

AN ORDINANCE OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT APPROVING A TRUST AGREEMENT, DATED AS OF THE FIRST DAY OF THE MONTH IN WHICH OBLIGATIONS ARE ISSUED THEREUNDER, BETWEEN THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AND THE TRUSTEE NAMED THEREIN; PROVIDING FOR THE AUTHORIZATION, ISSUANCE AND SALE FROM TIME TO TIME OF SEWER SYSTEM REVENUE BONDS OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT; PROVIDING FOR THE PAYMENT OF SUCH SEWER SYSTEM OBLIGATIONS AND THE SECURING OF SUCH PAYMENT; AND AUTHORIZING OTHER MATTERS RELATED THERETO.

WHEREAS, the Lexington-Fayette Urban County Council (the "Urban County Council") by adoption of the Prior Bond Ordinance (as defined herein) has provided for the issuance from time to time of Sewer System Revenue Bonds of the Lexington-Fayette Urban County Government (the "Issuer"), with each such issue authorized by a series resolution adopted by the Urban County Council; and

WHEREAS, the Urban County Council desires to, from this time forward, provide for the financing of sewer system improvements by the issuance of Sewer System Revenue Obligations under a Trust Agreement dated as of the first day of the month in which obligations are issued thereunder (the "Trust Agreement") between the Urban County Council and a trustee named therein (the "Trustee"), to reflect changes in Kentucky state law, financing standards, market expectations and financing techniques and to provide the Urban County Council greater flexibility in financing and investing and improved cash management, from and after the date of execution and delivery of the Trust Agreement; and

WHEREAS, the Urban County Council will not issue "bonds" from this point forward under (i) the Ordinance of the Urban County Government adopted on July 26, 1985, (the "1985 Ordinance") incident to an issue of the Issuer's Sewer System Revenue Bonds, Series of 1985, dated August 1, 1985, which have been paid and discharged in full, certain provisions of which Ordinance have been expressly reaffirmed, readopted, and continued; (ii) Ordinance No. 96-2001, enacted by the Urban County Council on May 3, 2001, (the "2001 Ordinance") authorizing the issuance of the Lexington-Fayette Urban County Government Sewer System Revenue Bonds, Series A of 2001 and Lexington-Fayette Urban County Government Sewer System Refunding Revenue Bonds, Series B of 2001, each dated May 1, 2001 (which have been paid and discharged in full), which expressly reaffirmed, readopted, and continued certain provisions of the 1985 Bond Ordinance; (iii) Ordinance No. 221-2009, enacted by the Urban County Council on October 15, 2009, (the "2009 Ordinance") authorizing the Lexington-Fayette Urban County Government Taxable Sewer Revenue Bonds, Series 2009 (Build America Bonds - Direct Pay), dated October 22, 2009, issued in the original principal amount of \$35,960,000; and (iv) Ordinance No. 061-2010 enacted by the Urban County Council on April 22, 2010, (the "2010 Ordinance" and collectively, with the 1985 Ordinance, the 2001 Ordinance and the 2009 Ordinance, the "Prior Bond Ordinance") authorizing the Series 2010A Bonds Lexington-Fayette Urban County Government Sewer System Revenue Refunding Bonds, Series 2010A, dated May 13, 2010, issued in the original principal amount of \$13,860,000; or any similar instrument, other than the Trust Agreement; and

WHEREAS, pursuant to the Constitution and laws of the Commonwealth of Kentucky (the "Commonwealth"), and particularly Sections 82.082, 67A.060, and 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes (the "Act"), the Urban County Council is authorized to enter into the Trust Agreement with the Trustee providing for the issuance from time to time of bonds, notes and obligations as provided in the Trust Agreement, and other agreements providing for the repayment of money that the Urban County Council may, from time to time, be authorized to enter into under the laws of the Commonwealth, for the purpose of defraying the cost of acquiring, constructing, maintaining, expanding, financing or improving the Sewer System (as defined in the Trust Agreement); and

WHEREAS, the Urban County Council desires to make provision for (i) the issuance from time to time of Sewer System Revenue Bonds, (ii) the payment of Bond Service Charges (as defined in the Trust Agreement) thereon and (iii) the security therefor, by this General Bond Ordinance (the "General Bond Ordinance") and the Trust Agreement herein authorized, with each issue of Sewer System Revenue Bonds to be authorized by a separate Bond Legislation (as defined in the Trust Agreement) based upon this General Bond Ordinance and the Trust Agreement and, if required under the Trust Agreement, a Supplemental Trust Agreement (as defined in the Trust Agreement), pertaining to that issue of Sewer Revenue Bonds;

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

SECTION 1. Determinations by the Urban County Council. The Urban County Council hereby finds and determines the facts set forth in the preambles to this General Bond Ordinance are true and correct. In addition, the Urban County Council hereby finds and determines that this General Bond Ordinance is adopted pursuant to the Act.

SECTION 2. Approval of Trust Agreement. As set forth in the preambles hereto, to reflect changes in Kentucky state law, financing standards, market expectations and financing techniques and to provide the Urban County Council with greater flexibility in financing and investing and improved cash management, this Urban County Council hereby determines that it is necessary to enter into the Trust Agreement, and hereby authorizes the execution thereof substantially in the form presented to this Urban County Council on the date hereof. Said Trust Agreement shall be subject to changes, insertions and omissions as may be approved by the Fiscal Officer (as defined in the Trust Agreement), as well as by Bond Counsel (as defined in the Trust Agreement), which approval shall be conclusively evidenced by the execution of said Trust Agreement as herein provided.

SECTION 3. Execution of Trust Agreement. The Trust Agreement and any accompanying documents, certifications or agreements may be executed on behalf of the Issuer by the Mayor and attested by the Clerk of the Urban County Council.

SECTION 4. Open Meetings Determination. The Urban County Council hereby finds and determines that all formal actions relative to the adoption of this General Bond Ordinance were taken in an open meeting of the Urban County Council, and that all deliberations of the

Urban County Council and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable requirements of Kentucky law.

SECTION 5. Severability. Should it be judicially determined by a court having jurisdiction to pass upon the validity of this General Bond Ordinance or the Trust Agreement, that any provision of this General Bond Ordinance or the Trust Agreement is beyond the powers of the Urban County Council, or is otherwise invalid, then such decision shall in no way affect the validity of the General Bond Ordinance or the Trust Agreement, or any proceedings related thereto, except as to the particular matters found by such decision to be invalid.

SECTION 6. Conflicts. All resolutions or parts thereof in conflict with the provisions of this General Bond Ordinance are, to the extent of such conflict, hereby repealed.

SECTION 7. Effective Date. This General Bond Ordinance shall become effective immediately upon the date of its passage.

INTRODUCED AND GIVEN FIRST READING at a duly convened meeting of the Urban County Council of the Lexington-Fayette Urban County Government on the _____ day of _____, 2014.

GIVEN SECOND READING, ENACTED AND ADOPTED at a duly convened meeting of the Urban County Council of the Lexington-Fayette Urban County Government on the ___ day of _____, 2014.

**LEXINGTON-FAYETTE COUNTY
GOVERNMENT**

Approved: _____
Jim Gray
Mayor

Attest:

Meredith Nelson
Urban County Council Clerk

PUBLISHED: _____, 2014

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Urban County Council Clerk of the Lexington-Fayette Urban County Government, and as such Urban County Council Clerk, I further certify that the foregoing is a true, correct and complete copy of an Ordinance duly enacted by the Urban County Council of the Lexington-Fayette Urban County Government at a duly convened meeting held on the ____ day of _____, 2014, on the same occasion signed by the Mayor is evidence of her approval, 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.

Witness my hand and the seal of said County as of the ____ day of _____, 2014.

Meredith Nelson
Urban County Council Clerk

[SEAL]

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.

**PECK, SHAFFER & WILLIAMS, a division of
Dinsmore & Shohl LLP**

John C. Merchant, Esq.