

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 2017A, IN AN AGGREGATE PRINCIPAL AMOUNT OF \$34,790,000 (WHICH AMOUNT MAY BE INCREASED BY AN AMOUNT OF UP TO TEN PERCENT (10%)); AND (II) TAXABLE GENERAL OBLIGATION PENSION FUNDING REFUNDING BONDS, SERIES 2017B, IN AN AGGREGATE PRINCIPAL AMOUNT OF \$22,560,000 (WHICH AMOUNT MAY BE INCREASED BY AN AMOUNT OF UP TO TEN PERCENT (10%)).

WHEREAS, the Lexington-Fayette Urban County Government has previously determined the necessity of financing the acquisition of various projects for departments within the Lexington-Fayette Urban County Government, including, but not limited to, (i) the construction, installation, renovations, repairs and upgrades and equipping of fire stations, software system upgrades, safety operations and other safety related projects, new firetrucks, new police equipment, new police cars, road resurfacing, road maintenance, road upgrades, street scapes and sidewalk improvements, renovations, repairs and upgrades related to public buildings, renovations, repairs and upgrades related to park projects, and various other improvements within departments of the Lexington-Fayette Urban County Government, and (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 2017A Project”); and

WHEREAS, the Lexington-Fayette Urban County Government, heretofore issued its \$35,825,000 Taxable General Obligation Pension Funding Bonds, Series 2010D, currently outstanding in the principal amount of \$26,470,000, (the "Prior Bonds,") the proceeds of which were used for the purpose of funding certain unfunded liabilities to the Policemen's and

Firefighters' Retirement Fund of the Lexington-Fayette Urban County Government (the "Series 2010D Project"), based on computations set forth in actuarial reports dated July 1, 2008, as supplemented, prepared by Cavanaugh Macdonald Consulting LLC (the "Actuaries"); 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 2017A, in one or more subseries in the principal of \$34,790,000, (which amount may be increased by an amount of up to ten percent (10%)) (the "Series 2017A Bonds"), in order to (i) provide funds to finance a portion of the Series 2017A Project, and (ii) pay the costs of issuing the Series 2017A Bonds; 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 Taxable General Obligation Pension Funding Refunding Bonds, Series 2017B (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds") in one or more subseries, in a principal amount of \$22,560,000 (which amount may be increased by an amount of up to ten percent (10%)), 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 2017B Bonds;

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 2017A Bonds in one or more subseries in the principal amount of \$34,790,000, (which amount may be increased by an amount of up to ten percent (10%)), in order to provide funds for (i) the Series 2017A Project as identified above; and (ii) pay the costs of issuing the Series 2017A Bonds. The Lexington-Fayette Urban County Government shall also issue its Series 2017B Bonds in a principal amount of \$22,560,000 (which amount may be increased by an amount of up to ten percent (10%)) (provided that the refunding of the 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 advisor 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 2017B 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 2017 Bonds. The Mayor, the Clerk of the Urban County Council, the Commissioner of Finance and/or Chief Administrative Officer 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 2017 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 2017 Bonds. Failure to comply with any such provisions of the Continuing Disclosure Certificate shall not constitute a default on the Series 2017 Bonds; however, any holder of the Series 2017 Bonds, including the beneficial owners of the Series 2017 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 received 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 2017 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 2017A Bonds and the Series 2017B Bonds (collectively, the "Certificate of Award"), determine the exact principal amount of Series 2017 Bonds to be issued, the subseries designations of the Series 2017 Bonds, the rate or rates of interest which said Series 2017 Bonds shall bear, redemption provisions and the interest rate or rates on said Series 2017 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 2017A Bonds shall be applied to the costs of the Series 2017A Project and paying the costs of issuance of the Series 2017A Bonds, and shall be expended as provided in the bond ordinance authorizing the Series 2017A Bonds. The proceeds of the sale of the Series 2017B 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 2017B Bonds, and shall be expended as provided in the bond ordinance authorizing the Series 2017B Bonds

SECTION 5. In the event that no bid shall be accepted for the purchase of the Series 2017 Bonds, bids may again be solicited for the purchase of the Series 2017 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.

[Remainder of page intentionally left blank]

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 _____, 2017, 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:

Martha Allen
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 _____, 2017, 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 _____, 2017.

Martha Allen
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.

DINSMORE & SHOHL 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 (i) until **11:00 a.m., E.D.T. on Tuesday, September 12, 2017** with respect to the principal amount of approximately \$34,790,000 of Various Purpose General Obligation Bonds, Series 2017A, (the "Series 2017A Bonds"); and (ii) until **11:30 a.m., E.D.T. on Tuesday, September 12, 2017** with respect to the principal amount of approximately \$22,560,000 of Taxable General Obligation Pension Funding Refunding Bonds, Series 2017B, (the "Series 2017B Bonds" and together with the Series 2017A Bonds, the "Series 2017 Bonds") (or at such later time and date announced by noon, E.D.T. on the day preceding the Bid Opening via the Parity® system or the Thomson Municipal News wire) "). The Series 2017 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 2017A Bonds mature as to principal in varying amounts on September 1 in varying amounts in each of the years **2018 through 2037**. Electronic bids may be submitted via BiDCOMP™/PARITY™, in the manner described below. The Series 2017B Bonds mature as to principal in varying amounts on December 1 in varying amounts in each of the years 2018 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: J.J.B. Hilliard, W.L. Lyons, LLC, 500 West Jefferson Street, Louisville, Kentucky 40202, Attention Mr. Chip Sutherland (502) 588-8462. 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 (800) 850-7422. 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 2017 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 2017 Bonds subject to the approving legal opinion of Dinsmore & Shohl LLP, Bond Counsel, Lexington, Kentucky. The Series 2017 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