

## **LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD**

### **2023A SERIES RESOLUTION**

**RESOLUTION OF THE LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD (1) AUTHORIZING AND APPROVING A LINE OF CREDIT AGREEMENT DATED AS OF DECEMBER 18, 2023, (OR SUCH OTHER DATE AS DETERMINED BY THE FISCAL OFFICER) TO BE ENTERED INTO WITH PINNACLE BANK IN A MAXIMUM AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$16,000,000 FOR THE PURPOSE OF FINANCING CERTAIN AIRPORT FACILITIES FROM TIME TO TIME; (2) AUTHORIZING THE EXECUTION AND DELIVERY OF AN ELEVENTH SUPPLEMENTAL TRUST INDENTURE AND THE ISSUANCE OF THE CREDIT NOTE TO BE SECURED THEREBY, A NINTH SUPPLEMENTAL LEASE AGREEMENT, AND CERTAIN OTHER RELATED DOCUMENTS WITH RESPECT TO THE LINE OF CREDIT AGREEMENT; AND (3) TAKING OTHER RELATED ACTIONS.**

**WHEREAS**, this Lexington-Fayette Urban County Airport Board (the “Board”) by resolution adopted on October 15, 2008 (the “General Bond Resolution”), and by a Trust Indenture, dated as of November 1, 2008 (as amended and supplemented, the “Trust Indenture”) by and between the Board and U.S. Bank Trust Company, National Association, Louisville, Kentucky as Successor Trustee (the “Trustee”) to U.S. Bank National Association, as successor trustee to The Bank of New York Mellon Trust Company, N.A., Louisville, Kentucky, has provided for the issuance from time to time of Obligations by the Board, secured by a pledge of the Board's General Revenues and further secured by the assignment to the Trustee of the Board's right, title and interest in the Lease Agreement, dated as of November 1, 2008 (as amended and supplemented to date, the “Lease”), between the Board, as lessor, and the Lexington-Fayette Urban County Government, as lessee, including all Lease Rental Payments (as defined in the Lease), each such issue to be authorized by a Series Resolution, as required by the Trust Indenture; and

**WHEREAS**, the Board has further determined that it is necessary to provide 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 (the “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 (collectively, the “2023A Project”) at Blue Grass Airport, Lexington, Kentucky (the “Airport”); and

**WHEREAS**, by the authority of Chapters 183 and 58 of the Kentucky Revised Statutes (the “Act”), the Board is authorized to borrow money on its own credit in anticipation of revenue and to issue revenue bonds for the purpose of defraying the cost of acquiring, constructing, maintaining, expanding, financing or improving any airport facilities or air navigation facilities or any part thereof or interest therein as those terms are further described in the Act; and

**WHEREAS**, the Board, in order to pay the costs of the 2023A Project, now seeks to enter into the 2023 Credit Facility (as defined herein) and such 2023 Credit Facility shall constitute a “revenue bond” under the Act and an Obligation, in the form of an Additional Obligation Instrument, under the Trust Indenture (to be amended by the Eleventh Supplemental Indenture (as defined herein), entered into in connection therewith); and

**WHEREAS**, the Board seeks to authorize the execution and delivery of the 2023 Credit Facility and provide for other matters in connection therewith, by the adoption of this 2023A Series Resolution.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD, AS FOLLOWS:**

**SECTION 1. Definitions and Interpretations.** All words and terms defined in the Trust Indenture, as amended by the Eleventh Supplemental Indenture, 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 2023A Series Resolution, 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 2023A Series Resolution. In addition, the following terms used herein shall have the meanings set forth below:

“Airport” means Blue Grass Airport, Lexington, Kentucky.

“Airport Facilities” shall have the meaning set forth in the Trust Indenture.

“Airport Project” means any capital improvement at or related to the Airport that would constitute Airport Facilities, or 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.

“Code” means the Internal Revenue Code of 1986, as amended.

“Credit Facility Advances” shall mean advances of funds under the Loan, as further described in the 2023 Credit Facility, in the form of 2023A Project Credit Facility Advances and/or Current Expense Credit Facility Advances.

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

“Current Expense Credit Facility Advance” mean a Credit Facility Advance made under the Loan for the purpose of paying Current Expenses, as further described in the 2023 Credit Facility.

“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).

“Eleventh Supplemental Indenture” means the Eleventh Supplemental Trust Indenture, dated as of December 15, 2023, by and between the Board and the Trustee, amending and supplementing the Trust Indenture.

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

“Loan” shall mean a non-revolving line of credit in the amount of \$16,000,000 and any and all Credit Facility Advances under the 2023 Credit Facility, as further described therein.

“Loan Agreement” means the Line of Credit Agreement, dated as of December 18, 2023 (or such other date as determined by the Fiscal Officer), by and between the Board and the Credit Support Provider, evidenced by the Note, entered into to provide for a Loan in the form of 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 \$16,000,000, which constitutes an Additional Obligation Instrument under the Trust Indenture.

“Maximum Rate” means the lesser of twelve percent (12%) per annum and the maximum net effective interest rate permitted by applicable law to be paid on obligations issued or incurred by the Board in the exercise of its borrowing powers.

“Note” means the credit note, dated December 18, 2023 (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.

“2023 Credit Facility” means, together, the Loan Agreement and the Note.

“2023A Project Credit Facility Advance” mean a Credit Facility Advance made under the Loan for the purpose of paying the 2023A Project, as further described in the 2023 Credit Facility.

**SECTION 2. Authority.** This 2023A Series Resolution is adopted pursuant to the General Bond Resolution, the Trust Indenture, and the Act.

**SECTION 3. Authorization, Designation and Purpose of 2023 Credit Facility.** It is hereby declared to be necessary to enter into, and the Board shall, execute and deliver, as provided and authorized herein, the Loan Agreement and the Note, to provide for a Loan, in the form of 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 \$16,000,000. The Note shall be further designated as the “Lexington-Fayette Urban County Airport Board General Airport Revenue Obligation, 2023 Series A (Credit Note) (Lexington-Fayette Urban County Government General Obligation).” The Note shall bear such further designations, if any, as the Fiscal Officer deems appropriate. The 2023 Credit Facility and the Note shall be entered into for the purpose of paying the costs of the 2023A Project and Current Expenses and is hereby authorized. The costs of issuance related thereto shall be paid by the Board. Proceeds from Credit Facility Advances under the 2023 Credit Facility shall be deposited and allocated as provided in Section 5 hereof.

#### **SECTION 4. Terms and Provisions Applicable to the 2023 Credit Facility.**

The Loan to the Board pursuant to the 2023 Credit Facility shall be payable as set forth therein. The basic payment provisions of the 2023 Credit Facility are as follows:

(a) Credit Support Provider. The 2023 Credit Facility is being provided by Pinnacle Bank or an affiliate or subsidiary of Pinnacle Financial Partners and/or Pinnacle Bank.

(b) Principal. The outstanding principal amount of the Loan shall be due and payable in full on December 18, 2026 (the “Maturity Date”) (or such other date as determined by the Fiscal Officer). Credit Facility Advances which are repaid by the Board shall be not available to be re-borrowed through future Credit Facility Advances to the Board, prior to the Maturity Date, as set forth in the 2023 Credit Facility. The Loan may be prepaid by the Board in whole or in part without premium or penalty at any time prior to the Maturity Date.

(c) Interest. Interest on the Loan shall be payable monthly, commencing June 1, 2024 (or as otherwise provided in the 2023 Credit Facility) and on the first business day of each month thereafter to the Maturity Date, at the Interest Rate as defined and set forth in the Note and such Interest Rate is hereby authorized. Such Interest Rate shall not exceed the Maximum Rate.

(d) Method of Payment. The principal of and interest on the Loan under the 2023 Credit Facility and the Note shall be payable by check, draft or wire transfer, by the Board to the Credit Support Provider, as further provided in the 2023 Credit Facility.

(e) Execution. The 2023 Credit Facility shall be executed in the manner provided in the Trust Indenture, as amended and supplemented by the Eleventh Supplement.

**SECTION 5. Allocation of Proceeds of the Loan.** All of the proceeds from the Loan under the 2023 Credit Facility and other lawfully available funds of the Board shall be received by the Fiscal Officer and shall be deposited and allocated as set forth in the Eleventh Supplemental Indenture approved hereby.

**SECTION 6. Additional Covenants with Respect to Internal Revenue Code of 1986, as Amended.** The Board hereby finds and determines that all of the proceeds from the Credit Facility Advances under the 2023 Credit Facility will be needed for the purposes set forth in Section 3 hereof. If applicable, the Board hereby covenants that it will restrict the use of the proceeds from the 2023A Project Credit Facility Advances in such manner and to such extent, if any, and take such other actions as may be necessary, in view of reasonable expectations at the time of execution and delivery of the 2023 Credit Facility and the disbursement of each Credit Facility Advance, so that the interest on the 2023A Project Credit Facility Advances will not be subject to federal income taxation and the 2023A Project Credit Facility Advances will not constitute “arbitrage bonds” under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and regulations prescribed under such Sections. The Fiscal Officer or any other officer of the Board having responsibility with respect to execution and delivery of the 2023 Credit Facility is hereby authorized and directed to give an appropriate certificate for

inclusion in the transcript of proceedings with respect to each 2023A Project Credit Facility Advance, setting forth the facts, estimates and reasonable expectations pertinent under said Sections 103(b)(2) and 148 of the Code. The Fiscal Officer is hereby authorized and directed to create a Rebate Account (which shall be held by either the Board or the Trustee, at the discretion of the Fiscal Officer) if the Fiscal Officer determines such account is necessary so that the Board complies with the rules concerning “rebate” as set forth in the Code, as they apply to the 2023A Project Credit Facility Advances under the 2023 Credit Facility.

**SECTION 7. Eleventh Supplemental Trust Indenture.** The Chair of the Board of Directors and any other designated officer of the Board of Directors, including the Vice-Chair, Secretary or Treasurer, or any one of them acting alone, are authorized and directed to execute and deliver to the Trustee in the name of and on behalf of the Board the Eleventh Supplemental Indenture, pursuant to the Trust Indenture and in connection with the execution and delivery of the 2023 Credit Facility, in the form prescribed by the Trust Indenture and approved by the officer executing the same on behalf of the Board. The approval of the Eleventh Supplemental Indenture shall be conclusively evidenced by the execution thereof by such officer.

**SECTION 8. Lease Agreement.** The Chair of the Board of Directors and any other designated officer of the Board of Directors, including the Vice-Chair, Secretary or Treasurer, or any one of them acting alone, are authorized and directed to execute and deliver in the name of and on behalf of the Board, a Ninth Supplemental Lease Agreement, dated as of December 15, 2023 (or such other date as determined by the Fiscal Officer), (the “Ninth Supplemental Lease”), with the Lexington-Fayette Urban County Government, pursuant to the Trust Indenture and in connection with the execution and delivery of the 2023 Credit Facility, and approved by the officer executing the same on behalf of the Board. The approval of the Ninth Supplemental Lease shall be conclusively evidenced by the execution thereof by such officer.

**SECTION 9. 2023 Credit Facility.** The Chair of the Board of Directors and any other designated officer of the Board of Directors, including the Vice-Chair, Secretary or Treasurer, or any one of them acting alone, are authorized and directed to execute and deliver in the name of and on behalf of the Board, the 2023 Credit Facility, as may be permitted by the Act and the Trust Indenture and approved by the officer executing the same on behalf of the Board. The approval of the 2023 Credit Facility shall be conclusively evidenced by the execution thereof by such officer.

**SECTION 10. Other Documents.** The Chair of the Board of Directors, the Fiscal Officer and any other designated officer of the Board of Directors, including the Vice-Chair, Secretary or Treasurer, or any one of them acting alone, are authorized and directed to execute and deliver in the name of and on behalf of the Board, such other documents, forms and certificates as required in connection with the execution and delivery of the 2023 Credit Facility. The approval of such documents, forms and certificates shall be conclusively evidenced by the execution of such documents and certificates by such officer(s).

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**SECTION 11. Documents to be Executed for Advances.** After the initial execution and delivery of the 2023 Credit Facility, the Board authorizes the execution and delivery of any and all documents pursuant to the 2023 Credit Facility to obtain Credit Facility Advances and to otherwise comply with the obligations of the Board under the 2023 Credit Facility, including the delivery of any tax certificates and any Internal Revenue Service forms or filings, and other documents required in connection with the tax covenants set forth herein, by the Chair of the Board of Directors, the Executive Director, the Fiscal Officer, and any other designated officer of the Board of Directors, including the Vice-Chair, Secretary or Treasurer, or any one of them acting alone.

**SECTION 12. Open Meetings.** The Board hereby finds and determines that all formal actions relative to the adoption of this 2023 Series Resolution were taken in an open meeting of the Board, and that all deliberations of the Board and of its committees, if any, which resulted in formal action, were taken in meetings open to the public, in full compliance with applicable legal requirements.

**SECTION 13. Further Authorization.** The proper and appropriate officers of the Board, to the extent authorized by law, are hereby authorized to execute and deliver the closing certificates, if any, with such modifications thereto as may be required by the Credit Support Provider and approved by bond counsel to the Board as well as such other documents, certificates and statements as may be so required and so approved in connection with the execution and delivery of the 2023 Credit Facility.

**SECTION 14. Provisions in Conflict are Repealed.** All resolutions or parts thereof in conflict with the provisions of this 2023A Series Resolution are hereby rescinded to the extent of such conflict.

**SECTION 15. Effective Date.** This 2023A Series Resolution shall take effect from and after its passage.

**SECTION 16. No Pecuniary Liability.** No recourse shall be had for the payment of the principal of or premium or interest on the Note or for any claim based thereon or upon any obligation, covenant or agreement therein contained or in the Loan Agreement against any past, present or future officer, member, employee or agent of the Board or Lexington-Fayette Urban County Government or any agency or political subdivision thereof, as such, either directly or through the Board or the Lexington-Fayette Urban County Government or any agency or political subdivision thereof, under any rule of law or equity, statute or constitution, or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, employees or agents as such shall be expressly waived and released as a condition of and consideration for the adoption of this Resolution and the issuance of such Note.

**SECTION 17. Copy to be Filed with Trustee.** A certified copy of this 2023A Series Resolution shall be filed with the Trustee.

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[Signature page to Series 2023A Resolution]

Adopted November 15, 2023.

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Chair  
Lexington-Fayette Urban County  
Airport Board

Attest:

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Secretary  
Lexington-Fayette Urban County  
Airport Board

## CERTIFICATION

The undersigned, Secretary of the Lexington-Fayette Urban County Airport Board, hereby certifies that the foregoing is a true copy of a Resolution adopted by the Board of Directors of said Board at a meeting held on November 15, 2023, as recorded in the official Minute Book of said Board of Directors, which is in my custody and under my control, that said meeting was held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.825, that a quorum was present at said meeting, and that the aforesaid Resolution is of record in the office of the Board, has not been modified, amended, or rescinded, and is in full force and effect at this date.

**WITNESS** my signature this \_\_\_\_\_ day of \_\_\_\_\_, 2023.

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Secretary  
Lexington-Fayette Urban County  
Airport Board