

RESOLUTION OF THE BOARD OF EDUCATION OF
FAYETTE COUNTY, KENTUCKY, RELATING TO THE
ISSUANCE OF FAYETTE COUNTY SCHOOL DISTRICT
FINANCE CORPORATION SCHOOL BUILDING
REFUNDING REVENUE BONDS, SERIES 2015C

WHEREAS, the Fayette County School District Finance Corporation (the "Corporation") previously issued its Fayette County School District Finance Corporation School Building Refunding Revenue Bonds, Series 2004B, dated October 15, 2004, in an original principal amount of \$15,160,000 (the "Series 2004B Bonds"), on behalf of the Board of Education of Fayette County, Kentucky (the "Board of Education"), for the purposes of refinancing its Fayette County School District Finance Corporation School Building Revenue Bonds, Series 1997A, dated January 15, 1997 (the "Series 1997A Bonds"), which financed the renovation and improvement of the Beaumont, Crawford and Southern Middle Schools in the Fayette County School District, including buildings, additions, structures, fixtures, equipment, furnishings, appurtenances, improvements and the sites thereof (collectively, the "Series 2004B Projects"); and

WHEREAS, the Corporation previously issued its Fayette County School District Finance Corporation School Building Refunding Revenue Bonds, Series 2005B, dated September 1, 2005, in an original principal amount of \$25,735,000 (the "Series 2005B Bonds"), on behalf of the Board of Education, for the purposes of refinancing its Fayette County School District Finance Corporation School Building Revenue Bonds, Series 1999, dated September 15, 1999 (the "Series 1999 Bonds", and collectively, with the Series 1997A Bonds (the "Prior Bonds"), which financed the renovation and improvement of the Ashland Elementary School, Harrison Elementary School, Henry Clay High School, Lafayette High School, Lansdowne Elementary School, School for Creative and Performing Arts and Winburn Middle School, including buildings, additions, structures, fixtures, equipment, furnishings, appurtenances, improvements and the sites thereof (collectively, the "Series 2005B Projects", and collectively, with the Series 2004B Projects (the "Projects"); and

WHEREAS, the Board of Education previously caused title to the Projects, including their sites, to be conveyed to the Corporation in connection with the issuance of the Prior Bonds by the Corporation; and

WHEREAS, the Kentucky School Facilities Construction Commission (the "Commission") entered into a Participation Agreement with the Board of Education with regard to the financing of the Series 2005B Projects in connection with the issuance of the Series 2005B Bonds; and

WHEREAS, in order to refund (i) the Series 2004B Bonds maturing on January 1, 2016 through January 1, 2017, in the outstanding principal amount of \$4,485,000 (the "Refunded 2004B Bonds") and (ii) the Series 2005B Bonds maturing on September 1, 2015 through September 1, 2019, in the outstanding principal amount of \$17,560,000 (the "Refunded 2005B Bonds"), and collectively with the Refunded 2004B Bonds, the "Refunded Bonds"), and to pay related costs, it has been determined to be necessary to

direct the Corporation to issue its School Building Refunding Revenue Bonds, Series 2015C, in the aggregate principal amount of \$21,755,000, subject to change as hereinafter provided (the "Series 2015C Bonds"), all pursuant to and as permitted by Sections 162.120 through 162.300 and 162.385 of the Kentucky Revised Statutes ("KRS"); and

WHEREAS, the Board of Education will take any and all action necessary or desirable to cause the Corporation to call for redemption (i) the Refunded 2004B Bonds on July 29, 2015 and (ii) the Refunded 2005B Bonds on September 1, 2015, each at 100% of the face value thereof plus accrued interest thereon; and

WHEREAS, the continued use and occupancy of the Projects by the Board of Education is necessary to provide adequate educational facilities and to promote the general welfare of the school children in the Fayette County School District, and the annual revenues of the Board of Education are sufficient to permit payment from such revenues of the annual rentals for the use and occupancy of the facilities as hereinafter provided to be leased and rented.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF EDUCATION OF FAYETTE COUNTY, KENTUCKY, AS FOLLOWS:

Section 1. The facts and statements contained in the foregoing preamble of this Resolution, including the terms defined therein, are hereby affirmed and incorporated as a part of this Resolution.

Section 2. It is hereby found and declared to be necessary, advantageous and in the public interest that the Board of Education direct the Corporation to undertake the refunding of the Refunded Bonds in order to address the reduction in the interest subsidy and thereby effect debt service savings and to lease the Projects to the Board of Education for the Board's use and occupancy. The sites of the Projects are described in the Contract of Lease and Rent herein approved.

Section 3. The Board of Education hereby directs that the Corporation ratify, approve and accept the appointment of J.J.B. Hilliard, W.L. Lyons, LLC, as financial advisor (the "Financial Advisor"), in accordance with the agreement previously made by the Board of Education, and Stoll Keenon Ogden PLLC, as bond counsel, to be paid from the proceeds of the Series 2015C Bonds when the same are received and not from any other funds or resources of the Corporation or the Board of Education (unless necessary to supplement such bond proceeds). All actions previously taken by Board of Education officials with respect to such appointments are approved, ratified and confirmed.

Section 4. Each of the Chairperson and the Vice Chairperson of the Board of Education is hereby authorized and directed to execute for and on behalf of the Board of Education a Participation Agreement with the Commission in substantially the form submitted herewith (and as adopted as a part hereof), with such changes as the authorized officer of the Board of Education may approve on behalf of the Board of Education, as evidenced by his or her execution of the final instrument. The Board hereby irrevocably pledges and assigns to the Corporation the agreed participation of

the Commission allocable to the Series 2015C Bonds under the Participation Agreement for the benefit of the holders of the Series 2015C Bonds.

Section 5. Each of the Chairperson and the Vice Chairperson is hereby authorized and directed to execute for and on behalf of the Board of Education a Contract of Lease and Rent with the Corporation in substantially the form submitted herewith (and adopted as a part hereof), with such changes as the authorized officer of the Board of Education may approve on behalf of the Board of Education, as evidenced by his or her execution of the final instrument.

Section 6. The Secretary has filed a copy of this Resolution and the form of a proposed Resolution of the Corporation's Board of Directors with the Secretary of the Corporation with the direction that they be acted upon at the meeting of the Corporation's Board of Directors held on this date, and such action is approved and affirmed and the same shall constitute a direction and notice on behalf of the Board of Education that the Corporation, acting by and through its Board of Directors, take all action necessary and appropriate: (a) for the issuance, sale and delivery of School Building Refunding Revenue Bonds, Series 2015C, dated July 28, 2015, or such other date as may be set by the President, Treasurer or Secretary of the Corporation, in the aggregate principal amount of \$21,755,000 (subject to any adjustment provided for in the proposed Resolution); (b) for application of the proceeds of sale of the Series 2015C Bonds in accordance with the provisions of the Resolution of the Board of Directors of the Corporation authorizing the Series 2015C Bonds (the "Bond Resolution") for the purposes of refunding the Refunded Bonds and paying expenses in connection with the issuance of the Series 2015C Bonds, including the fees and expenses of the financial advisor, bond counsel and other advisors; and (c) for executing and delivering on behalf of the Corporation the proposed Contract of Lease and Rent as herein approved.

Section 7. When the Series 2015C Bonds have been sold, the Chairperson, Vice Chairperson, Treasurer, Secretary and other appropriate officers of the Board of Education, and each of them, are authorized to take such actions as may be necessary or desirable to carry out the issuance of the Series 2015C Bonds and the refunding of the Refunded Bonds. The Board of Education specifically authorizes its officers to take any and all action necessary or desirable to cause the Corporation to carry out the call for redemption of the Refunded 2004B Bonds on July 29, 2015 and the call for redemption of the Refunded 2005B Bonds on September 1, 2015 (or such other dates as may be recommended by the Financial Advisor). The Board of Education specifically authorizes its officers to take such actions under the terms of the representations, warranties and covenants contained in the Contract of Lease and Rent, hereinabove approved, as may be required to comply with the provisions of the United States Internal Revenue Code of 1986, as amended, in respect of the exclusion from gross income for federal income tax purposes of interest on the Series 2015C Bonds, and the applicable rules of the Securities and Exchange Commission.

Section 8. It is acknowledged that in connection with the sale of the Series 2015C Bonds a Preliminary Official Statement and a final Official Statement (collectively, the "Official Statement") of the Corporation, as issuer of the Series 2015C Bonds, and the Board of Education will be distributed. The Official Statement and the use thereof in offering and selling the Series 2015C Bonds is hereby approved and the

Chairperson or Secretary may execute the same on behalf of the Board of Education. The Preliminary Official Statement is hereby declared to be in form "deemed final" for purposes of SEC Rule 15c2-12(b)(1), but is subject to amendment, revision and completion in the final Official Statement.

Section 9. The Board of Education hereby covenants and agrees that it will, before the issuance of the Series 2015C Bonds, execute and deliver a Continuing Disclosure Certificate, as described in the Official Statement, and further will comply with and carry out all of the provisions of the Continuing Disclosure Certificate. However, any failure of the Board of Education to comply with the Continuing Disclosure Certificate shall not be considered an event of default hereunder or under the Contract of Lease and Rent herein approved. Any bondholder may take such actions as may be necessary and appropriate to obtain specific performance by court order to cause the Board of Education to comply with its obligations under the Continuing Disclosure Certificate.

Section 10. The Treasurer is authorized to establish and transfer each year to the "School Building Fund" in accordance with KRS 160.476 sufficient general fund moneys to meet the debt service requirement on the Series 2015C Bonds in each year the Contract of Lease and Rent is in effect. Sufficient funds for each year means the difference between the total of all debt service requirements and the sum of the Board of Education's SEEK capital outlay (80%), five cent equivalent tax, [five cent callable tax](#) and the FSPK equalization (if any) for that year.

Section 11. This Resolution shall take effect from and after its passage. The prior resolution of the Board of Education dated January 26, 2015, previously authorizing the issuance of the Series 2015C Bonds is hereby repealed and rescinded in its entirety.

(Signature page immediately follows)

Adopted on June 22, 2015.

John D. Price, Chairperson
Board of Education of
Fayette County, Kentucky

Attest:

Marlene M. Helm, Ed.D, Secretary
Board of Education of
Fayette County, Kentucky

Certification

I, the undersigned, Secretary of the Board of Education of Fayette County, Kentucky, do hereby certify that the foregoing is a true, correct and complete copy of a Resolution duly adopted by the Board of Education at a properly convened regular meeting of the Board of Education held on June 22, 2015, signed by the Chairperson thereof and attested by me as Secretary, as shown by the official records in my possession and under my control.

IN WITNESS WHEREOF, I have executed this Certification this July 28, 2015.

Marlene M. Helm, Ed.D, Secretary
Board of Education of
Fayette County, Kentucky

STAFF CONTACT: Mary Wright, Executive Director, Operations

POLICY REFERENCE: 01.11 (General Powers and Duties of the Board)

RECOMMENDATION: A motion is in order to:

“Adopt the resolution of the Board of Education related to issuance of the Fayette County School District Finance Corporation Building Refunding Revenue Bonds, Series 2015C”