

ORDINANCE NO. _____-2019

ORDINANCE OF THE COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT AUTHORIZING AND APPROVING THE EXECUTION AND DELIVERY OF A SEVENTH 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 \$30,000,000 IN AGGREGATE PRINCIPAL AMOUNT OF LEXINGTON-FAYETTE URBAN COUNTY AIRPORT BOARD GENERAL AIRPORT REVENUE REFUNDING BONDS, 2019 SERIES A (LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT GENERAL OBLIGATION) (FEDERALLY TAXABLE) FOR THE PURPOSE OF 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 refund all or a portion of the remaining outstanding principal amount of its (a) \$6,770,000 General Airport Revenue Refunding Bonds, 2012 Series A (Lexington-Fayette Urban County Government General Obligation) (AMT); (b) \$11,230,000 General Airport Revenue Refunding Bonds, 2012 Series B (Lexington-Fayette Urban County Government General Obligation) (Non-AMT); (c) \$4,840,000 General Airport Revenue Bonds, 2016 Series A (Lexington-Fayette Urban County Government General Obligation) (Non-AMT); and (d) \$4,880,000 General Airport Revenue Bonds, 2016 Series B (Lexington-Fayette Urban County Government General Obligation) (AMT) (collectively, the “Prior Bonds” and such Prior Bonds to be refunded are referred to herein collectively as the “Refunded Prior Bonds”) to serve the needs of the traveling public, and the refunding of the Refunded Prior Bonds can be financed (to the extent not otherwise provided) by the issuance of the Series 2019 Bonds of the Board, as hereinafter defined; and

WHEREAS, in connection with such financing of the refunding of the Refunded 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 2019 Bonds.

The Lexington-Fayette Urban County Government (the “Lexington-Fayette Urban County Government”) specifically acknowledges the issuance by the Board of not to exceed \$30,000,000 aggregate principal amount of Lexington-Fayette Urban County Airport Board General Airport Revenue Refunding Bonds, 2019 Series A (Lexington-Fayette Urban County Government General Obligation) (Federally Taxable), (the “Series 2019 Bonds”) in accordance with the terms of the 2019 Series Bond Resolution adopted by the Board on September_____, 2019 (the “2019 Series Bond Resolution”), authorizing the issuance of such Series 2019 Bonds, bearing interest at a fixed rate, a copy of which 2019 Series Bond Resolution is attached hereto as *Exhibit A*.

SECTION 2. Authorization of Seventh Supplemental Lease.

The Lexington-Fayette Urban County Government hereby approves the Seventh Supplemental Lease Agreement, dated as of November 1, 2019 (the “Seventh Supplemental Lease”), by and between the Board, as lessor, and the Lexington-Fayette 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 supplemented and amended by (a) the First Supplemental Trust Indenture, dated as of November 1, 2008, (b) the Second Supplemental Trust Indenture, dated as of November 1, 2009, (c) the

Third Supplemental Trust Indenture, dated as of November 1, 2009, (d) the Fourth Supplemental Trust Indenture, dated as of November 1, 2012, (e) the Fifth Supplemental Trust Indenture, dated as of March 1, 2013, (f) the Sixth Supplemental Trust Indenture, dated as of June 1, 2014, (g) the Seventh Supplemental Trust Indenture, dated as of October 1, 2016, (h) the Eighth Supplemental Trust Indenture, dated as of September 1, 2018, and (i) the Ninth Supplemental Trust Indenture, dated as of November 1, 2019 (collectively as so supplemented and amended, 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 Refunded Prior Bonds 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 Seventh Supplemental Lease for the purposes therein specified, and the execution and delivery of the Seventh Supplemental Lease and all representations, certifications and other matters with respect to the Seventh Supplemental Lease, or as may be required by Dinsmore & Shohl, LLP, as Bond Counsel, prior to delivery of the Seventh 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 Seventh Supplemental Lease, with such changes in the Seventh 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 Seventh 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 Seventh Supplemental Lease) from the Lexington-Fayette Urban County Government under the Lease and the Seventh 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 2019 Bonds, the Lease shall be modified and amended by the Seventh Supplemental Lease.

SECTION 3. General Obligation Pledge.

Pursuant to the Constitution of the Commonwealth and the Kentucky Revised Statutes, the obligation of the Lexington-Fayette Urban County Government created by the Lease shall be a full general obligation of the Lexington-Fayette Urban County Government and, for the payment of the Lease Rental Payments, as defined therein, the full faith, credit and revenue of the Lexington-Fayette 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 Lexington-Fayette 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 Lexington-Fayette 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.

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 _____, 2019.

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 _____, 2019.

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT**

By: _____
Linda Gorton
Mayor

ATTEST:

By: _____
Abigail Allan
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 _____, 2019, on the same occasion signed by the Mayor is evidence of her 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 Urban County Government as of the ____ day of _____, 2019.

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

2019 SERIES BOND RESOLUTION

[SEE ATTACHED]

EXHIBIT B

FORM OF THE SEVENTH SUPPLEMENTAL LEASE

[SEE ATTACHED]