

FINANCIAL ADVISOR AGREEMENT

BY and BETWEEN

Lexington Fayette Urban County Government and
RAYMOND JAMES & ASSOCIATES, INC.

THIS AGREEMENT is by and between Lexington Fayette Urban County Government (the "Issuer") and Raymond James & Associates, Inc. (the "Financial Advisor").

WHEREAS, the Issuer wishes to hire the Financial Advisor to monitor and evaluate its outstanding debt with respect to performance, suitability and cost effectiveness, and the Financial Advisor, through its Public Finance/Debt Investment Banking Department, is engaged in the business of providing, and is authorized under applicable Federal and State statutes to provide, the advisory services necessary or desirable to advise the Issuer with respect to these matters, and

NOW THEREFORE, it is agreed by all parties signing this Financial Advisor Agreement (the "Agreement") that:

I. SCOPE OF SERVICES

1. The Financial Advisor will consult with and advise the Issuer with respect to its outstanding debt obligations. This advice will generally include, but not necessarily be limited to, the following:
 - a. Evaluating opportunities to current or advance refund outstanding bonds of the Issuer;
 - b. Assisting the Issuer with respect to renewing or replacing letters or lines of credit;
 - c. Evaluating the Issuer's credit profile and debt capacity;
 - d. Evaluating opportunities to hedge future debt issuances;
 - e. Assisting in managing relationships and interaction with rating agencies, bond insurers, and bond investors;
 - f. Assisting the Issuer in hiring bond underwriters and/or remarketing agents; and
 - g. Assisting the Issuer, where appropriate, in evaluating certain investment banking ideas that may be presented to the Issuer from time to time.
2. When the Issuer deems it necessary to issue bonds, notes, or other debt instruments (collectively, "Obligations") in the capital markets, the Financial Advisor will consult with and advise the Issuer with respect to the various structures, provisions and covenants appropriate or advisable to consider as part of the new financing, generally including, but not necessarily limited to, the following:
 - a. Obligation amounts;
 - b. Principal, interest, and final maturity dates;
 - c. average life tests;
 - d. maturity amortization schedules;

- e. interest rates;
 - f. redemption provisions;
 - g. debt service;
 - h. coverage requirements;
 - i. flow of funds;
 - j. reserve funds;
 - k. sinking funds; and
 - l. security pledges.
3. The Financial Advisor will, upon request, work with staff, underwriters and attorneys of the Issuer, including bond counsel, in the development of the financial and security provisions to be contained in the instruments authorizing and securing the Obligations undertaken by the Issuer.
 4. The Financial Advisor will review and advise in the development of Issuer information to be used by the Issuer for presentation to investors, underwriters and others, including the scheduling of information meetings between these investors, underwriters or others and the Issuer, if necessary.
 5. Any services in connection with the Obligations with respect to swaps or other types of derivative products or the reinvestment of proceeds are not included within the scope of this Agreement and must be governed by a separate, written agreement covering such additional services.

II. UNDERTAKINGS BY THE ISSUER

1. The Issuer will make available to the Financial Advisor financial data and information concerning the Issuer's fiscal operation. Issuer officials and staff will be responsible for collecting, assembling and organizing the documentation essential to its financing activities and disclosure responsibilities and drafting and distribution of Offering Documents and other disclosure documents relating to the Obligations.
2. The Issuer will work with bond counsel who will issue an approving legal opinion to accompany the issuance of the Obligations, and also with appropriate Issuer's local legal counsel with respect thereto. Additionally, the Issuer will either retain or work with counsel to advise it as to the adequacy of disclosure and to assist with the preparation of the Offering Documents or other official documents relating to the Obligations.

III. PAYMENT TO THE FINANCIAL ADVISOR

1. For performance of the services enumerated in Article I, Paragraphs 2-5, above, the Issuer will compensate the Financial Advisor a of \$2.50/bond for the first \$5,000,000, \$1.50 per bond on the second \$5,000,000 (from \$5,000,000 to \$10,000,000), \$1.00/bond for the next \$15,000,000 (from \$10,000,000 to \$25,000,000), and \$.75/bond on anything greater than \$25,000,000 payable upon the issuance of bonds.

2. All costs and expenses incurred by the Financial Advisor related to the performance of this Agreement will be paid by the Issuer.
3. The Issuer agrees to promptly pay the Financial Advisor the fees described in Article III, Paragraph 1 and 2, above, and the costs and expenses described in Article III, Paragraph 3, above, as mutually agreed on, upon receiving an invoice from the Financial Advisor.

IV. PAYMENT OF COSTS OF ISSUANCE

The Issuer shall be responsible for payment of all the costs of issuing the Obligations and completing a financing, including, but not necessarily limited to, the following:

- a. Printing, web posting, and any other means of distribution or dissemination of the Preliminary and Final Official Statement (if required);
- b. Fees of the national ratings agencies;
- c. Bond printing costs;
- d. Bond, Local, Disclosure, and/or Underwriter's Counsel Fees;
- e. Underwriting Fees;
- f. Letter of Credit and similar such Fees; and
- g. Bond Insurance Premiums, if any.

V. GENERAL PROVISIONS

1. The Issuer understands and acknowledges that the Financial Advisor or its affiliates may have trading and other business relationships with members of the Issuer's underwriting team, or other participants in the proposed transaction. Additionally, the Financial Advisor or its affiliates may have trading and other business relationships with potential purchasers of the Obligations. These relationships include, but may not be limited to, trading lines, frequent purchases and sales of securities and other engagements through which Financial Advisor may have, among other things, an economic interest. Notwithstanding the foregoing, Financial Advisor will not receive any compensation with respect to the issuance of the Obligations other than as disclosed above. Financial Advisor is involved in a wide range of activities from which conflicting interests or duties may arise. Information which is held elsewhere within Raymond James, but of which none of the Financial Advisor's personnel involved in the proposed transaction actually has knowledge, will not for any purpose be taken into account in determining Financial Advisor's responsibilities to the Issuer.
2. Both parties acknowledge and agree that the Financial Advisor is acting solely as a financial advisor to the Issuer with respect to future Debt Obligations for the Fiscal years 2016, 2017, 2018 and 2019. The Advisor has not been engaged to compare alternatives to the Bonds. The Advisor is not a fiduciary of any other party to the transaction. Advisor will not (1) provide any assurances that any investment made in connection with the Bonds or otherwise during its engagement is the best possible investment available for

the Issuer's situation or that every possible alternative or provider has been considered and/or solicited, (ii) investigate the veracity of any certifications provided by any party, (iii) provide legal or accounting assurance that any matter or procedure complies with any applicable law, or (iv) be liable to any party if the Bonds or an investment fails to close or for default of same.

3. The Financial Advisor agrees to assist the Issuer as provided only on the basis that it is expressly understood and agreed that the Financial Advisor assumes no responsibility to the Issuer or any person for the accuracy or completeness of any information contained in any Preliminary Official Statement or Final Official Statement issued in connection with the Obligations.
4. This Agreement may be terminated by either party hereto with ten (10) business days prior written notice to the other. In the event of such termination, whether by either party hereto, the Financial Advisor shall promptly submit for payment, and Issuer shall promptly pay, a final bill for the payment of all unpaid fees and unreimbursed costs and expenses then due and owing. Other than the foregoing, neither party shall incur any liability to the other arising out of the termination of this Agreement. However, this Article 5 shall survive any such termination.
5. This Agreement embodies all the terms, agreements, conditions and rights contemplated and negotiated by the Issuer and the Financial Advisor, and supersedes any and all discussions and understandings, written or oral, between Issuer and Financial Advisor regarding the subject matter hereof. Any modifications and/or amendments must be made in writing and signed by both parties.
6. This Agreement shall be governed by and construed in accordance with the laws of the State of Kentucky, without reference to its conflicts of law principles.
7. Any dispute arising out of this Agreement or the performance hereof shall be resolved in binding arbitration before the American Arbitration Association, pursuant to its commercial arbitration rules. Each party, to the fullest extent permitted by law, knowingly, voluntarily and intentionally waives its right to a jury trial in any action or other legal proceeding arising out of or relating to this Agreement or the performance hereof.

IN WITNESS WHEREOF, THE PARTIES HERETO HAVE DULY CAUSED THIS AGREEMENT to be signed and sealed by their respective authorized officers this ____ day of _____, 20____.

Lexington Fayette Urban County Government

By: _____

Name: Jim Gray

Title: Mayor

RAYMOND JAMES & ASSOCIATES, INC.

By: *Kristen Millard*

Name: Kristen Millard

Senior Vice President