

**NOTICE OF ADOPTION
AND SUMMARY OF BOND ORDINANCE # 12-01**

Notice is hereby given that an ordinance entitled and summarized as follows was adopted by the City Council of the City of Somerset, Kentucky, on January 23, 2012.

I. TITLE

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SOMERSET, KENTUCKY, AUTHORIZING AND APPROVING THE ISSUANCE OF ITS GENERAL OBLIGATION REFUNDING BONDS, SERIES OF 2012 IN THE APPROXIMATE AMOUNT OF \$2,640,000 (WHICH AMOUNT MAY BE INCREASED OR DECREASED BY UP TO \$260,000) FOR THE PURPOSE OF REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING INDEBTEDNESS; AUTHORIZING THE LEVY OF A DIRECT ANNUAL TAX ON ALL TAXABLE PROPERTY WITHIN THE CITY, IN ADDITION TO ALL OTHER TAXES, IN AN AMOUNT SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN AND AS THE SAME BECOME DUE; AUTHORIZING THE ESTABLISHMENT OF CERTAIN FUNDS TO PROVIDE FOR THE COLLECTION OF THE PROCEEDS OF THE TAX AND THE PAYMENT OF THE BONDS; AUTHORIZING THE PUBLICLY ADVERTISED, COMPETITIVE SALE OF SAID BONDS AND THE DISBURSEMENT OF THE PROCEEDS THEREOF; AND TAKING OTHER RELATED ACTION.

II. SUMMARY

The ordinance entitled as above:

A. authorizes the issuance by the City, pursuant to the General Provisions on Bonded Debt for Local Government, KRS 66.011 to 66.191 (the "Act"), from time to time and in one or more series, the City's general obligation bonds (the "Bonds") for any purpose or purposes authorized under the Act and to the payment of which the full faith and credit of the City are pledged.

B. provides that the City shall levy in each fiscal year ad valorem taxes without limit as to rate or amount and sufficient in amount, and shall appropriate therefrom in its budget for each fiscal year a sufficient amount, to pay the debt service due on all Bonds outstanding thereunder, to the extent other revenues of the City are not appropriated and used for such purpose.

C. authorizes the issuance by the City of its General Obligation Refunding Bonds, Series of 2012 for the purpose of currently refunding all or a portion of the City's outstanding obligations incurred in connection with its Water System Revenue Bonds, Series B of 1998, dated as of December 1, 1998.

D. authorizes the Mayor, the City Clerk, and other appropriate officers of the City to execute further instruments and take other actions necessary or desirable for the issuance of the Bonds and effectuating the ordinance.

A copy of the full text of the ordinance is available for public inspection in the office of the City Clerk, City Hall, 400 East Mount Vernon Street, Somerset, Kentucky.

/s/ David Godsey
City Clerk
City of Somerset, Kentucky

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