

ORDINANCE NO. _____-2014

AN ORDINANCE OF LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (I) AUTHORIZING THE ISSUANCE AND SALE OF SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2014A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$32,000,000 FOR THE PURPOSE OF CURRENTLY REFUNDING THE SERIES 2009 BONDS, (II) AUTHORIZING THE ISSUANCE AND SALE OF SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2014B IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$13,000,000 FOR THE PURPOSE OF ADVANCE REFUNDING THE SERIES 2010 BONDS, (III) FUNDING THE RESERVE ACCOUNT, (IF ANY), AND (IV) PAYING THE COSTS OF ISSUANCE OF THE SERIES 2014 BONDS; APPROVING FORMS OF THE SERIES 2014 BONDS; AUTHORIZING THE EXECUTION OF A TRUST AGREEMENT (TO SECURE SUCH SERIES 2014 BONDS); AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY AND FINAL OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A CERTIFICATE OF AWARD FOR THE ACCEPTANCE OF THE BID OF THE PURCHASER(S) FOR THE PURCHASE OF THE SERIES 2014 BONDS; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT SECURING THE REFUNDED BONDS; AND AUTHORIZING THE EXECUTION OF ADDITIONAL DOCUMENTS, AGREEMENTS AND CERTIFICATES NECESSARY TO EFFECTUATE THE ISSUANCE OF THE SERIES 2014 BONDS.

WHEREAS, the Lexington-Fayette Urban County Government, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes (hereinafter called the "Issuer"), owns and operates as a public utility, more specifically, a sanitary sewer system (hereinafter sometimes called the "Sewer System"), pursuant to the provisions of the Act (as defined herein), the services of which are, and are to be, supplied to persons and corporations within the jurisdiction of the Sewer System and such Sewer System constitutes a revenue-producing public project; and

WHEREAS, under the provisions of the Act (as defined herein), the Issuer is authorized to issue sewer system revenue bonds to provide necessary funding for the public and governmental purposes described therein, including issuing new bonds to provide funds for the payment of outstanding bonds; and

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

WHEREAS, the Issuer by Ordinance No. ____-2014 adopted on September____, 2014 (the "General Bond Ordinance"), and by a Trust Agreement (the "Trust Agreement") between the Issuer and The Bank of New York Mellon Trust Company, N.A. (the "Trustee"), as

supplemented, dated as of the first day of the month in which Sewer System Revenue Bonds are first issued thereunder, has provided for the issuance from time to time of Sewer System Revenue Bonds by the Issuer, secured by a pledge of the Issuer's Pledged Revenues, each such issue to be authorized by a Bond Legislation, as required by the Trust Agreement; and

WHEREAS, the Issuer desires to, from this time forward, provide for the financing of 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 by the issuance of Sewer System Revenue Bonds from and after the date of execution and delivery of the Trust Agreement, the Issuer will no longer provide for the issuance of "bonds" under the Prior Ordinance; and

WHEREAS, the Issuer has determined to currently refund the Series 2009 Bonds (as hereinafter defined) and advance refund the Series 2010 Bonds (as hereinafter defined) (collectively, referred to herein as the "Refunded Bonds"), so that the Refunded Bonds will no longer be outstanding under the Prior Ordinance; and

WHEREAS, upon the defeasance of the Refunded Bonds, the Issuer has determined to provide for the creation of a Trust Agreement (as defined herein), pursuant to which the Issuer's Series 2014 Bonds and Additional Bonds shall be issued and secured; and

WHEREAS, the Issuer desires to sell and award such Series 2014 Bonds to the respective Series 2014 Original Purchasers (as defined herein) at a public, competitive sale in accordance with the provisions of Chapter 424 of the Kentucky Revised Statutes; and

WHEREAS, under the provisions of the Act and this Ordinance, the Issuer is authorized to issue the Series 2014 Bonds to provide such funds for the purposes aforesaid, and

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

SECTION 1. Determination of Urban County Council.

It is hereby found and determined that:

- (a) the Sewer System, including all extensions thereof and improvements thereto, has been, and shall hereafter be, operated as a public utility pursuant to the Act;
- (b) prior to the issuance of the Series 2014 Bonds, rates and charges for the services of the Sewer System have been determined and fixed in amounts sufficient to pay the costs of operating and maintaining the Sewer System and to leave an amount of revenues adequate to comply with the covenants contained herein and in the Trust Agreement;

(c) the issuance of the Series 2014 Bonds will be for a proper Issuer purpose and will be in the best interests of the Issuer, more specifically to (i) create a new Trust Agreement under which the Series 2014 Bonds and Additional Bonds shall be issued in order to achieve better consistency and efficiency when issuing Bonds and (b) achieve debt service savings, if any, by the issuance and sale of revenue bonds pursuant to the Act;

(d) it is necessary to currently refund the Series 2009 Bonds and to advance refund the Series 2010 Bonds in order to achieve interest cost savings, if any, thereby improving the overall efficiency of the Sewer System;

(e) the user fees collected by the Issuer for the benefit of the Sewer System shall at all times be applied to the payment of the reasonable costs associated with such Sewer System, including, but not limited to, the operation and maintenance thereof and the payment of Principal and Interest Requirements related to the Bonds, General Obligation Bonds (Sewer), General Obligation Notes (Sewer), and other Obligations, as further set forth in the Trust Agreement (subject to such cost allocation and transfers as determined by the Commissioner of Finance).

SECTION 2. Definitions.

All capitalized words and terms used herein, not otherwise defined, shall have the meaning assigned to them by the Trust Agreement. In addition to the words and terms elsewhere defined in this Series 2014 Bond Legislation, or in the Trust Agreement, the following words and terms as used herein and in the Trust Agreement shall have the following meanings unless the context or use indicates another or different meaning or intent:

“Additional Bonds” shall have the meaning set forth in the Trust Agreement.

“Act” means Sections 82.082, 67A.060, and 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes.

“Authorized Officer” or “Authorized Officers” of Issuer means any person or persons specifically authorized by ordinance to take the action intended, and, if there is no such specific authorization, shall mean the Mayor of the Issuer and/or, the Commissioner of Finance of the Issuer.

“BAB Interest Subsidy Payments” refer to a credit from the U.S. Treasury equal to or greater than thirty-five percent (35%) of the interest payable on Build America Bonds (such as the Series 2009 Bonds) issued pursuant to Sections 54AA and 6431 of the Code (see Section 2 hereof).

“Bond” or “Bonds” means the Series 2014 Bonds and any Additional Bonds.

“Bond Counsel” means a firm of attorneys of nationally recognized standing on the subject of municipal bonds, initially, Peck, Shaffer & Williams, a division of Dinsmore & Shohl, LLP.

“Bond Legislation” means, (i) when used in connection with any earlier series of Bonds (if any), the ordinance authorizing those Bonds, (ii) when used in connection with the Series 2014 Bonds, the Series 2014 Bond Legislation (including the respective Series 2014 Certificates of Award) and, (iii) when used in connection with Additional Bonds or related Bonds when subsequent Additional Bonds are outstanding, shall mean or include, as the case may be, the ordinance or other legislation (including the applicable certificate of award) providing for the issuance of such Additional Bonds but only to the extent consistent with the Series 2014 Bond Legislation, as the same may be amended, modified or supplemented by any amendments or modifications thereof and supplements thereto entered into in accordance with the provisions of the Trust Agreement.

“Bond Reserve Requirement” shall have the meaning set forth in the Trust Agreement.

“Bond Service Charges” shall have the meaning set forth in the Trust Agreement.

“Cede & Co.” means Cede & Co., as nominee of DTC, and any successor nominee of DTC.

“Code” means the Internal Revenue Code of 1986, as amended, and the accompanying Treasury Regulations.

“Defeasance Obligations” shall have the meaning set forth in the Trust Agreement.

“Depository” means any securities depository that is a clearing agency under federal law operating and maintaining, with its participants or otherwise, a book entry system to record ownership of book entry interests in Bonds, and to effect transfers of book entry interests in Bonds in book entry form, and includes and means initially DTC (a limited purpose trust company), New York, New York.

“DTC” means The Depository Trust Company, a limited purpose trust company organized under the laws of the State of New York, and its successors and assigns (in each case, which shall be a qualified and registered “clearing agency” under Section 17A of the Securities and Exchange Act of 1934, as amended).

“Final Official Statement” means the final offering document used in connection with the marketing and sale of the Series 2014 Bonds, which document shall be prepared in accordance with the SEC Rule, and which document contains all of the final sale and pricing information relating to the issuance and delivery of the Series 2014 Bonds.

“Financial Advisor” means Raymond James & Associates, Inc., Lexington, Kentucky.

“General Obligation Bonds (Sewer)” means the Issuer’s general obligation bonds issued for the purpose of making improvements or enlargements to the Sewer System, as further defined in the Trust Agreement as “General Obligation Bonds.”

“General Obligation Notes (Sewer)” means the Issuer’s general obligation notes issued for the purpose of making improvements or enlargements to the Sewer System, as further defined in the Trust Agreement as “General Obligation Notes.”

“Holder” or “Holders” shall have the meaning set forth in the Trust Agreement.

“Interest Payment Date” means with respect to the Series 2014 Bonds, the periodic interest payment date or dates identified in the respective Series 2014 Certificates of Award.

“Letter of Representations” means, with respect to the Series 2014 Bonds under the book-entry-only system, the letter or document from the Issuer to DTC, evidencing an agreement to comply with DTC policy and procedure relating to DTC book-entry-only system.

“Notice and Official Terms and Conditions of Sale of Bonds” means the Official Terms and Conditions of Bond Sale, executed and delivered by the Issuer, setting forth the terms and conditions of the sale of the Series 2014 Bonds; provided that, if necessary, two separate and distinct “Notices and Official Terms and Conditions of Sale of Bonds” may be prepared and distributed in connection with the Series 2014A Bonds and the Series 2014B Bonds, respectively.

“Obligations” shall have the meaning set forth in the Trust Agreement.

“Operating and Maintenance Expenses” shall have the meaning set forth in the Trust Agreement.

“Pledged Revenues” shall have the meaning set forth in the Trust Agreement.

“Preliminary Official Statement” means the preliminary offering document used to market and to sell the Series 2014 Bonds, which documents shall be prepared in accordance with the SEC Rule.

“Principal and Interest Requirements” shall have the meaning set forth in the Trust Agreement.

“Principal Payment Date” means as to the Series 2014 Bonds, the periodic principal payment date or dates identified in the respective Series 2014 Certificates of Award.

“Rating Agency” shall have the meaning set forth in the Trust Agreement.

“Rebate Fund” shall have the meaning set forth in the Trust Agreement.

“Refunded Bonds” means together, the Refunded Series 2009 Bonds and the Refunded Series 2010 Bonds.

“Refunded Series 2009 Bonds” means all of the Series 2009 Bonds to be refunded, as provided for in the Series 2014A Certificate of Award.

“Refunded Series 2010 Bonds” means all of the Series 2010 Bonds to be refunded, as provided for in the Series 2014B Certificate of Award.

“Revenue Fund” shall have the meaning set forth in the Trust Agreement.

“SEC Rule” means Securities and Exchange Commission Rule 15c2-12 adopted under the Securities Exchange Act of 1934, as may be amended from time to time, and accompanying releases of the Securities and Exchange Commission relating to such rule.

“Series 2009 Bond Ordinance” refers to Ordinance No. 221-2009, enacted by the Urban County Council on October 15, 2009, authorizing the issuance of the Series 2009 Bonds.

“Series 2009 Bonds” means the Issuer’s 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 currently outstanding in the principal amount of \$30,280,000.

“Series 2010 Bond Ordinance” refers to Ordinance No. 061-2010, enacted by the Urban County Council on April 22, 2010, authorizing the issuance of the Series 2010 Bonds.

“Series 2010 Bonds” means the Issuer’s Sewer System Revenue Refunding Bonds, Series 2010A, dated May 13, 2010, issued in the original principal amount of \$13,860,000, and currently outstanding in the principal amount of \$11,740,000.

“Series 2014 Bond Legislation” means this ordinance authorizing the issuance, sale, and delivery of the Series 2014 Bonds and the Series 2014 Certificates of Award.

“Series 2014 Bonds” means, together, the Series 2014A Bonds and the Series 2014B Bonds.

“Series 2014 Certificates of Award” means, together, the Series 2014A Certificate of Award and the Series 2014B Certificate of Award.

“Series 2014 Cost of Issuance Account or Accounts” means the Series 2014 Cost of Issuance Account or Accounts held by the Trustee pursuant to Section 11 hereof.

“Series 2014 Escrow Account” means the escrow account or fund established pursuant to the Series 2014 Escrow Agreement.

“Series 2014 Escrow Agreement” means the Series 2014 Escrow Agreement between the Series 2014 Escrow Trustee and the Issuer providing for the deposit of sufficient funds in the Series 2014 Escrow Account created therein for the purpose of

providing for the payment of principal of and interest on the Refunded Bonds, as the same mature and as same may be called for redemption prior to maturity.

“Series 2014 Escrow Trustee” means the bank or financial institution that will serve as 2014 Escrow Trustee under the Series 2014 Escrow Agreement, as more specifically identified in the respective Series 2014 Certificates of Award.

“Series 2014 Original Purchasers” means, together, the Series 2014A Original Purchaser and the Series 2014B Original Purchaser.

“Series 2014A Bonds” means the Lexington-Fayette Urban County Government Tax-Exempt Sewer System Revenue Refunding Bonds, Series 2014A, issued in the original principal amount not to exceed \$32,000,000, identified in this Series 2014 Bond Legislation.

“Series 2014A Certificate of Award” means the Certificate of Award authorized by this Series 2014 Bond Legislation and executed as of the sale date of the Series 2014A Bonds, providing for the award of the final principal amount of the Series 2014A Bonds, and further providing for the award and final determination of the Series 2014A Original Purchaser, as well as pricing, sale, redemption, and other relevant information necessary to provide for the issuance and delivery of the Series 2014A Bonds, which Series 2014A Certificate of Award is incorporated into this Series 2014 Bond Legislation by reference and made a part hereof.

“Series 2014A Original Purchaser” means, as to the Series 2014A Bonds, the successful bidder and purchaser of the Series 2014A Bonds in response to a competitive, public sale, as specifically identified in the Series 2014A Certificate of Award.

“Series 2014B Bonds” means the Lexington-Fayette Urban County Government Taxable Sewer System Revenue Refunding Bonds, Series 2014B, issued in the original principal amount not to exceed \$13,000,000, identified in this Series 2014 Bond Legislation.

“Series 2014B Certificate of Award” means the Certificate of Award authorized by this Series 2014 Bond Legislation and executed as of the sale date of the Series 2014B Bonds, providing for the award of the final principal amount of the Series 2014B Bonds, and further providing for the award and final determination of the Series 2014B Original Purchaser, as well as pricing, sale, redemption, and other relevant information necessary to provide for the issuance and delivery of the Series 2014B Bonds, which Series 2014B Certificate of Award is incorporated into this Series 2014 Bond Legislation by reference and made a part hereof.

“Series 2014B Original Purchaser” means, as to the Series 2014B Bonds, the successful bidder and purchaser of the Series 2014B Bonds in response to a competitive, public sale, as specifically identified in the Series 2014B Certificate of Award.

“Series 2014A Rebate Account” means the Series 2014A Rebate Account relating to the Series 2014A Bonds, created pursuant to this Series 2014 Bond Legislation, which shall be a subaccount of the Rebate Fund.

“Supplemental Trust Agreement” shall have the meaning set forth in the Trust Agreement.

“Trust Agreement” means the Trust Agreement, dated September 1, 2014, by and between the Issuer and the Trustee, as the same may be amended, modified, or supplemented from time to time by any amendments or modifications thereof and supplements thereto entered into in accordance with the provisions thereto, including without limitation, any Supplemental Trust Agreement, any additional Bond Legislation, and any additional certificate of award.

“Trustee” means, as to the Series 2014 Bonds, The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky, as Trustee under the Trust Agreement, and any and all successors and assigns.

“Urban County Council” means the Lexington-Fayette Urban County Council of the Issuer and any officer, board, commission or other body which hereafter succeeds, by operation of law, to the powers and duties of such council.

Any reference herein or in the Trust Agreement to the Issuer, to the Urban County Council, or to any member or officer of either, includes entities or officials succeeding to their respective functions, duties or responsibilities pursuant to or by operation of law or lawfully performing their functions.

Any reference to a section or provision of the Constitution of the Commonwealth of Kentucky or to a section, provision or chapter of the Kentucky Revised Statutes, or to any statute of the United States of America, includes that section, provision or chapter as amended, modified, revised, supplemented or superseded from time to time; provided, that no amendment, modification, revision, supplement or superseding section, provision or chapter shall be applicable solely by reason of this provision, if it constitutes in any way an impairment of the rights or obligations of the Issuer, the Holders or the Trustee under the Trust Agreement, the Bond Legislation, the Bonds or any other instrument or document entered into in connection with any of the foregoing, including without limitation, any alteration of the obligation to pay Bond Service Charges in the amount and manner, at the times, and from the sources provided in this Series 2014 Bond Legislation, the Trust Agreement, except as permitted herein or in the Trust Agreement.

Unless the context indicates otherwise, words importing the singular number include the plural number, and vice versa; the terms “hereof”, “hereby”, “herein”, “hereto”, “hereunder” and similar terms refer to this Series 2014 Bond Legislation or, where applicable, the Trust Agreement; and the term “hereafter” means after, and the term “heretofore” means before the date of this Series 2014 Bond Legislation or, where applicable, the Trust Agreement. Words of any gender include the correlative words of the other genders, unless the sense indicates otherwise.

SECTION 3. Legislative Findings.

As provided in the Series 2009 Bond Ordinance and the official statement with respect to the Series 2009 Bonds, in the event that the United States Treasury or any agency of the United States of America should at any time cease to remit to the Issuer all or any part of the BAB Interest Subsidy Payments payable with respect to the Series 2009 Bonds, then the Issuer has the right to redeem and retire all or any part of the principal amount of Series 2009 Bonds then outstanding, in any order of maturities (less than all of a single maturity to be selected by lot), on any date upon 30 days' written notice by regular United States Mail to the Holders upon terms of the principal amount so redeemed plus accrued interest to the redemption date but without premium.

This Urban County Council hereby finds and determines that (a) the federal government announced its intention to pay the BAB Interest Subsidy Payment due on July 1, 2013 in an amount less than 35% of the corresponding interest payable on the Series 2009 Bonds; (b) the Issuer has, in fact, received such reduced BAB Interest Subsidy Payment in connection with the interest due and payable on the Series 2009 Bonds on July 1, 2013 and thereafter. Therefore, this Urban County Council hereby determines to exercise its right to redeem all or a portion of the Series 2009 Bonds, provided the status resulting in a reduced BAB Interest Subsidy Payment for interest due on such Series 2009 Bonds is not cured or announced to be cured by the date of the execution of the Series 2014A Certificate of Award and the Series 2014B Certificate of Award, following the sale of the Series 2014 Bonds.

SECTION 4. Authorization and Terms for the Series 2014 Bonds; Series 2014 Certificates of Award; Rating.

(a) The Series 2014A Bonds shall be designated "Lexington-Fayette Urban County Government Tax-Exempt Sewer System Revenue Refunding Bonds, Series 2014A," unless otherwise subsequently provided in the Series 2014A Certificate of Award and/or a Supplemental Trust Agreement entered into pursuant to Article IX of the Trust Agreement, shall be issued only as fully registered bonds substantially as set forth in the Trust Agreement; shall consist of the Series 2014A Bonds as set forth herein; shall be in the authorized denominations requested by and sold to and purchased by the Series 2014A Original Purchaser, as set forth in the Series 2014A Certificate of Award; shall be transferable and exchangeable for Series 2014A Bonds of authorized denominations in fully registered form, as provided in the Trust Agreement, at the designated corporate trust office of the Trustee for the Series 2014 Bonds; and shall be numbered as determined by an Authorized Officer.

(b) The Series 2014B Bonds shall be designated "Lexington-Fayette Urban County Government Taxable Sewer System Revenue Refunding Bonds, Series 2014B," unless otherwise subsequently provided in the Series 2014B Certificate of Award and/or a Supplemental Trust Agreement entered into pursuant to Article IX of the Trust Agreement, shall be issued only as fully registered bonds substantially as set forth in the Trust Agreement; shall consist of the Series 2014B Bonds as set forth herein; shall be in the authorized denominations requested by and sold to and purchased by the Series 2014B Original Purchaser, as set forth in the Series 2014B Certificate of Award; shall be

transferable and exchangeable for Series 2014B Bonds of authorized denominations in fully registered form, as provided in the Trust Agreement, at the designated corporate trust office of the Trustee for the Series 2014 Bonds; and shall be numbered as determined by an Authorized Officer.

(c) The Series 2014 Bonds shall be dated as of the closing date of the Series 2014 Bonds or as otherwise provided in each respective Series 2014 Certificate of Award. Interest shall be payable on each respective Interest Payment Date, until the principal sum is paid, and shall be payable by wire, check, or draft sent to the registered Holder by the Trustee, all in accordance with the terms of the respective Series 2014 Certificates of Award. The Series 2014 Bonds will mature on each respective Principal Payment Date, and may be subject to mandatory sinking fund payment and/or redemption, all in accordance with the terms of the respective Series 2014 Certificates of Award.

(d) The Series 2014 Bonds may be subject to optional redemption in accordance with the terms of the respective Series 2014 Certificates of Award.

(e) The Series 2014 Bonds shall be executed by an Authorized Officer of the Issuer, and shall bear the seal of the Issuer or a facsimile thereof. The Series 2014 Bonds shall not be effective for any purpose unless first authenticated by the signature of a duly authorized signer of the Trustee as provided in the Trust Agreement.

(f) An Authorized Officer may execute the respective Series 2014 Certificates of Award upon the sale of the Series 2014 Bonds. The respective Series 2014 Certificates of Award may specify additional information with respect to the Series 2014 Bonds which shall be consistent with this Series 2014 Bond Legislation, including without limitation, information pertaining to the sale, pricing, redemption, maturity of the Series 2014 Bonds, providing for the award of a Credit Facility (if necessary), effectuating provisions or matters provided for in a Supplemental Trust Agreement, or designation of additional or alternate parties or entities in connection with the sale, issuance, and/or maintenance of the 2014 Bonds. The respective Series 2014 Certificates of Award may modify terms and conditions of the Series 2014 Bonds authorized hereunder, provided that any such modification shall be consistent with the purpose of this Series 2014 Bond Legislation. The respective Series 2014 Certificates of Award shall be incorporated into this Series 2014 Bond Legislation by reference and shall be made a part of this Series 2014 Bond Legislation. The Series 2014 Bonds shall be dated the date set forth in the respective Series 2014 Certificates of Award.

(g) An Authorized Officer is hereby authorized and directed to apply to Moody's Investors Service ("Moody's"), Standard & Poor's Corporation ("S&P"), and/or such other Rating Agency as such Authorized Officer deems appropriate for a rating on the Series 2014 Bonds, and to supply such information and data with respect to the Issuer as Moody's, S&P, and/or such other Rating Agency may reasonably request in connection with such application.

(h) To the extent that it is necessary to provide replacement bonds in connection with any partial refunding of the Refunded Bonds and/or the issuance of new CUSIP identification numbers for the Refunded Bonds, such replacement bonds are hereby authorized, including the use of facsimile signatures of the appropriate Issuer officials in order to effectuate such replacement bonds.

SECTION 5. Authorizations in Connection with Refunding the Refunded Bonds.

In connection with the refunding of the Refunded Bonds, an Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the Issuer (a) the Series 2014 Escrow Agreement with the Series 2014 Escrow Trustee in order to provide funds to refund the Refunded Bonds, and (b) an agreement with a consulting firm or firm of independent public accountants acceptable to the Original Purchaser to verify (i) the yield on the Series 2014 Bonds, (ii) the yield on the investments held under the Series 2014 Escrow Agreement, and/or (iii) the sufficiency of the investments held under the Series 2014 Escrow Agreement to pay the principal of, and interest and premium (if any) and the redemption price on the Refunded Bonds.

Bond Counsel is authorized to subscribe for U.S. Treasury Obligations – State and Local Government Series (“SLGS”) with the Bureau of Public Debt at the request of an Authorized Officer, on behalf of the Issuer, for deposit under the Series 2014 Escrow Agreement in connection with the refunding of the Refunded Bonds. In the event that Bond Counsel is unable to subscribe for SLGS, or it is necessary or desirable to have another party subscribe for SLGS, the Trustee or the Financial Advisor, or the Original Purchaser, or a related entity of any of the preceding entities, may subscribe for SLGS for deposit under the Series 2014 Escrow Agreement in connection with the refunding of the Refunded Bonds.

The Financial Advisor, the Series 2014A Original Purchaser and/or the Series 2014B Original Purchaser, or a related entity of any of the preceding entities, as applicable, or another organization identified in the respective Series 2014 Certificates of Award is hereby authorized to take competitive bids for Defeasance Obligations (as defined in the Trust Agreement), at the request of an Authorized Officer, on behalf of the Issuer for deposit under the Series 2014 Escrow Agreement in connection with the refunding of the Refunded Bonds.

SECTION 6. Affirmation of Declaration of System to Constitute Revenue-Producing Public Project.

The Sewer System is and, as long as the Series 2014 Bonds and any Additional Bonds are outstanding, shall be owned, controlled, operated, and maintained as a revenue-producing public project within the meaning of Sections 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes for the security and source of payment of the Series 2014 Bonds and any Additional Bonds.

SECTION 7. Terms of All Bonds Under the Trust Agreement.

The Series 2014 Bonds issued under the Trust Agreement shall express upon their face the purpose for which they are issued, that they are issued pursuant to this Series 2014 Bond Legislation, and that they do not constitute general obligations of the Issuer.

As provided herein, under the Trust Agreement, the Series 2014 Bonds shall be equally and ratably payable (that is, on a parity basis), solely from the Pledged Revenues and shall be secured by the Trust Agreement constituting a lien upon the Pledged Revenues including the Revenue Fund as herein provided, and anything in this Series 2014 Bond Legislation, the Series 2014 Bonds, or the Trust Agreement to the contrary notwithstanding, neither this Series 2014 Bond Legislation, the Series 2014 Bonds, nor the Trust Agreement shall constitute a debt or a pledge of the faith, general credit, taxing power, or ordinary funds of the Issuer, and the Series 2014 Bonds shall contain on the face thereof a statement to the effect that the Series 2014 Bonds are not general obligations of the Issuer but are payable solely from the aforesaid sources pledged to their payment; provided, however, that nothing herein shall be deemed to prohibit the Issuer, of its own volition, from using to the extent it is lawfully authorized to do so, any other resources or revenues for the fulfillment of any of the terms, conditions or obligations of this Series 2014 Bond Legislation, the Series 2014 Bonds, or the Trust Agreement.

SECTION 8. Sale of Series 2014 Bonds.

An Authorized Officer is hereby directed to sell the Series 2014 Bonds at an advertised competitive sale. The Series 2014 Bonds shall be offered publicly for sale upon the basis of competitive electronic bids at such time as an Authorized Officer shall designate. Proposed suggested forms of "Notice of Bond Sale," and "Notice and Official Terms and Conditions of Sale of Bonds," are hereby approved, substantially in form approved by the Commissioner of Finance, and a copy of each is hereby ordered to be filed in the records of the Clerk of the Urban County Council with the Minutes of the Meeting at which this Series 2014 Bond Legislation is enacted. The Notice of Bond Sale shall be used for the purpose of publishing notice of the sale of the Series 2014 Bonds. Copies of said documents shall be furnished to a list of known interested bidders and to any interested parties who may request same.

An Authorized Officer is hereby authorized to execute the appropriate certification evidencing the approval of the Preliminary Official Statement and a Final Official Statement at the time of and/or after the acceptance of the successful bid for the purchase of the Series 2014 Bonds.

SECTION 9. Series 2014 Certificates of Award; Execution of Documents.

The Series 2014 Bonds shall be sold pursuant to the terms of the respective Series 2014 Certificates of Award. An Authorized Officer is directed to make the necessary arrangements on behalf of the Issuer to establish the date, location, procedure and conditions for the issuance and delivery of the Series 2014 Bonds to the respective Series 2014 Original Purchasers and to take all steps necessary to effect due authentication, delivery, and perfection of the security of the respective Series 2014 Bonds under the terms hereof and of the Trust Agreement. The Series 2014 Bonds shall be based on the interest rates bid in the successful bid and the provisions of this section, provided that the final maturity date of the Series 2014 Bonds shall be as set forth in the Certificate of Award but shall be no later than 2031. The interest rate or rates on the Series 2014 Bonds shall be determined in the respective Series 2014 Certificates of Award based on the bid; provided that the aggregate true interest cost of the Series 2014 Bonds shall not exceed six percent (6.0%).

At the direction of Bond Counsel, any and all Authorized Officers of the Issuer are further authorized to make, execute, acknowledge, and deliver such financing statements and other agreements, documents, certificates, and instruments of the Issuer prepared in connection with the issuance and delivery of the Series 2014 Bonds, which are, in the opinion of Bond Counsel, necessary to carry out the purposes of this Series 2014 Bond Legislation, including authority to execute consents, releases, tax documents, waivers, and/or other similar documents necessary to effectuate compliance with all relevant laws of the Commonwealth of Kentucky, the United State of America (including without limitation the Code and the SEC Rule), administrative laws, consent decrees, and any policies, rules, and regulations relating to the preceding sources of authority.

SECTION 10. Proceeds of Series 2014 Bonds.

The use of the proceeds from the sale of the Series 2014 Bonds shall be set forth in a the closing letter of instructions, a closing memorandum or Supplemental Trust Agreement, and shall include details with respect to deposits in to accounts or funds with required balances.

SECTION 11. Funds and Accounts In Connection with the Series 2014 Bonds.

A special account, to be known as the “Series 2014 Cost of Issuance Account or Accounts” shall be maintained in the custody of the Trustee and money therein shall be disbursed as necessary to pay for costs of issuance of the Series 2014 Bonds, which requisition shall clearly state that the costs to be paid are issuance costs for the Series 2014 Bonds. Until so required or used for such purposes, moneys in the 2014 Cost of Issuance Account or Accounts shall be invested in Eligible Investments under the Trust Agreement. Any balance in the 2014 Cost of Issuance Account or Accounts remaining 90 days after the issuance date of the Series 2014 Bonds shall be transferred by the Trustee to the Bond Account and treated as a credit against payments required by the Trust Agreement.

The Series 2014 Escrow Account or Accounts shall be maintained in the custody of the Escrow Trustee and money therein shall be disbursed as necessary to defease, retire, and redeem the Refunded Bonds as set forth in the Series 2014 Escrow Agreement.

A special rebate account known as the “2014A Lexington-Fayette Urban County Government - Revenue Bond Rebate Account” (the “Series 2014A Rebate Account”) with respect to the Series 2014A Bonds shall be, to the extent necessary, maintained in the custody of the Trustee which account is described in greater detail under Section 5.08 of the Trust Agreement. Deposits shall be made to the Series 2014A Rebate Account by the Issuer as directed by Bond Counsel in order to comply with applicable arbitrage rebate requirements under the Code.

SECTION 12. Execution of Bond Documents; Incorporation of Series 2014 Bond Legislation into the Trust Agreement By Reference.

In order to secure the payment of the principal of and premium, if any, and interest on the Series 2014 Bonds and the performance of the Issuer as provided in this Series 2014 Bond Legislation, the Series 2014 Bonds, the Trust Agreement and any accompanying Supplemental

Trust Agreement, an Authorized Officer is hereby authorized and directed to execute, acknowledge, and deliver, as may be appropriate, in the name and on behalf of the Issuer, the Trust Agreement and any accompanying Supplemental Trust Agreement, in such form and containing such terms, covenants, and conditions not inconsistent with this Series 2014 Bond Legislation. An Authorized Officer shall also execute and/or deliver such financing statements or other documents as may be necessary to evidence the liens applicable to the revenues of the Sewer System or any part thereof. An Authorized Officer is hereby authorized to execute the Series 2014 Escrow Agreement with the Series 2014 Escrow Trustee; which Series 2014 Escrow Agreement is hereby authorized to secure the Refunded Bonds refunded with the proceeds of the Series 2014 Bonds. The Series 2014 Escrow Agreement shall contain such terms as an Authorized Officer shall deem in his or her judgment, to be appropriate to secure the Refunded Bonds. An Authorized Officer is also hereby authorized to take such actions necessary to obtain a Credit Facility securing all or a portion of the Series 2014 Bonds and/or a Reserve Account Guaranty Agreement in order to satisfy all or a portion of the Bond Reserve Requirement, provided that obtaining such Credit Facility and/or Reserve Account Guaranty Agreement shall be in the best interests of the Issuer. Any Authorized Officer, individually or collectively, is hereby authorized to execute, on behalf of the Issuer, such other documents as shall be in their judgment necessary or appropriate in connection with issuance and delivery of the Series 2014 Bonds.

The Trust Agreement shall also contain, to the extent not contained herein, such other covenants as may be necessary or appropriate for the due protection of the rights and security of the Holders of the Bonds.

This Series 2014 Bond Legislation shall constitute a part of the Trust Agreement and for all purposes of the Trust Agreement, including the provisions thereof relating to Supplemental Trust Agreements and to the separability of provisions of the Trust Agreement.

SECTION 13. Judicial Determinations.

Should it be judicially determined by a court having jurisdiction to pass upon the validity of this Series 2014 Bond Legislation or the Series 2014 Bonds authorized hereby, that any provisions of this Series 2014 Bond Legislation are beyond the power of this Urban County Council or the Series 2014 Bond Legislation is otherwise invalid, then such decision shall in no way affect the validity of the Series 2014 Bonds, or any proceedings related thereto, except as to particular matters found by such decisions to be invalid.

SECTION 14. Appointment of Receiver.

In the event that any litigation is commenced or pending in which the Issuer is a party, involving the Sewer System, the operation of the Sewer System, the Pledged Revenues, if applicable, from the Sewer System, or wrongful performance or failure to perform any of the terms and conditions of this Series 2014 Bond Legislation, and there is at such time any default in the payment of any of the Series 2014 Bonds or interest thereon, any court having jurisdiction may appoint a receiver to administer and operate the Sewer System on behalf of the Issuer with full power to pay and to provide for the payment of the Series 2014 Bonds, and for the payment of the operating expenses, and to apply the Pledged Revenues, if applicable, to the payment of

such Series 2014 Bonds and interest thereon in accordance with the provisions of this Series 2014 Bond Legislation.

The power of such receiver to provide for the payment of the Series 2014 Bonds shall not be construed as pledging the general credit of the Issuer to the payment of said Series 2014 Bonds, or any part thereof or interest thereon. Such receiver shall have such power, under the direction of the court, as receivers in general equity cases.

SECTION 15. Covenants With Respect to Federal Tax Matters Relating to the Series 2014A Bonds.

This Urban County Council hereby finds and determines that all of the proceeds from the sale of the Series 2014A Bonds will be needed for the purposes set forth in Section 1 hereof. This Urban County Council hereby covenants for and on behalf of the Issuer, that it will restrict the use of the proceeds of the Series 2014A Bonds issued as tax-exempt obligations, in such manner and to such extent, if any, and take such other actions as may be necessary, in view of reasonable expectations at the time of issuance of such Series 2014A Bonds, so that such Series 2014A Bonds will not constitute (a) obligations the interest on which is subject to federal income taxation; or (b) “arbitrage bonds” under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations prescribed under such Sections (except as to any Series 2014 Bonds initially issued as taxable obligations). An Authorized Officer of the Issuer having responsibility with respect to issuance of the Series 2014A Bonds is hereby authorized and directed to give an appropriate certificate for inclusion in the transcript of proceedings with respect to the Series 2014A Bonds issued as tax-exempt obligations, setting forth the facts, estimates and reasonable expectations pertinent under said Sections 103(b)(2) and 148 and regulations prescribed under such Sections. An Authorized Officer, or his or her lawful designee, is hereby authorized and directed to execute and file IRS Form 8038-G with the Internal Revenue Service in connection with the issuance of the Series 2014A Bonds issued as tax-exempt obligations. The Authorized Officer is hereby authorized and directed to provide for the creation of the Series 2014A Rebate Account (as provided for in this Series 2014 Bond Legislation) so that the Issuer complies with the rules concerning “rebate” as set forth in the Code, and the rules and regulations promulgated thereunder as they apply to the Series 2014A Bonds issued as tax-exempt obligations.

This Urban County Council hereby authorizes the issuance of a post-issuance compliance policy, consistent with the requirements of the Code, in order to set forth and evidence those federal tax compliance measures which must be monitored and complied with on an on-going basis after the issuance of the Series 2014A Bonds in order to maintain the tax-exempt status on the Series 2014A Bonds. Such post-issuance compliance policies may be incorporated into the tax documentation executed and delivered in connection with the issuance and delivery of the Series 2014A Bonds.

An Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the Issuer a Rebate Calculation and Yield Reduction Calculation Agreement with Bond Counsel (or such other entity or organization deemed qualified by such Authorized Officer to perform arbitrage rebate calculations) to provide professional services in accordance with the requirements of the Code and applicable regulations thereunder with respect to arbitrage rebate.

The Series 2014A Bonds are not designated “qualified tax-exempt obligations” for the purposes set forth in Section 265(b)(3) of the Code. The Issuer anticipates issuing more than \$10,000,000 of obligations designated under Section 265(b)(3) of the Code during calendar year 2014.

SECTION 16. Preliminary and Final Official Statement.

An Authorized Officer is directed to cause the preparation and distribution of a Preliminary and a Final Official Statement and any required supplements relating to the Series 2014 Bonds. An Authorized Officer is hereby authorized and directed to deem the Preliminary Official Statement and Final Official Statement “near final” and “final”, respectively, for purposes of the SEC Rule and the Original Purchaser is authorized to distribute the Preliminary Official Statement in connection with the offering of the 2014 Bonds.

The Issuer covenants and agrees to provide Final Official Statements to the Original Purchasers within seven (7) business days of the sale date of the Series 2014 Bonds in accordance with the SEC Rule, and in accordance with the Notice and Official Terms and Conditions of Sale of Bonds; such Final Official Statement shall be substantially in the form of the Preliminary Official Statement.

SECTION 17. Continuing Disclosure.

This Urban County Council hereby covenants and agrees that it will execute, comply with and carry out all of the provisions of a continuing disclosure certificate prepared in a manner that is consistent with the SEC Rule. Failure to comply with any such provisions of such continuing disclosure certificate shall not constitute a default with respect to the Series 2014 Bonds; however, any Holder of a Series 2014 Bond may take such action as may be necessary and appropriate, including seeking specific performance, to cause this Urban County Council or the Issuer’s disclosure agent, to comply with its obligations under this section and the continuing disclosure certificate.

SECTION 18. Allocation of Proceeds of the Series 2014 Bonds.

All of the proceeds from the sale of the 2014 Bonds and other lawfully available funds of the Issuer shall be deposited to the appropriate funds and accounts as set forth in the Trust Agreement and/or a Supplemental Trust Agreement to be executed and delivered at the time of delivery of the Series 2014 Bonds.

SECTION 19. Retention of Financial Advisor.

This Urban County Council hereby retains Raymond James & Associates, Inc., as its Financial Advisor in order to provide the Issuer with financial advisory services in connection with the issuance, sale, and delivery of the Series 2014 Bonds. The Financial Advisor shall be paid a fee of \$75,000 for its financial advisory services in connection with the issuance, sale, and delivery of the Series 2014 Bonds. Such services as Financial Advisor shall include (i) assisting in structuring the new Trust Agreement, to provide for the replacement of the existing financing structure under the Prior Ordinance to reflect changes in Kentucky state law, financing standards, market expectations and financing techniques and provide the Issuer with greater flexibility in

financing and investing and improved cash management and (ii) the assist in structuring the First Supplemental Trust Agreement, to provide for the issuance, sale, and delivery of the Series 2014 Bonds, as the first series issued under the new financing structure. An Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the Issuer any appropriate agreements and/or engagement letters in connection with such appointment.

SECTION 20. Retention of Bond Counsel.

This Urban County Council hereby retains Peck, Shaffer & Williams, a division of Dinsmore & Shohl, LLP, as its bond counsel (“Bond Counsel”), to provide the Issuer with its services in connection with the issuance, sale, and delivery of the Series 2014 Bonds. Bond Counsel shall be paid a fee of \$4.75 per \$1,000 of Series 2014 Bonds issued, inclusive of related expenses, provided, however, that publication expenses incurred by Bond Counsel shall be reimbursed separately. Such services as Bond Counsel shall include (i) the drafting of the new Trust Agreement, to provide for the replacement of the existing financing structure under the Prior Ordinance to reflect changes in Kentucky state law, financing standards, market expectations and financing techniques and provide the Issuer with greater flexibility in financing and investing and improved cash management and (ii) the drafting of the First Supplemental Trust Agreement, to provide for the issuance, sale, and delivery of the Series 2014 Bonds, as the first series issued under the new financing structure. An Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the Issuer any appropriate agreements and/or engagement letters in connection with such appointment.

SECTION 21. The Depository Trust Company (DTC).

At the request of the Original Purchasers, the Series 2014 Bonds will be initially issued in book-entry-only form pursuant to Letter of Representations with DTC. So long as the Series 2014 Bonds are held in the book-entry-only system, the registered Holder of all Series 2014 Bonds shall be DTC, and the Series 2014 Bonds shall be registered in the name of Cede & Co., as nominee for DTC.

SECTION 22. Open Meetings Compliance.

This Urban County Council hereby finds and determines that all formal actions relative to the issuance of the Series 2014 Bonds were taken in an open meeting of this Urban County Council, and that all deliberations of this Urban County Council 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 23. Filing.

The Authorized Officers are hereby authorized to undertake and cause all filings of notices or information which may be required by law to be filed by the Issuer, including, but not limited to, the filing with the State Local Debt Officer required by law.

[Remainder of this page intentionally left blank]

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 URBAN COUNTY
GOVERNMENT**

By: _____
Jim Gray
Mayor

ATTEST:

By: _____
Meredith Nelson
Urban County Council Clerk

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 his 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 Urban County Government as of the ____ day of _____, 2014.

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
Attorney At Law

UNLESS THIS SERIES 2014A BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY SERIES 2014A BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**EXHIBIT A
FORM OF SERIES 2014A BOND**

NO. AR-___

**UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY**

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
TAX-EXEMPT SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2014A**

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>CUSIP Number</u>
	_____%		528902 ____

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT: \$ _____
_____ AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the Lexington-Fayette Urban County Government (the “Issuer”), an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, for value received, hereby promises to pay, but solely from Pledged Revenues of the Sewer System hereinafter identified, to the Registered Owner, above identified or his or its registered assigns (the “Holder”), upon presentation and surrender of this bond, the principal sum identified above, on the maturity date specified above, and to pay interest on said sum at the rate per annum specified above on each [_____ 20] and [_____ 20] (the “Interest Payment Dates”), commencing [_____ 20], 20[___], until the principal sum is paid. This bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issuance hereof. The principal and interest of this bond are payable, without deduction for exchange, collection, or service charges, in lawful money of the United States of America. Principal is payable at the designated office of the Trustee and Registrar, presently The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky. The term “Trustee and Registrar,” when used herein, means The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky, or any successor. All interest on this bond shall be calculated on a 30-day month, 360-day year basis and shall be payable by wire, check, or draft sent on that Interest Payment Date to the Holder hereof at the close of business on the **[1st day]** of the calendar month next preceding that Interest Payment Date (the “Regular Record Date”), at

the address shown on the registration records kept by the Trustee and Registrar. If any interest is not timely paid or duly provided for, the Trustee and Registrar are required to establish a Special Record Date for the payment of that overdue interest to the Holders as of that Special Record Date. Notice of the Special Record Date shall be mailed to Holders not less than ten days prior thereto.

This bond is one of a series of bonds of Lexington-Fayette Urban County Government (hereinafter collectively called the "Series 2014A Bonds") authorized and from time to time to be authorized under the provisions of Sections 82.082, 67A.060, and 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes (the "Act"), the Trust Agreement, dated as of **[September 1, 2014]**, (the "Trust Agreement") by and between the Issuer and the Trustee, an ordinance of the Lexington-Fayette Urban County Council of the Lexington-Fayette Urban County Government (hereinafter called the "Urban County Council") authorizing each issue (the "Bond Legislation"), for the purpose of paying costs of improvements to the Sewer System. The aggregate principal amount of Bonds which may be issued is not limited except as provided in the Trust Agreement or as may hereafter be provided by law, and all Bonds will be equally and ratably secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Trust Agreement

This Series 2014A Bonds is one of a series of the Bonds, designated Lexington-Fayette Urban County Government Tax-Exempt Sewer System Revenue Refunding Bonds, Series 2014A), in the aggregate principal amount of \$ **_____** authorized by and issued pursuant to the General Bond Ordinance duly adopted by the Urban County Council, and the Trust Agreement, as supplemented by the First Supplemental Trust Agreement, for the purpose of (i) currently refunding the Issuer's 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 currently outstanding in the principal amount of \$30,280,000 (the "Series 2009 Bonds"); (ii) **[(ii) funding the [Common] [Series] Reserve Fund]**, and (iii) paying certain costs of issuing the Series 2014A Bonds.

The Series 2014A Bonds are issued pursuant to the Act, and an ordinance duly adopted by the Urban County Council of the Lexington-Fayette Urban County Government on **[_____, 2014]**, as well as the Series 2014A Certificate of Award included as part of the final transcript of proceedings in connection with the issuance of the Series 2014A Bonds. The Series 2014A Bonds, together with Additional Bonds issued under the Trust Agreement, are special obligations of the Issuer, are payable as to principal, premium, if any, and interest solely out of the Pledged Revenues of the Sewer System, and certain other moneys, and are not otherwise an obligation of the Issuer. **THE SERIES 2014A BONDS ARE NOT SECURED BY AN OBLIGATION OR PLEDGE OF ANY MONEYS RECEIVED, OR TO BE RECEIVED, FROM TAXATION OR FROM THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION OR TAXING DISTRICT THEREOF AND DO NOT NOW AND SHALL NEVER REPRESENT OR CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER.**

The Series 2014A Bonds bear interest payable semiannually on **[_____ 20]** and **[_____ 20]** of each year, beginning **[_____ 20, 20__]** and mature on **[_____ 20]** in the years and in the respective principal amounts and bear interest as follows:

On [20]	<u>Amount</u>	<u>Interest Rate</u>
<i>Serial Bonds</i>		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
<i>Term Bonds</i>		
20__		
20__		

REDEMPTION PROVISIONS

Mandatory Sinking Fund Redemption.

The Series 2014A Bonds maturing [_____ **20, 20__**] (the “20__ Term Bond”) in the stated principal amount of \$[_____] shall be subject to mandatory sinking fund redemption, in the manner provided in the Trust Agreement, in part on each [_____ **20**], commencing [_____ **20, 20__**] (each, a “Mandatory Redemption Date”) at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective Mandatory Redemption Date in the following principal amounts in the years specified:

Mandatory Redemption Date ([_____ 20])	Principal Amount to be Redeemed
20__	
20__	
20__	
20__	
20__ *	

*Maturity

The Series 2014A Bonds maturing [**September 1, 20__**] (the “20__ Term Bond”) in the stated principal amount of \$[_____] shall be subject to mandatory sinking fund redemption, in the manner provided in the Trust Agreement, in part on each [_____ **20**], commencing [**September 1, 20__**] (each, a “Mandatory Redemption Date”) at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective Mandatory Redemption Date in the following principal amounts in the years specified:

Mandatory Redemption Date ([September 1, 20__])	Principal Amount to be Redeemed
20__	
20__	
20__	
20__	
20__ *	

*Maturity

Optional Redemption.

The Series 2014A Bonds maturing on and after [September 1], 20__ are subject to redemption, in the manner provided in the Trust Agreement, at the option of the Issuer, either in whole or in part, in inverse order of their maturity dates or on any date, on or after [September 1], from any legally available funds, at a redemption price equal to the principal amount of the 2014 Bonds called for redemption, plus accrued interest with respect thereto to the date fixed for redemption.

If less than all of the Series 2014A Bonds are called for redemption at any time or from time to time, the selection of such Series 2014A Bonds or portions of bonds to be called shall be made by lot by the Trustee in such manner as the Trustee may determine

Selection of Bonds for Redemption

If less than all of the Series 2014A Bonds are called for redemption at any time or from time to time, the selection of such Series 2014A Bonds or portions of bonds to be called shall be made by lot by the Trustee in such manner as the Trustee may determine.

The Series 2014A Bonds are exchangeable for Series 2014A Bonds of any authorized denomination or denominations in equal aggregate principal amounts at the designated corporate trust office of the Trustee and Registrar specified on the face hereof, but only in the manner and subject to the limitations provided in the Trust Agreement. This Series 2014A Bond is transferable at the designated corporate trust offices of the Trustee and Registrar, by the Holder in person or by his attorney, duly authorized in writing, upon presentation and surrender hereof to the Trustee and Registrar. The Trustee and Registrar is not required to transfer or exchange (a) any Series 2014A Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Series 2014A Bonds and ending at the close of business on the date of such mailing, (b) any Series 2014A Bonds so selected for redemption in whole or in part, or (c) any Series 2014A Bond during the period from the day following a Regular Record Date through the day preceding the ensuing Interest Payment Date.

The Holder of this Series 2014A Bond shall not be entitled to enforce the provisions of the Trust Agreement or to institute, appear in or defend any suit, action or proceeding at law or in equity to enforce any rights, remedies or covenants granted by the Trust Agreement; or to take any action with respect to any event of default under the Trust Agreement, except as provided in the Trust Agreement.

The Trust Agreement contains provisions permitting the Issuer, the Trustee, and with the consent of the Holders of a majority in aggregate principal amount of the Series 2014A Bonds at the time outstanding, evidenced as in the Trust Agreement provided, to execute Supplemental Trust Agreements adding any provision to or changing in any manner or eliminating any of the provisions of the Trust Agreement or any Supplemental Trust Agreement or restricting in any manner the rights of the Holders of the Series 2014A Bonds; provided, however, that no such Supplemental Trust Agreement shall (a) extend the maturity of the principal of or the interest on any Bond, or reduce the principal amount of any Bond or the rate of interest or redemption

premium thereon, or reduce the amount or extend the time of any payment required by any mandatory sinking fund requirements, without the consent of each Holder so affected, or (b) permit a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the aggregate principal amount of the Series 2014A Bonds required for consent to such Supplemental Trust Agreement, without the consent of the Holders of all Bonds then outstanding. The Issuer and the Trustee may, without the consent of or notice to any of the Holders, enter into Supplemental Trust Agreements for certain other purposes as provided in the Trust Agreement.

No provision of this Series 2014A Bond or the Trust Agreement and no reference herein to the Trust Agreement shall have the effect of incorporating in the terms of this Series 2014A Bond any provision which would alter or impair the obligation of the Issuer to pay, but solely from the Pledged Revenues or certain other moneys in the Revenue Fund as set forth in the Trust Agreement, the principal of, premium, if any, and interest on this Series 2014A Bond at the times and places and in the coin or currency provided herein or affect the right of the registered Holder of this Series 2014A Bond to enforce payment thereof from Pledged Revenues or the Revenue Fund at and after the date of maturity thereof without reference to or consent of the Trustee or the Holder of any other Series 2014A Bond.

No covenant or agreement contained in this Series 2014A Bond or the Trust Agreement shall be deemed to be a covenant or agreement of any official, officer, agent, or employee of the Issuer in his individual capacity, and no official executing this Series 2014A Bond shall be liable personally on this Series 2014A Bond or be subject to any personal liability or accountability by reason of the issuance or sale of this Series 2014A Bond.

Reference is hereby made to the Trust Agreement, a copy of which is on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee, and the Holders of the Series 2014A Bonds. The registered Holder of this Series 2014A Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Trust Agreement.

The Issuer and the Trustee may deem and treat the person in whose name this Series 2014A Bond is registered as the absolute owner hereof for all purposes, whether or not this Series 2014A Bond is overdue, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

AND IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things necessary to be done by the Issuer precedent to and in the issuing of the Series 2014A Bonds in order to make them legal, valid, and binding special obligations of the Issuer in accordance with their terms, and in the execution and delivery of the Trust Agreement have been done and performed and have happened in regular and due form as required by law; that the Issuer has, on its behalf, received payment in full for the Series 2014A Bonds; and that the Series 2014A Bonds do not exceed or violate any constitutional or statutory limitation.

This Series 2014A Bond shall not be entitled to any security or benefit under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Urban County Government has caused this Series 2014A Bond to be signed either manually or by facsimile in its name by its Mayor and duly attested either manually or by facsimile by its Clerk of the Urban County Council and an impression or facsimile of the Urban County Government's seal to be imprinted hereon, as of the date set forth above.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: _____
Jim Gray
Mayor

(SEAL)

Attest:

By: _____
Meredith Nelson
Clerk of the Urban County Council

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of CEDE & Co or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to CEDE & Co, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, CEDE & Co, has an interest herein.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Series 2014A Bonds described in the within-mentioned Trust Agreement.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
_____, Kentucky, Trustee

By: _____
Name:
Title:

Dated: _____, 2014

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

(please print or typewrite social security number or other identifying number and name and address of transferee)

the within Series 2014A Bond and does hereby irrevocably constitute and appoint the _____ or its successor as Trustee to transfer the said Series 2014A Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Note: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Series 2014A Bond in every particular, without alteration or enlargement or any change whatever.

UNLESS THIS SERIES 2014B BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION (“DTC”), TO THE ISSUER OR THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER, EXCHANGE, OR PAYMENT, AND ANY SERIES 2014B BOND ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

**EXHIBIT B
FORM OF SERIES 2014B BOND**

NO. BR-___

**UNITED STATES OF AMERICA
COMMONWEALTH OF KENTUCKY**

**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
TAXABLE SEWER SYSTEM REVENUE REFUNDING BONDS, SERIES 2014B**

Maturity Date	Interest Rate	Dated Date	CUSIP Number
	_____%		528902 ____

REGISTERED HOLDER: CEDE & CO.

PRINCIPAL AMOUNT: \$ _____
_____ AND 00/100 DOLLARS

KNOW ALL MEN BY THESE PRESENTS: That the Lexington-Fayette Urban County Government (the “Issuer”), an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, for value received, hereby promises to pay, but solely from Pledged Revenues of the Sewer System hereinafter identified, to the Registered Owner, above identified or his or its registered assigns (the “Holder”), upon presentation and surrender of this bond, the principal sum identified above, on the maturity date specified above, and to pay interest on said sum at the rate per annum specified above on each [_____ 20] and [_____ 20] (the “Interest Payment Dates”), commencing [_____ 20], 20[___], until the principal sum is paid. This bond will bear interest from the most recent Interest Payment Date to which interest has been paid or, if no interest has been paid, from the date of original issuance hereof. The principal and interest of this bond are payable, without deduction for exchange, collection, or service charges, in lawful money of the United States of America. Principal is payable at the designated office of the Trustee and Registrar, presently The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky. The term “Trustee and Registrar,” when used herein, means [The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky, or any successor. All interest on this bond shall be calculated on a 30-day month, 360-day year basis and shall be payable by wire, check, or draft sent on that Interest Payment Date to the Holder hereof at the close of business on the **[1st day]** of the calendar month next preceding that Interest Payment Date (the “Regular Record Date”), at the address shown on the registration records kept by the Trustee and Registrar. If any interest is

not timely paid or duly provided for, the Trustee and Registrar are required to establish a Special Record Date for the payment of that overdue interest to the Holders as of that Special Record Date. Notice of the Special Record Date shall be mailed to Holders not less than ten days prior thereto.

This bond is one of a series of bonds of Lexington-Fayette Urban County Government (hereinafter collectively called the "Series 2014B Bonds") authorized and from time to time to be authorized under the provisions of Sections 82.082, 67A.060, and 58.010 through 58.140, inclusive, of the Kentucky Revised Statutes (the "Act"), the Trust Agreement, dated as of **[September 1, 2014]**, (the "Trust Agreement") by and between the Issuer and the Trustee, an ordinance of the Lexington-Fayette Urban County Council of the Lexington-Fayette Urban County Government (hereinafter called the "Urban County Council") authorizing each issue (the "Bond Legislation"), for the purpose of paying costs of improvements to the Sewer System. The aggregate principal amount of Bonds which may be issued is not limited except as provided in the Trust Agreement or as may hereafter be provided by law, and all Bonds will be equally and ratably secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Trust Agreement

This Series 2014B Bonds is one of a series of the Bonds, designated Lexington-Fayette Urban County Government Tax-Exempt Sewer System Revenue Refunding Bonds, Series 2014B), in the aggregate principal amount of \$ **[REDACTED]** authorized by and issued pursuant to the General Bond Ordinance duly adopted by the Urban County Council, and the Trust Agreement, as supplemented by the First Supplemental Trust Agreement, for the purpose of (i) currently refunding the Issuer's 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 currently outstanding in the principal amount of \$30,280,000 (the "Series 2009 Bonds"); (ii) **[(ii) funding the [Common] [Series] Reserve Fund]**, and (iii) paying certain costs of issuing the Series 2014B Bonds.

The Series 2014B Bonds are issued pursuant to the Act, and an ordinance duly adopted by the Urban County Council of the Lexington-Fayette Urban County Government on **[REDACTED, 2014]**, as well as the Series 2014B Certificate of Award included as part of the final transcript of proceedings in connection with the issuance of the Series 2014B Bonds. The Series 2014B Bonds, together with Additional Bonds issued under the Trust Agreement, are special obligations of the Issuer, are payable as to principal, premium, if any, and interest solely out of the Pledged Revenues of the Sewer System, and certain other moneys, and are not otherwise an obligation of the Issuer. **THE SERIES 2014B BONDS ARE NOT SECURED BY AN OBLIGATION OR PLEDGE OF ANY MONEYS RECEIVED, OR TO BE RECEIVED, FROM TAXATION OR FROM THE COMMONWEALTH OF KENTUCKY OR ANY POLITICAL SUBDIVISION OR TAXING DISTRICT THEREOF AND DO NOT NOW AND SHALL NEVER REPRESENT OR CONSTITUTE A DEBT OR PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER.**

The Series 2014B Bonds bear interest payable semiannually on **[REDACTED 20]** and **[REDACTED 20]** of each year, beginning **[REDACTED 20, 20]** and mature on **[REDACTED 20]** in the years and in the respective principal amounts and bear interest as follows:

On [20]	<u>Amount</u>	<u>Interest Rate</u>
<i>Serial Bonds</i>		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
20__		
<i>Term Bonds</i>		
20__		
20__		

REDEMPTION PROVISIONS

Mandatory Sinking Fund Redemption.

The Series 2014B Bonds maturing [**September 1 20__**] (the “20__ Term Bond”) in the stated principal amount of \$[_____] shall be subject to mandatory sinking fund redemption, in the manner provided in the Trust Agreement, in part on each [_____] **20**], commencing [**September 1, 20__**] (each, a “Mandatory Redemption Date”) at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective Mandatory Redemption Date in the following principal amounts in the years specified:

Mandatory Redemption Date ([_____] 20)	Principal Amount to be Redeemed
20__	
20__	
20__	
20__	
20__ *	

*Maturity

The Series 2014B Bonds maturing [_____] **20, 20__**] (the “20__ Term Bond”) in the stated principal amount of \$[_____] shall be subject to mandatory sinking fund redemption, in the manner provided in the Trust Agreement, in part on each [_____] **20**], commencing [**September 1, 20__**] (each, a “Mandatory Redemption Date”) at a redemption price of 100% of the principal amount thereof to be redeemed plus accrued interest to the respective Mandatory Redemption Date in the following principal amounts in the years specified:

Mandatory Redemption Date ([_____] 20)	Principal Amount to be Redeemed
20__	
20__	
20__	
20__	
20__ *	

*Maturity

Optional Redemption.

The Series 2014B Bonds maturing on and after [September 1], 20__ are subject to redemption, in the manner provided in the Trust Agreement, at the option of the Issuer, either in whole or in part, in inverse order of their maturity dates or on any date, on or after [September 1, 20__], from any legally available funds, at a redemption price equal to the principal amount of the 2014 Bonds called for redemption, plus accrued interest with respect thereto to the date fixed for redemption.

If less than all of the Series 2014B Bonds are called for redemption at any time or from time to time, the selection of such Series 2014B Bonds or portions of bonds to be called shall be made by lot by the Trustee in such manner as the Trustee may determine.

Selection of Bonds for Redemption

If less than all of the Series 2014B Bonds are called for redemption at any time or from time to time, the selection of such Series 2014B Bonds or portions of bonds to be called shall be made by lot by the Trustee in such manner as the Trustee may determine.

The Series 2014B Bonds are exchangeable for Series 2014B Bonds of any authorized denomination or denominations in equal aggregate principal amounts at the designated corporate trust office of the Trustee and Registrar specified on the face hereof, but only in the manner and subject to the limitations provided in the Trust Agreement. This Series 2014B Bond is transferable at the designated corporate trust offices of the Trustee and Registrar, by the Holder in person or by his attorney, duly authorized in writing, upon presentation and surrender hereof to the Trustee and Registrar. The Trustee and Registrar is not required to transfer or exchange (a) any Series 2014B Bond during a period beginning at the opening of business 15 days before the day of the mailing of a notice of redemption of Series 2014B Bonds and ending at the close of business on the date of such mailing, (b) any Series 2014B Bonds so selected for redemption in whole or in part, or (c) any Series 2014B Bond during the period from the day following a Regular Record Date through the day preceding the ensuing Interest Payment Date.

The Holder of this Series 2014B Bond shall not be entitled to enforce the provisions of the Trust Agreement or to institute, appear in or defend any suit, action or proceeding at law or in equity to enforce any rights, remedies or covenants granted by the Trust Agreement; or to take any action with respect to any event of default under the Trust Agreement, except as provided in the Trust Agreement.

The Trust Agreement contains provisions permitting the Issuer, the Trustee, and with the consent of the Holders of a majority in aggregate principal amount of the Series 2014B Bonds at the time outstanding, evidenced as in the Trust Agreement provided, to execute Supplemental Trust Agreements adding any provision to or changing in any manner or eliminating any of the provisions of the Trust Agreement or any Supplemental Trust Agreement or restricting in any manner the rights of the Holders of the Series 2014B Bonds; provided, however, that no such Supplemental Trust Agreement shall (a) extend the maturity of the principal of or the interest on any Bond, or reduce the principal amount of any Bond or the rate of interest or redemption

premium thereon, or reduce the amount or extend the time of any payment required by any mandatory sinking fund requirements, without the consent of each Holder so affected, or (b) permit a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or reduce the aggregate principal amount of the Series 2014B Bonds required for consent to such Supplemental Trust Agreement, without the consent of the Holders of all Bonds then outstanding. The Issuer and the Trustee may, without the consent of or notice to any of the Holders, enter into Supplemental Trust Agreements for certain other purposes as provided in the Trust Agreement.

No provision of this Series 2014B Bond or the Trust Agreement and no reference herein to the Trust Agreement shall have the effect of incorporating in the terms of this Series 2014B Bond any provision which would alter or impair the obligation of the Issuer to pay, but solely from the Pledged Revenues or certain other moneys in the Revenue Fund as set forth in the Trust Agreement, the principal of, premium, if any, and interest on this Series 2014B Bond at the times and places and in the coin or currency provided herein or affect the right of the registered Holder of this Series 2014B Bond to enforce payment thereof from Pledged Revenues or the Revenue Fund at and after the date of maturity thereof without reference to or consent of the Trustee or the Holder of any other Series 2014B Bond.

No covenant or agreement contained in this Series 2014B Bond or the Trust Agreement shall be deemed to be a covenant or agreement of any official, officer, agent, or employee of the Issuer in his individual capacity, and no official executing this Series 2014B Bond shall be liable personally on this Series 2014B Bond or be subject to any personal liability or accountability by reason of the issuance or sale of this Series 2014B Bond.

Reference is hereby made to the Trust Agreement, a copy of which is on file with the Trustee, for the provisions, among others, with respect to the nature and extent of the rights, duties and obligations of the Issuer, the Trustee, and the Holders of the Series 2014B Bonds. The registered Holder of this Series 2014B Bond, by the acceptance hereof, is deemed to have agreed and consented to the terms and provisions of the Trust Agreement.

The Issuer and the Trustee may deem and treat the person in whose name this Series 2014B Bond is registered as the absolute owner hereof for all purposes, whether or not this Series 2014B Bond is overdue, and neither the Issuer nor the Trustee shall be affected by any notice to the contrary.

AND IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions and things necessary to be done by the Issuer precedent to and in the issuing of the Series 2014B Bonds in order to make them legal, valid, and binding special obligations of the Issuer in accordance with their terms, and in the execution and delivery of the Trust Agreement have been done and performed and have happened in regular and due form as required by law; that the Issuer has, on its behalf, received payment in full for the Series 2014B Bonds; and that the Series 2014B Bonds do not exceed or violate any constitutional or statutory limitation.

This Series 2014B Bond shall not be entitled to any security or benefit under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Urban County Government has caused this Series 2014B Bond to be signed either manually or by facsimile in its name by its Mayor and duly attested either manually or by facsimile by its Clerk of the Urban County Council and an impression or facsimile of the Urban County Government's seal to be imprinted hereon, as of the date set forth above.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: _____
Mayor

(SEAL)

Attest:

By: _____
Clerk of the Urban County Council

Unless this certificate is presented by an authorized representative of The Depository Trust Company to the Issuer or its agent for registration of transfer, exchange or payment, and any certificate issued is registered in the name of CEDE & Co or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to CEDE & Co, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, CEDE & Co, has an interest herein.

[FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION]

This Bond is one of the Series 2014B Bonds described in the within-mentioned Trust Agreement.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

_____, Kentucky, Trustee

By: _____
Name:
Title:

Dated: _____, 2014

[INCLUDE LEGAL OPINION?]

[FORM OF ASSIGNMENT]

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

(please print or typewrite social security number or other identifying number and name and address of transferee)

the within Series 2014B Bond and does hereby irrevocably constitute and appoint the _____ or its successor as Trustee to transfer the said Series 2014B Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: _____

Note: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Series 2014B Bond in every particular, without alteration or enlargement or any change whatever.