

Michael Newman

Senior Managing Director
Public Finance

On behalf of the Lexington-Fayette Urban County Airport Board (the “Airport”), Hilltop Securities Inc. (“HilltopSecurities”) is soliciting proposals (“Requests for Proposals”) from selected financial institutions to provide a three year non-revolving line of credit in an amount of up to \$16.0 million with advances, at the election of the Airport, bearing a (i) tax-exempt variable rate of interest or (ii) a taxable variable rate of interest (the “Line of Credit”).

Security for advances under the Line of Credit, and interest thereon, will consist of a pledge of General Revenues of the Airport and Lease Revenues, on parity with the outstanding debt of the Airport. Outstanding indebtedness of the Airport secured by General Revenues of the Airport and Lease Revenues are currently assigned long-term credit ratings of “Aa2” with a Stable Outlook by Moody’s Investors Service and “AA” with a Stable Outlook by Standard & Poor’s. The terms “General Revenues” and “Lease Revenues” have the meanings set forth in the Trust Indenture dated as of November 1, 2008 between the Airport and The Bank of New York Mellon Trust Company, N.A. (the “Trust Indenture”). No mortgage is provided to secure the outstanding indebtedness of the Airport, and no mortgage will be provided in connection with the proposed financing.

The proceeds of advances under the Line of Credit will be used to provide (i) interim financing for (a) runway rehabilitation and safety modifications projects, initial safety coordination, preliminary design and development; (b) terminal improvements including but not limited to restroom facilities and baggage conveyors, expansion of passenger and baggage screening facilities, Jet Bridge replacements and related equipment replacements; parking and road improvements; (c) improvements to the Airport Traffic Control Tower including the design and relocation of the Tower; (d) acquisition of equipment including but not limited to acquisition of Tugs, Deicers, Air Stairs; and (e) the acquisition, equipping, furnishing and installation of other capital expenditures. all located at the Blue Grass Airport, and (ii) any current expenses of the Airport.

To provide you with information regarding the Airport, we have attached hereto (a) audited financial statements of, and the most recent rating reports with respect to, the Airport and the Lexington-Fayette Urban County Government, (b) the most recent Official Statements issued by each of the Airport and Lexington-Fayette Urban County Government, and the Trust Indenture, and the supplements thereto. Additional information regarding the Airport and Lexington-Fayette Urban County Government is available through Electronic Municipal Market Access (“EMMA”), a service of the Municipal Securities Rulemaking Board.

All costs and expenses incurred by a Proposer in preparing, developing and/or submitting a proposal, or in further negotiations concerning a proposal, shall be borne by the Proposer, regardless of whether or not such Proposer is selected. No such costs or expenses shall be included in any proposal.

The Airport reserves the right, in its sole and absolute discretion, to determine which Proposer, if any, is to provide the services required and to reject any and all Proposals. The Airport retains the right to select a Proposer on any basis in its sole discretion.

The Airport will review the proposals received and, as necessary, request additional information and/or clarification of information present in the Proposals, issue one or more addenda to this Request for Proposal, request one or more Proposers to make presentations as to their proposals, negotiate individually or collectively with one or more Proposers, and do so either simultaneously or consecutively.

Nothing contained in the Request for Proposal or implied by the selection process shall create any obligation on the part of the Airport to select any firm for the services described herein. The Airport reserves the right, at its sole discretion, to select any institution on any basis that it deems appropriate (whether or not such basis is price). The Airport may also decide not to select an institution or to otherwise modify its approach to the solicitation.

The Airport will retain full title and ownership to all proposals. Proposals will not be returned to Proposers.

You and your institution, by accepting delivery of this Request for Proposal, agree to these conditions. If you do not agree to these conditions, please notify Mr. Michael Newman of Hilltop Securities Inc. in writing within forty-eight hours of receipt of this Request for Proposals. The failure to provide such notification will be deemed the agreement of the Proposer to the conditions outlined herein.

Your response to the attached list of questions must be received by the following individuals by e-mail no later than **5:00PM Eastern Daylight Time on October 6, 2023**:

Mr. Don Sever	Mr. Michael Newman
Vice President - Finance & Administration	Senior Managing Director
Blue Grass Airport	Hilltop Securities Inc.
E-Mail: dsever@bluegrassairport.com	E-Mail: michael.newman@hilltopsecurities.com

The Airport is presently planning to (a) select a financial institution to (i) provide a Line of Credit on or about **October 11, 2023**, and (b) close the Line of Credit on or prior to **December 20, 2023**. Proposers are not to contact employees of Blue Grass Airport or members of the Board of Directors of the Airport regarding this Request for Proposal, and shall limit their contact to Mr. Michael Newman of Hilltop Securities Inc. No contact with any staff or Directors of the Airport is permitted during the Request for Proposal process.

If you have any questions or require any additional information, please do not hesitate to contact me at (469) 830-2185 or michael.newman@hilltopsecurities.com. Thank you in advance for your response to this Request for Proposal.

Lexington-Fayette Urban County Airport Board
Non-Revolving Line of Credit

Items to be addressed in a proposal to provide a three year Non-Revolving Line of Credit in an amount of up to \$16.0 million with advances, at the election of the Airport, bearing a (i) tax-exempt variable rate of interest or (ii) a taxable variable rate of interest (the “Line of Credit”).

1. Please provide the full name, mailing address, telephone number, and e-mail address of the primary contact person for your institution with respect to this proposal.
2. Please provide the following information with respect to the provision of a three year Line of Credit, with advances due upon the earlier of expiration or termination of the facility, in an amount up to \$16.0 million with advances, at the election of the Airport, bearing a (i) tax-exempt variable rate of interest or (ii) a taxable variable rate of interest. Security for advances under the Line of Credit, and interest thereon, will consist of a pledge of General Revenues of the Airport and Lease Revenues, on parity with the outstanding debt of the Airport.

	Taxable Advances under Line of Credit	Tax-Exempt Advances under Line of Credit
Upfront or Establishment Fee, if any:		
Commitment Fee, if any, on Undrawn Amount of Line of Credit:		
Variable Interest Rate on Drawings:		
Draw Fees: Amendment Fees:		
Repayment Terms:		

3. Please indicate the method of fee calculation and the frequency of payment, including any circumstances under which fees may change. Please list any other fees, charges or other required reimbursements in addition to those listed above.
4. Please indicate the method of interest calculation and the frequency of payment, including any circumstances under which the interest rate may change.
5. Please indicate if the (a) financial covenants and (b) Events of Default included in the Trust Indenture dated as of November 1, 2008 between the Airport and The Bank of New York Mellon Trust Company, N.A., as supplemented, are sufficient, or if the agreement between your financial institution and the Airport will require additional (a) financial covenants or (b) Events of Default. With respect to Events of Default, the Airport will not accept a “*Material Adverse Change*” or “*Insecurity*” provision, or similar, as an Event of Default.

6. Please specify the minimum amount of any advance under the Line of Credit.
7. Please specify (a) the ability to prepay all or a portion of an advance under the Line of Credit, (b) if applicable, the minimum amount of a prepayment, and (c) any prepayment penalty, and how such penalty would be calculated. Would there be a termination fee in the event that the amount of the commitment under the Line of Credit was reduced or terminated prior to its stated maturity date? If so, how would such a fee be calculated?
8. The Airport must receive legal opinions relating to the enforceability of the Line of Credit from legal counsel to the Proposer. Please indicate which law firm, and the individuals at that law firm, which you propose to retain as counsel in this transaction and provide an estimate of their fees and expenses. In addition, indicate the maximum amount to be charged to the Airport for such fees and expenses. Bank Counsel will be a consideration in the selection of a financial institution for this financing.
9. Please indicate your estimated out-of-pocket expense, if any, for this transaction and any other costs the Airport will be responsible for in addition to those costs set forth in your responses to questions 3, 4, 7, and 8. Would you be willing to place a cap on these out-of-pocket costs and, if so, at what amount? The Airport will not be responsible for paying any fees or expenses that are not disclosed as part of your institution's proposal.
10. When would you anticipate having final credit approval? If the final credit approval requires additional documentation, please indicate what additional documentation would be needed.
11. Indicate the period during which your bid will be held firm. Please confirm your ability to complete this financing by **December 20, 2023** based upon your award of a mandate for this financing on or about **October 11, 2023**.