

ORDINANCE NO. 97-4

ORDINANCE OF THE CITY COUNCIL OF THE CITY OF RUSSELLVILLE, KENTUCKY, AUTHORIZING THE EXECUTION OF DEEDS TO AND A LEASE AGREEMENT WITH THE RUSSELLVILLE PUBLIC PROPERTIES CORPORATION; AUTHORIZING THE EXECUTION OF ANY OTHER INSTRUMENTS NECESSARY TO CARRY OUT A PLAN OF FINANCING AND THE COST OF THE ACQUISITION AND CONSTRUCTION OF A RECREATION AND AQUATIC CENTER; AND EVIDENCING THE AGREEMENT OF THE CITY TO ACCEPT A CONVEYANCE OF THE RECREATION AND AQUATIC CENTER FROM THE RUSSELLVILLE PUBLIC PROPERTIES CORPORATION AFTER THE RETIREMENT OF ALL BONDS ISSUED BY SAID CORPORATION TO FINANCE THE PROJECT.

WHEREAS, the City of Russellville, Kentucky (the "City"), desires to finance the acquisition, construction and furnishing of a certain municipal recreation and aquatic center (the "Project"), and

WHEREAS, the Russellville Public Properties Corporation (the "Corporation"), has been duly organized under the laws of the Commonwealth of Kentucky, pursuant to an Order of this City Council to act as an agency and instrumentality of the City, in order to enable the Corporation to assist the City in financing the Project, pursuant to a plan, and

WHEREAS, it is contemplated that the Corporation will issue, sell and deliver \$1,255,000 of Russellville Public Properties Corporation Lease Revenue Bonds, Series 1997, dated March 1, 1997 (the "Series 1997 Bonds"), for the purpose of financing the cost, not otherwise provided, of the Project, and that the Corporation will lease said Project to the City, for an initial period ending June 30, 1997, with an exclusive option to the City to renew such lease for periods of one year at a time from year to year until February 29, 2012, at such rentals as will be sufficient to pay the principal and interest requirements of the Series 1997 Bonds, and

WHEREAS, it is necessary that the City execute (a) Deeds conveying the sites of the proposed Project to the Corporation, and (b) a Lease Agreement as to the Project, in which the Corporation is the Lessor and the City is the Lessee, and,

WHEREAS, under said plan of financing, the City will be entitled to obtain a reconveyance of said property, with all improvements thereon, after all of the Series 1997 Bonds have been retired,

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

1. That the Russellville Public Properties Corporation, which has been heretofore authorized as an agency of the City, pursuant to Chapter 58 of the Kentucky Revised Statutes and to an adopted Order of this City Council, shall be and is authorized to proceed as an agency of the City, and to authorize the issuance, sale and delivery of \$1,255,000 principal amount of its

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Series 1997 Bonds, secured by a mortgage lien and revenue pledge against the Project, the cost of which, not otherwise provided, is to be financed through the application of the proceeds of the Series 1997 Bonds.

2. That the City authorizes the Mayor to execute such Deeds to the Corporation conveying the land and properties upon which the Project is located and to be constructed, such Deeds being in the customary form, the legality of the form being approved by the City Attorney.

3. That the proposed form of Lease Agreement (the "Lease") between the City and the Corporation, is hereby approved, and the Mayor and the City Clerk/Treasurer are authorized to execute the Lease on behalf of the City and to deliver same to the Secretary/Treasurer of the Corporation, upon the description and sources of title being inserted as to the properties upon which the Project shall be located.

4. That the Mayor specifically agrees that as and when all Series 1997 Bonds constituting an encumbrance against said property have been retired, whether through rentals payable by the City or otherwise, under which circumstances the Lease requires that said property be reconveyed by the Corporation to the City, such reconveyance from the Corporation to the City will be accepted by the governing body of the City, and all of the terms and conditions of the Lease so providing are hereby specifically approved within the meaning of the Internal Revenue Code of 1986, as amended.

5. That this City Council hereby officially records its intention to renew the Lease of said property contained in the Lease, and to provide for the payment of the rentals specified in the Lease until all of the Series 1997 Bonds have been retired, in order to enable the City to obtain fee simple title to the property, it being understood that this statement of intention is not and cannot (under Section 157 of the Kentucky Constitution) be legally binding on the City or on this City Council.

6. That the sale of said Series 1997 Bonds by solicitation pursuant to Chapter 58 of the Kentucky Revised Statutes is hereby authorized and approved in accordance with a Resolution duly adopted by the members and Board of Directors of the Corporation.

7. That the City Council hereby specifically approves the execution by the officers of the Corporation of a Mortgage Deed of Trust (the "Mortgage") from the Corporation to Bowling Green Bank and Trust Company, N.A., Bowling Green, Kentucky, authorizing and securing said proposed Series 1997 Bonds, substantially in the form examined and considered by this City Council, upon the same descriptions being inserted, hereinbefore referred to as the descriptions to be inserted in the Lease, and further approves the execution of any supplemental or amended mortgages in connection therewith as may be deemed appropriate in order to carry out the plan of financing contemplated herein.

8. That the Mayor and the City Clerk/Treasurer and the appropriate officers of said Corporation (constituting an agency and instrumentality of the City) are hereby authorized,

requested and directed to execute any and all other and further instruments and to take all other appropriate legal action as may be deemed reasonably necessary or desirable in carrying out the plan of financing represented by the instruments referred to above, with a view toward compliance with all applicable Kentucky Statutes and court decisions and with a view toward assuring that the receipt of interest on said Series 1997 Bonds will be excluded from gross income for Federal income tax purposes and exempt from all Federal income taxes and that the principal of said Series 1997 Bonds will be exempt from all Kentucky ad valorem taxes.

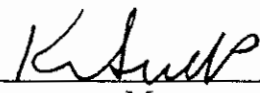
9. That the City hereby certifies that it does not reasonably anticipate issuing "qualified tax-exempt obligations" during the calendar year in which the Series 1997 Bonds are being issued in excess of \$10,000,000, and, that the Corporation, by the adoption of its Resolution, certifies that it does not reasonably anticipate issuing "qualified tax-exempt obligations" during the calendar year in which the Series 1997 Bonds are being issued in excess of \$10,000,000, and, therefore, the City does hereby designate the Series 1997 Bonds as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986.

10. That all Ordinances, Orders, Resolutions, motions or parts thereof in conflict herewith are hereby repealed, and this Ordinance shall take effect and be in force immediately after its passage, approval and publication.

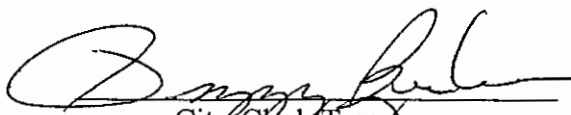
Introduced at a duly convened meeting held on March 4, 1997, given first reading and ordered by the Mayor to be held over in the office of the City Clerk/Treasurer, subject to public inspection, pending consideration by the City Council at a subsequent meeting.

Given Second Reading and Enacted by the City Council of the City of Russellville, Kentucky, at a duly convened meeting held on March 18, 1997, signed by the Mayor indicating his approval, attested under seal by the City Clerk/Treasurer, ordered to be recorded and published by Summary and to be in effect.

CITY OF RUSSELLVILLE, KENTUCKY

By 
Mayor

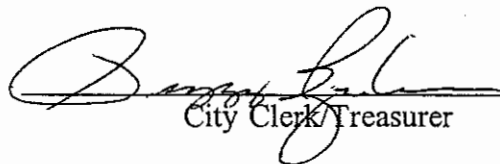
Attest:


City Clerk/Treasurer

CERTIFICATE OF CITY CLERK/TREASURER

I, Peggy S. Jenkins, the duly qualified and acting City Clerk/Treasurer of the City of Russellville, Kentucky, do hereby certify that the foregoing is a true, complete, and correct copy of an Ordinance which received its first reading by the City Council of said City on March 4, 1997, that said Ordinance was then placed on file in my office for public inspection in its completed form until March 18, 1997, on which date it was given its second reading and final passage and adopted by said City Council, executed by the Mayor and attested by the City Clerk/Treasurer, and that said Ordinance has been duly recorded in the official records of the City, as shown by the official records of said City in my custody and under my control.

WITNESS my hand and seal of said City, this 18th day of March, 1997.


City Clerk/Treasurer

(Seal of City)