

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

WHEREAS, the Board of Education of Fayette County, Kentucky (the "Board of Education"), desires to direct the Fayette County School District Finance Corporation (the "Corporation") to issue its School Building Revenue Bonds, Series 2015D (the "Series 2015D Bonds"), for the purpose of paying the costs (not otherwise paid) of the acquisition, construction, installation, and equipping of, and to use and to occupy, (a) a new elementary school campus and related facilities designed to accommodate 650 students to be located at 2441 Huntly Place in Lexington, Kentucky; (b) a new elementary school campus and related facilities designed to accommodate 650 students to be located at 1150 Passage Mound Way in Lexington, Kentucky; and (c) a new 285,790 square foot high school campus and related facilities designed to accommodate 1,800 students to be located at 2000 Winchester Road in Lexington, Kentucky, all within the boundaries of the Fayette County School District, and including buildings, additions, structures, fixtures, equipment, furnishings, appurtenances, improvements and the sites thereof (collectively, the "Projects"); and

WHEREAS, the Board of Education has caused or will cause title to the Projects, including their sites, to be conveyed to the Corporation; and

WHEREAS, the construction, improvement, equipping, 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 construction, improvement, and equipping of the Projects, to acquire and hold title to the Projects and to lease the Projects to the Board of Education for the Board's use and occupancy. The Chairperson, Vice Chairperson, or other appropriate officers are authorized to cause title to the Projects, including their sites, to be conveyed to the Corporation (to the extent not previously conveyed). 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, in accordance with the agreement previously made by the Board of Education, Stoll Keenon Ogden PLLC, as bond counsel, and Clotfelter/Samokar, P.S.C., Moody-Nolan, Inc., and Tate.Hill.Jacobs: Architects Inc., as the architect for each of the respective Projects, as described above, to be paid from the proceeds of the Series 2015D 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 is hereby authorized and directed to execute for and on behalf of the Board of Education a Participation Agreement with the Kentucky School Facilities Construction 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 2015D Bonds under the Participation Agreement for the benefit of the holders of the Series 2015D Bonds.

Section 5. 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 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 of the Board of Education 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 Revenue Bonds, Series 2015D, dated July 14, 2015 or such other date as may be set by the President, Treasurer, or Secretary of the Corporation, in the aggregate principal amount of \$98,170,000 (subject to any adjustment provided for in the proposed Resolution); (b) for application of the proceeds of sale of the Series 2015D Bonds in accordance with the provisions of the Resolution of the Board of Directors of the Corporation authorizing the Series 2015D Bonds (the "Bond Resolution") for the purposes of financing the costs of construction, improvement, and equipping of the Projects (to the extent not otherwise financed) and paying expenses in connection with the issuance of the Series 2015D 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 2015D 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 2015D Bonds. 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 2015D 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 2015D Bonds a Preliminary Official Statement and a final Official Statement (collectively, the "Official Statement") of the Corporation, as issuer of the Series 2015D Bonds, and the Board of Education will be distributed. The Official Statement and the use thereof in offering and selling the Series 2015D 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 2015D 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 Board of Education hereby appropriates from its funds available for school building purposes a sum equal to the amount by which the aggregate of all costs of the Projects, when finally determined, may exceed the proceeds of the Series 2015D Bonds. When the Series 2015D Bonds have been sold and the interest rates are established, the aggregate of all such costs shall be determined, which costs shall include among other things the amounts of the construction and equipment contracts, the fees of the architect, financial advisor and counsel, and a reasonable allowance for appurtenances and contingencies. The Treasurer of the Board of Education is authorized to pay over from time to time such amount in excess of Bond proceeds for deposit in the Corporation's School Building Construction Fund, Series 2015D, created in the Bond Resolution, or otherwise for payment of costs of the construction, improvement, and equipping of the Projects, without further authorization or order of the Board of Education.

Section 11. The Treasurer of the Board of Education 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 2015D 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 recallable tax](#) and the FSPK equalization (if any) for that year.

Section 12. This Resolution shall take effect from and after its passage.

(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 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 14, 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 2015D”