

SUMMARY OF ORDINANCE
CITY OF PIKEVILLE, KENTUCKY

There follows a summary of an Ordinance of the City of Pikeville, Kentucky (the "City"), identified by its title as follows:

**AN ORDINANCE OF THE BOARD OF COMMISSIONERS OF THE
CITY OF PIKEVILLE, KENTUCKY APPROVING AND
AUTHORIZING A LOAN AGREEMENT BETWEEN THE CITY AND
THE KENTUCKY RURAL WATER FINANCE CORPORATION AND
A PROMISSORY NOTE RELATED THERETO**

The full text of this Ordinance is available for public inspection during the normal City of Pikeville business hours in the office of the City Clerk, City Hall, Pikeville, Kentucky.

Summary

The Ordinance authorizes execution and delivery of a Loan Agreement (the "**Loan Agreement**") between the City and the Kentucky Rural Water Finance Corporation (the "**Corporation**") and a promissory note designated the "City of Pikeville, Kentucky Revenue Bond Anticipation Note, Series 2017A" in the maximum par amount of \$10,500,000 (the "**Note**"). The Note will be issued by the City to the Corporation, will be dated as of its date of issuance, will be governed by the terms of the Ordinance and the Loan Agreement, will bear interest at 2.95% per annum, and will mature on October 1, 2018, at which time all principal of and interest accrued thereon will become due and payable.

The City will use the proceeds of the Note to provide interim financing for the acquisition, construction, installation, and equipping of certain municipal water and sewer improvements to be located within the City's water and sewer service area. The City expects to pay the Note at or before its scheduled maturity using proceeds of future water and sewer revenue bonds of the City to be issued and sold by the City to the United States Department of Agriculture, Rural Development.

The Ordinance also, either directly or by incorporating the terms of the Loan Agreement and Note by reference, proscribes tax covenants for the Note, provides rights to the Corporation upon an event of default, and imposes other covenants on the City with respect to its municipal water and sewer system.

* * *

The foregoing provisions, including the title of the Ordinance, are intended to be a summary of the Ordinance, and reference is hereby made to the full text of the Ordinance for a full and complete statement of its contents.

CERTIFICATION

I, the undersigned City Clerk of the City of Pikeville, Kentucky, hereby certify that the foregoing Summary of Ordinance was approved by the Board of Commissioners of the City for first reading on May 31, 2017, and for second reading on , and was further approved for publication following adoption according to law. I further certify that the foregoing summary was prepared for the City by Mark S. Franklin of Stoll Keenon Ogden PLLC, Attorneys at Law, 2000 PNC Plaza, Louisville, Kentucky 40202.

WITNESS my hand this June 12, 2017.

/s/ Christy Billiter
City Clerk
City of Pikeville, Kentucky

PREPARATION CERTIFICATE

The undersigned Attorney-at-Law, licensed to practice in Kentucky, hereby certifies that the foregoing Summary of Ordinance was prepared by the undersigned and constitutes a general summary of certain essential provisions of the designated Ordinance, reference to the full text of which Ordinance is made for a complete statement of its provisions and terms.

/s/ Mark S. Franklin
Mark S. Franklin
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