

ORDINANCE NO. _____

AN ORDINANCE AUTHORIZING THE ISSUANCE OF UP TO \$3,850,000 OF CULTURAL AND RECREATIONAL REVENUE BONDS, SERIES 2012 (ANCHOR BAPTIST CHURCH, INC. PROJECT) OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, THE PROCEEDS OF WHICH SHALL BE LOANED TO ANCHOR BAPTIST CHURCH, INC. TO REFINANCE THE COMMERCIAL LOAN DATED NOVEMBER 26, 2012 BETWEEN ANCHOR BAPTIST CHURCH, INC. AND FIFTH THIRD BANK IN WHICH LOAN REFINANCED THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT CULTURAL AND RECREATION REVENUE BONDS, SERIES 2009 (ANCHOR BAPTIST CHURCH, INC. PROJECT) WHICH REFINANCED THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT ADJUSTABLE RATE DEMAND INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2007, INCLUDING PENALTIES AND/OR PREMIUM, THE PROCEEDS OF WHICH WERE USED TO CONSTRUCT, INSTALL, ACQUIRE, RENOVATE, AND EQUIP CERTAIN CAPITAL IMPROVEMENTS TO THE FACILITIES OF ANCHOR BAPTIST CHURCH, INC., PROVIDING FOR THE PLEDGE OF REVENUES FOR THE PAYMENT OF SUCH BONDS, AUTHORIZING A BOND PURCHASE AND LOAN AGREEMENT APPROPRIATE FOR THE PROTECTION AND DISPOSITION OF SUCH REVENUES AND TO FURTHER SECURE SUCH BONDS; RECOGNIZING THE BONDS AS QUALIFIED TAX EXEMPT OBLIGATIONS UNDER I.R.C. SECTION 265(b)(3)(G) (i) AND (ii); AND AUTHORIZING OTHER ACTIONS IN CONNECTION WITH THE ISSUANCE OF SUCH BONDS.

WHEREAS, the Lexington-Fayette Urban County Government (the "Issuer"), by virtue of the laws of the Commonwealth of Kentucky, including Sections 103.200 to 103.285 of the Kentucky Revised Statutes, as amended, is authorized and empowered among other things (a) to make a loan for financing the costs of refunding the Commercial Note dated November 26, 2012 between Anchor Baptist Church, Inc. and Fifth Third Bank, the proceeds of which were used to refinance the Lexington-Fayette Urban County Government Cultural and Recreational Revenue Bonds, Series 2009 (Anchor Baptist Church, Inc. Project), the proceeds of which were used to refinance the Lexington-Fayette Urban County Government Adjustable Rate Demand Industrial Building Revenue Bonds, Series 2007 including penalties and/or premium, the proceeds of which were used to construct, install, acquire, renovate and equip certain capital improvements to the Company's facilities, as defined in § 103.200 of the Kentucky Revised Statutes, within the boundaries of the Issuer, (b) to issue and sell its revenue bonds to provide moneys for such loan and (c) to enact this Ordinance and execute and deliver the agreements and instruments hereinafter identified; and

WHEREAS, the Issuer has heretofore issued its Lexington-Fayette Urban County Government Cultural and Recreational Revenue Bonds, Series 2009 (Anchor Baptist Church, Inc. Project) (the "Prior Bonds") pursuant to an Ordinance adopted on October 15, 2009 (the "Prior Ordinance"); and

WHEREAS, this Urban County Council (the "Issuing Authority") has heretofore determined and does hereby confirm that the construction, installation, acquisition, renovation and equipping of

the Project, as hereinafter defined, is a Project designed for use in furtherance of the fellowship and various instructional, cultural and recreational programs of Anchor Baptist Church, Inc. (the "Borrower"), which Project will promote the economic development of the Commonwealth of Kentucky, relieve conditions of unemployment, and encourage the increase of industry, and, that the Issuer, by assisting with the financing of the Project through the issuance of revenue bonds in the aggregate principal amount of \$3,850,000 (the "Series 2012 Bonds") will be acting in the manner consistent with and in furtherance of the provisions of the laws of the Commonwealth of Kentucky, particularly Chapter 103 of the Kentucky Revised Statutes (the "Act");

NOW THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, COMMONWEALTH OF KENTUCKY, AS FOLLOWS:

SECTION 1. Definitions. All defined terms used herein and those not otherwise defined herein shall have the respective meanings given to them in the Bond Purchase and Loan Agreement dated as of December ___, 2012 (the "Loan Agreement") among the Issuer, the Borrower, and Fifth Third Bank (the "Purchaser"), relating to the Series 2012 Bonds.

Any reference herein to the Issuer or the Issuing Authority, or to any officers or members thereof, shall include those which succeed to their functions, duties or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Unless the context shall otherwise indicate, words importing the singular number shall include the plural number, and vice versa, and the terms "hereof," "hereby," "hereto," "hereunder," and similar terms, mean this Ordinance.

SECTION 2. Determination of Issuer. Pursuant to the Act, this Issuing Authority is advised and hereby finds and determines that the Project is an "industrial building" as defined in the Act and is consistent with the provisions of §§ 103.200 to 103.285 of the Act; that such industrial building consists of an industrial building suitable for use by the Borrower in furtherance of its cultural and recreational purposes, as set forth in § 103.200(1)(d) of the Act; and that such industrial building is to be financed with the proceeds of the Series 2012 Bonds pursuant to the provisions of §§ 103.200 to 103.285 of the Act.

The Issuing Authority, as the "applicable elected representative" of the Issuer for purposes of § 147(f) of the Code, hereby approves the issuance of the Series 2012 Bonds in the maximum aggregate face amount of \$3,850,000, the proceeds of which will be used to finance the cost of refunding the Commercial Note dated November 26, 2012 between Anchor Baptist Church, Inc. and Fifth Third Bank, the proceeds of which were used to refinance the Lexington-Fayette Urban County Government Cultural and Recreational Revenue Bonds, Series 2009 (Anchor Baptist Church, Inc. Project), the proceeds of which were used to refinance the Lexington-Fayette Urban County Government Adjustable Rate Demand Industrial Building Revenue Bonds, Series 2007 (Anchor Baptist Church, Inc. Project) including penalties and/or premium, the proceeds of which were used to construct, install, acquire, renovate and equip certain capital improvements to the Company's facilities located at 3601 Winthrop Drive, Lexington, Kentucky, used by Borrower for fellowship and various instructional, cultural and recreational programs, and to finance the costs and expenses of issuance related to the foregoing (collectively, the "Project").

The Issuer further determines and does hereby confirm, based solely upon the representations and certifications of Borrower that the Series 2012 Bonds are "qualified tax-exempt obligations" within the meaning of § 265(b)(3)(G)(i) and (ii) of the Code. In compliance with § 265(b)(3)(G) of the Code, the Borrower hereby certifies that it does not anticipate that it will borrow or obligate itself to borrow more than \$10,000,000 in qualified tax exempt obligations in calendar year 2012.

SECTION 3. Authorization of Bonds. The Issuer shall, issue, sell and deliver, as provided herein and pursuant to the authority of the Act, the Series 2012 Bonds for the purposes of making a loan to the Borrower to refund the Prior Bonds, including costs incidental thereto and of the financing thereof, all in accordance with the provisions of the Loan Agreement. The Series 2012 Bonds shall be designated "Lexington-Fayette Urban County Government Cultural and Recreational Revenue Bonds, Series 2012 (Anchor Baptist Church, Inc. Project)." The maximum amount of Series 2012 Bonds to be outstanding at any one time is \$3,850,000.

SECTION 4. Terms and Execution of the Bonds. The Series 2012 Bonds shall be issued in the forms and denominations, shall be numbered, dated and payable as provided in the Loan Agreement. The Series 2012 Bonds shall mature as provided in the Loan Agreement, and have such terms, bear such interest, and be subject to mandatory and optional redemption as provided in the Loan Agreement. This Issuing Authority hereby fixes and establishes the interest rate in effect from time to time on the Series 2012 Bonds in the manner and pursuant to the provisions of the Loan Agreement. The Series 2012 Bonds shall be executed on behalf of the Issuer by the manual or facsimile signature of its Mayor and Council Clerk, and the seal of the Issuer shall be impressed or printed on the Series 2012 Bonds. In case any officer whose signature or a facsimile thereof shall appear on the Series 2012 Bonds shall cease to be such officer before the issuance or delivery of the Series 2012 Bonds, such signature or facsimile thereof shall nevertheless be valid and sufficient for all purposes, the same as if the officer had remained in office until after that time.

The form of the Series 2012 Bonds submitted to this meeting, subject to appropriate insertions and revisions in order to comply with the provisions of the Loan Agreement, is hereby approved, and when the same shall be executed on behalf of the Issuer by the appropriate officers thereof in the manner contemplated hereby and by the Loan Agreement, in the aggregate principal amount of \$3,850,000, shall represent the approved form of Series 2012 Bonds of the Issuer.

SECTION 5. Sale of the Bonds. In accordance with a written request, addressed to the Mayor from the Borrower, that the sale of the Series 2012 Bonds be made privately upon a negotiated basis, the Series 2012 Bonds are hereby awarded to Fifth Third Bank, Lexington, Kentucky (the "Purchaser") at the purchase price set forth, and on the terms and conditions described, in the Loan Agreement with respect to the Series 2012 Bonds among the Issuer, the Borrower, and Fifth Third Bank. The Mayor and Council Clerk are authorized and directed to make on behalf of the Issuer the necessary arrangements to effect due execution and delivery to the Purchaser of the Series 2012 Bonds under the terms of this Ordinance and the Loan Agreement. It is hereby determined that the price for and the terms of the Series 2012 Bonds, and the sale thereof, shall be as provided in the aforesaid documents, the final terms of which shall be satisfactory in all respects to Issuer's counsel, with approval of such terms established conclusively by the execution of such documents.

SECTION 6. Arbitrage Provisions. The Issuer, Borrower and the Purchaser will restrict the use of the proceeds of the Series 2012 Bonds in such manner and to such extent, if any, as may be

necessary, after taking into account reasonable expectations at the time the Series 2012 Bonds are delivered to the Purchaser, so that they will not constitute arbitrage bonds under § 148 of the Code. The Mayor or any other officer having responsibility with respect to the issuance of the Series 2012 Bonds, is authorized and directed, alone or in conjunction with any of the foregoing or with any other officer, employee, consultant or agent of the Issuer, to deliver a certificate for inclusion in the transcript of proceedings for the Series 2012 Bonds, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to said § 148 of the Code and regulations thereunder.

SECTION 7. Authorization of Loan Agreement and All Other Documents to be Executed by the Issuer. In order to better secure the payment of the principal of, premium, if any, and interest on the Series 2012 Bonds as the same shall become due and payable, the Mayor, Council Clerk, and any other appropriate officers or employees of the Urban County Government, are authorized and directed to execute, acknowledge and deliver in the name and on behalf of the Issuer, the Loan Agreement, Certificates, and all other such documents necessary to effect the issuance and delivery of the Series 2012 Bonds, the forms of which have been submitted to the Issuer and which are hereby approved subject to further negotiations and changes therein that are not inconsistent with this Ordinance and not substantially adverse to the Issuer. The approval of such changes by said officers, and that such are not substantially adverse to the Issuer, shall be conclusively evidenced by the execution of such documents by such officers.

The Mayor and Council Clerk are each hereby separately authorized to take any and all actions and to execute such financing statements, assignments, certificates, and other instruments that may be necessary or appropriate in the opinion of Bond Counsel to effect the issuance of the Series 2012 Bonds and the intent of this Ordinance. The Council Clerk, or other appropriate officer of the Issuer, shall certify a true transcript of all proceedings had with respect to the issuance of the Series 2012 Bonds, along with such information from the records of the Issuer as is necessary to determine the regularity and validity of the issuance of the Series 2012 Bonds.

SECTION 8. No Personal Liability. No recourse under or upon any obligation, covenant, acceptance or agreement contained in this Ordinance, or in any Series 2012 Bond, or in the Loan Agreement, Certifications, or under any judgment obtained against the Issuer or by the enforcement of any assessment or by any legal or equitable proceeding by virtue of any constitution or statute or otherwise, or under any circumstances, shall be had against any officer, employee or Board member, as such, past, present, or future, of the Issuer, either directly or through the Issuer, or otherwise, for the payment for or to the Issuer or any receiver thereof, or for or to any holder of any Series 2012 Bond, or otherwise, of any sum that may be due and unpaid by the Issuer upon any of the Series 2012 Bonds. Any and all personal liability of every nature, whether at common law or in equity, or by statute or by constitution or otherwise, of any such officer, employee or Board member, as such, to respond by reason of any act or omission on his or her part, or otherwise, for, directly or indirectly, the payment for or to the Issuer or any receiver thereof, or for or to the owner or any holder of any Series 2012 Bond, or otherwise, of any sum that may remain due and unpaid upon any Series 2012 Bond, shall be deemed to be expressly waived and released as a condition of and consideration for the execution and delivery of the Loan Agreement, other documents executed in connection therewith, and the issuance of the Series 2012 Bonds.

SECTION 9. Issuer Not Liable. THE SERIES 2012 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF, AND SHALL NEVER BE A GENERAL OBLIGATION OF THE ISSUER WITHIN THE MEANING OF THE CONSTITUTION OF THE COMMONWEALTH

OF KENTUCKY. THE SERIES 2012 BONDS SHALL BE A LIMITED AND SPECIAL OBLIGATION PAYABLE SOLELY FROM THE AMOUNTS PAYABLE BY THE BORROWER UNDER THE LOAN AGREEMENT AND OTHER REVENUES OF THE BORROWER AND THE PROJECT PLEDGED FOR THEIR PAYMENT AS PROVIDED IN THE SERIES 2012 BONDS (THE "REVENUES"). NEITHER MONEYS RAISED BY TAXATION NOR ANY OTHER GENERAL OR SPECIAL REVENUES OF THE ISSUER OTHER THAN THE REVENUES SHALL BE OBLIGATED OR PLEDGED FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM (IF ANY) OR INTEREST ON THE SERIES 2012 BONDS. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY OTHER POLITICAL SUBDIVISION OF THE COMMONWEALTH IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, OR PREMIUM, IF ANY, OR INTEREST ON THE SERIES 2012 BONDS OR OTHER COSTS RELATED THERETO.

SECTION 10. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

SECTION 11. Open Meetings Law. This Issuing Authority hereby finds and determines that all formal actions relative to the adoption of this Ordinance were taken in an open meeting of this Issuing Authority, and that all deliberations of this Issuing Authority and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with applicable legal requirements.

SECTION 12. Reliance on Borrower and Bond Counsel. Certain recitations, statements and determinations of the Issuer as to factual matters regarding the Project and the use of the proceeds of the Series 2012 Bonds contained herein are based upon information provided by the Borrower, and are made in reliance upon information supplied and represented by the Borrower, its agents and Bond Counsel to the Issuer, and (b) any representations, statements or determinations of the Issuer herein that are or may be deemed to be conclusions, determinations or interpretations of law or legal effect and the Issuer's authority and obligations under law regarding the Act, the Code and the validity of the Series 2012 Bonds, are made in sole reliance upon the advice and opinions, oral or written, of Bond Counsel.

SECTION 13. Effective Date. This Ordinance shall be in full force and effect from and after its passage, attestation and publication of a summary hereof.

CERTIFICATE

I hereby certify that the title of the foregoing Ordinance contains an accurate synopsis of the contents thereof and may be used to satisfy the reading and publication requirements of the law.

Claria Horn, Esq.
Frost Brown Todd LLC
250 West Main Street, Suite 2800
Lexington, Kentucky 40507

INTRODUCED, SECONDED AND GIVEN FIRST-READING APPROVAL AT A DULY CONVENED MEETING OF THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, held on December 6, 2012.

GIVEN SECOND READING AND ADOPTED AT A DULY CONVENED MEETING OF THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, held on December 11, 2012 on the same occasion signed by the Mayor as evidence of his approval, attested by the Council Clerk, ordered and published and filed as required by law, and declared to be in full force and effect from and after its adoption and approval according to law.

Approved:

By: _____
Jim Gray, Mayor

ATTEST:

Susan Lamb, Council Clerk

(SEAL)

Published: December ____, 2012-1t

CERTIFICATE

I, Susan Lamb, Council Clerk of the Lexington-Fayette Urban County Government, Lexington, Kentucky, do hereby certify that the above is a true copy of an ordinance, as adopted by the Council at a meeting held on December 11, 2012, whereat a quorum was present and voting, all as shown by the records of said Council in my office.

SIGNED:

By: _____
Susan Lamb, Council Clerk