

ORDINANCE NO. 2025-XX

AN ORDINANCE OF THE CITY OF OAK GROVE, KENTUCKY APPROVING A LEASE AGREEMENT AND A SUBLEASE AGREEMENT RELATING TO THE REFINANCING OF CERTAIN OUTSTANDING INDEBTEDNESS; PROVIDING FOR THE PAYMENT OF AND SECURITY FOR THE LEASE; AFFIRMING THE MAINTENANCE OF THE EXISTING SINKING FUND; AND AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATED TO THE LEASE AND THE SUBLEASE.

WHEREAS, as provided by Sections 65.940 to 65.956, inclusive, of the Kentucky Revised Statutes, the City of Oak Grove, Kentucky, a municipal corporation and political subdivision of the Commonwealth of Kentucky (the "Lessee"), has the power and authority to enter into lease agreements with any person, with or without the option to purchase, in order to provide for the use of property for any public purpose; and

WHEREAS, the Lessee has found and determined, and hereby further finds and determines, that the Lessee is in need of the Project, as more particularly defined and described in the hereinafter described Lease, and that it is advantageous and in the best interests of the Lessee to proceed with the refinancing of certain outstanding indebtedness relating to the Project; and

WHEREAS, the Lessee has found and determined, and hereby further finds and determines, that it will be in the best interest of the Lessee to enter into a Lease Agreement (the "Lease") with the Kentucky Bond Corporation, a nonprofit corporation organized and existing under and by virtue of the laws of the Commonwealth of Kentucky (the "Lessor"), for the leasing by the Lessee, from the Lessor, of the Project; and

WHEREAS, the Lessee has found and determined, and hereby further finds and determines, that it is in the best interest of the Lessee that the Project continue to be operated and maintained by the Oak Grove Tourism Commission (the "Commission") in order to produce revenues sufficient to pay the lease rental payments under the Lease as and when due; and

WHEREAS, the Lessee has found and determined, and hereby further finds and determines, that it is necessary that the Lessee, as the Sublessor, and the Commission, as the Sublessee, enter into a Sublease Agreement (the "Sublease") in order to provide for the operation and maintenance of the Project by the Commission and the production of revenues sufficient to pay the lease rental payments under the Lease as and when due.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF OAK GROVE, KENTUCKY, AS FOLLOWS:

Section 1. Affirmation of Recitals

It is hereby found, determined, and declared that the facts, declarations, and definitions set forth in the recitals of this Ordinance are all true and correct, and such facts, declarations, and definitions are hereby affirmed, adopted, and incorporated as a part of this Ordinance, and all acts described in the recitals of this Ordinance are hereby ratified.

Section 2. Approval, Authorization, Necessity, and Purpose of the Lease and Sublease

The Lessee hereby approves the Lease and the Sublease, in substantially the forms presented to the Lessee. It is hereby found and determined that the Project identified in the Lease and the Sublease is - 2 - property to be used for public purposes. It is hereby further found and determined that it is necessary and desirable and in the best interests of the Lessee to enter into the Lease and the Sublease for the purposes specified therein, and the execution and delivery of the Lease and the Sublease by the Lessee and all representations, certifications, and other matters contained in the documents to be executed and delivered in connection with the Lease or the

Sublease, or as may be required by the Lessor before the delivery of the Lease, are all hereby approved, ratified, and confirmed. The Mayor and the City Clerk of the Lessee are each hereby authorized to execute, in the name and on behalf of the Lessee, the Lease, the Sublease, and any other documents, agreements, or certifications that may be necessary in order to accomplish the transactions contemplated by the Lease and the Sublease.

Section 3. General Obligation Pledge

In accordance with the Constitution and laws of the Commonwealth of Kentucky, including, particularly, Sections 66.011 through 66.191, inclusive, of the Kentucky Revised Statutes, as amended (the "General Obligation Act"), the obligation of the Lessee to pay Lease Rental Payments under (and as defined in) the Lease shall constitute a full general obligation of the Lessee, and the full faith, credit, and taxing power of the Lessee are hereby pledged for the prompt payment thereof. During the period the Lease is outstanding, there shall be and there hereby is levied, annually, on all taxable property in the Lessee, in addition to all other taxes, without limitation as to rate, a direct tax in an amount sufficient to pay such Lease Rental Payments as and when due and payable, it being hereby found and determined that the current tax rates of the Lessee are within all applicable limitations. The tax shall be, and hereby is, ordered to be computed, certified, levied, and extended upon the tax duplicate, to be collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of the years are certified, extended, and collected. The 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 any other lawfully available funds of the Lessee are available for the payment of the Lease Rental Payments and are appropriated for such purpose, the amount of such tax on all taxable property in the Lessee shall be reduced by the amount of such other funds so available and appropriated.

Section 4. Additional Pledge

All rental payments to be received by the Lessee under the Sublease are hereby pledged as additional security for the payment of the Lease Rental Payments under the Lease. The Lessee hereby covenants that at all times while the Lease is outstanding, it will collect rentals under the Sublease in an amount sufficient to pay the Lease Rental Payments under the Lease, as and when due and payable.

Section 5. Maintenance of Sinking Fund

The sinking fund previously established by the Lessee (the "Sinking Fund") is hereby ordered to be continued and maintained as long as the Lease remains outstanding. The funds derived from the tax levy required by Section 3 hereof and any other lawfully available moneys of the Lessee shall be deposited into the Sinking Fund and, together with the interest collected on the same, are hereby irrevocably pledged for the payment of the principal of and interest on all bonds issued by the Lessee under the General Obligation Act and all Tax-Supported Leases, as defined in the General Obligation Act, including the Lease, as and when the same become due and payable. The Lessee shall transfer the funds on deposit in the Sinking Fund to the Lessor at the times and in the amounts required by Section 9 of the Lease.

Section 6. Severability

If any section, paragraph, or provision of this Ordinance shall be determined by a court of competent jurisdiction to be invalid or unenforceable for any reason, the invalidity or

unenforceability of such section, paragraph, or provision shall not affect any remaining sections, paragraphs, or provisions of this Ordinance.

Section 7. Open Meetings Compliance

The Lessee hereby finds and determines that all formal actions with respect to the adoption of this Ordinance and the execution and delivery of the Lease and the Sublease were taken in open meetings of the City Council of the Lessee, and that all of the deliberations of the City Council of the Lessee and its committees, if any, which resulted in any such formal actions were held in meetings open to the public, in compliance with all applicable legal requirements, including Sections 61.810 to 61.850, inclusive, of the Kentucky Revised Statutes.

Section 8. Conflicts

All prior ordinances, resolutions, or orders of the Lessee, or parts thereof, that conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed, and the provisions of this Ordinance shall prevail and be given effect.

Section 9. Effective Date

This Ordinance shall become effective immediately upon the adoption and publication of a summary hereof, as provided by law.

SIGNATURE PAGE TO ORDINANCE

INTRODUCED, SECONDED, AND ADOPTED at a duly convened meeting of the City of Oak Grove, Kentucky held on April 1, 2025, after first reading held on March 18, 2025, signed by the Mayor, attested by the City Clerk, and filed and indexed as provided by law.

CITY OF OAK GROVE, KENTUCKY

By: _____
Mayor

ATTEST:

By: _____
City Clerk

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Oak Grove, Kentucky, and as such, I hereby further certify that the foregoing is a true, correct, and complete copy of an Ordinance duly enacted by the City Council of the City at a duly convened meeting held on April 1, 2025, signed by the Mayor and duly filed, recorded, and indexed in my office, and now in full force and effect, and that all action taken by the City with respect to the Ordinance was in compliance with the requirements of the laws of the Commonwealth of Kentucky, all as appears from the official records of the City in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand this _____, 2025.

City Clerk