

**MADISON COUNTY FISCAL COURT
MADISON COUNTY, KY
RESOLUTION 20-03**

**A RESOLUTION FOR THE MADISON COUNTY FISCAL COURT APPROVING AN
INTERLOCAL COOPERATION AGREEMENT RELATING TO THE MADISON COUNTY
AIRPORT AND AUTHORIZING THE JUDGE EXECUTIVE TO SIGN ON BEHALF OF THE
COUNTY**

WHEREAS, the Madison County Fiscal Court wishes to enter into an interlocal cooperation agreement relating to the construction of a new hangar at the Madison County Airport and the funding of that facility; and

WHEREAS, the Fiscal Court finds it to be the public interest that the contemplated new hangar be constructed at the airport and that the County participate in the funding for that facility in the fashion set forth in the agreement (the "Agreement"), attached hereto and here incorporated as though here set forth in full;

NOW THEREFORE, BE IT RESOLVED THAT THE FISCAL COURT DOES HEREBY APPROVE THE AGREEMENT AND AUTHORIZES THE JUDGE EXECUTIVE TO EXECUTE SAME ON BEHALF OF THE COUNTY.

Motion made by Tom Botkin, seconded by Roger Barger.

Vote:	Yes	No
Judge Reagan Taylor	<u>X</u>	<u> </u>
Magistrate Larry Combs	<u> </u>	<u> </u>
Magistrate John Tudor	<u>X</u>	<u> </u>
Magistrate Roger Barger	<u>X</u>	<u> </u>
Magistrate Tom Botkin	<u>X</u>	<u> </u>

ATTESTED

Kenny Barger
Madison County Clerk

Reagan Taylor
Madison County Judge Executive

**INTERLOCAL COOPERATION AGREEMENT RELATING TO THE MADISON COUNTY AIRPORT AND
THE CONSTRUCTION OF A NEW HANGAR**

THIS AGREEMENT is made and entered into by and between the Madison County Airport Board, Inc. (the "Airport Board"), the City of Richmond, Kentucky ("Richmond"), the Madison County Fiscal Court ("Madison County"), and the City of Berea, Kentucky ("Berea") effective as of the ____ day of _____, 2019.

WITNESSETH THAT:

WHEREAS, the Airport Board has approached Richmond, Madison County, and Berea with a proposal for those three entities to assist the Airport in procuring the funding for the construction of a new T-hangar (the "Hangar") designed to house 30 aircraft at the Madison County Airport; and

WHEREAS, the Richmond Board of Commissioners, the Berea Mayor and City Council, and the Madison County Fiscal Court all find it to be in the public interest that the existing airport be improved by the addition of the Hangar proposed by the Airport Board; and

WHEREAS, it is anticipated that construction of the contemplated Hangar will involve the expenditure of \$1,300,000.00; and

WHEREAS, the Airport Board has been awarded a grant in the amount of \$800,000.00 to be used in the construction of the Hangar, and the Airport Board contemplates borrowing the additional \$500,000.00 needed from the private banking sector; and

WHEREAS, the parties are in agreement that the most favorable terms for the extension of such a loan to the Airport Board can be obtained through the participation relative to the loan of Richmond, Madison County, and Berea; and

WHEREAS, the Airport Board does in good faith believe, and has represented to these three entities, that the anticipated income from the contemplated Hangar will be sufficient to make the monthly payments on the borrowed monies so long as such payments are amortized over a period of time not less than 20 years; and

WHEREAS, Richmond, Madison County, and Berea are each willing, in reliance upon the above representations of the Airport Board, to participate in the procuring of the private banking sector funding in the fashion set forth below;

NOW, THEREFORE, the parties do agree as follows:

1. Representations of the Airport Board. The Airport Board, by its execution of this Agreement, does confirm and adopt the factual matters described above.

2. Procurement of Necessary Private Sector Banking Funding. The Airport Board, upon, but only upon, the execution by each of Richmond, Madison County, and Berea, of this Agreement as authorized by the orders of each entity's legislative bodies, will proceed in its endeavor to procure the necessary private sector banking funding. The Airport Board, in its procurement efforts, shall be authorized to advise potential lenders of the undertaking of the three entities as outlined herein by providing to such potential lenders a true copy of this Agreement. Any loan or combined loans shall be in a principal amount no greater than the sum of \$500,000.00, amortized for a term no less than 20 years, and structured such that no loan payments, either principal or interest, shall fall due until the completion of the contemplated Hangar unless the Airport Board shall have funds to make payments independent of any obligation or contribution of Richmond, Madison County, and Berea.

3. Use of Private Sector Banking Funds. All loan proceeds obtained by the Airport Board as contemplated by this Agreement shall be used for the construction of the Hangar and for no other purpose whatever. Any of Richmond, Madison County, or Berea shall have the right to examine the books and records of the Airport Board at any time for so long as any part of the loan contemplated by this Agreement remains unpaid.

4. Participation of Richmond, Madison County, and Berea. Richmond, Madison County, and Berea each agree to act as guarantors on the private sector banking loan contemplated by this Agreement; provided, however, that the individual liability of any one of these entities shall never exceed one-third of the amount or amounts as to which their obligation as a guarantor shall have been triggered. The obligation of the individual guarantors as specified in any and all loan documents and instruments shall be limited to the several liability set forth in the preceding sentence, and none of the three entities shall have any duty to execute a loan guarantee absent that express provision. Further, it is agreed that no individual guarantor shall have any liability whatever on a guarantee executed by it unless and until all three entities have likewise executed such guarantee.

5. Primary Liability of the Airport Board. The Airport Board, as has been represented by it to the other parties herein, anticipates that revenues to be derived from the contemplated Hangar will be sufficient to make all payments on the guaranteed loan. Payments by the Airport Board, however, shall not be limited to Hangar revenue, and in the event that revenue shall at any time be insufficient to keep its loan payments current, the Airport Board shall have the duty to make loan payments from any and all other sources of revenue available to it to the end that if the obligation of the guarantors, or any of them, shall be triggered. In the event that the guarantors shall be required themselves to make any payment, the Airport Board shall have liability to them for reimbursement in full.

6. Appointment of Receiver. Upon the happening of the necessity of the guarantors making one or more payments on the loan, they, or any one of them, shall have the right to require that the Madison Circuit Court appoint a receiver to manage the affairs of the airport

until such time as the loan has been paid in full and any monies advanced by the guarantors shall have been wholly reimbursed to them.

7. Quarterly Accounting to be Provided by the Airport Board to the Guarantors.
Until such time as the loan has been repaid in full, the Airport Board shall provide to Richmond, Madison County, and Berea quarterly accountings reflecting all revenues of the Airport Board itemized by category and all expenses paid, likewise itemized by category, during the preceding quarter. Each accounting shall be provided to the parties by the last day of the month following the close of the calendar quarter.

8. Duration of Agreement. This Agreement shall terminate upon payment in full of the loan anticipated herein .

IN WITNESS WHEREOF, the parties have hereunto set their hands on the dates reflected below.

City of Richmond, Kentucky

By: 
Title: Mayor
Date: 11-27-19

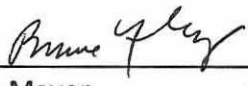
Madison County Airport Board, Inc.

By: _____
Title: _____
Date: _____

Madison County Fiscal Court

By: 
Title: Madison County Judge Executive
Date: 1-26-20

City of Berea, Kentucky

By: 
Title: Mayor
Date: 12/9/2019

Seen and approved by:
Attorney General of the Commonwealth of Kentucky

By: _____
Date: _____