past, present, or future elected official, officer, employee, or agent of the City, as such, either directly or through the City, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such elected officials, officers, employees, and agents as such shall be expressly waived and released as a condition of and consideration for the enactment of this ordinance and the issuance of the Note.

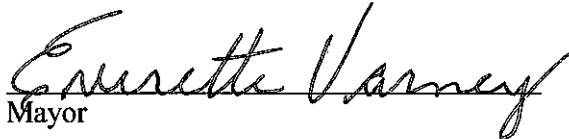
8. Note Not a General Obligation. **THE NOTE SHALL NOT BE A GENERAL OBLIGATION OR INDEBTEDNESS OF THE CITY, THE COMMONWEALTH, OR ANY AGENCY OR POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE CONSTITUTION AND THE LAWS OF THE COMMONWEALTH BUT SHALL BE PAYABLE SOLELY FROM THE LOAN PAYMENTS TO BE MADE BY THE BORROWER PURSUANT TO THE LOAN AGREEMENT AND ANY SECURITY PLEDGED THEREFOR PURSUANT TO THE LOAN AGREEMENT.**

9. Severability. The provisions of this ordinance are severable, and if any section, phrase, or provision hereof shall for any reason be declared invalid or unenforceable, such declaration shall not affect the validity of the remainder of this ordinance.

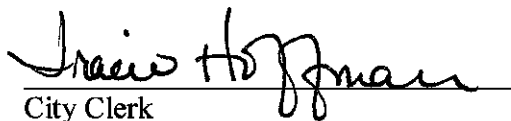
10. Effective Date. This ordinance shall be in full force and effect from and after its enactment and publication as provided by law.

INTRODUCED, SECONDED, AND GIVEN FIRST READING at a duly convened regular meeting of the City Council of the City of Georgetown, Kentucky, held on November 28, 2011.

GIVEN SECOND READING AND ENACTED at a duly convened regular meeting of the City Council held on December 12, 2011, signed by the Mayor as evidence of his approval, attested under seal by the City Clerk, and ordered to be published in summary form, filed, and indexed as provided by law.


Mayor

(SEAL)
Attest:


City Clerk

CERTIFICATION

The undersigned hereby certifies that she is the duly appointed City Clerk of the City of Georgetown, Kentucky and that the foregoing is a true, correct, and complete copy of an ordinance duly enacted by the City Council at a regular meeting held on December 12, 2011, signed by the Mayor, and now in full force and effect, and that all action taken in connection with such ordinance was in compliance with KRS 61.810, 61.815, 61.820, and 61.825, all as appears from the official records of the City in my possession and under my control.


TRACIE HOFFMAN, City Clerk

(SEAL)

Dated: December 12, 2011

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