

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT DIRECTING THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT PUBLIC FACILITIES CORPORATION TO TAKE CERTAIN FORMAL ACTIONS AS THE AGENCY AND INSTRUMENTALITY AND AS THE CONSTITUTED AUTHORITY OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT; SPECIFICALLY DIRECTING, AUTHORIZING, AND APPROVING THE ISSUANCE BY SAID LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT PUBLIC FACILITIES CORPORATION OF ITS LEASE REVENUE BONDS, SERIES 2020 (LEXINGTON CENTER CORPORATION - LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT GENERAL OBLIGATION) (FEDERALLY TAXABLE), IN THE APPROXIMATE PRINCIPAL AMOUNT OF \$34,000,000 (WHICH AMOUNT MAY BE INCREASED OR DECREASED BY AN AMOUNT OF UP TO \$3,400,000); [AUTHORIZING A LEASE AGREEMENT [SUPPLEMENTAL LEASE AGREEMENT TO PROVIDE ADDITIONAL SECURITY FOR THE SERIES 2020 BONDS]; AND AUTHORIZING OTHER ACTIONS IN CONNECTION THEREWITH.**

**WHEREAS**, the Lexington-Fayette Urban County Government Public Facilities Corporation (the “Corporation”), a nonprofit, no-stock corporation, has been duly organized and created pursuant to the provisions of Kentucky law to act as the agency and instrumentality of the Lexington-Fayette Urban County Government, an urban county government and political subdivision of the Commonwealth of Kentucky (the “Lexington-Fayette Urban County Government”), in the acquisition, construction, maintenance, expansion, improvement, and financing of public projects, as provided in Chapter 58 of the Kentucky Revised Statutes; and

**WHEREAS**, the Kentucky Bond Development Corporation (the “Prior Issuer”) heretofore issued its \$110,855,000 Convention Facilities Revenue Bonds, Series 2018 (Lexington Center Corporation Project) dated October 16, 2018 (the “Series 2018 Lease Revenue Bonds”) for the benefit of the Lexington Center Corporation (“LCC”), the proceeds of which were used to (i) finance a portion of the costs of the acquisition, construction and equipping of certain facilities (the “Convention Center”) owned and operated by LCC (the “Project”), (ii) fund the debt service reserve fund in connection therewith, and (iii) pay expenses and costs incurred in connection with the issuance thereof; and

**WHEREAS**, in order to further secure the Series 2018 Lease Revenue Bonds, the Lexington-Fayette Urban County Government entered into a Lease Agreement, dated as of October 1, 2018 (the “2018 Lease Agreement”), with LCC, whereby the Lexington-Fayette Urban County Government leased the Project from LCC;

**WHEREAS**, the Prior Issuer for the benefit of LCC heretofore issued its (a) \$83,605,000 Transient Room Tax Revenue Bonds, Series 2018A (Lexington Center Corporation Project) (the “Series 2018A Senior Transient Room Tax Bonds”), and (b) \$13,460,000 Transient Room Tax Revenue Bonds, Subordinate Series 2018B (Lexington Center Corporation Project) (the “Series

2018B Subordinate Transient Room Tax Bonds” and together with the Series 2018A Transient Room Tax Bonds, the “Series 2018 Transient Room Tax Bonds”), the proceeds of the Series 2018 Transient Room Tax Bonds were used to (i) finance a portion of the costs of the acquisition, construction and equipping the Project, (ii) refund certain outstanding notes, (iii) fund the debt service reserve fund and (iv) pay expenses and costs incurred in connection with the issuance thereof; and

**WHEREAS**, as a result of the COVID-19 pandemic and the related actions under the state of emergency declared in the Commonwealth of Kentucky (the “Commonwealth”), many major events scheduled at the Convention Center and other locations within the boundaries of Lexington-Fayette Urban County Government have been cancelled, postponed or rescheduled; and

**WHEREAS**, these cancellations have resulted in a corresponding decline in certain LCC revenues (the “LCC Revenues”) and in demand for hotel rooms, which in turn will result in a decline in transient room tax collections assessed by the Lexington-Fayette Urban County Government, a portion of which are collected for the benefit of LCC (the “Pledged Transient Room Tax”); and

**WHEREAS**, the LCC Revenues are pledged to the payment of debt service with respect to the Series 2018 Lease Revenue Bonds and the Pledged Transient Room Tax collections are pledged to the payment of debt service with respect to the Series 2018 Transient Room Tax Bonds; and

**WHEREAS**, the Lexington-Fayette Urban County Government has determined that it will be advantageous and in the best interests of the Lexington-Fayette Urban County Government, LCC, and the Corporation to address the current and expected direct negative financial impact on LCC from the loss of such LCC Revenues and Pledged Transient Room Tax collections by providing for debt service relief thereto; and

**WHEREAS**, Lexington-Fayette Urban County Government has directed the Corporation to act as its agency, instrumentality and constituted authority in connection with the issuance by the Corporation of lease revenue bonds to be designated, “Lease Revenue Bonds, Series 2020 (Lexington Center Corporation - Lexington-Fayette Urban County Government General Obligation) (Federally Taxable),” in the approximate principal of \$34,000,000 (subject to a permitted adjustment increasing or decreasing the principal amount by up to \$3,400,000) (the “Series 2020 Bonds”); and

**WHEREAS**, the proceeds of the Series 2020 Bonds shall be made available to LCC to be used for the following purposes:

1. refunding a portion of the debt service payable with respect to the Series 2018 Lease Revenue Bonds, beginning September 1, 2020, consisting of (a) principal and interest payments with respect to the serial bonds maturing on September 1, 2020 through and including September 1, 2022 and (b) interest payments only (including the March 1, 2023 interest payment) with respect to the serial and term bonds maturing September 1, 2023 through and including September 1, 2048 (together, the “Refunded Lease Revenue Bond Debt Service”),
2. refunding a portion of the debt service payable with respect to the Series 2018A Transient Room Tax Bonds, beginning September 1, 2020, consisting of (a) principal and interest payments with respect to the serial bonds maturing on September 1,

2020 through and including September 1, 2021 and (b) interest payments only (including the March 1, 2022 interest payment) with respect to the serial and term bonds maturing September 1, 2022 through and including September 1, 2048 (together, the “Refunded Senior Transient Room Tax Bond Debt Service” and with the Refunded Lease Revenue Bond Debt Service the “Refunded Debt Service”),

3. funding capitalized interest through and including September 1, 2022,
4. funding a debt service reserve fund, if any, and
5. paying the cost of issuance of the Series 2020 Bonds; and

**[WHEREAS, the Series 2020 Bonds are being issued as Subordinate Indebtedness under the Trust Indenture, dated as of October 1, 2018 (the “Prior Lease Revenue Indenture”), by and between the Prior Issuer and The Huntington National Bank, as trustee (in such capacity, the “Prior Lease Revenue Trustee”), entered into in connection with the Series 2018 Lease Revenue Bonds;]** and

**[WHEREAS, in order to further secure the Series 2020 Bonds, it is necessary and desirable for the Lexington-Fayette Urban County Government to enter into a supplement to the 2018 Lease Agreement (the “2020 Supplement”); and]**

**NOW THEREFORE, BE IT ORDAINED BY THE URBAN COUNTY COUNCIL OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (THE “URBAN COUNTY COUNCIL”), AS FOLLOWS:**

**SECTION 1.** The Corporation, acting as the agency and instrumentality and the constituted authority of the Lexington-Fayette Urban County Government is hereby directed to adopt such resolutions and such orders and take such actions as may be necessary for the formal authorization by the Corporation of the issuance of the Series 2020 Bonds in the approximate principal amount of \$34,000,000 (which amount may be increased or decreased by an amount of up to \$3,400,000). The maturity, security provisions, redemption provisions, form of the Series 2020 Bonds, conditions of sale and all other terms and provisions incident to the Series 2020 Bonds shall be in accordance with the provisions which are set forth in (i) the resolution of the Board of Directors of the Corporation authorizing the issuance of the Series 2020 Bonds (the “Bond Resolution”), (ii) the Certificate of Award to be executed by the President of the Corporation, awarding the Series 2020 Bonds to the successful purchaser based on the bids received (the “Certificate of Award”), (iii) the Trust Indenture, dated on or about July 1, 2020 (the “Trust Indenture”), by and between the Corporation and The Huntington National Bank, as trustee (the “Trustee”), and (iv) the Loan Agreement, dated on or about July 1, 2020 (the “Loan Agreement”), by and between the Corporation, LCC **[and the Lexington-Fayette Urban County Government]**.

**SECTION 2.** The Lexington-Fayette Urban County Government hereby directs, authorizes, and approves the issuance, sale and delivery by the Corporation of the Series 2020 Bonds, and the application of the proceeds of the Series 2020 Bonds to the purposes set forth and described herein and in the Bond Resolution, the Certificate of Award, the Trust Indenture, and the Loan Agreement, including providing funds to refund the Refunded Debt Service.

**SECTION 3. [PROPOSED LEASE STRUCTURE IS PRELIMINARY AND SUBJECT IN FULL TO FURTHER REVIEW AND ANALYSIS]**

**SECTION 4.** The Lexington-Fayette Urban County Government hereby expressly approves, directs, ratifies, and affirms the execution and delivery by the Corporation of the Trust Indenture and the Loan Agreement, substantially in the forms attached hereto as *Exhibits B* and *C*, respectively. The Lexington-Fayette Urban County Government acknowledges that (i) the Trust Indenture shall secure the payment of debt service with respect to the Series 2020 Bonds on a subordinate basis from certain Revenues, as defined in the Loan Agreement and (ii) such Revenues are pledged on a first priority basis under the Prior Lease Revenue Indenture and the Loan Agreement, dated as of October 1, 2018, between the Prior Issuer and LCC, to the payment of debt service with respect to the Series 2018 Lease Revenue Bonds.

**SECTION 5.** In accordance with Rule 15c2-12, as amended of the Securities and Exchange Commission (the “Rule”), the Lexington-Fayette Urban County Government hereby covenants and agrees that the Lexington-Fayette Urban County Government will execute, comply with and carry out all provisions of a continuing disclosure agreement to be dated as of the dated date of the Series 2020 Bonds (the “Continuing Disclosure Agreement”), with the Corporation and LCC. The Mayor is hereby authorized and directed to execute said Continuing Disclosure Agreement on behalf of the Lexington-Fayette Urban County Government. The Lexington-Fayette Urban County Government further hereby authorizes and directs the Corporation to execute the Continuing Disclosure Agreement in connection with the issuance of the Series 2020 Bonds.

**SECTION 6.** The Escrow Trust Agreement among the Corporation and the parties to be named therein (the “Escrow Trust Agreement”), providing for the refunding of the Refunded Debt Service, is hereby expressly ratified and affirmed. The Lexington-Fayette Urban County Government further hereby authorizes and directs the Corporation to execute the Escrow Trust Agreement in connection with the issuance of the Series 2020 Bonds.

**SECTION 7.** In connection with the undertaking and implementation by the Corporation of the financing herein described, which is hereby expressly directed, the Corporation, its Board of Directors and its officers are hereby authorized and directed to continue to take and carry out any and all necessary, desirable or appropriate actions to effect such refinancing.

**SECTION 8.** In addition, to the extent that the Corporation has previously adopted the Bond Resolution, authorizing the issuance of the Series 2020 Bonds and the execution and delivery of the Certificate of Award, Trust Indenture, the Loan Agreement, the First Supplemental Lease Agreement, the Escrow Agreement, the Preliminary Official Statement, the Official Statement, the Continuing Disclosure Agreement and all other documents and certificates related thereto, such actions are hereby ratified.

**SECTION 9.** If any section, paragraph, clause or provision of this Ordinance shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions.

**SECTION 10.** All ordinances, resolutions, orders or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed.

**SECTION 11.** This Ordinance shall become effective immediately upon adoption and publication of a summary thereof, as provided 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 \_\_\_\_\_, 2020.

**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 \_\_\_\_\_, 2020.

**LEXINGTON-FAYETTE URBAN COUNTY  
GOVERNMENT**

By: \_\_\_\_\_  
Linda Gorton  
Mayor

**ATTEST:**

By: \_\_\_\_\_  
Abigail Allan  
Urban County Council Clerk

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**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 \_\_\_\_\_, 2020, 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 \_\_\_\_\_, 2020.

\_\_\_\_\_  
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**

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John C. Merchant  
Attorney At Law

**EXHIBIT A**  
**FORM OF FIRST SUPPLEMENTAL LEASE**

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**EXHIBIT B**  
**FORM OF TRUST INDENTURE**

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**EXHIBIT C**  
**FORM OF LOAN AGREEMENT**

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