

**ORDINANCE NO. \_\_\_\_\_-2016**

**ORDINANCE OF THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A FIFTH SUPPLEMENTAL LEASE AGREEMENT BETWEEN THE LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD AS THE LESSOR AND THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AS THE LESSEE RELATING TO THE ISSUANCE AND SALE OF AN AMOUNT NOT TO EXCEED \$65,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD GENERAL AIRPORT REVENUE AND REVENUE REFUNDING BONDS, 2016 SERIES (LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT GENERAL OBLIGATION) FOR THE PURPOSES OF (I) FINANCING THE COSTS OF THE 2016 PROJECT TO BE LOCATED AT THE BLUE GRASS AIRPORT IN FAYETTE COUNTY, KENTUCKY AND (II) REFUNDING ALL OR A PORTION OF CERTAIN OUTSTANDING PRIOR BONDS ISSUED BY THE BOARD.**

**WHEREAS**, the Lexington-Fayette Urban County Airport Board (the “Board”) has determined the need to (i) refund all or a portion of the remaining outstanding principal amount of its \$31,880,000 General Airport Revenue Refunding Bonds, 2009 Series A (Lexington-Fayette Urban County Government General Obligation) (non-AMT) dated November 18, 2009, and currently outstanding in the principal amount of \$27,080,000 (the “Prior Bonds”); and (ii) finance and acquire additions, extensions, and improvements to the present airport facilities at Blue Grass Airport, Lexington, Kentucky (the “Airport”), consisting of constructing airport facilities, including baggage belt replacements, parking facility improvements, a car rental maintenance facility and general aviation improvements comprised of the construction of hangars, a fence relocation for Versailles Road access and other terminal renovations constituting additions, extensions and improvements to the existing airport facilities at the Airport (the “2016 Project”), in each case, to serve the needs of the traveling public, the costs of which 2016 Project and the refunding of the Prior Bonds can be financed (to the extent not otherwise provided) by the issuance of the Series 2016 Bonds of the Board, as hereinafter defined; and

**WHEREAS**, in connection with such financing of the 2016 Project and the refunding of the Prior Bonds, it is necessary that all actions of the Board and all documents necessary to be executed and delivered by the Board be specifically approved by the Urban County Council of the Lexington-Fayette Urban County Government; and

**WHEREAS**, the documents identified herein have been prepared and tendered to the Board and this Urban County Council.

**NOW, THEREFORE, BE IT ORDAINED BY THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AS FOLLOWS:**

## **SECTION 1. Approval of Issuance of Series 2016 Bonds.**

The Lexington-Fayette Urban County Government (the “Urban County Government”) specifically acknowledges the issuance by the Board of not to exceed \$65,000,000 aggregate principal amount of the following bonds:

(a) Lexington-Fayette Urban County Airport Board General Airport Revenue Bonds, 2016 Series A (Lexington-Fayette Urban County Government General Obligation) (Non-AMT), (the “2016 Series A Bonds”);

(b) Lexington-Fayette Urban County Airport Board General Airport Revenue Bonds, 2016 Series B (Lexington-Fayette Urban County Government General Obligation) (AMT), (the “2016 Series B Bonds”);

(c) Lexington-Fayette Urban County Airport Board General Airport Revenue and Revenue Refunding Bonds, 2016 Series C (Lexington-Fayette Urban County Government General Obligation) (Federally Taxable), (the “Taxable 2016 Series C Bonds”);

(d) Lexington-Fayette Urban County Airport Board General Airport Revenue Bonds, 2016 Series D (Lexington-Fayette Urban County Government General Obligation) (Non-AMT), (the “2016 Series D Bonds”); and

(e) General Airport Revenue Refunding Bonds, 2016 Series E (Lexington-Fayette Urban County Government General Obligation) (Non-AMT), (the “2016 Series E Bonds”, and together with the 2016 Series A Bonds, the 2016 Series B Bonds, the Taxable 2016 Series C Bonds and the 2016 Series D Bonds the “Series 2016 Bonds”),

in accordance with the terms of the 2016 Series Bond Resolution adopted by the Board on August 24, 2016 (the “2016 Series Bond Resolution”), authorizing the issuance of such Series 2016 Bonds, bearing interest at a fixed rate, a copy of which 2016 Series Bond Resolution is attached hereto as *Exhibit A*.

## **SECTION 2. Authorization of Fifth Supplemental Lease.**

The Urban County Government hereby approves the Fifth Supplemental Lease Agreement, dated as of October 1, 2016 (the “Fifth Supplemental Lease”), by and between the Board, as lessor, and the Urban County Government, as lessee, in substantially the form attached hereto as *Exhibit B*, supplementing and amending the Lease (as defined in the Trust Indenture dated as of November 1, 2008, as amended and supplemented by the Seventh Supplement dated as of October 1, 2016, the Sixth Supplement dated as of June 1, 2014, the Fifth Supplement dated as of March 1, 2013, the Fourth Supplement dated as of November 1, 2012, the Third Supplement dated as of November 1, 2009, the Second Supplement dated as of November 1, 2009 and the First Supplement dated as of November 1, 2008, (collectively, the “Trust Indenture”), in accordance with the requirements of the Trust Indenture and the Lease. It is hereby found and determined that the refunding of the Prior Bonds is appropriate and the 2016 Project constitutes airport and air navigation facilities which are used for public purposes. It is further determined that it is necessary and desirable and in the best interests of the Urban County

Government to enter into the Fifth Supplemental Lease for the purposes therein specified, and the execution and delivery of the Fifth Supplemental Lease and all representations, certifications and other matters with respect to the Fifth Supplemental Lease, or as may be required by Dinsmore & Shohl, LLP, as Bond Counsel, prior to delivery of the Fifth Supplemental Lease, are hereby approved, ratified and confirmed. In connection with said proposed plan of financing, the Mayor (with the Council Clerk attesting to the Mayor's signature) is hereby authorized and directed to execute the Fifth Supplemental Lease, with such changes in the Fifth Supplemental Lease not inconsistent with this Ordinance and not substantially adverse to the Urban County Government as may be approved by the officials executing the same on behalf of the Urban County Government. The approval of such changes by said officials, and that such are not substantially adverse to the Urban County Government, shall be conclusively evidenced by the execution of the Fifth Supplemental Lease by such officials.

The Urban County Government affirms the Board's right to receive Lease Rental Payments (as defined in the Fifth Supplemental Lease) from the Urban County Government under the Lease and the Fifth Supplemental Lease and further ratifies and approves the Board's assignment of such right to the Trustee (as defined in the Lease) under the Trust Indenture, for the benefit of bondholders.

Upon the issuance of the Series 2016 Bonds, the Lease shall be modified and amended by the Fifth Supplemental Lease.

### **SECTION 3. General Obligation Pledge.**

Pursuant to the Constitution of the Commonwealth and the Kentucky Revised Statutes, the obligation of the Urban County Government created by the Lease shall be a full general obligation of the Urban County Government and, for the payment of the Lease Rental Payments, as defined therein, the full faith, credit and revenue of the Urban County Government is hereby pledged for the prompt payment thereof. During the period the Lease is outstanding, there shall be and there hereby is levied on all the taxable property in Fayette County, in addition to all other taxes, but within applicable limitations, a direct tax annually in an amount sufficient to pay the Lease Rental Payments when and as due. Said tax shall be and is hereby ordered computed, certified, levied and extended upon the tax duplicate and collected by the same officers in the same manner and at the same time that taxes for general purposes for each of said years are certified, extended and collected. Said tax shall be placed before and in preference to all other items and for the full amount thereof, provided, however, that in each year to the extent that the other taxes of the Urban County Government are available for the payment of the Lease Rental Payments and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in Fayette County shall be reduced by the amount of such other taxes so available and appropriated.

There is hereby established with the Urban County Government a sinking fund (the "Sinking Fund"). The funds derived from said tax levy hereby required or other available taxes shall be placed in the Sinking Fund and, together with interest collected on the same, are irrevocably pledged for the payment of all bonds issued under KRS Chapter 66 and Tax Supported Leases, as defined in KRS Chapter 66, including the Lease, when and as the same fall due.

**SECTION 4. Mayor Authorized to Sign Other Documents.**

The Mayor (with the Council Clerk attesting to the Mayor's signature) is hereby authorized and directed to execute any further instruments and documents reasonably necessary in carrying out the plan of financing represented by said Lease, including, without limitation, the public approval of such Series 2016 Bonds as required by Section 147(f) of the Internal Revenue Code of 1986.

**SECTION 5. Effective Immediately upon Enactment and Approval.**

This Ordinance shall be effective immediately upon enactment and approval as required by law, and a Notice of Enactment and Summary of the provisions of this Ordinance shall be published by the Urban County Council Clerk as required by law.

[Remainder of Page Intentionally Left Blank]

**INTRODUCED AND GIVEN FIRST READING** at a duly convened meeting of the Urban County Council of the Lexington-Fayette Urban County Government on the \_\_\_\_ day of \_\_\_\_\_, 2016.

**GIVEN SECOND READING, ENACTED AND ADOPTED** at a duly convened meeting of the Urban County Council of the Lexington-Fayette Urban County Government on the \_\_\_\_ day of \_\_\_\_\_, 2016.

**LEXINGTON-FAYETTE COUNTY  
GOVERNMENT**

Approved: \_\_\_\_\_  
Jim Gray  
Mayor

Attest:

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Martha J. N. Allen  
Clerk of the Urban County Council of the  
Lexington-Fayette Urban County  
Government

**CERTIFICATION**

I, the undersigned, do hereby certify that I am the duly qualified and acting Urban County Council Clerk of the Lexington-Fayette Urban County Government, and as such Urban County Council Clerk, I further certify that the foregoing is a true, correct and complete copy of an Ordinance duly enacted by the Urban County Council of the Lexington-Fayette Urban County Government at a duly convened meeting held on the \_\_\_\_ day of \_\_\_\_\_, 2016, on the same occasion signed by the Mayor is evidence of his approval, and such Ordinance is 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.

**WITNESS** my hand and the seal of said Urban County Government as of the \_\_\_\_ day of \_\_\_\_\_, 2016.

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Martha J. N. Allen  
Clerk of the Urban County Council of the  
Lexington-Fayette Urban County  
Government Urban County Council

[SEAL]

**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**

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John C. Merchant  
Attorney At Law

**EXHIBIT A**  
**2016 SERIES BOND RESOLUTION**

**EXHIBIT B**  
**FIFTH SUPPLEMENTAL LEASE**

[SEE TAB \_\_\_\_\_]