

ORDINANCE NO. _____-2025

ORDINANCE OF THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AUTHORIZING AND APPROVING THE EXECUTION OF A TENTH SUPPLEMENTAL LEASE AGREEMENT BETWEEN THE LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD AS THE LESSOR AND THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AS THE LESSEE IN CONNECTION WITH THE ISSUANCE OF A LINE OF CREDIT AGREEMENT DATED AS OF DECEMBER 10, 2025, BY AND BETWEEN LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD AND PINNACLE BANK WITH RESPECT TO (I) LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD GENERAL AIRPORT REVENUE OBLIGATION, 2025 SERIES A (CREDIT NOTE) (LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT GENERAL OBLIGATION), PURSUANT TO A 2025A CREDIT NOTE IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$25,000,000, FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR CERTAIN AIRPORT FACILITIES AT THE BLUE GRASS AIRPORT IN FAYETTE COUNTY, KENTUCKY AND (II) LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD GENERAL AIRPORT REVENUE OBLIGATION, 2025 SERIES B (CREDIT NOTE) (FEDERALLY TAXABLE) (LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT GENERAL OBLIGATION), PURSUANT TO A 2025B CREDIT NOTE IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$40,000,000 FOR THE PURPOSE OF PROVIDING INTERIM FINANCING FOR CERTAIN AIRPORT FACILITIES AT THE BLUE GRASS AIRPORT IN FAYETTE COUNTY, KENTUCKY.

WHEREAS, the Lexington-Fayette Urban County Airport Board (the “Board”) seeks to provide interim financing for (a) terminal improvements including, but not limited to, demolition of customs border patrol, Delta Air Lines cargo facility, existing rental car ready return facility and Tex Sutton facilities, including hangar and office building, construction of restroom facilities and baggage conveyors, expansion of passenger and baggage screening facilities, jet bridge replacements and related equipment replacements; (b) parking and road improvements; (c) construction of an apron hangar; (d) acquisition of new equipment including but not limited to acquisition of tugs, deicers, air stairs; and (e) the acquisition, equipping, furnishing and installation of other capital expenditures. (collectively, the “Tax-Exempt Project”) at Blue Grass Airport, Lexington, Kentucky (the “Airport”); and

WHEREAS, the Board has further determined that it is necessary to provide interim financing for funding the construction of a new rental car facility at the Airport and other capital expenditures (the “Taxable Project” and together with the Tax-Exempt Project, the “2025 Project”) at the Airport; and

WHEREAS, the Board has determined to provide such interim financing for such Tax-Exempt Project and the Taxable Project by entering into the 2025 Credit Facility, in order to obtain a line of credit in a maximum aggregate principal amount not to exceed \$25,000,000 with respect to the 2025A Credit Note (as defined herein) and a line of credit in a maximum aggregate principal amount not to exceed \$40,000,000 with respect to the 2025B Credit Note (as defined herein); and

WHEREAS, the 2025 Credit Facility (as defined below) will be secured by the Twelfth Supplemental Indenture, amending and supplementing the Trust Indenture and shall constitute an Obligation, in the form of an Additional Obligation Instrument, thereunder (as such terms are defined therein); and

WHEREAS, in connection with the anticipated execution and delivery of the 2025 Credit Facility, 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. Definitions.

All words and terms defined in the Trust Indenture, as amended by the Twelfth Supplemental Indenture, and the Lease, and all interpretations therein provided shall have the same meanings, respectively, and be subject to the same interpretations as therein provided where used in this Ordinance, unless the context or use clearly indicates another or different meaning or intent. The terms "hereof," "hereby," "hereto," "herein," and "hereunder," and similar terms, mean this Ordinance. In addition, the following terms used herein shall have the meanings set forth below:

“Credit Facility Advances” means collectively (i) the advances of funds under the Tax-Exempt Loan, as further described in the 2025 Credit Facility, in the form of Tax-Exempt Credit Facility Advances, and (ii) the advances of funds under the Taxable Loan, as further described in the 2025 Credit Facility, in the form of Taxable Credit Facility Advances and/or Current Expense Credit Facility Advances.

“Credit Notes” means, collectively, the 2025A Credit Note and 2025B Credit Note.

“Credit Support Provider” means Pinnacle Bank or an affiliate or subsidiary of Pinnacle Financial Partners and/or Pinnacle Bank.

“Current Expenses” means any cost or expense paid or incurred in connection with or related to the Airport whether or not of a capital nature and whether or not related to Airport Facilities, including but not limited to, amounts needed to satisfy any judgment and the cost of any noise mitigation programs (which includes operating expenses of the Airport).

“Current Expense Credit Facility Advance” means advances of funds made under the Taxable Loan for the purpose of paying Current Expenses, as further described in the 2025 Credit Facility.

“Fiscal Officer” means the Director of Administration and Finance of the Airport or such other person designated by the Board to act as Fiscal Officer for purposes of the Eleventh Supplemental Indenture.

“Lease” means the Lease Agreement, dated as of November 1, 2008, between the Board, as lessor, and the Lexington-Fayette Urban County Government, as lessee, as the same may be duly amended, modified or supplemented in accordance with its terms.

“Loan Agreement” means the Line of Credit Agreement, dated as of December ____, 2025 (or such other date as determined by the Fiscal Officer), by and between the Board and the Bank, evidenced by (i) the 2025B Credit Note, entered into to provide for a Taxable Loan in the form of Taxable Credit Facility Advances by the Bank to the Board, from time to time, under a line of credit in a maximum aggregate principal amount not to exceed \$40,000,000, which constitutes an Additional Obligation Instrument under the Trust Indenture, and (ii) the 2025A Credit Note, entered into to provide for a Tax-Exempt Loan in the form of Tax-Exempt Credit Facility Advances by the Bank to the Board, from time to time, under a line of credit in a maximum aggregate principal amount not to exceed \$25,000,000, which constitutes an Additional Obligation Instrument under the Trust Indenture.

“Tax-Exempt Loan” shall mean a line of credit in a maximum aggregate principal amount not to exceed \$25,000,000 and any and all Tax-Exempt Credit Facility Advances under the 2025 Credit Facility, as further described therein.

“2025A Credit Note” means the credit note, dated December 10, 2025 (or such other date as determined by the Fiscal Officer) to be delivered by the Board to the Credit Support Provider, further designated as set forth in Section 3 hereto.

“Tax-Exempt Credit Facility Advances ” means advances of funds made under the Tax-Exempt Loan for the purpose of paying the Tax-Exempt Project, as further described in the 2025 Credit Facility.

“Taxable Credit Facility Advances” shall mean advances of funds under the Taxable Loan, as further described in the 2025 Credit Facility, in the form of Taxable Credit Facility Advances and/or Current Expense Credit Facility Advances.

“2025B Credit Note” means the credit note, dated December 10, 2025 (or such other date as determined by the Fiscal Officer) to be delivered by the Board to the Credit Support Provider, further designated as set forth in Section 3 hereto.

“Taxable Loan” shall mean a line of credit in a maximum aggregate principal amount not to exceed \$40,000,000 and any and all Taxable Credit Facility Advances under the 2025 Credit Facility, as further described therein.

“Tenth Supplemental Lease” means the Tenth Supplemental Lease Agreement, dated as of December 10, 2025 (or such other date as determined by the Fiscal Officer), by and between the Board and the Lexington-Fayette Urban County Government, amending and supplementing the Lease.

“2025 Credit Facility” means, together, the Loan Agreement and the Credit Notes.

“2025 Project” has the meaning set forth in the Recitals.

“2025 Series Resolution” means the Series Resolution adopted by the Governing Body on November 19, 2025, which authorized the execution and delivery of the 2025 Credit Facility and the obtaining of Tax-Exempt Credit Facility Advances and Taxable Credit Facility Advances thereunder.

“Trust Indenture” means the Trust Indenture, dated as of November 1, 2008, between the Board and the Trustee, as the same may be duly amended, modified or supplemented in accordance with its terms.

“Trustee” means U.S. Bank Trust Company, National Association, as successor trustee to U.S. Bank National Association, as successor trustee to The Bank of New York Mellon Trust Company, N.A., and any successor Trustee as determined or designated under or pursuant to the Trust Indenture.

“Twelfth Supplemental Indenture” means the Twelfth Supplemental Trust Indenture, dated as of December 10, 2025, by and between the Board and the Trustee, amending and supplementing the Trust Indenture.

SECTION 2. Approval of Issuance of 2025 Credit Facility and Credit Facility Advances Thereunder.

The Lexington-Fayette Urban County Government specifically acknowledges the execution and delivery by the Board of the (i) 2025 Credit Facility and the Tax-Exempt Loan to be made thereunder in the form of Tax-Exempt Credit Facility Advances by the Credit Support Provider to the Board from time to time, under a line of credit in a maximum aggregate principal amount not to exceed \$25,000,000, and (ii) 2025 Credit Facility and the Taxable Loan to be made thereunder in the form of Taxable Credit Facility Advances by the Credit Support Provider to the Board from time to time, under a line of credit in a maximum aggregate principal amount not to exceed \$40,000,000 all in accordance with the terms of the 2025 Series Resolution adopted by the Board on November 19, 2025, authorizing the issuance of such 2025 Credit Facility, a copy of each of which is attached hereto as **Exhibit A**. As set forth in the 2025 Series Resolution and the Twelfth Supplemental Indenture, the 2025 Credit Facility constitutes an Obligation, in the form of an Additional Obligation Instrument, under the Trust Indenture and the 2025A Credit Note shall be further designated as the “Lexington-Fayette Urban County Airport Board General Airport Revenue Obligation, 2025 Series A (Credit Note) (Lexington-Fayette Urban County Government General Obligation)” and the 2025B Credit Note shall be further designated as the “Lexington-Fayette Urban County Airport Board General Airport Revenue Obligation, 2025 Series B (Credit Note) (Federally Taxable) (Lexington-Fayette Urban County Government General Obligation).”

SECTION 3. Authorization of Tenth Supplemental Lease.

In accordance with Section 2.02 of the Trust Indenture, which provides that the Lease may be supplemented from time to time whenever Obligations are issued by the Lessor, by the execution and delivery of a Supplemental Lease, the Lexington-Fayette Urban County Government hereby approves the Tenth Supplemental Lease Agreement, in substantially the form attached hereto as **Exhibit B**, supplementing and amending the Lease, in accordance with the requirements of the Trust Indenture and the Lease. It is hereby found and determined that the interim financing for the 2025 Project is appropriate. It is further determined that it is necessary and desirable and in the best interests of the Lexington-Fayette Urban County Government to enter into the Tenth Supplemental Lease for the purposes therein specified, and the execution and delivery of the Tenth Supplemental Lease and all representations, certifications and other matters with respect to the Tenth Supplemental Lease, or as may be required by Dinsmore & Shohl LLP, as Bond Counsel, prior to delivery of the Tenth 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 Tenth Supplemental Lease, with such changes in the Tenth Supplemental Lease not inconsistent with this Ordinance and not substantially adverse to the Lexington-Fayette Urban County Government as may be approved by the officials executing the same on behalf of the Lexington-Fayette Urban County Government. The approval of such changes by said officials, and that such are not substantially adverse to the Lexington-Fayette Urban County Government, shall be conclusively evidenced by the execution of the Tenth Supplemental Lease by such officials.

The Lexington-Fayette Urban County Government affirms the Board's right to receive Lease Rental Payments (as defined in the Lease) from the Lexington-Fayette Urban County Government under the Lease and further ratifies and approves the Board's assignment of such right to the Trustee under the Trust Indenture, for the benefit of the Holders of Obligations secured thereunder.

Upon the execution and delivery of the 2025 Credit Facility, the Lease shall be modified and amended by the Tenth Supplemental Lease.

SECTION 4. Reaffirmation of General Obligation Pledge.

Pursuant to the Constitution of the Commonwealth of Kentucky and the Kentucky Revised Statutes, the obligation of the Lexington-Fayette Urban County Government created by the Lease shall continue as a full general obligation of the Lexington-Fayette Urban County Government and, for the payment of the Lease Rental Payments, as defined therein, the Lexington-Fayette Urban County Government reaffirms its pledge of its full faith, credit and revenue for the prompt payment thereof. During the period the Lease is outstanding, the Lexington-Fayette Urban County Government hereby reaffirms that 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 (the "Annual GO Tax") in an amount sufficient to pay the debt charges in connection with all bonds and tax-supported leases (including the Lease) financed by the Lexington-Fayette Urban County Government pursuant to Chapter 66 of the Kentucky Revised Statutes (each type of obligation as defined therein and collectively, the "General Obligation Indebtedness"),

The Annual GO 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. The Annual GO 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 lawfully available monies of the Lexington-Fayette Urban County Government are available for the payment of the General Obligation Indebtedness (including the Lease Rental Payments) and are appropriated for such purpose, the amount of such Annual GO Tax upon all of the taxable property in Fayette County shall be reduced by the amount of such other lawfully available monies so available and appropriated.

The Lexington-Fayette Urban County Government has previously established a sinking fund (the "Sinking Fund") to provide for the payment of the debt charges in connection with the General Obligation Indebtedness, when and as the same fall due. The Lexington-Fayette Urban County Government hereby reaffirms that the funds derived from the Annual GO Tax and/or or other available lawfully available monies shall be placed in the Sinking Fund and, together with

interest collected on the same, are irrevocably pledged for the payment of the debt charges with respect to such General Obligation Indebtedness (including the Lease Rental Payments), when and as the same fall due.

SECTION 5. 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 the execution and delivery of the 2025 Credit Facility and the Taxable Credit Facility Advances and the Tax-Exempt Credit Facility Advances thereunder, as required by Section 147(f) of the Internal Revenue Code of 1986.

SECTION 6. 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.

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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 _____, 2025.

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 _____, 2025.

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT**

Approved: _____
Mayor

Attest:

Urban County Council Clerk

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 _____, 2025, on the same occasion signed by the Mayor is evidence of his approval, and 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 Lexington-Fayette Urban County Government as of the ____ day of _____, 2025.

Urban County Council Clerk

[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

John C. Merchant
Attorney At Law

EXHIBIT A
2025 SERIES RESOLUTION
[SEE ATTACHED]

EXHIBIT B
TENTH SUPPLEMENTAL LEASE AGREEMENT
[SEE ATTACHED]