

AN ORDINANCE OF THE CITY OF DRY RIDGE, KENTUCKY AUTHORIZING [i] THE PARTICIPATION OF THE CITY IN THE KENTUCKY MUNICIPAL LEAGUE POOLED LEASE FINANCING PROGRAM, [ii] THE FINANCING BY THE CITY THROUGH THE PROGRAM OF IMPROVEMENTS TO A CITY FIRE STATION AND [iii] THE EXECUTION OF A LEASE PURCHASE AGREEMENT BETWEEN THE KENTUCKY MUNICIPAL FINANCE CORPORATION, AS LESSOR, AND THE CITY, AS LESSEE, UNDER WHICH THE CITY, HAVING CONVEYED ITS INTEREST IN THE PROJECT TO THE CORPORATION, WILL LEASE FROM THE CORPORATION THE PROJECT THEREIN DESCRIBED, AND TAKING OTHER RELATED ACTION.

RECITALS

A. Under the Kentucky Interlocal Cooperation Act, as amended, KRS 65.210 to 65.300 (the "Act"), any power or powers, privileges or authority exercised or capable of exercise by a public agency (including a city) may be exercised jointly with another public agency under an agreement with one another for joint or cooperative action and such public agencies may acquire, construct, maintain, add to and improve the necessary property, real and personal, which is required in order to accomplish the public purposes set forth in such interlocal cooperation agreement. In order to provide funds to accomplish the purposes of such interlocal cooperation agreement, any one of the public agencies, acting pursuant to such interlocal cooperation agreement, may issue, on behalf of all public agencies which are parties to such interlocal cooperation agreement, negotiable revenue bonds, provided that the bonds shall be payable solely from the revenues derived from the joint or cooperative action undertaken pursuant to the interlocal cooperation agreement and shall not constitute an indebtedness of the Commonwealth of Kentucky (the "Commonwealth") or any of the participating public agencies.

B. The Act further authorizes the parties to enter into an interlocal cooperation agreement to create a "separate legal or administrative entity," which entity may, on behalf of the participating public agencies, have certain powers delegated to it under the interlocal cooperation agreement in furtherance of the joint and cooperative undertaking of the participating public agencies.

C. Pursuant to the Act, certain cities of the Commonwealth (the "Cities"), including the City of Dry Ridge, Kentucky (the "Lessee"), have entered into an amended and restated Interlocal Cooperation Agreement dated as of January 1, 1987 (the "Interlocal Cooperation Agreement") for the purpose of jointly and cooperatively establishing a pooled lease financing program known as the Kentucky Municipal League Pooled Lease Financing Program (the "Program") to provide financing or refinancing for the