

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 (I) VARIOUS PURPOSE GENERAL OBLIGATION BONDS, SERIES 2013C IN AN AMOUNT NOT TO EXCEED \$18,250,000; AND (II) VARIOUS PURPOSE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013D IN A PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000.

WHEREAS, the Lexington-Fayette Urban County Government has previously determined the necessity of (i) financing the acquisition of various equipment for departments within the Lexington-Fayette Urban County Government, including, but not limited to, communications and computer equipment and other equipment, traffic engineering equipment, police and fire equipment, police and fire vehicles, and golf carts; (ii) financing various projects for departments within the Lexington-Fayette Urban County Government, including, but not limited to, remodeling and renovation of public safety buildings, Kentucky Theatre, maintenance building, fire stations, street and sidewalk improvements, various park projects and improvements, HVAC system maintenance and weather and emergency systems upgrades; (iii) financing the redesign of Rupp Arena and Convention Center; and (iv) providing funding for a program to preserve and manage agricultural, rural and natural lands, including the purchase of conservation easements or development rights (collectively, the "Series 2013C 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 Bonds, Series 2013C (the "Series 2013C Bonds") in the principal amount not to exceed \$18,250,000, in order to (i) provide funds to finance the Series 2013C Project, and (ii) pay the costs of issuing the Series 2013C Bonds; and

WHEREAS, the Lexington-Fayette Urban County Government, heretofore issued its \$69,320,000 Taxable General Obligation Public Project Bonds, Series 2010A (Build America Bonds – Direct Pay) (the "Series 2010A Prior Bonds,"), the proceeds of which were used to finance the various projects for departments within Lexington-Fayette Urban County Government, including, but not limited to, (i) acquisition of computer equipment, telephone equipment, security equipment, motor vehicles, fire protection equipment, traffic control equipment and public safety equipment, (ii) improvements to Lyric Theatre, infrastructure improvements to the Lexington Distillery District (a redevelopment project in an area where several former liquor distilleries were located), government center design, parking lot resurfacing, park projects, building and facility renovations, streetscape improvements, and (iii) purchasing of development rights (collectively, the "Series 2010A Project"); and

WHEREAS, the Lexington-Fayette Urban County Government, heretofore issued its \$6,305,000 Various Purpose General Obligation Public Projects Bonds, Series 2010F (Federally Taxable – Build America Bonds – Direct Payment to the Issuer) (the "Series 2010F Prior Bonds"), the proceeds of which were used to (i) finance the acquisition of various equipment for departments within the Lexington-Fayette Urban County Government, including, but not limited to, communications and computer equipment and other equipment, police and fire equipment, fire and garbage trucks and golf carts; and (ii) finance various projects for departments within the Lexington-Fayette Urban County Government, including, but not limited to, improvements to recycling facilities (collectively, the "Series 2010F Project"); and

WHEREAS, the Lexington-Fayette Urban County Government, heretofore issued its \$8,950,000 Various Purpose General Obligation Public Projects Bonds, Series 2010G (Federally Taxable – Recovery Zone Economic Development Bonds –Direct Payment to the Issuer) (the

"Series 2010G Prior Bonds" and together with the Series 2010A Prior Bonds and the Series 2010F Prior Bonds, the "Prior Bonds"), the proceeds of which were used to (i) finance various projects for departments within the Lexington-Fayette Urban County Government, including, but not limited to, acquisition of two fire trucks, public works utility design, construction of a compost site waterline and drainage system and remodeling and renovation of fire stations; (ii) providing funding for a program to preserve and manage agricultural, rural and natural lands, including the purchase of conservation easements or development rights (collectively, the "Series 2010G Project" and together with the Series 2010A Project and the Series 2010F Project, the "Prior Project"); and

WHEREAS, the Lexington-Fayette Urban County Government has determined that due to the present conditions of the municipal market it is advantageous and in the best interests of the Lexington-Fayette Urban County Government for the purpose of realizing interest cost savings (as determined by the Commissioner of Finance) to proceed with the advertisement of bids for the purchase of its Various Purpose General Obligation Refunding Bonds, Series 2013D (the "Series 2013D Refunding Bonds" and together with the Series 2013C Bonds, the "Series 2013 Bonds") in one or more subseries, in a principal amount not to exceed \$80,000,000, in order to provide funds to (i) refund all or a portion of the Prior Bonds and (ii) pay the costs of issuing the Series 2013D Refunding Bonds; and

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

2013C Bonds in one or more subseries in the principal amount not to exceed \$18,250,000, in order to provide funds to (i) finance the acquisition of various equipment for departments within the Lexington-Fayette Urban County Government, including, but not limited to, communications and computer equipment and other equipment, traffic engineering equipment, police and fire equipment, police and fire vehicles, and golf carts; (ii) finance various projects for departments within the Lexington-Fayette Urban County Government, including, but not limited to, remodeling and renovation of public safety buildings, Kentucky Theatre, maintenance building, fire stations, street and sidewalk improvements, various park projects and improvements, HVAC system maintenance and weather and emergency systems upgrades; (iii) financing the redesign of Rupp Arena and Convention Center; (iv) provide funding for a program to preserve and manage agricultural, rural and natural lands, including the purchase of conservation easements or development rights (collectively, the "Series 2013C Project"); and (v) pay the costs of issuing the Series 2013C Bonds. The Lexington-Fayette Urban County Government shall also issue its Series 2013D Refunding Bonds in a principal amount not to exceed \$80,000,000 (provided that the refunding of the Series 2010A Prior Bonds, Series 2010F Prior Bonds and/or the Series 2010G Prior Bonds shall result in debt service savings for the Lexington-Fayette Urban County Government as determined by the Commissioner of Finance and the financial advisors to the Lexington-Fayette Urban County Government) in order to provide funds to (i) refund all or a portion of the Prior Bonds and (ii) pay the costs of issuing the Series 2013D Refunding Bonds.

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 2013 Bonds. 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 2013 Bonds, the Lexington-Fayette Urban County Government hereby covenants and agrees that it will execute, comply with and carry out all of the provisions of a continuing disclosure certificate (the "Continuing Disclosure Certificate") in connection with the issuance of the Series 2013 Bonds. Failure to comply with any such provisions of the Continuing Disclosure Certificate shall not constitute a default on the Series 2013 Bonds; however, any holder of the Series 2013 Bonds, including the beneficial owners of the Series 2013 Bonds, may take such action as may be necessary and appropriate, including seeking specific performance, to cause the Lexington-Fayette Urban County Government to comply with its obligations under the Continuing Disclosure Certificate. Further the Mayor is hereby authorized and directed on behalf of the Lexington-Fayette Urban County Government to execute all such instruments as shall be necessary to accomplish all of the foregoing.

SECTION 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 bond ordinance with respect to the Series 2013C Bonds and the bond ordinance with respect to the Series 2013D Refunding Bonds. The Lexington-Fayette Urban County Government hereby approves the "Notice of Bond Sale," substantially in the form attached hereto to be published as required by law.

SECTION 4. The Mayor shall, in a certificate of award accepting the successful bid for the Series 2013 Bonds (the "Certificate of Award"), determine the exact principal amount of

Series 2013 Bonds to be issued, the subseries designations of the Series 2013 Bonds, the rate or rates of interest which said Series 2013 Bonds shall bear, redemption provisions and the interest rate or rates on said Series 2013 Bonds shall be automatically fixed at the rate or rates set out in the successful bid accepted by said Certificate of Award. The proceeds of the sale of the Series 2013C Bonds shall be applied to the costs of the Project and paying the costs of issuance of the Series 2013C Bonds, and shall be expended as provided in the bond ordinance authorizing the Series 2013C Bonds. The proceeds of the sale of the Series 2013D Refunding Bonds shall be applied to the costs of the refunding of all or a portion of the Prior Bonds and paying the costs of issuance of the Series 2013D Refunding Bonds, and shall be expended as provided in the bond ordinance authorizing the Series 2013D Refunding Bonds.

SECTION 5. In the event that no bid shall be accepted for the purchase of the Series 2013 Bonds, bids may again be solicited for the purchase of the Series 2013 Bonds at a future date and hour at the discretion of the Mayor and the Commissioner of Finance, without the necessity of further authorization by the Urban County Council of the Lexington-Fayette Urban County Government.

SECTION 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.

INTRODUCED AND GIVEN FIRST READING AND SECOND READING AND ADOPTED at a duly convened meeting of Urban County Council of the Lexington-Fayette Urban County Government held on the ____ day of _____, 2013, 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:

Meredith Nelson
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 _____, 2013, 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 _____, 2013.

Meredith Nelson
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 BOND SALE

Notice is hereby given that electronic bids will be received by the Commissioner of Finance of the Lexington-Fayette Urban County Government until 11:00 A.M., E.D.T., on _____, 2013 (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 (i) approximately \$18,250,000 of Various Purpose General Obligation Bonds, Series 2013C (the "Series 2013C Bonds"); and (ii) approximately \$80,000,000 of Various Purpose General Obligation Refunding Bonds, Series 2013D (the "Series 2013D Refunding Bonds" and together with the Series 2013C Bonds, the "Series 2013 Bonds"). The Series 2013 Bonds will be dated their date of initial delivery, being fully registered bonds in denominations in multiples of \$5,000 (within the same maturity). The Series 2013C Bonds mature as to principal in varying amounts on October 1 in each of the years 2014 through 2033. The Series 2013D Bonds mature as to principal in varying amounts on October 1 in varying amounts in each of the years 2014 through 2030. Electronic bids may be submitted via BiDCOMP™/PARITY™, in the manner described below.

Bids must be on the Official Bid Form contained in the Preliminary Official Statement, available from the undersigned, at www.idealprospectus.com, or from the Financial Advisor: Raymond James & Associates, Inc., 489 East Main Street, Lexington, Kentucky 40507, telephone (859) 232-8211, Attn: Bob Pennington. The Preliminary Official Statement has been deemed "final" by the Corporation within the meaning of Securities and Exchange Commission Rule 15c2-12. For further information regarding PARITY®, potential bidders may contact PARITY®, telephone (212) 404-8102. 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 2013 Bonds. Reference is made to the Official Terms and Conditions of Bond Sale contained in the Preliminary Official Statement for further details and bidding conditions.

Sale of the Series 2013 Bonds subject to the approving legal opinions of Peck, Shaffer & Williams LLP, Bond Counsel, Covington, Kentucky. The Series 2013 Bonds have not been designated as "qualified tax-exempt obligations" within the meaning of §265(b)(3) of the Internal Revenue Code of 1986, as amended.

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

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

By: /s/ Jim Gray

Mayor