

RESOLUTION NO. _____

A RESOLUTION OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AUTHORIZING AND ACKNOWLEDGING THE EXECUTION AND DELIVERY OF (1) A FIRST AMENDED AND RESTATED LOAN AGREEMENT AMONG THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, REPUBLIC BANK & TRUST COMPANY, A KENTUCKY BANKING CORPORATION, AND THE LEXINGTON SCHOOL, INC., AND (2) ANY AND ALL OTHER RELATED DOCUMENTS NECESSARY THERETO.

Recitals

A. The Lexington-Fayette Urban County Government, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes (the "Urban County Government" or the "Issuer"), is authorized by the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 of the Kentucky Revised Statutes (the "Act"), to issue industrial building revenue bonds and to loan the proceeds thereof to any person to finance the cost of any "industrial building" (as defined in the Act), including specifically land, buildings, improvements, equipment, machinery, and other facilities suitable for any nonprofit educational institution in any manner related to or in furtherance of the educational purposes of such institution, including but not limited to classroom, laboratory, housing, administrative, physical educational and medical research and treatment facilities, in order to accomplish the public purposes of promoting the economic development of the Commonwealth of Kentucky (the "Commonwealth"), relieving conditions of unemployment, and encouraging the increase of industry therein.

B. In 2009 the Issuer authorized the issuance of its Refunding Revenue Bonds, Series 2009 (The Lexington School, Inc. Project), in the original principal amount of up to \$7,695,000 (the "Bonds").

C. At that same time, the Issuer authorized the execution and delivery of a Loan Agreement (the "Original Loan Agreement") among the Issuer, The Lexington School, Inc. (the "School" or the "Borrower") and Republic Bank & Trust Company, a Kentucky banking corporation (the "Bondholder"), dated as of June 15, 2009.

D. The Issuer thereafter issued \$7,695,000.00 in principal amount of Bonds and executed and delivered the Original Loan Agreement and all necessary related documents.

E. The Borrower has requested the Issuer to authorize the execution of a First Amended and Restated Loan Agreement which would amend the Loan Agreement to permit the adjustment of the interest rate on the Series 2009 Promissory Note and the Series 2009 Bond from 3.74% per annum to a fixed rate of interest equal to 2.87% continuing until the first Interest Rate Reset Date as defined herein, and thereafter commencing as of June 15 of each of the years 2020, 2025 and 2030 (each an "Interest Rate Reset Date"), a rate per annum (a) equal to the sum of $(x + 2.75\%)$ multiplied by 0.68, where x is the "Federal Home Loan Bank of Cincinnati 5-year

Stated Fixed Advance Rate" in effect on such Interest Rate Reset Date as announced to its member banks by the Federal Home Loan Bank of Cincinnati but (b) not less than 2.87%. Interest shall be computed on a 365/360 interest accrual basis. In addition, the Borrower has requested the Issuer to authorize changes to the prepayment premium to allow for any prepayment so long as funds are not used from a third party financial institution.

F. Section 11.1 of the Original Loan Agreement provides that it may be amended or supplemented with the prior written consent of the Bondholder, the Issuer and the Borrower.

G. The Issuer has determined that it is in the best interest of the Issuer to enter into the First Amended and Restated Loan Agreement.

NOW, THEREFORE, BE IT RESOLVED by the Lexington-Fayette Urban County Government as follows:

1. First Amended and Restated Loan Agreement. The Mayor of the Issuer is hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Issuer, and have attested by the Clerk of the Urban County Government, the First Amended and Restated Loan Agreement, to be dated effective as of May __, 2013, which is hereby approved, authorized and adopted in substantially the form submitted with this Resolution and designated Exhibit A with such changes therein as the officials including the Mayor and the Clerk of the Urban County Government, may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

2. Authority to Consummate Transactions in Connection with the First Amended and Restated Loan Agreement. The Mayor of the Issuer, Clerk of the Urban County Government and all other appropriate officials, are hereby separately authorized, empowered and directed to do and undertake any and all things necessary to carry out the authority conferred by this Resolution, and further to execute all customary papers, documents, certificates or other instruments that may be required for the effectuation of the authority conferred by this Resolution, including, but not limited to, the Amended and Restated Promissory Note and the Amended and Restated Series 2013 Bond, both dated effective as of May __, 2013, and to execute and otherwise take all action necessary to the full realization of the rights, accomplishments and purposes of the Issuer under the First Amended and Restated Loan Agreement and to discharge all of the obligations of the Issuer thereunder. Further, to the extent legally permissible, the Mayor and the Clerk of the Urban County Government of the Issuer are hereby authorized to approve any and all other actions so deemed necessary for the approval by the Issuer and to consummate the terms and conditions of this Resolution.

3. Severability. The provisions of this Resolution are hereby deemed to be severable and, if any section, phrase or provision shall, for any reason, be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Resolution.

4. Provisions in Conflict Repealed. All resolutions, orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed.

5. Urban County Government Not Liable. No recourse shall be had for the payment of the principal of or premium or interest on any of the Amended and Restated Series 2013 Bonds or for any claim based thereon or upon any obligation, covenant or agreement therein contained against any past, present or future officer, member, employee or agent of the Issuer or the Commonwealth of Kentucky or any agency or political subdivision thereof, as such, either directly or through the Issuer or the Commonwealth of Kentucky or any agency or political subdivision thereof, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees or agents as such shall be expressly waived and released as a condition of and consideration for the adoption of this Resolution and the issuance of such Amended and Restated Series 2013 Bonds.

6. Captions of Resolution. The captions of this Resolution are for convenience only and are not to be construed as part of this Resolution nor as defining or limiting in any way the scope or intent of the provisions hereof.

7. Effective Date of Resolution. This Resolution shall be in full force and effect from and after its adoption and approval as provided by law.

ADOPTED at a regular meeting of the Lexington-Fayette Urban County Government held on May __, 2013.

Jim Gray, Mayor

(SEAL)

Attest:

Susan Lamb, Clerk of the Urban County Government

CERTIFICATION

The undersigned hereby certifies that she is the duly appointed and acting Clerk of the Lexington-Fayette Urban County Government and that the foregoing is a true, correct, and complete copy of a resolution duly adopted by the Urban County Government at a regular meeting held on May __, 2013 signed by the Mayor, and now in full force and effect, and that all action taken in connection with such resolution was in compliance with KRS 61.810, 61.815, 61.820, and 61.823, all as appears from the official records of the such Government in my possession and under my control.

Clerk of the Urban County Government

(SEAL)

Dated: May __, 2013

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.

FROST BROWN TODD LLC

Rebecca B. Mayton, Esq.

EXHIBIT A
FIRST AMENDED AND RESTATED LOAN AGREEMENT