

RESOLUTION NO. _____

A RESOLUTION OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AUTHORIZING THE ADVERTISEMENT FOR BIDS AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE PURCHASE OF ITS SEWER SYSTEM REVENUE BONDS, SERIES 2019, IN AN AGGREGATE PRINCIPAL AMOUNT OF \$65,000,000 (WHICH AMOUNT MAY BE INCREASED BY AN AMOUNT OF UP TO TEN PERCENT (10%) OR DECREASED BY AN UNLIMITED AMOUNT)).

WHEREAS, the Lexington-Fayette Urban County Government has previously determined the necessity of financing improvements, additions or extensions to the Sewer System, including real estate and interests in real estate, buildings, structures, fixtures, and facilities and additions thereto, and machinery, equipment, furniture and other personal property, and/or other capital costs in connection with the acquisition or construction therewith, including but not limited to costs for designs, plans, and specifications (collectively, the “Improvements”) by the issuance of Sewer System Revenue Bonds from time to time; and

WHEREAS, the Lexington-Fayette Urban County Government has determined to currently refund a loan from the Kentucky Infrastructure Authority pursuant to an Assistance Agreement by and between the Kentucky Infrastructure Authority and the Lexington-Fayette Urban County Government dated as of April 1, 2010, which such KIA Loan is currently outstanding in the principal amount of \$9,700,300.00, (the “Refunded KIA Loan”); and

WHEREAS, the Lexington-Fayette Urban County Government has determined to proceed with the advertisement of bids for the purchase of its Sewer System Revenue and Revenue Refunding Bonds, Series 2019 (the “Series 2019 Bonds”), in an aggregate principal amount of \$65,000,000 (which amount may be increased by an amount of up to ten percent (10%) or decreased by an unlimited amount), in order to (i) provide funds to finance such Improvements (the “Series 2019 Improvements”), (ii) realize interest cost savings (as determined by the Commissioner of Finance) by currently refunding the Refunded KIA Loan , and (iii) pay

the costs of issuing the Series 2019 Bonds;

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (THE “URBAN COUNTY COUNCIL”):

SECTION 1. The Lexington-Fayette Urban County Government, an urban county government and political subdivision of the Commonwealth of Kentucky, shall issue its Series 2019 Bonds in an aggregate principal amount of \$65,000,000 (which amount may be increased by an amount of up to ten percent (10%) or decreased by an unlimited amount), in order to provide funds to (i) finance a portion of the Series 2019 Improvements, (ii) currently refund the Refunded KIA Loan, and (iii) pay the costs of issuing the Series 2019 Bonds.

SECTION 2. The Lexington-Fayette Urban County Government shall comply with the requirements of Chapter 66 and 424 of the Kentucky Revised Statutes by advertising for bids for the purchase of the Series 2019 Bonds. Advertisement may be publicized by newspaper publication in *The Courier-Journal*, published in Louisville, Kentucky; the *Lexington Herald-Leader*, published in Lexington, Kentucky; and *The Bond Buyer*, published in New York City, New York; or, in the alternative, by posting a notice of sale to a nationally recognized electronic bidding system.

SECTION 3. The Mayor, the Clerk of the Urban County Council, the Commissioner of Finance and/or Chief Administrative Officer are hereby authorized to prepare such instruments and to distribute such information as shall be necessary to accomplish the foregoing, including preparation of a Preliminary Official Statement (the “Preliminary Official Statement”), which Preliminary Official Statement is to be deemed final in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”). In order to enable prospective purchasers to submit bids for the purchase of the Series 2019 Bonds, the Lexington-Fayette Urban County

Government hereby covenants and agrees that it will execute, comply with and carry out all of the provisions of a continuing disclosure certificate (the “Continuing Disclosure Certificate”) in connection with the issuance of the Series 2019 Bonds. Failure to comply with any such provisions of the Continuing Disclosure Certificate shall not constitute a default on the Series 2019 Bonds; however, any holder of the Series 2019 Bonds, including the beneficial owners of the Series 2019 Bonds, may take such action as may be necessary and appropriate, including seeking specific performance, to cause the Lexington-Fayette Urban County Government to comply with its obligations under the Continuing Disclosure Certificate. Further, the Mayor is hereby authorized and directed on behalf of the Lexington-Fayette Urban County Government to execute all such instruments as shall be necessary to accomplish all of the foregoing.

SECTION 4. Such proposals shall be opened and reviewed by the Commissioner of Finance, and shall be acted upon by the Mayor on that same day in accordance with the terms of the bond ordinance with respect to the Series 2019 Bonds. The Lexington-Fayette Urban County Government hereby approves the “Notice of Bond Sale,” substantially in the form attached hereto to be published as required by law.

SECTION 5. The Mayor shall, in a certificate of award accepting the successful bid for the Series 2019 Bonds (the “Certificate of Award”), determine the exact principal amount of Series 2019 Bonds to be issued, the subseries designations of the Series 2019 Bonds (if any), the rate or rates of interest which said Series 2019 Bonds shall bear, and the redemption provisions. The interest rate or rates on said Series 2019 Bonds shall be automatically fixed at the rate or rates set out in the successful bid accepted by said Certificate of Award. The proceeds of the sale of the Series 2019 Bonds shall be applied to the costs of (i) the Series 2019 Improvements, (ii) currently refunding the Refunded KIA Loan, and (iii) paying the costs of issuance of the

Series 2019 Bonds, and shall be expended as provided in the bond ordinance and/or supplemental indenture authorizing the Series 2019 Bonds.

SECTION 6. In the event that no bid shall be accepted for the purchase of the Series 2019 Bonds, bids may again be solicited for the purchase of the Series 2019 Bonds at a future date and hour at the discretion of the Mayor and the Commissioner of Finance, without the necessity of further authorization by the Urban County Council of the Lexington-Fayette Urban County Government.

SECTION 7. All resolutions or orders or parts thereof, if any, in conflict with the provisions of this Resolution, are to the extent of such conflict, hereby repealed.

SECTION 8. This Resolution shall become effective upon the date of its passage.

INTRODUCED AND GIVEN FIRST READING AND SECOND READING AND ADOPTED at a duly convened meeting of Urban County Council of the Lexington-Fayette Urban County Government held on the ____ day of _____, 2019, signed by the Mayor, attested under seal by the Clerk of Urban County Council, and ordered to be published, filed and indexed as provided by law.

Linda Gorton
Mayor

ATTEST:

Abigail Allan
Urban County Council Clerk

CERTIFICATE

I, the undersigned, Urban County Council Clerk of the Lexington-Fayette Urban County Government, do hereby certify that the foregoing Resolution is a true and complete copy of a certain Resolution duly adopted by the Urban County Council of said Lexington-Fayette Urban County Government at a lawfully convened meeting of the Urban County Council of the Lexington-Fayette Urban County Government held on _____, 2019, signed by the Mayor and now in full force and effect, all as appears from the official records of the Lexington-Fayette Urban County Government in my possession and under my control.

I do hereby further certify that said Resolution has not been amended, modified, superseded or repealed and that same remains in full force and effect as of the date of this Certificate.

WITNESS my hand as of this ____ day of _____, 2019.

Abigail Allan
Urban County Council Clerk

CERTIFICATE

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

DINSMORE & SHOHL LLP

By: _____
Name: John C. Merchant, Esq.

EXHIBIT A
FORM OF NOTICE OF BOND SALE

Notice is hereby given that electronic bids will be received by the Commissioner of Finance of the Lexington-Fayette Urban County Government until 11:00 a.m., E.T., on _____, 2019 (or at such later time and date announced at least forty-eight hours in advance via the PARITY® system) with respect to its Sewer System Revenue and Revenue Refunding Bonds, Series 2019 (the “Series 2019 Bonds”), to be issued in an aggregate principal of \$65,000,000 (which amount may be increased by an amount of up to ten percent (10%) or decreased by an unlimited amount.

The Series 2019 Bonds will be dated their date of initial delivery, being fully registered bonds in denominations in multiples of \$5,000 (within the same maturity). The Series 2019 Bonds will mature as to principal in varying amounts on April 1 in varying amounts in each of the years 2020 through 2040. Electronic bids may be submitted via PARITY®, in the manner described below.

Electronic bids must be submitted through Parity®, as described in the Official Terms and Conditions of Bond Sale related to the Series 2019 Bonds which are included in the Preliminary Official Statement contained in the Preliminary Official Statement, available from the undersigned, at www.idealprospectus.com, or from the Financial Advisor: Raymond James & Associates, Inc., 489 East Main Street, Lexington, Kentucky 40507, telephone (859) 232-8211 or (859) 232-8249, Attn: Bob Pennington or Kristen Millard. No other form of bid or provider of electronic bidding services will be accepted. For further information regarding Parity®, potential bidders may contact PARITY®, telephone (877) 588-5030.

The Preliminary Official Statement has been deemed “final” by the Corporation within the meaning of Securities and Exchange Commission Rule 15c2-12. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (800) 850-7422. In order to assist bidders in complying with the continuing disclosure requirements of the Rule, the Lexington-Fayette Urban County Government will undertake in a Continuing Disclosure Certificate to be delivered at closing, to provide to the Municipal Securities Rulemaking Board (MSRB), through its Electronic Municipal Market Access service (EMMA), certain annual financial information and operating data and notices of certain material events with respect to the Series 2019 Bonds. Reference is made to the Official Terms and Conditions of Bond Sale contained in the Preliminary Official Statement for further details and bidding conditions.

Sale of the Series 2019 Bonds is subject to the approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, Lexington, Kentucky. The Series 2019 Bonds have not been designated as “qualified tax-exempt obligations” within the meaning of §265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Lexington-Fayette Urban County Government reserves the right to reject any and all bids or to waive informality.

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT

By: /s/ Linda Gorton
Mayor