

RESOLUTION NO. _____

A RESOLUTION OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AUTHORIZING THE ADVERTISEMENT FOR BIDS AND THE DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE PURCHASE OF THE PRINCIPAL AMOUNT OF ITS \$3,600,000 VARIOUS PURPOSE GENERAL OBLIGATION NOTES, SERIES 2012C (WHICH AMOUNT MAY BE INCREASED OR DECREASED BY AN AMOUNT OF UP TO TEN PERCENT (10%).

WHEREAS, the Lexington-Fayette Urban County Government has previously determined the necessity of financing the construction, acquisition and installation of various projects including but not limited to street and sidewalk improvements, safety equipment, various park and recreation improvements and other equipment and vehicles for the benefit of numerous departments of the Lexington-Fayette Urban County Government (collectively, the "Project"); and

WHEREAS, the Lexington-Fayette Urban County Government has determined to proceed with the advertisement of bids for the purchase of its Various Purpose General Obligation Notes, Series 2012C (the "Series 2012C Notes") in the principal amount of \$3,600,000 (which amount may be increased or decreased by an amount of up to ten percent (10%)), in order to provide funds to (i) pay the costs of constructing, acquiring, installing and equipping the Project and (ii) pay the costs of issuing the Series 2012C Notes.

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

SECTION 1. The Lexington-Fayette Urban County Government, an urban county government and political subdivision of the Commonwealth of Kentucky, shall issue its Series 2012C Notes in one or more subseries in the principal amount of \$3,600,000 (which amount may be increased or decreased by an amount of up to ten percent (10%)), in order to provide funds to

(i) pay the costs of constructing, acquiring, installing and equipping the Project and (ii) pay the costs of issuing the Series 2012C Notes.

SECTION 2. The Lexington-Fayette Urban County Government shall comply with the requirements of KRS Chapter 66 by advertising for bids for the purchase of the Series 2012C Notes. The Mayor, the Clerk of the Urban County Council and the Commissioner of Finance are hereby authorized to prepare such instruments and to distribute such information as shall be necessary to accomplish the foregoing, including preparation of a Preliminary Official Statement (the "Preliminary Official Statement") which Preliminary Official Statement is to be deemed final in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"). In order to enable prospective purchasers to submit bids for the purchase of the Series 2012C Notes, the Lexington-Fayette Urban County Government hereby covenants and agrees that it will execute, comply with and carry out all of the provisions of a continuing disclosure certificate (the "Continuing Disclosure Certificate") in connection with the issuance of the Series 2012C Notes. Failure to comply with any such provisions of the Continuing Disclosure Certificate shall not constitute a default on the Series 2012C Notes; however, any holder of the Series 2012C Notes, including the beneficial owners of the Series 2012C Notes, may take such action as may be necessary and appropriate, including seeking specific performance, to cause the Lexington-Fayette Urban County Government to comply with its obligations under the Continuing Disclosure Certificate. Further the Mayor is hereby authorized and directed on behalf of the Lexington-Fayette Urban County Government to execute all such instruments as shall be necessary to accomplish all of the foregoing.

SECTION 3. Such proposals shall be opened and reviewed by the Commissioner of Finance, and shall be acted upon by the Mayor on that same day in accordance with the terms of

the note ordinance with respect to the Series 2012C Notes. The Lexington-Fayette Urban County Government hereby approves the "Notice of Note Sale," substantially in the form attached hereto to be published as required by law.

SECTION 4. The Mayor shall, in a certificate of award accepting the successful bid for the Series 2012C Notes (the "Certificate of Award"), determine the exact principal amount of Series 2012C Notes to be issued, the subseries designations of the Series 2012C Notes, the rate or rates of interest which said Series 2012C Notes shall bear, redemption provisions and the interest rate or rates on said Series 2012C Notes shall be automatically fixed at the rate or rates set out in the successful bid accepted by said Certificate of Award. The proceeds of the sale of the Series 2012C Notes shall be applied to the costs of the Series 2012 Project and paying the costs of issuance of the Series 2012C Notes, and shall be expended as provided in the note ordinance authorizing the Series 2012C Notes.

SECTION 5. In the event that no bid shall be accepted for the purchase of the Series 2012C Notes, bids may again be solicited for the purchase of the Series 2012C Notes at a future date and hour at the discretion of the Mayor and the Commissioner of Finance, without the necessity of further authorization by the Urban County Council of the Lexington-Fayette Urban County Government.

SECTION 6. All resolutions or orders or parts thereof, if any, in conflict with the provisions of this Resolution, are to the extent of such conflict, hereby repealed.

SECTION 7. This Resolution shall become effective upon the date of its passage.

[Remainder of page intentionally left blank]

INTRODUCED AND GIVEN FIRST READING at a duly convened meeting of Urban County Council of the Lexington-Fayette Urban County Government on the _____ day of _____, 2012.

GIVEN SECOND READING AND ADOPTED at a duly convened meeting of Urban County Council of the Lexington-Fayette Urban County Government held on the _____ day of _____, 2012, signed by the Mayor, attested under seal by the Clerk of Urban County Council, and ordered to be published, filed and indexed as provided by law.

Jim Gray
Mayor

ATTEST:

Susan Lamb
Urban County Council Clerk

CERTIFICATE

I, the undersigned, Urban County Council Clerk of the Lexington-Fayette Urban County Government, do hereby certify that the foregoing Resolution is a true and complete copy of a certain Resolution duly adopted by the Urban County Council of said Lexington-Fayette Urban County Government at a lawfully convened meeting of the Urban County Council of the Lexington-Fayette Urban County Government held on _____, 2012, signed by the Mayor and now in full force and effect, all as appears from the official records of the Lexington-Fayette Urban County Government in my possession and under my control.

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

WITNESS my hand as of this ____ day of _____, 2012.

Susan Lamb
Urban County Council Clerk

CERTIFICATE

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

PECK, SHAFFER & WILLIAMS LLP

John C. Merchant, Esq.

EXHIBIT A

FORM OF NOTICE OF NOTE SALE

Notice is hereby given that electronic bids will be received by the Commissioner of Finance of the Lexington-Fayette Urban County Government until 11:00 A.M., E.D.T., on September 18, 2012 (or at such later time and date announced at least forty-eight hours in advance via the BiDCOMP™/PARITY™ system) for the purchase of its approximately \$3,600,000 of Various Purpose General Obligation Notes, Series 2012C (the "Series 2012C Notes"). The Series 2012C Notes will be dated their date of initial delivery, being fully registered notes in denominations in multiples of \$5,000 (within the same maturity). The Series 2012C Notes mature as to principal in varying amounts on July 1 in each of the years 2013 through 2017.

Electronic bids may be submitted via BiDCOMP™/PARITY™. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (212) 404-8102. Additional information, including the Preliminary Official Statement and the Official Terms and Conditions of Note Sale contained therein, may be obtained from the Financial Advisor to the Lexington-Fayette Urban County Government, Morgan Keegan & Company, Inc., 489 East Main Street, Lexington, Kentucky 40507, telephone (859) 232-8211, Attn: Bob Pennington.

The Preliminary Official Statement has been deemed "final" by the Lexington-Fayette Urban County Government, except for certain information which has been omitted in accordance with Securities and Exchange Commission Rule 15c2-12 and will be supplied with the final Official Statement. In order to assist bidders in complying with the continuing disclosure requirements of the Rule, the Lexington-Fayette Urban County Government will undertake in a Continuing Disclosure Certificate to be delivered at closing, to provide to the applicable repositories annual reports and notices of certain material events with respect to the Series 2012C Notes. Reference is made to the Official Terms and Conditions of Note Sale contained in the Preliminary Official Statement for further details and bidding conditions.

Sale of the Series 2012C Notes subject to the approving legal opinion of Peck, Shaffer & Williams LLP, Bond Counsel, Covington, Kentucky. The Series 2012C Notes have not been designated as "qualified tax-exempt obligations" within the meaning of §265(b)(3) of the Internal Revenue Code of 1986, as amended.

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

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT

By: /s/ Jim Gray
Mayor