

**ORDINANCE NO. \_\_\_\_\_-2012**

**AN ORDINANCE OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AUTHORIZING THE ISSUANCE OF VARIOUS PURPOSE GENERAL OBLIGATION NOTES, SERIES 2012C IN THE AGGREGATE PRINCIPAL AMOUNT OF \$3,600,000 (WHICH AMOUNT MAY BE INCREASED OR DECREASED BY AN AMOUNT OF UP TO TEN PERCENT (10%)) FOR THE PURPOSE OF FINANCING VARIOUS PROJECTS OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT; APPROVING THE FORM OF THE SERIES 2012C NOTES; AUTHORIZING DESIGNATED OFFICERS TO EXECUTE AND DELIVER THE SERIES 2012C NOTES; AUTHORIZING AND DIRECTING THE FILING OF NOTICE WITH THE STATE LOCAL DEBT OFFICER; PROVIDING FOR THE PAYMENT AND SECURITY OF THE SERIES 2012C NOTES; CREATING NOTE PAYMENT FUND; MAINTAINING THE HERETOFORE ESTABLISHED SINKING FUND; AUTHORIZING A CERTIFICATE OF AWARD FOR THE ACCEPTANCE OF THE BID OF THE NOTE PURCHASER FOR THE PURCHASE OF THE SERIES 2012C NOTES; AND REPEALING INCONSISTENT ORDINANCES.**

**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 that it is in the best interests of the Lexington-Fayette Urban County Government that the Project be financed through the issuance by the Lexington-Fayette Urban County Government 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); and

**WHEREAS**, pursuant to the Constitution and laws of the Commonwealth of Kentucky, and particularly KRS 66.011 et. seq. (the "Act"), an urban county government may issue notes, subject to the requirements of the Act, to pay all or any portion of the costs of the Project; and

**WHEREAS**, the Lexington-Fayette Urban County Government desires to finance the Project through the issuance of the Series 2012C Notes, to be sold and awarded to the successful bidder (the "Purchaser") at public, competitive sale in accordance with the provisions of Section 66.141 et seq. and Chapter 424 of the Kentucky Revised Statutes.

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

**SECTION 1. Necessity, Authorization and Purpose.** The Lexington-Fayette Urban County Government hereby declares that it is necessary to issue and authorizes the issuance of its Various Purpose General Obligation Notes, Series 2012C, in an aggregate principal amount of \$3,600,000 (which amount may be increased or decreased by an amount of up to ten percent (10%)) (the "Permitted Adjustment") 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.

The Series 2012C Notes shall be offered for sale in accordance with the provisions hereof, and the determination of the best bids for the Series 2012C Notes shall be made on the basis of all bids submitted for \$3,600,000 principal amount of Series 2012C Notes; provided however, the Permitted Adjustments are reserved by the Lexington-Fayette Urban County Government hereunder, with such increases or decreases to be made in any principal maturity so that the total principal amount of Series 2012C Notes awarded to the best bidder may be a maximum of \$3,960,000 or a minimum of \$3,240,000. In the event of any such Permitted Adjustment, no rebidding or recalculation of a submitted bid will be required or permitted; the

price at which such adjusted principal amount of Series 2012C Notes will be sold shall be at the same price per \$1,000 of Series 2012C Notes as the price per \$1,000 of the \$3,600,000 of Series 2012C Notes bid. The exact principal amount of Series 2012C Notes to be issued shall be established in the Certificate of Award to be executed by the Mayor of the Lexington-Fayette Urban County Government (the "Certificate of Award") awarding the Series 2012C Notes to the Purchaser.

**SECTION 2. Form.** The Series 2012C Notes shall be issued as fully registered notes, shall be designated "Various Purpose General Obligation Notes, Series 2012C", shall express upon their faces the purpose for which they are issued, that they are issued under the Act and shall be substantially in the form set forth in *Annex A*.

The Series 2012C Notes shall be in denominations as requested by the Purchaser, which shall be in integral multiples of five thousand dollars (\$5,000). The Series 2012C Notes shall each be dated their date of initial issuance and delivery, or such other date as is determined in the Certificate of Award.

Interest on the Series 2012C Notes shall be payable each January 1 and July 1 (an "Interest Payment Date"), commencing January 1, 2013, at the stated interest rate or rates on the principal amounts thereof.

The Series 2012C Notes shall be notes maturing, on the basis of substantially level debt service, on July 1 in the years and in the amounts to be established in the Certificate of Award after advertised competitive sale of the Series 2012C Notes based on the interest rates set forth in the successful bid (the "Series 2012C Note Bid") and the provisions of this Section 2, provided that the final maturity date of the Series 2012C Notes shall be as set forth in the Certificate of Award but shall be no later than July 1, 2017. The interest rate or rates on the Series 2012C Notes shall be determined in the Certificate of Award based on the Series 2012C Note Bid;

provided that the aggregate true interest cost of the Series 2012C Notes shall not exceed six percent (6.000%). The Series 2012C Notes are not subject to optional redemption prior to maturity.

The Series 2012C Notes may be issued in book-entry-only form through the services of the Depository Trust Company ("DTC"). If the Lexington-Fayette Urban County Government determines to issue the Series 2012C Notes in book-entry-only form the Designated Officers (hereinafter defined) are authorized to execute all documents necessary to accomplish such form of issuance.

**SECTION 3. Execution and Delivery.** The Series 2012C Notes shall be executed by the manual or facsimile signature of the Mayor and duly attested by the manual or facsimile signature of the Urban County Council Clerk (which, together with any other person as may be authorized by resolution are referred to as "Designated Officers"), shall have the seal of the Lexington-Fayette Urban County Government or a facsimile thereof affixed thereto, and shall bear the manual authenticating signature of an authorized representative of the bank designated in the Certificate of Award as the Paying Agent and Registrar for the Series 2012C Notes (the "Paying Agent and Registrar"). The Designated Officers are further authorized and directed to deliver the Series 2012C Notes to the Purchaser, upon the terms and conditions provided herein, in the Certificate of Award and in the Bid, receive the proceeds therefor, execute and deliver such certificates and other closing documents and take such other action as may be necessary or appropriate in order to effectuate the proper issuance, sale and delivery of the Series 2012C Notes.

The Lexington-Fayette Urban County Government hereby authorizes and directs the Paying Agent and Registrar to authenticate the Series 2012C Notes and to deliver the Series 2012C Notes to the Purchaser upon payment of the purchase price thereof.

**SECTION 4. Filing.** The Designated 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 Lexington-Fayette Urban County Government, including, but not limited to, the filing with the State Local Debt Officer required by law.

**SECTION 5. Series 2012C Note Payment Fund; Payment of Series 2012C Notes.** There is hereby established with the Paying Agent and Registrar a note payment fund in the name of the Lexington-Fayette Urban County Government to be known as Various Purpose General Obligation Notes, Series 2012C Note Payment Fund (the "Series 2012C Note Payment Fund"), into which the Lexington-Fayette Urban County Government covenants to deposit, and into which the Designated Officers are hereby authorized and directed to deposit from the Sinking Fund (heretofore established or created), on or before the twenty-fifth day of each month which precedes an Interest Payment Date, the amounts required to pay principal of and interest due on the Series 2012C Notes on such Interest Payment Date. The Paying Agent and Registrar shall, without further authorization from the Lexington-Fayette Urban County Government withdraw from the Series 2012C Note Payment Fund, on such Interest Payment Date, the amounts necessary to pay principal of, and interest on, the Series 2012C Notes to the registered owner of the same.

Payment of or on account of the interest on and principal of the Series 2012C Notes shall be made directly to the Paying Agent and Registrar for the account of the registered owner. Interest on the Series 2012C Notes shall be payable by check, mailed to the person whose name appears on the fifteenth day preceding an Interest Payment Date on the note registration records as the registered owner, on each Interest Payment Date or by other transfer of funds acceptable to such registered owner and the Paying Agent and Registrar. Principal shall be payable in such coin or currency of the United States of America as shall be legal tender for the payment of

public and private debts at the time and place of payment upon delivery of the Series 2012C Notes to the Paying Agent and Registrar or by other transfer of funds acceptable to the Paying Agent and Registrar and such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Series 2012C Notes to the extent of the sum or sums so paid.

The Paying Agent and Registrar is hereby appointed depository of the Series 2012C Note Payment Fund with respect to the Series 2012C Notes.

If the Lexington-Fayette Urban County Government shall fail or refuse to make any required deposit in the Series 2012C Note Payment Fund from the Sinking Fund, the Paying Agent and Registrar shall (i) notify any agency of the Commonwealth of Kentucky or any political subdivision thereof which may collect and distribute taxes or revenues for the Lexington-Fayette Urban County Government to seek any available necessary or proper remedial action; and (ii) upon being indemnified against cost and expense, exercise any remedy provided in the Act or at law or in equity for the benefit of the owner of the Series 2012C Notes or its assignee, and shall disburse all funds so collected to the owners of the Series 2012C Notes as payment of the Series 2012C Notes.

**SECTION 6. General Obligation.** The Series 2012 C Notes shall be full general obligations of the Lexington-Fayette Urban County Government and, for the payment of said Notes and the interest thereon, the full faith, credit and revenue of the Lexington-Fayette Urban County Government are hereby pledged for the prompt payment thereof. During the period the Series 2012C Notes are outstanding, there shall be and there hereby is levied on all the taxable property in the Lexington-Fayette Urban County Government, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the principal of and interest on the Series 2012C Notes when and as due, it being hereby found and determined

that current tax rates are within all applicable limitations. Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended and collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof provided, however, that in each year to the extent that the other lawfully available funds of the Lexington-Fayette Urban County Government are available for the payment of the Series 2012C Notes and are appropriated for such purpose, including the proceeds of the Series 2012C Notes, the amount of such direct tax upon all of the taxable property in the Lexington-Fayette Urban County Government shall be reduced by the amount of such other funds so available and appropriated.

**SECTION 7. Maintenance of Sinking Fund.** There has heretofore been established with the Lexington-Fayette Urban County Government a sinking fund (the "Sinking Fund"), which is hereby ordered maintained so long as any of the Series 2012C Notes shall remain outstanding. The funds derived from the tax levy required by Section 6 hereof or other lawfully available funds shall be placed in the Sinking Fund and, together with interest collected on the same, are irrevocably pledged for the payment of the interest on and principal of all obligations issued under the Act and Tax-Supported Leases, as defined in the Act, when and as the same fall due. Amounts shall be transferred from the Sinking Fund to the Series 2012C Note Payment Fund at the times and in the amounts required by Section 6 hereof.

**SECTION 8. Sale of Notes; Certificate of Award.** The Designated Officers are hereby directed to sell the Series 2012C Notes to the Purchaser at advertised competitive sale, the final principal amount of, the principal amortization of and the interest rate or rates on the Series 2012C Notes to be established in accordance with the requirements of Sections 1 and 2 hereof by adoption of the Certificate of Award. The Mayor of the Lexington-Fayette Urban County

Government is hereby authorized to execute the Certificate of Award establishing the terms of the Series 2012C Notes described herein and any other provisions required by and not inconsistent with this Note Ordinance without any further action by the Urban County Council.

**SECTION 9. Registered Owner; Transfer; Exchange.** As long as the Series 2012C Notes executed and delivered hereunder shall remain outstanding, the Paying Agent and Registrar shall maintain an office for the registration of such Series 2012C Notes and shall also keep at such office books for such registration and transfers. The registered owners of the Series 2012C Notes, as set forth in the registration books maintained by the Paying Agent and Registrar on the fifteenth day preceding the Interest Payment Date, or its assignees, for purposes of this Note Ordinance, to the extent of its interest, shall be treated as the owner of the applicable Series 2012C Notes and shall be entitled to all rights and security of the owner of the applicable Series 2012C Notes hereunder.

Upon surrender for registration of transfer of Series 2012C Notes at the office of the Paying Agent and Registrar with a written instrument of transfer satisfactory to the Paying Agent and Registrar, duly executed by the registered owner or the registered owner's duly authorized attorney, the Paying Agent and Registrar shall execute and deliver, in the name of the designated transferee or transferees, one or more Series 2012C Notes of any authorized denomination and of a like tenor and effect.

All Series 2012C Notes, upon surrender thereof at the office of the Paying Agent and Registrar, may, at the option of the registered owner thereof be exchanged for an equal aggregate principal amount of Series 2012C Notes of the same series of any authorized denomination.

In all cases in which the privilege of exchanging or transferring Series 2012C Notes is exercised, the Paying Agent and Registrar shall execute and deliver Series 2012C Notes in accordance with the provisions of this Section. Every such exchange or transfer of Series 2012C



Notes, whether temporary or definitive, shall be without charge; provided that the Paying Agent and Registrar may impose a charge sufficient to reimburse it or the Lexington-Fayette Urban County Government for any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer, which sum or sums shall be paid by the person requesting such exchange or transfer as a condition precedent to the exercise of the privilege of making such exchange or transfer.

**SECTION 10. Book-entry System.** For purposes of this Note Ordinance, the following terms shall have the following meanings:

"Book entry form" or "book entry system" means a form or system under which (i) the beneficial right to payment of principal of and interest on the Series 2012C Notes may be transferred only through a book entry, and (ii) physical Series 2012C Note certificates in fully registered form are issued only to the Depository or its nominee as registered owner, with the Series 2012C Notes "immobilized" to the custody of the Depository, and the book entry maintained by others than the Lexington-Fayette Urban County Government or the Paying Agent and Registrar is the record that identifies the owners of beneficial interests in those Series 2012C Notes and that principal and interest.

"Depository" means any securities depository that is a clearing agency under federal law operating and maintaining, together with its Participants or otherwise, a book entry system to record ownership of beneficial interests in Series 2012C Notes or principal and interest, and to effect transfers of Series 2012C Notes, in book entry form, and includes and means initially The Depository Trust Company (a limited purpose trust company), New York, New York.

"Participant" means any participant contracting with a Depository under a book entry system and includes security brokers and dealers, banks and trust companies, and clearing corporations.

All or any portion of the Series 2012C Notes may be initially issued to a Depository for use in a book entry system, and the provisions of this Section 10 shall apply to such Series 2012C Notes, notwithstanding any other provision of this Note Ordinance. If and as long as a book entry system is utilized with respect to any such Series 2012C Notes: (i) there shall be such number of Series 2012C Notes of each maturity as the Depository shall specify; (ii) those Series 2012C Notes shall be registered in the name of the Depository or its nominee, as registered owner, and immobilized in the custody of the Depository; (iii) the beneficial owners of Series 2012C Notes in book entry form shall have no right to receive Series 2012C Notes in the form of physical securities or certificates; (iv) ownership of beneficial interests in any Series 2012C Notes in book entry form shall be shown by book entry on the system maintained and operated by the Depository and its Participants, and transfers of the ownership of beneficial interests shall be made only by book entry by the Depository and its Participants; and (v) the Series 2012C Notes as such shall not be transferable or exchangeable, except for transfer to another Depository or to another nominee of a Depository, without further action by the Urban County Council. Debt service charges on Series 2012C Notes in book entry form registered in the name of a Depository or its nominee shall be payable in the manner provided in the Lexington-Fayette Urban County Government's agreement with the Depository to the Depository or its authorized representative (i) in the case of interest, on each Interest Payment Date, and (ii) in all other cases, upon presentation and surrender of Series 2012C Notes as provided in this Note Ordinance.

The Paying Agent and Registrar may, with the approval of the Lexington-Fayette Urban County Government, enter into an agreement with the beneficial owner or registered owner of any Series 2012C Note in the custody of a Depository providing for making all payments to that owner of principal and interest on that Series 2012C Note or any portion thereof (other than any payment of the entire unpaid principal amount thereof) at a place and in a manner (including

wire transfer of federal funds) other than as provided in this Note Ordinance, without prior presentation or surrender of the Series 2012C Note, upon any conditions which shall be satisfactory to the Paying Agent and Registrar and to the Lexington-Fayette Urban County Government. That payment in any event shall be made to the person who is the registered owner of that Series 2012C Note on the date that principal is due, or, with respect to the payment of interest, as of the applicable date agreed upon as the case may be. The Paying Agent and Registrar shall furnish a copy of each of those agreements, certified to be correct by the Paying Agent and Registrar, to any other paying agents for Series 2012C Notes and to the Lexington-Fayette Urban County Government. Any payment of principal or interest pursuant to such an agreement shall constitute payment thereof pursuant to, and for all purposes of, this Note Ordinance.

The Mayor of the Lexington-Fayette Urban County Government is authorized and directed to execute, acknowledge and deliver, in the name of and on behalf of the Lexington-Fayette Urban County Government a letter agreement among the Lexington-Fayette Urban County Government, the Paying Agent and Registrar and The Depository Trust Company, as Depository, to be delivered in connection with the issuance of the Series 2012C Notes to the Depository for use in a book entry system.

If any Depository determines not to continue to act as depository for the Series 2012C Notes for use in a book entry system, the Lexington-Fayette Urban County Government and the Paying Agent and Registrar may attempt to establish a securities depository/book entry relationship with another qualified Depository under this Note Ordinance. If the Lexington-Fayette Urban County Government and the Paying Agent and Registrar do not or are unable to do so, the Lexington-Fayette Urban County Government and the Paying Agent and Registrar, after the Paying Agent and Registrar has made provision for notification of the beneficial owners

by the then Depository, shall permit withdrawal of the Series 2012C Notes from the Depository and authenticate and deliver Series 2012C Note certificates in fully registered form to the assigns of the Depository or its nominee, all at the cost and expense (including costs of printing definitive Series 2012C Notes), if the event is not the result of action or inaction by the Urban County Council or the Paying Agent and Registrar, of those persons requesting such issuance.

**SECTION 11. Disposition of Proceeds.** The proceeds of the sale of the Series 2012C Notes shall be deposited, together with other available funds of the Lexington-Fayette Urban County Government, as follows: (a) accrued interest, if any, shall be deposited to the Series 2012C Note Payment Fund created in Section 5 hereof, (b) into an acquisition account for the Series 2012C Notes (the "Lexington-Fayette Urban County Government Acquisition Account") to be held by the Lexington-Fayette Urban County Government and used to pay the costs of the acquisition, installation and equipping of the Project; and (c) the remainder of the proceeds shall be deposited to a special cost of issuance account (the "Series 2012C Note Cost of Issuance Fund") hereby authorized and directed to be established and held by the Paying Agent and Registrar and used to pay the costs of issuance of the Series 2012C Notes.

**SECTION 12. Restriction on Use of Proceeds.** This Urban County Council for and on behalf of the Lexington-Fayette Urban County Government hereby covenants that it will restrict the use of the proceeds of the Series 2012C Notes hereby authorized in such manner and to such extent, if any, and take such other action as may be necessary, after taking into account reasonable expectations at the time the debt is incurred, so that they will not constitute obligations the interest on which is subject to federal income taxation or "arbitrage bonds" under Sections 103(b)(92) and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations prescribed thereunder. The Mayor or any other officer having responsibility with respect to the issuance of the certificates, is authorized and directed to give an appropriate

certificate on behalf of the Lexington-Fayette Urban County Government, on the date of delivery of the Series 2012C Notes, for inclusion in the transcript of proceedings, setting forth the facts, estimates and circumstances and reasonable expectations pertaining to the use of the proceeds thereof and the provisions of said Sections 103(b)(2) and 148 and regulations thereunder.

These Series 2012C Notes are not designated "qualified tax-exempt obligations" for the purposes set forth Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

**SECTION 13. Appointment and Engagement of Bond Counsel.** Peck, Shaffer & Williams LLP, Covington, Kentucky ("Bond Counsel") is hereby appointed as bond counsel for the Series 2012C Notes. Bond Counsel shall be paid a fee equal to \$0.80 per \$1,000 of Series 2012C Notes issued for bond counsel services. The Mayor and/or the Commissioner of Finance of the Lexington-Fayette Urban County Government is hereby authorized and directed to execute an engagement letter with Bond Counsel substantially in the form of the engagement letter presented to Urban County Council, with such changes therein as shall not be materially adverse to the Lexington-Fayette Urban County Government, the execution of such engagement letter by the Mayor and/or the Commissioner of Finance to constitute conclusive evidence of approval of the engagement letter.

**SECTION 14. Financial Advisor.** Morgan Keegan & Company, Inc. (or its successor in interest) (the "Financial Advisor") is appointed Financial Advisors to the Lexington-Fayette Urban County Government in connection with the issuance, sale and delivery of the Series 2012C Notes. The Financial Advisor shall be paid a fee not to exceed \$12,500 for financial advisory services. The Mayor and/or the Commissioner of Finance of the Lexington-Fayette Urban County Government is hereby authorized and directed to execute a engagement letter with the Financial Advisor substantially in the form of the engagement letter presented to Urban County Council, with such changes therein as shall not be materially adverse to the

Lexington-Fayette Urban County Government, the execution of such engagement letter by the Mayor and/or the Commissioner of Finance to constitute conclusive evidence of approval of the engagement letter.

**SECTION 15. Discharge of Note Ordinance.** If the Lexington-Fayette Urban County Government shall pay or cause to be paid, or there shall otherwise be paid, to the owners of the Series 2012C Notes the total principal and interest due or to become due thereon through maturity, in the manner stipulated therein and in this Note Ordinance, then the pledges made under this Note Ordinance, and all covenants, agreements and other obligations of the Lexington-Fayette Urban County Government hereunder, shall thereupon cease, terminate and become void and be discharged and satisfied.

**SECTION 16. Severability.** If any one or more of the provisions of this Note Ordinance should be determined by a court of competent jurisdiction to be contrary to law, then such provisions shall be deemed to be severable from all remaining provisions and shall not affect the validity of such other provisions.

**SECTION 17. Inconsistent Actions.** All prior ordinances, resolutions, orders or parts thereof inconsistent herewith are hereby repealed.

**SECTION 18. Open Meetings Compliance.** All meetings of the Urban County Council and of its committees and any other public bodies, at which the formal actions in connection with the issuance of the Series 2012C Notes were taken, or at which deliberations that resulted in such formal actions were held, were open meetings, and such formal actions were taken and any such deliberations took place while such meetings, after proper notice, were open to the public, in compliance with all legal requirements including KRS Sections 61.810, 61.815 and 61.820.

**SECTION 19. Effective Date.** This Note Ordinance shall become effective immediately upon the date of its passage.

[Remainder of 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 \_\_\_\_\_, 2012.

**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 \_\_\_\_\_, 2012.

**LEXINGTON-FAYETTE URBAN COUNTY  
GOVERNMENT**

By: \_\_\_\_\_  
Jim Gray  
Mayor

**ATTEST:**

By: \_\_\_\_\_  
Susan Lamb  
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 a Note 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 \_\_\_\_\_, 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.

**WITNESS** my hand and the seal of said Lexington-Fayette Urban County Government as of the \_\_\_\_ day of \_\_\_\_\_, 2012.

\_\_\_\_\_  
Susan Lamb  
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 LLP**

By: \_\_\_\_\_  
John C. Merchant, Esq.

ANNEX A

COMMONWEALTH OF KENTUCKY  
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
VARIOUS PURPOSE GENERAL OBLIGATION NOTES  
SERIES 2012C

No. R-\_\_

<u>Maturity Date</u>	<u>CUSIP Number</u>	<u>Interest Rate</u>	<u>Dated Date</u>	<u>Interest Payment Dates</u>
July 1, _____	_____	_____%	September __, 2012	January 1 and July 1

REGISTERED HOLDER: \_\_\_\_\_

PRINCIPAL AMOUNT: \$\_\_\_\_\_ DOLLARS

**KNOW ALL PERSONS BY THESE PRESENTS:** That the Lexington-Fayette Urban County Government for value received, hereby acknowledges itself obligated to, and promises to pay to the registered holder identified above, or registered assigns, the principal sum identified above (or, if any part thereof has been paid, the balance thereof remaining unpaid), on the maturity date specified above, and to pay interest on said principal sum (or, if any part thereof has been paid, the balance thereof remaining unpaid) from the date hereof, payable each January 1 and July 1, commencing January 1, 2013, at the Interest Rate per annum identified above, except as the provisions hereinafter set forth with respect to prior redemption may be and become applicable hereto. The principal of and interest on this Series 2012C Note are payable, without deduction for exchange, collection, or service charges, in lawful money of the United States of America. Principal is payable at the principal office of the \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, or any successor (the "Paying Agent and Registrar") or by other transfer of funds acceptable to the Paying Agent and Registrar and such owner. All interest on this note and principal payable prior to the final maturity date shall be payable by check or draft mailed to the record date registered holder hereof at the address shown on the registration records kept by the Paying Agent and Registrar or by other transfer of funds acceptable to the Paying Agent and Registrar and such owner. The record date shall be the fifteenth day of the month preceding each interest payment date.

This Series 2012C Note is one of an issue of Series 2012C Notes of like tenor and effect, except as to denomination and maturity, numbered from R-1 upward, inclusive, of the denomination of \$5,000 or any integral multiple thereof originally aggregating \_\_\_\_\_ dollars (\$\_\_\_\_\_) in principal amount, issued for the purpose of (i) 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 (ii) paying the costs of issuing the Series 2012C Notes, all pursuant to and in full compliance

with the general laws of the Commonwealth of Kentucky and particularly Chapter 66 of the Kentucky Revised Statutes, and pursuant to an ordinance duly adopted by the Urban County Council of the Lexington-Fayette Urban County Government on the \_\_\_\_ day of \_\_\_\_\_, 2012 (the "Note Ordinance") upon the affirmative vote of at least a majority of the members of its Urban County Council at a public meeting duly and regularly held and after filing proper notice with the State Local Debt Officer of the Commonwealth of Kentucky.

This Series 2012C Note and the issue of which it forms a part is a general obligation of the Lexington-Fayette Urban County Government and the full faith, credit and revenue of the Lexington-Fayette Urban County Government are pledged to the payments due hereunder. **THIS SERIES 2012C NOTE IS CONTINUALLY SECURED BY THE FAITH, CREDIT AND REVENUE OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT.**

The Series 2012C Notes mature on the first day of July of the following years, in the respective principal amounts and bear interest at the following rates of interest:

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate Per Annum</u>
July 1, 2013		
July 1, 2014		
July 1, 2015		
July 1, 2016		
July 1, 2017		

The Series 2012C Notes are not be subject to optional redemption prior to their maturity.

No recourse shall be had for the payment of the principal of or the interest on this Series 2012C Note, or for any claim based hereon, against any officer, agent or employee, past, present or future, of the Lexington-Fayette Urban County Government, as such, either directly or through the Lexington-Fayette Urban County Government, whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise; all such liability of such officers, agents or employees is hereby renounced, waived and released as a condition of and as consideration for the issuance, execution and acceptance of this Series 2012C Note.

It is hereby certified that all acts, conditions and things required to be done, to occur or be performed precedent to and in the issuance of this Series 2012C Note, or in the creation of the obligations of which this Series 2012C Note is evidence, have been done, have occurred and have been performed in regular and due form and manner as required by law; that the faith, credit and revenue of the Lexington-Fayette Urban County Government are hereby irrevocably pledged for the prompt payment of the principal hereof and interest hereon; that the repayment obligation represented by this Series 2012C Note is not in excess of any constitutional or statutory limitation; and that due provision has been made for the levy and collection of a tax sufficient in amount to pay the interest on this Series 2012C Note as it falls due and to provide for the redemption of this Series 2012C Note at maturity or upon earlier redemption.

**IN WITNESS WHEREOF**, the Lexington-Fayette Urban County Government has caused this Series 2012C Note to be signed either manually or by facsimile in its name by its Mayor and duly attested either manually or by facsimile by its Urban County Council Clerk and an impression or facsimile of the Lexington-Fayette Urban County Government's seal to be imprinted hereon, as of the date set forth above.

**LEXINGTON-FAYETTE COUNTY  
GOVERNMENT**

\_\_\_\_\_  
Mayor

[SEAL]

Attest:

\_\_\_\_\_  
Urban County Council Clerk

**CERTIFICATE OF AUTHENTICATION**

This is to certify that this Series 2012C Note is one of the Series 2012C Notes described hereinabove.

[PAYING AGENT], \_\_\_\_\_, Kentucky

By: \_\_\_\_\_

Name:

Title:

Date of Authentication: \_\_\_\_\_

*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.*

**CERTIFICATE**

It is hereby certified that the following is a correct and complete copy of the text of the legal opinion of Peck, Shaffer & Williams LLP, Attorneys, Covington, Kentucky, regarding the issue of which the within Series 2012C Note is one, the original of which opinion was manually executed, dated and issued as of the date of delivery of and payment for said issue and a copy of which is on file with the undersigned.

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Urban County Council Clerk

[INSERT FORM OF APPROVING OPINION]

**ASSIGNMENT**

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

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

the within Series 2012C Note and does hereby irrevocably constitute and appoint \_\_\_\_\_ or its successor as Paying Agent and Registrar to transfer the said Series 2012C Note on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

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Notice: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Series 2012C Note in every particular, without alteration or enlargement or any change whatever.

**ANNEX B**  
**FEE SCHEDULE OF THE FINANCIAL ADVISOR**  
[SEE ATTACHED]