



LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD

REQUEST FOR PROPOSALS FOR UNDERWRITING SERVICES

Proposal Issue Date: September 29, 2026

Proposal Due Time/Date: October 19, 2026 at 4:00PM

REQUEST FOR PROPOSALS FOR UNDERWRITING SERVICES

INTRODUCTION

The Lexington-Fayette Urban County Airport Board (the “Board”) is a political subdivision of the Commonwealth of Kentucky created in 1946 pursuant to Chapter 183 of the Kentucky Revised Statutes, as the same may be amended, modified, revised, supplemented, or superseded from time to time (the “Act”), and the prior existence of the Board was specifically recognized in the Charter of the Urban County Government Section 7.18, which provides that the merger of the City of Lexington and Fayette County would not change the Board’s statutory enabling acts and operation of the Board. The Board continues its autonomous status as intended under the statutes. The Board consists of ten members who are appointed by the Mayor of the Lexington-Fayette Urban County Government. The Board is the owner of the Lexington Blue Grass Airport (the “Airport”) and provides for the management and operation of the Airport by employment of a President & Chief Executive Officer and such staff as is deemed necessary to properly operate, develop, manage and maintain the Airport.

The Board is soliciting proposals from qualified underwriting firms for inclusion in a pool of underwriters to be drawn upon by the Board, with the issuance, in multiple series over several years, of General Airport Revenue Bonds, (Lexington-Fayette Urban County Government General Obligation) to finance improvements to Lexington Blue Grass Airport and refinance outstanding debt for savings, as more fully described herein. The inclusion of a firm in the underwriting pool does not mean such firm will be selected to participate in a financing by the Board.

Proposers must be willing to work with the Board on a contingency basis. No fee or other compensation will be paid unless the Board completes a transaction. The firm(s) chosen will be expected to work with the Board’s financial advisor (Hilltop Securities Inc.), Bond Counsel (Dinsmore & Shohl LLP), Airport Counsel (Stites & Harbison PLLC), and other members of the working group to execute the proposed financings.

The General Airport Revenue Bonds, (Lexington-Fayette Urban County Government General Obligation) of the Board are currently assigned credit ratings of “Aa2” by Moody’s Investors Service, and “AA” by Standard & Poor’s with each rating agency assigning a “Stable Outlook” to the credit rating. The credit ratings of the Board are based on a legal structure that establishes the full faith and credit and pledge of taxing authority of the Urban County Government to support the repayment of the Board’s General Airport Revenue Obligations. This legal structure is established through a Bond Ordinance, Lease Agreement and Supplemental Lease Agreement between the Board and the Lexington-Fayette Urban County Government whereby lease payments, which are absolute and unconditional, from the Lexington-Fayette Urban County Government to the Board to satisfy debt service on its General Airport Revenue Obligations if airport revenues were insufficient to pay debt service.

Outstanding and Additional Debt Plans

The following information pertains to the outstanding bonds of Lexington Airport as of October 1, 2026 (the “Outstanding Bonds”):

<u>Outstanding Bonds</u>	<u>Amount Outstanding</u>
General Airport Revenue and Revenue Refunding Bonds, 2016 Series C (Lexington-Fayette Urban County Government General Obligation) (Federally Taxable)	\$ 13,350,000
General Airport Revenue Bonds, 2016 Series D (Lexington-Fayette Urban County Government General Obligation) (Non-AMT)	\$ 3,430,000
General Airport Revenue Refunding Bonds, 2016 Series E (Lexington-Fayette Urban County Government General Obligation) (Non-AMT)	\$ 430,000
General Airport Revenue and Revenue Refunding Bonds 2019 Series A (Lexington-Fayette Urban County Government General Obligation) (Federally Taxable)	\$ 12,655,000
General Airport Revenue and Revenue Refunding Bonds 2023 Series A (Lexington-Fayette Urban County Government General Obligation) (Non-AMT)	\$ 29,160,000
General Airport Revenue Bonds 2023 Series B (Lexington-Fayette Urban County Government General Obligation) (AMT)	\$ 1,170,000
General Airport Revenue Bonds 2023 Series C (Lexington-Fayette Urban County Government General Obligation) (Federally Taxable)	\$ 16,920,000
General Airport Revenue Obligations (Credit Note) 2025 Series A (Lexington-Fayette Urban County Government General Obligation) (Non-AMT)	\$ 4,885,000
General Airport Revenue Obligations (Credit Note) 2025 Series A (Lexington-Fayette Urban County Government General Obligation) (AMT)	\$ 5,560,000
General Airport Revenue Obligations (Credit Note) 2025 Series B (Lexington-Fayette Urban County Government General Obligation) (Federally Taxable)	<u>\$ 100,000</u>
Total	\$ 87,660,000

Additional Debt Plans

At the current time, the Board anticipates issuing General Airport Revenue Bonds (Lexington-Fayette Urban County Government General Obligation) in (i) the first quarter of calendar year 2027 in the principal amount of approximately \$140,000,000 to finance a hangar for use by an airline and related road improvements, a rental car facility, and terminal improvements; and (ii) calendar year 2028 in a principal amount estimated at approximately \$260,000,000 to \$310,000,000 to finance the initial phases of the airport terminal renovation and expansion, and refinance outstanding borrowings under its Pinnacle Bank line of credit.

Lexington Airport continually monitors its ability to refund Outstanding Bonds to reduce interest expense.

SCOPE OF SERVICES

The Scope of Services to be provided by investment banks engaged as underwriters are expected to be the full range of financial services required in connection with the successful offering, and delivery of the bond issues comprising the plan of finance to accomplish the proposed projects by the Board. These services will be solely at the direction of Airport staff and will include, but not be limited to the following:

1) Assessment of Financing Alternatives

The firm chosen as Senior Managing Underwriter to work with the Airport staff on a financing will be expected to provide a detailed assessment of the financing alternatives available to execute the individual proposed plan of finance. Emphasis will be on the structure that provides the most financial benefit to the Board.

2) Structuring of Proposed Bond Issue

The firm selected as Senior Managing Underwriter will be called upon to work with Airport staff and its financial advisor, among others, to recommend a structure that is consistent with the Board's financing objectives. The selected firm will assist with the evaluation of a variety of structural options and will be expected to describe the advantages and disadvantages of each approach.

3) Assist with Development of Legal Documentation

The selected firm or firms will be expected to work with Airport staff, its Counsel, Financial Advisor, and Bond Counsel to develop all required legal documentation. Emphasis will be on development of a framework that offers the Board favorable terms and conditions and preserves future financing flexibility.

4) Assist with Development of Disclosure Materials

The Board is committed to the development of disclosure materials that satisfy all applicable requirements and are consistent with industry practices. The selected firm or firms will work closely with the Airport, its Counsel, Financial Advisor, and Bond Counsel in the preparation of all disclosure materials.

5) Participate in the Acquisition of Credit Ratings and/or Credit Enhancements, as requested

The firm selected as Senior Managing Underwriter may be called upon to participate in the solicitation of credit ratings and/or credit enhancement. The role of the firm selected as Senior Managing Underwriter in this process will be determined by Airport staff and its Financial Advisor and may be limited to the development of supporting materials.

6) Preparation of Pre-Pricing Information

The firm selected as Senior Managing Underwriter will be required to provide certain market information prior to the pricing of any proposed bond issue. Such information is to include, but not be limited to: (i) a description of general market conditions leading up to the scheduled pricing date; (ii) detailed sales results for recent comparable issues; (iii) suggested coupon rates and reoffering yields for the proposed issue; (iv) a schedule of other offerings expected to be in the market on the scheduled pricing date (including U.S. Treasury offerings and refinancings); (v) a calendar of financial and economic reports that may affect market conditions at the time the bonds are to be priced (e.g., Consumer Price Index, Producer Price Index, employment reports, etc.); and (v) other information that may affect the marketing of the Board's obligations.

7) Negotiate the Pricing of the Bond Offering

The firm selected as Senior Managing Underwriter will negotiate the pricing of any proposed bond issue with Airport staff and its Financial Advisor. The firm selected as Senior Managing Underwriter will be required to provide justification for the proposed pricing and any proposed re-pricings.

8) Assist with Development of a Plan for Marketing the Bond of the Board

The Board is committed to the development of a marketing plan that will result in the most favorable interest rates on its bonds. Additionally, the Board expects the sale process to fairly compensate members of the underwriting syndicate for their sales efforts. The firm selected as Senior Managing Underwriter will be expected to assist the Airport staff and its Financial Advisor with the development of rules that clearly describe designations and priority of orders. During the order period, the firm selected as Senior Managing Underwriter will be required to provide regular reports on order activity, with such information broken down by firm, priority of order, size, and maturity.

9) Work with Airport Staff and its Financial Advisor on Bond Allotment

The Board is committed to the equitable treatment of all members of its underwriting syndicate. The firm selected as Senior Managing Underwriter will be required to coordinate the allotment of bonds with Airport staff and its Financial Advisor.

10) Prepare a Post-Sale Analysis

The firm selected as Senior Managing Underwriter will be expected to prepare a post-sale analysis that includes, at a minimum, the following: (i) a debt schedule for the issue that includes principal and interest requirements, as well as the true interest cost; (ii) a comparison of orders and allotments by year, investor and by firm; (iii) a comparison of the coupon rates and reoffering yields with issues of similar term and credit quality marketed at or about the same time; and (iv) a discussion of any circumstances relating to the market or the Board's bond offering that may have impacted the sale results.

LENGTH OF CONTRACT

The selected firms will be included in an underwriting pool for a period of up to five years. However, the Board retains the right to expel a firm from the underwriting pool at any time. If a firm is expelled from the underwriting pool, the Board may select a replacement firm through a competitive process.

INSTRUCTIONS AND CONDITIONS FOR SUBMITTING PROPOSALS

From the date of release of this Request for Proposals until an underwriting pool has been selected, interested firms shall limit their contact with the Board and Airport staff by communicating with only their Financial Advisor, Michael Newman, Senior Managing Director of HilltopSecurities in writing via e-mail at michael.newman@Hilltopsecurities.com or by phone at (469) 830-2185. **No contact with any Airport staff or Board Member is permitted during the Request for Proposal process.**

Request for Proposal Submission

Firms must submit their proposal electronically via e-mail. Proposals are to be delivered via e-mail to the following address no later than October 19, 2026 at 4:00PM:

Mr. Michael Newman
Senior Managing Director
Hilltop Securities Inc.
michael.newman@hilltopsecurities.com

Hard copies and hand delivery of proposals will not be accepted. **The subject line of the e-mail should be clearly labelled with the following notation: “Proposal to Provide Underwriting Services to Lexington-Fayette Urban County Airport Bonds”.** Proposals will be opened immediately after the closing deadline of 4:00 P.M. on October 19, 2026. **Joint proposals will not be accepted.**

INSTRUCTION FOR PREPARING PROPOSAL

Each proposal is to contain specific responses to each of the following requests. Firms are encouraged to respond fully to each inquiry, but to be as concise as possible. The proposal should be limited to not more than fifteen (15) pages (8 ½ x 11), written in a font size of 11, and the cover letter and appendices do not count toward such page limit.

- 1) Submit a cover letter summarizing your proposal. The cover letter should specify that the signatory is legally authorized to commit the firm to all terms and conditions contained in the proposal. Please limit the cover letter to no more than two (2) pages.
- 2) Provide the firm name, address, telephone, and e-mail address of the primary contact. Where personnel in more than one office are to be involved in the financing, please indicate which office will be primary, and which will be secondary. Include a brief description of the firm, covering ownership, organizational structure, size, and capitalization. Please describe the firm’s sales force, institutional and retail, specifying the number of retail salespeople in the Commonwealth of Kentucky.

- 3) Provide a list of the individuals who will be assigned to work with the Airport staff on the proposed financings. Describe the role of each individual and include the telephone and e-mail address of each. Include a brief (not to exceed one page) resume of each individual's education, training, and experience as an appendix.
- 4) Describe the approach you would use to market the General Airport Revenue Bonds (Lexington-Fayette Urban County Government General Obligation) proposed to be issued by the Board, including but not limited to the recommended length of the marketing period. As part of your response, please comment on the costs and benefits of using radio and print advertisements as part of such marketing plan, as well as investor information sessions.

What particular market niche or marketing advantage would your firm bring to the management of the proposed issues to be sold by the Board? It is the Board's belief that bonds sold to retail investors, particularly Commonwealth of Kentucky retail investors, results in a lower interest cost to the Board. Discuss this rationale and how your firm is the best suited to sell bonds to retail and institutional investors, as well as your ideas to broaden the distribution for the Board's General Airport Revenue Bonds (Lexington-Fayette Urban County Government General Obligation).

- 6) Describe what you would consider to be the optimum structure of the underwriting syndicate for a proposed issuance of General Airport Revenue Bonds (Lexington-Fayette Urban County Government General Obligation) in a principal amount of (a) \$140 million and (b) \$250 to \$700 million.
- 7) Provide your views on the following: (i) length of a retail and institutional order period; (ii) order priority; (iii) designation policy; and (iv) bond allocation with respect to General Airport Revenue Bonds (Lexington-Fayette Urban County Government General Obligation). Describe how this approach is consistent with your response to item #6 above and how it will benefit the Board. The Board will require that retail orders from residents of Lexington-Fayette Urban County receive first priority and residents of the Commonwealth of Kentucky receive second priority, and all such orders be filled prior to any non-Commonwealth of Kentucky retail or institutional orders. What mechanisms and controls would you offer to assure the Board that all managers have been treated fairly in the bond allotment process? The Board will require that Airport staff and its Financial Advisor be provided with an electronic means of viewing orders submitted by all members of the underwriting syndicate on a real time basis.
- 8) Provide a breakdown of your proposed underwriting spread on Attachment 1 for General Airport Revenue Bonds (Lexington-Fayette Urban County Government General Obligation) assigned a credit rating of "Aa2" by Moody's Ratings and "AA" by Standard & Poor's with a final maturity of 30 years structured based on level debt service. Please note that the Board expects the firm selected as Senior Managing Underwriter to adhere to the quotes provided for underwriting risk, takedown, and management fee through March 31, 2027. Changes in such quotes may be permitted, at the discretion of the Airport staff. Approved and documented underwriting expenses will be reimbursed.

- 9) Please indicate whether or not your firm proposes utilizing the services of underwriters' counsel. If underwriter's counsel is to be used, please identify three firms that you would like to employ for this service and verify with said firms and confirm in your response that underwriter's counsel agrees to perform required services for the quoted fee. In preparing the quoted fee, please assume that Bond Counsel, employed by the Board, will be responsible for preparation of the Preliminary and Final Official Statement. The Board reserves the right to approve any firm employed to serve as underwriter's counsel. Payment of underwriters counsel will be made from the underwriting spread - expense component.
- 10) Disclose any relationship, contractual or otherwise, that your firm has with any individual, organization or firm that may be a party to the proposed plans of finance or the refunding of the outstanding bonds of the Board. Disclose any relationships, contractual or otherwise, that your firm has with any individual, organization or firm that would present a conflict of interest, or appearance thereof, with your role as underwriter.
- 11) Provide a summary of any inquiries, investigations, or litigation over the past three years (including those in progress) that concern your firm's (or any employee's) underwriting, investment banking or financial advisory activities, including but not limited to guaranteed investment contracts, interest rate swaps, and other derivative products. Include a description of any inquiries or actions taken against your firm or employees by any court or regulatory authority, including fines, suspensions, censure, etc.

SCHEDULE OF EVENTS

September 29, 2026 Distribution of Request for Proposals

October 19, 2026 **Deadline for submitting proposals 4:00 PM CDT.**
Proposals will be *opened immediately after 4:00 PM deadline.*

October 26, 2026 Tentative Award date

EVALUATION PROCESS

The following will be considered when reviewing the Proposals and determining successful bidder:

- a) Qualifications of the firm and the assigned professionals;
- b) Relevant experience of the assigned professionals;
- c) Responsiveness to, and understanding of, the Request for Proposal; and
- d) Proposed fee.

CONTRACTUAL OBLIGATION

The contents of this Request for Proposal and the proposal of the successful firm shall become a contractual obligation if procurement ensues. Failure to accept these obligations as a contractual agreement would result in cancellation of the award.

CANCELLATION OF CONTRACT

The Board and each of the contracted firms may cancel their contract by giving 30 days written notice to the other party. This written notice must be sent certified mail with return receipt requested.

OTHER TERMS AND CONDITIONS

No work resulting from this Request for Proposal may be sublet or assigned without prior written consent of the Board. If you plan to use a subcontractor, the information provided must clearly show the proposed division of responsibility and staffing.

Attachment 1
BREAKDOWN OF PROPOSED UNDERWRITER SPREAD

Assume \$140,000,000 issue size of General Airport Revenue Bonds (Lexington-Fayette Urban County Government General Obligation)
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Component of Spread	“Aa2”/AA“ Tax-Exempt Fixed Rate Bonds		“Aa2/AA“ Taxable Fixed Rate Bonds	
	As \$	As \$/000	As \$	As \$/000
Takedown				
Management Fee				
Underwriting				
Underwriting Expenses: *				
- Underwriter's Counsel				
- Overnight Delivery				
- DalComp				
- DalNet				
- Cost of Funds				
- Travel				
- Public Relations/ Investor Relations				
- Information Technology				
- Advertising				
Direct Marketing				
Mass Marketing				
- CUSIP				
- Other (Specify)				
Total Expenses				
TOTAL UNDERWRITING SPREAD **				

* All expense reimbursements are subject to documentation in a form acceptable to the Board.

DO NOT PROVIDE RANGES FOR ANY REQUESTED ITEM.

**THE BOARD RESERVES THE RIGHT TO ENGAGE DIFFERENT FIRMS TO UNDERWRITE ITS
 OFFERINGS OF GENERAL AIRPORT REVENUE BONDS
 (LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT GENERAL OBLIGATION)**