

ORDINANCE NO. 2025-08

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.

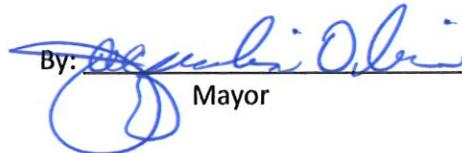
**Section 9. Effective Date**

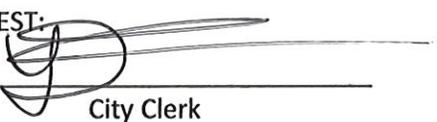
This Ordinance shall become effective immediately upon the adoption and publication of a summary hereof, as provided by law.

**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

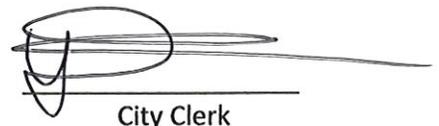
By:   
Mayor

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 April 2, 2025.

  
City Clerk

# Affidavit of Publication

STATE OF KY }  
COUNTY OF CHRISTIAN ) SS

Melanie Miller, being duly sworn, says:

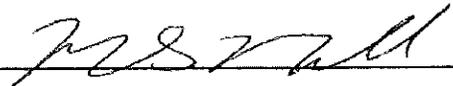
That she is Accounting Clerk of the Kentucky New Era, a newspaper of general circulation, printed and published in Hopkinsville, Christian County, KY; that the publication, a copy of which is attached hereto, was published in the said newspaper on the following dates:

April 05, 2025

Publisher's Fee: \$ 226.88

That said newspaper was regularly issued and circulated on those dates.

SIGNED:



Subscribed to and sworn to me this 5th day of April 2025.





00007747 71202223

LORELYNN FISHER  
City of Oak Grove  
8505 Pembroke Oak Grove Rd  
Oak Grove, KY 42262

ORDINANCE NO. 2025-08  
NOTICE OF ADOPTION AND SUMMARY OF ORDINANCE  
At meetings held on March 18, 2025, and April 1, 2025, the City of Oak Grove, Kentucky (referred to herein as the "Lessee") adopted an ordinance (the "Ordinance") titled as follows:

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.

The Ordinance approves (i) a lease agreement (the "Lease") to be entered into by and between the Lessee and the Kentucky Bond Corporation (the "Lessor") for the purpose of refunding certain existing indebtedness of the Lessee, and (ii) a sublease agreement (the "Sublease") to be entered into by and between the Lessee and the Oak Grove Tourism Commission to provide revenues sufficient to pay the amounts due under the Lease. The Ordinance also contains provisions providing for (a) a general obligation pledge of the Lessee to levy and assess sufficient taxes to comply with its obligation to pay lease rental payments to the Lessor under the Lease, (b) a pledge of the rental payments to be received by the Lessee under the Sublease, and (c) the maintenance of the Lessee's existing sinking fund to be pledged as further security for the payment of the lease rental payments and certain other obligations of the Lessee. As required by KRS Section 83A.060, the section of the Ordinance setting forth the Lessee's pledge to levy and assess a tax to pay the obligations under the Lease is set forth in its entirety:

"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."

The undersigned, as the City Clerk of the City of Oak Grove, Kentucky, hereby certifies that the Ordinance summarized herein was approved by the City Council of the Lessee for first reading on March 18, 2025, and for second reading on April 1, 2025, and was further approved for publication following its adoption, according to law. A complete copy of the Ordinance may be reviewed at the office of the City of Oak Grove, Kentucky,  
CITY OF OAK GROVE, KENTUCKY  
By: /s/ Lorelynn Fisher  
City Clerk  
CERTIFICATION

The undersigned, an attorney duly licensed to practice law in the Commonwealth of Kentucky, hereby certifies that the foregoing Notice of Adoption and Summary of Ordinance of the City of Oak Grove, Kentucky, was prepared by the undersigned and constitutes a general summary of the essential provisions of the Ordinance, reference to the full text of which is hereby made for a complete statement of its

RESOLUTION NO. 01-2025

A RESOLUTION OF THE OAK GROVE TOURISM COMMISSION APPROVING A SUBLEASE AGREEMENT BY AND BETWEEN THE CITY OF OAK GROVE, KENTUCKY AND THE COMMISSION RELATING TO THE REFINANCING OF CERTAIN OUTSTANDING INDEBTEDNESS INCURRED BY THE CITY ON BEHALF OF THE COMMISSION; PROVIDING FOR THE PAYMENT OF AND SECURITY FOR THE SUBLEASE; AND AUTHORIZING THE EXECUTION AND DELIVERY OF VARIOUS DOCUMENTS RELATED TO THE SUBLEASE.

WHEREAS, in accordance with Sections 65.940 through 65.956, inclusive, of the Kentucky Revised Statutes, the City of Oak Grove, Kentucky (the "Sublessor") 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 public purposes; and

WHEREAS, the Sublessor and the Oak Grove Tourism Commission (the "Sublessee") have found and determined, and the Sublessee hereby further finds and determines, that the Sublessor and the Sublessee are in need of the Project, as more particularly defined and described in the hereinafter described Sublease, and that it will be advantageous and in the best interests of the Sublessor and the Sublessee to proceed with the refinancing of the Project; and

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

WHEREAS, the Sublessor and the Sublessee have found and determined, and the Sublessee hereby further finds and determines, that it is in the best interest of the Sublessor and the Sublessee that the Project continue to be maintained and operated by the Sublessee in order to produce revenues in an amount sufficient to pay the lease rental payments under the Lease as and when due; and

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

NOW, THEREFORE, BE IT RESOLVED BY THE OAK GROVE TOURISM COMMISSION, AS FOLLOWS:

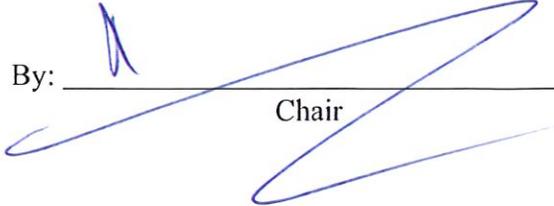
Section 1. Affirmation of Recitals. It is hereby found, determined, and declared that the facts, declarations, and definitions set forth in the recitals of this Resolution are all true and correct, and such facts, declarations, and definitions are hereby affirmed, adopted, and incorporated as a part of this Resolution, and all acts described in the recitals of this Resolution are hereby ratified.

Section 2. Approval, Authorization, Necessity, and Purpose of Sublease. The Sublessee hereby approves the Sublease, in substantially the form presented to the Sublessee. It is hereby found and determined that the Project identified in the Sublease is property to be used for public purposes.

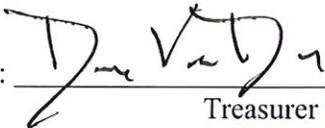
SIGNATURE PAGE TO RESOLUTION

DULY ADOPTED AND ENACTED by the Board of the Oak Grove Tourism Commission in lawful session assembled this March 11, 2025, signed by the Chair, attested by the Treasurer, and filed and indexed as provided by law.

OAK GROVE TOURISM COMMISSION

By:  \_\_\_\_\_  
Chair

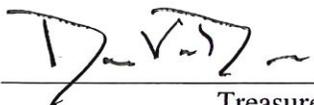
Attest:

By:  \_\_\_\_\_  
Treasurer

CERTIFICATION

I, the undersigned, hereby certify that I am the duly qualified and acting Treasurer of the Oak Grove Tourism Commission, and as such, I hereby further certify that the foregoing is a true, correct, and complete copy of a Resolution duly adopted by the Board of the Commission at a duly convened meeting held on 3-11, 2025, signed by the Chair and duly filed, recorded, and indexed in my office, and now in full force and effect, and that all action taken by the Commission with respect to the Resolution was in compliance with all of the requirements of the laws of the Commonwealth of Kentucky, all as appears from the official records of the Commission in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand this March 11, 2025.

 \_\_\_\_\_  
Treasurer

## SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT (this "Sublease"), made and entered into as of [Closing Date], is by and between (i) the CITY OF OAK GROVE, KENTUCKY (the "City"), a municipal corporation and political subdivision of the Commonwealth of Kentucky, as Sublessor, and (ii) the OAK GROVE TOURISM COMMISSION (the "Commission"), a commission established by the City under and in accordance with the provisions of Chapter 91A of the Kentucky Revised Statutes, as amended (hereinafter called the "Commission"), as Sublessee.

### WITNESSETH:

WHEREAS, the City has entered into a Lease Agreement dated as of [Closing Date] (the "Lease") with the Kentucky Bond Corporation (the "Lessor") for the purpose of prepaying certain outstanding indebtedness of the City and, thereby, refinancing a portion of the costs of the acquisition, construction, installation, and equipping of the various public improvements for tourism purposes described in Exhibit A hereto (collectively, the "Project"); and

WHEREAS, the Lease is being funded with a portion of the proceeds of the \$[Final Par] Kentucky Bond Corporation Financing Program Revenue Bonds, [Series Designation] dated [Closing Date] (the "Bonds"); and

WHEREAS, the City desires to sublet the Project to the Commission under and in accordance with the terms of this Sublease, the execution, delivery, and performance of which is authorized by the Lease.

NOW, THEREFORE, IT IS HEREBY AGREED BETWEEN THE PARTIES HERETO AS FOLLOWS:

Section 1. The Commission hereby agrees to lease and rent the Project from the City, and the City hereby lets the Project to the Commission, to be used only for public purposes, on a fiscal year basis beginning on July 1 of each year and ending on June 30 of each respective ensuing year (provided that the initial rental period shall commence on [Closing Date] and end on June 30, 20[ ]), with an exclusive option to the Commission to renew this Sublease on each July 1, for rental payments equal to the rental payments payable by the City to the Lessor in accordance with the terms of the Lease, the provisions of which are hereby incorporated herein by reference as if set forth herein in full.

Section 2. The Project referred to herein is more particularly described in Exhibit A attached hereto.

Section 3. The Commission represents, covenants, and warrants that (a) the Commission is a tourism, recreation, and convention commission duly organized and validly existing under the laws of the Commonwealth of Kentucky, including, particularly, Chapter 91A of the Kentucky Revised Statutes; (b) the Commission is not in violation of any laws of the Commonwealth of Kentucky or of the United States relevant to any transactions contemplated by this Sublease; (c) the Commission has the power, and has been duly authorized, to enter into this Sublease and to perform all of its obligations hereunder; (d) the Commission is not subject to any contractual or other limitation or provision of any nature whatsoever which, in any way, limits, restricts, or prevents the Commission from entering into this Sublease or performing any of its obligations hereunder; and (e) the execution and delivery

of this Sublease, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Sublease (i) will not conflict with or result in a breach of the terms, conditions, or provisions of any restriction, agreement, or instrument to which the Commission is a party or by which it is bound, (ii) constitute a default under any of the foregoing, and (iii) will not violate any provision of law or regulation applicable to the Commission or any court or administrative order or decree; provided that notwithstanding the foregoing, the Commission makes no representation or warranty concerning any actions taken by the City with respect to the acquisition, construction, installation, or equipping of the Project.

Section 4. The City represents, covenants, and warrants that it has full power to execute and deliver this Sublease and to perform and observe all of the covenants and promises contained herein.

Section 5. The Commission hereby warrants that it will operate and maintain the Project so that it will be suitable for its intended use as public property to be used for public purposes consistent with the requirements of Chapter 91A of the Kentucky Revised Statutes, as amended.

Section 6. The Commission shall not assign or delegate any of its rights, duties, or obligations under this Sublease to any third party unless it shall have first (a) obtained the express written consent of the City and the Lessor, and (b) provided the City and the Lessor with an opinion of a nationally recognized firm of municipal bond attorneys addressed to the City and the Lessor and stating that such assignment or delegation will not cause the interest on the Lease to be includable in gross income of the recipient thereof for federal income tax purposes.

Section 7. The Commission covenants and agrees with the City (a) that the Commission shall, during the term of this Sublease, keep and maintain the Project and all parts thereof in good condition and repair, ordinary wear and tear excepted, including, but not limited to, the furnishing of all parts, mechanisms, and devices required to keep the furnishings, machinery, and equipment constituting a part of the Project in good mechanical and working order, and (b) that during such period of time, the Commission will exercise every reasonable effort to keep the Project and all parts thereof free from filth, nuisance, or conditions unreasonably increasing the danger of fire. The Commission shall also keep the Project in compliance with all applicable governmental regulations and requirements, and in each case, the Commission shall make all replacements and repairs necessary in connection therewith.

Section 8. The Commission shall have, and is hereby given the right, at its sole cost and expense, to make all additions, improvements, changes, and alterations in and to any part of the Project as the Commission may, from time to time, deem necessary or advisable under and in accordance with any master plan previously approved by the City; provided, however, that the Commission shall not make any addition, change, or alteration that would change the character of the Project without the prior written consent of the City, which consent shall not be unreasonably withheld. All additions, changes, and alterations made by the Commission in accordance with the authority of this Section shall (a) be made in a workmanlike manner and in compliance with all laws and ordinances applicable thereto, (b) when commenced, be prosecuted to completion with due diligence, without delay or abatement in the Commission's payment of rentals due hereunder, and (c) when completed, be deemed a part of the Project.

Section 9. The Commission shall neither do, nor permit any others under its control to do, any work in or about the Project or related to any repair, rebuilding, restoration, replacement, or alteration of or any addition to the Project, or any part thereof, unless the Commission shall have first procured

and paid for all requisite municipal and other governmental permits and authorizations. All such work shall be done in a good and workmanlike manner, in compliance with all applicable building, zoning, and other laws, ordinances, governmental regulations, and requirements, and in accordance with the requirements, rules, and regulations of all insurers under the policies required to be carried under and in accordance with Section 15 hereof.

Section 10. The Commission shall not do or suffer anything to be done whereby the Project, or any part thereof, may be encumbered by any mechanic's or other similar lien, and if, wherever, and as often as a mechanic's or other similar lien is filed against the Project, or any part thereof, purporting to be for, or on account of, any labor performed or any materials or services furnished in connection with any work in or about the Project done by, for, or under the authority of the Commission or any person or entity claiming by, through, or under the Commission, the Commission shall discharge, or cause to be discharged, the same of record within thirty days after the date of filing.

Notwithstanding the foregoing, the Commission shall have the right to contest any mechanic's or other similar lien if, within such thirty day period, the Commission notifies the City and deposits with the City a surety bond in favor of the City, issued by a surety company reasonably acceptable to the City, in the face amount of at least twice the amount of the lien claim so contested, indemnifying and protecting the City from and against any liability, loss, damage, cost, and expense, of whatever kind or nature, growing out of, or in any way connected with, such asserted lien and the contest thereof. The Commission covenants, at all times, (a) to diligently prosecute any such contest, (b) to effectively stay or prevent any official or judicial sale of the Project or any part thereof or any interest therein, under execution or otherwise, and (c) to pay or otherwise satisfy any final determination adjudging or enforcing such contested lien claim and, thereafter, to promptly procure a duly recorded release or satisfaction thereof.

Section 11. The Commission shall be responsible for establishing fees for the use of the Project by the public or for utilizing other moneys available to it to obtain sufficient revenues to perform its obligations hereunder, subject to any limitations provided by law. The fees shall be at such rates as shall, based on reasonable estimates, be sufficient, together with other revenues of the Commission, to pay all the costs of maintaining and operating the Project and accomplishing the purposes of the Commission, including, but not limited to, salaries, insurance, upkeep, and utilities, together with the payments due hereunder. During each fiscal period this Sublease is renewed, the Commission pledges all receipts derived in accordance with Section 91A.390 and Section 91A.400 of the Kentucky Revised Statutes, as amended (the "Dedicated Taxes"), during the then current fiscal period to the payment of the rental payments due under this Sublease.

Section 12. Notwithstanding anything herein to the contrary, the Commission, for the benefit of the City and the Lessor, hereby represents and warrants that it has not taken, or permitted to be taken on its behalf, and hereby agrees that it will not take or permit to be taken on its behalf, any action that would adversely affect the excludability of interest on the Lease from gross income for federal income tax purposes, and that it will make and take, or require to be made and taken, such acts and filings as may be required from time to time under the Internal Revenue Code of 1986, as amended, in order to maintain such excludability from gross income for federal income tax purposes.

Section 13. The Commission agrees to prepare, execute, submit to the City for execution by the City where necessary, and record financing statements, or amendments thereto, with respect to all furnishings, machinery, and equipment constituting part of the Project, meeting all of the requirements

of the Uniform Commercial Code of the Commonwealth of Kentucky, (a) before the execution and delivery of the Lease, describing in detail the furnishings, machinery, and equipment constituting a part of the Project, including the brand name, model number, and serial number where available, and (b) from time to time after the execution and delivery of the Lease, following any material changes in any such furnishings, machinery, and equipment constituting a part of the Project, describing such material changes.

Section 14. The Commission shall submit a proposed budget to the City on or before June 1 of each year. Such budget shall be in such form and shall include such detail as may be satisfactory to the City.

The Commission shall maintain a standard and modern system of accounting and shall furnish to the City, within ninety days following the end of each fiscal year, a copy of the annual financial statements of the Commission, which shall be certified as true and correct by an authorized officer of the Commission, and which the City may require to be audited and certified by an independent certified public accountant.

The City shall have reasonable access to, and the right to inspect, examine, and make copies of, the books, records, accounts, tax returns, and other financial information of the Commission.

Section 15. The Commission shall obtain insurance with respect to the Project issued by one or more insurers, on policy forms satisfactory to the City, in such amounts as shall be commercially reasonable and satisfactory to the City, against loss or damage from theft, fire, vandalism, and other events covered by the uniform standard extended coverage endorsements approved by the insurance regulatory authority in the Commonwealth of Kentucky. The Commission may alternatively insure the Project under one or more blanket insurance policies which cover not only the Project but other properties as well.

Any insurance policy issued in accordance with the preceding paragraph shall be so written or endorsed as to make any losses payable to the City, in addition to the Commission and any lenders, as their respective interests may appear. Each insurance policy provided for in this Section shall contain a provision to the effect that the insurance company shall not cancel such policy without first giving written notice thereof to the Lessor (as directed by the City) and the City at least thirty days in advance of such cancellation, and the Commission shall deliver to the Lessor, as directed by the City, all of the original insurance policies relating to the Project, except any blanket policies, in which case the Commission shall provide the Lessor with evidence of such blanket insurance policies and shall agree to keep such evidence up to date and accurate.

The Commission shall also carry public liability insurance relating to the Project with one or more reputable insurance companies approved by the Lessor and duly qualified to do business in the Commonwealth of Kentucky, for death or bodily injury and property damage, in such amounts as shall be established by the City and which are customarily carried for organizations which are similar to the Commission. The Lessor and the City shall be made additional insureds under such policies. Such public liability insurance may be by one or more blanket insurance policies.

Each insurer is hereby authorized and directed to make payment under the insurance policies described in this Section (except any liability insurance policies), including the return of any unearned premiums, to the Lessor, the City, and the Commission jointly.

Throughout the term of this Sublease, the Commission shall comply, or cause compliance, with all applicable workers' compensation laws.

The parties hereto recognize that continued inflation, the emergence of new risks, and various other factors foreseeable or unforeseeable may, at some future time, cause the insurance coverages required by this Sublease to become inadequate in face amount or the type of risks insured against. The Commission hereby covenants with the City that throughout the entire term of this Sublease, the Commission shall keep the Project continuously insured against such risks as are customarily insured against, and in such amounts as would be customarily maintained, by businesses of like size and type. Nothing in this Sublease shall release the Commission from its obligation to maintain the insurance coverages required by this Section.

Section 16. Unless the Commission shall elect to apply insurance proceeds to the prepayment of this Sublease and shall notify the City of its intention to prepay this Sublease in an amount sufficient to enable the City to prepay the Lease, if the Project is destroyed (in whole or in part) or is damaged by fire or other casualty, then the Commission (a) shall promptly replace, repair, rebuild, or restore the property damaged or destroyed to substantially the same condition as existed prior to the event causing such damage or destruction, with such changes, alterations, and modifications, including the addition or substitution of any other property as may be desired by the Commission and as will not impair the operation of the Project or change the character thereof, provided that, at a minimum, the Project, as so replaced, repaired, rebuilt, or restored shall have a value, as reasonably determined by the Lessor, sufficient to fully secure the then outstanding principal component of the lease rental payments due under the Lease, and provided, further, that the Commission shall deposit such other funds with the Lessor as are reasonably determined necessary by the Lessor to complete such replacement, repair, or restoration, and (b) shall apply so much of the net proceeds of insurance resulting from any claims for losses, under the insurance policies required to be carried herein, resulting from such damage as may be necessary in order to accomplish the foregoing purposes.

All net proceeds of insurance resulting from such claims for losses in excess of \$5,000 shall be paid to and held by the City in a separate disbursement account, and the City will apply so much of the net proceeds of such insurance as may be necessary to pay the costs incurred by the Commission for the replacement, repair, rebuilding, or restoration of the Project, either on completion thereof or as the work progresses, as directed by the Commission and approved by the City.

Any moneys held by the City in the separate disbursement account under the provisions of the preceding paragraph shall be invested by the City in accordance with the Lease.

Any balance of such net proceeds of insurance remaining after the payment of all of the costs of the replacement, repair, rebuilding, or restoration of the Project under this Section shall be paid to the Commission, to be used for the purpose of operating a museum or for the purpose of reducing the indebtedness represented by this Sublease.

Notwithstanding anything in this Sublease to the contrary, upon the occurrence and during the continuance of an Event of Default under Section 18 of this Sublease, the City may apply any net proceeds of insurance received by it in accordance with the provisions of this Sublease to the partial or full prepayment of the Lease and this Sublease, to the costs of the replacement, repair, rebuilding, or restoration of the Project, or to any combination of the foregoing, as the City, with the consent of the Lessor, may elect.

Section 17. The City, and its duly authorized representatives and agents, hereby reserve the right to enter the Project at all reasonable times during the term of this Sublease for the purposes of (a) examining and inspecting the Project, including the construction, installation, and equipping thereof, (b) performing any such work in and about the Project made necessary by reason of the Commission's default under any of the provisions of this Sublease, and (c) exhibiting the Project to any prospective purchasers, lessees, or mortgagees. The City shall also have the right to examine the books and records of the Commission at all reasonable times, and the Commission hereby agrees to keep such books and records at the Project or in such other location as may be approved in advance by the City.

Section 18. This Sublease is made on the condition that if (each of the following events being deemed an "Event of Default" under the provisions of this Sublease):

(a) The Commission fails to punctually pay any installment of rent hereunder as the same become due and payable; or

(b) The Commission fails to observe, keep, or perform any other covenant or other obligation to be observed, kept, or performed by the Commission contained herein, and the Commission fails to remedy the same within thirty days after the City, on behalf of itself and the Lessor, has given the Commission written notice specifying such failure and requesting that it be remedied; or

(c) The Commission vacates or abandons the Project; or

(d) Any representation or warranty by the Commission contained in this Sublease or in any certificate or other instrument delivered by the Commission in accordance with this Sublease is false or misleading in any material respect;

the City may, at its election, then, or at any time thereafter while such default shall continue, give the Commission written notice of the City's intention to terminate this Sublease on the date specified in such notice, which date shall not be earlier than ten days after such notice is given, and, if all defaults have not then been cured, then on the date so specified, the Commission's right to operate the Project shall cease, this Sublease shall thereupon be terminated, and the City may re-enter and take possession of the Project without any further notice or judicial process.

Section 19. If the Commission shall fail to keep or perform any of its obligations provided in this Sublease with respect to (a) maintaining insurance on the Project, (b) paying rent hereunder, (c) repairing and maintaining the Project, (d) complying with all legal or insurance requirements, or (e) keeping the Project lien free, or in the making of any other payment or performance of any other obligation, then upon the continuance of such failure on the Commission's part for thirty days after written notice of such failure is given to the Commission by the City, and without waiving or releasing the Commission from any obligation hereunder, as an additional, but not exclusive, remedy, the City may make any such payment or perform any such obligation, and all sums so paid by the City and all necessary incidental costs and expenses incurred by the City in performing such obligation shall be deemed additional rent and shall be paid to the City, and if not so paid by the Commission, the City shall have the same rights and remedies as provided for in the case of default by the Commission in the payment of rent under Section 18 hereof.

Section 20. The Commission shall indemnify and hold the City, and its officials, agents, and employees, and the Lessor harmless against and from all claims by or on behalf of any person, firm,

or other entity arising from the conduct or management of, or any work or thing done on, the Project during the term of this Sublease, and against and from all claims arising during the term of this Sublease with respect to (a) any condition of the Project caused by the Commission, (b) any breach or default on the part of the Commission in the performance of any of its obligations hereunder, and (c) any act of negligence of the Commission or any of its agents, contractors, servants, employees, or licensees in connection with the construction, installation, furnishing, equipping, management, or operation of the Project during the term of this Sublease. Any indemnified party seeking to enforce the above indemnity shall give the Commission notice of and the opportunity to defend any claims with respect to which indemnity is sought to be enforced hereunder, in which event the Commission shall either (i) employ counsel reasonably acceptable to such party to defend such claims and pay all costs and expenses in connection with such defense, or (ii) permit such party to defend such claims itself through counsel of such party's own choosing, in which event the Commission shall indemnify and hold such party harmless from and against all reasonable costs and expenses incurred, including attorneys' fees, in or in connection with any action or proceeding brought with respect to such claims. Upon notice from such party in any such action or proceeding, if the Commission fails or refuses to proceed under clause (i) above, the Commission shall be deemed to have agreed that such party may proceed under clause (ii) above.

Section 21. Nothing contained herein shall be construed as binding the Commission to renew this Sublease, except upon the exercise by the Commission, in each year, of its exclusive option to renew this Sublease, but this Sublease shall automatically renew itself on July 1 of each fiscal year for a period ending on the next succeeding June 30, unless the Commission shall, at least ninety days prior to the beginning of any such fiscal year, send written notice of its intention to not exercise its option to renew this Sublease to the City, the Lessor, and the Trustee.

Section 22. The Project shall become the property of the Commission in fee simple absolute and the City's interest therein shall pass to the Commission, without cost, upon the Commission's performance of all of its obligations under this Sublease and upon satisfaction of all of the provisions of the Lease.

[Signature page to follow]

SIGNATURE PAGE TO SUBLEASE AGREEMENT

IN WITNESS WHEREOF, the City has caused this Sublease to be executed in its name and on its behalf by its Mayor and attested by its City Clerk, and the Commission has caused this Sublease to be executed in its name and on its behalf by its Chair and attested by its Treasurer, all as of the date first above written.

CITY OF OAK GROVE, KENTUCKY

By: *Agnesie Oliver*  
Mayor

ATTEST:

By: *[Signature]*  
City Clerk

OAK GROVE TOURISM COMMISSION

By: *[Signature]*  
Chair

NOTE: I verified this signature on 5/1/25. *Lisa S. Beckman*  
Notary  
State of Kentucky

ATTEST:

By: *[Signature]*  
Treasurer

The Kentucky Bond Corporation, as the lessor (the "Lessor") under a Lease Agreement dated as of [Closing Date] (the "Lease"), by and between the Lessor and the City of Oak Grove, Kentucky, as the lessee, hereby consents to the execution, delivery, and performance of this Sublease.

KENTUCKY BOND CORPORATION

By: *Traci Cunningham*  
Secretary

NOTE: I verified this signature on 5/6/25  
*Lisa S. Beckman*  
Notary  
State of Kentucky



COMMONWEALTH OF KENTUCKY )

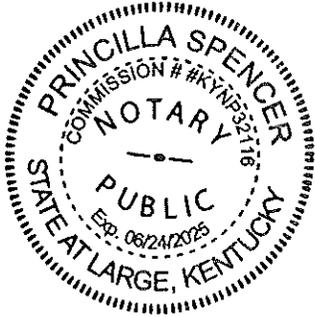
) SS:

COUNTY OF CHRISTIAN )

The foregoing instrument was acknowledge before me this 14<sup>th</sup> day of MAY, 2025, by Andy Wadhwa , as Chair of the Oak Grove Tourism Commission, on behalf of the Commission.

Princilla Spencer  
Notary Public

My Commission Expires: JUNE 24, 2025



## EXHIBIT A

The Project consists of the prepayment and the refinancing of (a) a Lease Agreement dated September 27, 2005, by and between the City of Oak Grove, Kentucky, as the lessee, and the Kentucky League of Cities Funding Trust, as the lessor, the proceeds of which were used to finance the acquisition of property and the construction of various improvements thereon for tourism purposes, including a pavilion/amphitheater, concession areas, an office building, and a boat house, all for the benefit of the Oak Grove Tourism Commission, and (b) a Lease Agreement dated October 2, 2009, by and between the City of Oak Grove, Kentucky, as the lessee, and the Kentucky League of Cities Funding Trust, as the lessor, the proceeds of which were used to finance the costs of (i) improvements to the Oak Grove War Memorial Walking Trail, and (ii) the acquisition of property and the construction of improvements thereon for tourism purposes, including a convention and event center, all for the benefit of the Oak Grove Tourism Commission.