
INTERLOCAL COOPERATION AGREEMENT

by and between

CITY OF VERSAILLES, KENTUCKY

and

COUNTY OF WOODFORD, KENTUCKY

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(This Table of Contents is not part of this Interlocal Cooperation Agreement and is for convenience of reference only)

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INTERLOCAL COOPERATION AGREEMENT

This **INTERLOCAL COOPERATION AGREEMENT**, is entered into effective as of the Effective Date set forth below by and between the **CITY OF VERSAILLES, KENTUCKY**, a municipal corporation and political subdivision of the Commonwealth of Kentucky (the “City”) and the **COUNTY OF WOODFORD, KENTUCKY**, a county and political subdivision of the Commonwealth of Kentucky (the “County” and collectively with the City the “Parties”).

PREAMBLE

WHEREAS, all capitalized terms used in this preamble shall have the meanings set forth in ARTICLE II hereof; and

WHEREAS, the Parties, along with the Woodford County Economic Development Authority (the “Authority”) have entered in an Agreement for Sale and Purchase of Real Estate with Yokohama Industries America, Inc. (the “Company”) to acquire property located at 105 Industry Drive, Versailles, Woodford County, Kentucky which includes approximately 17.5 acres with an existing building containing 144,000 square feet (collectively, the “Property”) more specifically identified and described in *APPENDIX A*, attached hereto; and

WHEREAS, the City and the County have covenanted and agreed to (i) share on an equal basis the costs of the acquisition, maintenance, development and financing of the Property including the repayment of the Notes and any Future Obligations (both as defined below), (ii) approve the Authority taking fee simple title to the Property from the Company (if required), and (iii) approve the Authority’s development and promotion of the Property for the mutual benefit of the citizens of the City and the County , and

WHEREAS, the City has determined to proceed with the issuance of its General Obligation Bond Anticipation Notes, Series 2026 (Federally Taxable) in an amount not to exceed the \$8,415,000 (the “Notes”) (i) to finance a portion of the costs of the Property; (ii) to pay all or a portion of the cost of credit enhancement on the Notes, if any; and (iii) to pay all or a portion of the costs of issuance of the Notes; and

WHEREAS, the Interlocal Act authorizes “local government units” of the Commonwealth, including each of the Parties hereto, to make the most efficient use of their powers by enabling them to cooperate with each other on a basis of mutual advantage to provide services and facilities, including economic and industrial development activities, in a manner and pursuant to forms of government organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of such legal government units; and

WHEREAS, the Parties desire to enter into this Interlocal Cooperation Agreement to (i) approve the Authority taking fee simple title to the Property (if required), (ii) approve the Authority's development and promotion of the Property for the mutual benefit of the citizens of the City and the County, (iii) provide the terms and conditions upon which the Parties will share in the costs of the acquisition, maintenance, development, and promotion of the Property, including the repayment of the Notes and any Future Obligations incurred by the City to finance the acquisition of the Property.

NOW, THEREFORE, in consideration of the premises and covenants set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE I AFFIRMATION OF PREAMBLE

The Parties hereby find, determine, and declare that the facts, recitals, determinations, and declarations set forth in the preamble of this Agreement are true and correct and hereby affirm and approve all acts described in the preamble. Such facts, recitals, determinations, and declarations are hereby adopted into and incorporated as part of this Agreement.

ARTICLE II DEFINITIONS

In addition to the words and terms elsewhere defined herein, the following words and terms used herein shall have the following meanings unless the context or use indicates a different meaning or intent:

“**Agreement**” means this Interlocal Cooperation Agreement as originally executed and as it may be supplemented or amended from time to time pursuant to the applicable provisions hereof.

“**Appropriations**” means any appropriation of moneys made by either Party from its general fund to pay the costs of the Notes or any Future Obligations.

“**Authority**” means the Woodford County Economic Development Authority, a body politic and corporate.

“**City**” means the City of Versailles, Kentucky, a municipal corporation and political subdivision of the Commonwealth.

“**Commonwealth**” means the Commonwealth of Kentucky.

“**County**” means the County of Woodford, Kentucky, a county and political subdivision of the Commonwealth.

“**Property**” means the acquisition, development, and promotion of the Property described on *ATTACHMENT A* attached hereto.

“**Effective Date**” has the meaning provided in ARTICLE III hereof.

“**Fiscal Year**” means an annual period beginning on (and including) July 1st and ending on (and including) the immediately succeeding June 30th.

“**KRS**” means the Kentucky Revised Statutes.

“**Legislative Body**” means the City Council of the City or the Fiscal Court of the County.

“**Parties**” means the City and the County.

“**Party**” means the City or the County.

“**Stated Expiration Date**” has the meaning provided in Section 7.01 hereof.

ARTICLE III EFFECTIVE DATE

This Agreement shall become effective on the date the last of the following events occurs (the “**Effective Date**”):

(a) The City approves this Agreement by the adoption of an ordinance of its City Council and all proper notifications regarding the adoption of such ordinance are published in accordance with applicable law;

(b) The County approves this Agreement by the adoption of an ordinance of its Fiscal Court and all proper notifications regarding the adoption of such ordinance are published in accordance with applicable law;

(c) The Department of Local Government approves this Agreement pursuant to KRS 65.260(2);

(d) The County or City files a certified copy of this Agreement with the office of the Woodford County Clerk pursuant to KRS 65.290; and

(e) The County or City files a certified copy of this Agreement with the Secretary of State of the Commonwealth pursuant to KRS 65.290.

**ARTICLE IV
APPROVAL OF THE PROPERTY**

Section 4.01. Authorization of Property. The Parties hereby agree to proceed with the acquisition, maintenance, development and promotion of the Property.

Section 4.02. Authorization of the Notes. The Parties hereby agree that the City shall finance the Property through the issuance of general obligation Notes and to pay any costs of borrowing, provided the terms of the Notes are within the following parameters:

(a) The stated principal amount of the Notes shall not exceed \$8,415,000;

(b) The term that the Notes shall be outstanding shall not exceed 4 years from the date the Notes are first incurred. The Notes shall be issued in anticipation of the incurrence by the City of general obligation indebtedness, including, without limitation, the issuance of one or more series of general obligation bonds or the incurrence of a general obligation lease under Sections 65.942 to 65.956, inclusive, of the KRS, to retire the Notes and provide permanent financing for the acquisition of the Property (the "Future Obligations"). The Future Obligations shall be issued or incurred in accordance with an ordinance to be adopted by the City Council of the City at the appropriate time, which ordinance shall (i) authorize the issuance or incurrence of such Future Obligations; (ii) pledge the full faith, credit, and taxing power of the City as security for the repayment of the Future Obligations; and (iii) establish the definitive terms of the Future Obligations, including, among other things, the principal amount, maturities, redemption provisions, and date of issuance and delivery thereof; provided, however, that the Future Obligations shall (A) be issued or incurred no later than the maturity or earlier redemption date of the Note; (B) bear interest at a rate not to exceed 10% per annum, payable semiannually; and (C) mature over a period not to exceed thirty years. Alternatively, the City reserves the right to issue one or more series of renewal notes if, before the maturity or earlier redemption of the Note, the City determines that due to delays, changes in plans, high long-term interest rates, uncertainties in the municipal bond market, or any other causes justifying a delay in the issuance or incurrence of the Future Obligations, the Future Obligations should not immediately be issued or incurred, and the proceeds received from the sale of such renewal notes shall be applied to the payment of the Note; and

(c) The Notes shall bear interest at a stated rate not to exceed 7.000% per annum; and

ARTICLE V
APPROPRIATIONS OF MONEYS TO PAY
THE ACQUISITION OF THE PROPERTY

Section 5.01. Agreement To Make Appropriations. The Parties hereby agree that during each Fiscal Year as long as the Notes or Future Obligations are outstanding, the financial responsibility for the City and the County for the debt service on the Notes or the Future Obligations shall be 50% for the City of Versailles, Kentucky and 50% for Woodford County, Kentucky. With respect to the debt service on the Notes or Future Obligations, each party shall pay its 50% share directly to the Paying Agent designated in the City proceedings authorizing the issuance and sale of the Notes or Future Obligations for deposit into the Sinking Fund held by such Paying Agent. Each Party covenants and agrees to pay its 50% share of the total budget for the maintenance of the Property for each fiscal year in accordance with the provisions of this Interlocal Agreement.

Upon issuance of the Future Obligations by the City, the parties may enter into such agreements as may be necessary or desirable upon the advice of counsel to implement the provisions of this Interlocal Agreement with respect to the annual commitment of each party to pay its equal 50% share of debt service on the outstanding Future Obligations, without further filings and approvals as described above.

It is acknowledged and agreed by the Parties that the agreement and commitment of the County to pay to or upon the order of the City to the Paying Agent an amount sufficient to satisfy the County's allocated portion of the debt service on the Notes or the Future Obligations issued by the City to finance the acquisition and installation of the Property and for payment of maintenance of the Property and payment of administration costs of the Notes or Future Obligations shall be effective immediately upon issuance of the Notes or Future Obligations and shall be paid in each year during which the Notes or Future Obligations are outstanding (which, together with each such successive year, is referred to as a "Bond Year") and shall continue to be effective and binding so long as any Notes or Future Obligations and interest thereon remain outstanding and shall be a general obligation of the County.

Section 5.02. Allocation Of Appropriations. The Parties hereby agree to each pay fifty percent (50%) of each validly requested and authorized Appropriation requested by the Authority with respect to the maintenance of the Property. The Parties hereby agree and acknowledge that the allocation of Appropriations among the Parties in equal proportions is a fair and equitable allocation based upon the benefits to be derived by the Parties and their respective constituents hereunder.

Section 5.03. Failure To Pay Timely Appropriations. If one Party fails to pay all or part of its share of an Appropriation required by this Agreement, the other Party may, but is under no obligation to, pay such amount to the Paying Agent and/or the Authority on behalf of the other Party. In such an event, the paying Party shall notify the defaulting Party of the amount and date of such payment and the defaulting Party shall pay such amount to the paying Party within thirty days of the date of such notice. Notwithstanding any provision in this Section 5.03, the default by one Party in its obligation to pay its share of Appropriations to the Paying Agent and/or the Authority shall not relieve the other Party of its obligations to pay its share of Appropriations to the Paying Agent and/or the Authority hereunder.

**ARTICLE VI
OTHER MATTERS REQUIRED TO BE ADDRESSED
BY THE INTERLOCAL ACT**

Section 6.01. Parties Each Constitute A Public Agency. Each Party hereby represents and warrants that it constitutes a “public agency” as defined in KRS 65.230.

Section 6.02. Joint And Cooperative Action. The Parties have entered into this Agreement pursuant to KRS 65.240 and each Party has approved the execution, delivery, and effectuation of this Agreement by the enactment of an ordinance of its Legislative Body.

Section 6.03. Manner Of Financing; Establishment Of Budget. This Section 6.03 has been provided for purposes of compliance with the requirements of KRS 65.250(1)(c). The Parties have entered into this Agreement to govern their financial support for the Property. This Agreement does not provide for or require an activity that requires a separate source of funds by the Parties. Consequently, it is unnecessary to provide for a manner of financing hereunder or the establishment of a budget other than what is required of the Authority as a condition to the Parties’ obligations pursuant to ARTICLE V hereof.

Section 6.04. Holding And Disposing Of Real And Personal Property. This Section 6.04 has been provided for purposes of compliance with the requirements of KRS 65.250(2)(b). The Authority (if required) shall acquire, own, hold, and dispose of all real property, real property improvements, and personal property used in connection with the Property.

Section 6.05. Utilization Of Peace Officers. This Section 6.05 has been provided for purposes of compliance with the requirements of KRS 65.255. This Agreement does not provide for cooperative action in the utilization of peace officers or police department members.

Section 6.06. Utilization Of Revenue Bonds. This Agreement does not provide for the utilization of revenue bonds by the Parties pursuant to KRS 65.270.

Section 6.07. Employee Transfers. No employees shall be transferred between the Parties pursuant to this Agreement or KRS 65.280.

**ARTICLE VII
TERM OF AGREEMENT**

Section 7.01. Stated Term. Except as otherwise provided in this ARTICLE VII, this Agreement shall have a term of thirty years, beginning on the Effective Date and continuing to (but excluding) the thirtieth anniversary of the Effective Date (the “**Stated Expiration Date**”).

Section 7.02. Early Termination. The Parties may terminate this Agreement before the Stated Expiration Date if the Legislative Bodies of both Parties adopt ordinances providing for such termination and specifying the date such termination is to become effective. If the ordinances specify different early termination dates, the latter early termination date shall govern for both Parties. Notwithstanding anything in this Section 7.02 to the contrary, however, the Parties may not terminate this Agreement before the Stated Expiration Date if the City then has Notes or any

Future Obligations outstanding and the City and the County have pledged Appropriations to the payment of the Notes or any Future Obligations.

In addition, the Parties may terminate this Agreement before the Stated Expiration Date if the Property shall have been sold by the Parties and the proceeds of such sale shall be in an amount sufficient to pay and retire the then outstanding principal of and accrued interest on the Notes or any Future Obligations and such Notes or any Future Obligations shall no longer remain outstanding.

Section 7.03. Extension. The Parties may extend the Stated Termination Date of this Agreement if the Legislative Bodies of both Parties adopt resolutions or municipal orders, as applicable, specifying the new stated expiration date. Upon the adoption of both such resolutions or municipal orders, this Agreement shall be deemed amended to reflect the new stated expiration date and each Party shall attach a copy of both resolutions or orders, as the case may be, to the copy of this Agreement maintained in such Party's permanent records. The Parties shall also provide copies of such resolutions or municipal orders, as the case may be, to the State and Local Debt Officer, the office of the Woodford County Clerk, and the Secretary of State of the Commonwealth. The Parties may extend the Stated Expiration Date of this Agreement as many times as desired.

Section 7.04. Actions Upon Termination. This Section 7.04 has been provided for purposes of compliance with the requirements of KRS 65.250(1)(d). As of the Effective Date, the Parties do not reasonably expect it will be necessary to dispose of any property upon the partial or complete termination of this Agreement. Nevertheless, if the termination of this Agreement necessitates any such property to be disposed of, such property shall be returned to the Parties in the same proportions as their respective contributions of moneys, property, and other assets to pursuant to this Agreement.

ARTICLE VIII MISCELLANEOUS PROVISIONS

Section 8.01. Third Party Beneficiaries. The Parties hereby acknowledge and affirm that the Authority is a third party beneficiary of this Agreement. Except as provided in the immediately preceding sentence, nothing in this Agreement, express or implied, shall confer upon or give to any Person other than the Parties, their respective successors and assigns, and the Authority any right, remedy, or claim under or by reason of this Agreement or any covenant, condition, or stipulation hereof; and the covenants, stipulations, and agreements in this Agreement are and shall be for the sole and exclusive benefit of the Parties, their respective successors and assigns, and the Authority.

Section 8.02. Non-Business Days. Whenever any payment or action to be made or taken under this Agreement shall be stated to be due on a day that is not a Business Day, such payment or action shall be made or taken on the next succeeding Business Day and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

Section 8.03. Notice. All notices and other communications given to or made upon any party hereto in connection with this Agreement shall, except as herein otherwise expressly provided, be in writing and mailed, faxed, or delivered. All such notices or other communications shall be effective, if mailed, when deposited in the U.S. mail, first class postage prepaid; if faxed, when faxed; or if delivered, when delivered. Until otherwise provided by the respective Parties, all notices, demands, certificates, and communications to each of them shall be addressed as follows:

To the County: County of Woodford, Kentucky
103 South Main Street
Versailles, Kentucky 40383
Attention: County Judge/Executive
Telephone: (859) 873-4139

With a copy to: Woodford County Attorney
103 South Main Street
Suite 300
Versailles, Kentucky 40383
Telephone: (859) 873-5001

To the City: City of Versailles, Kentucky
196 S. Main Street
Versailles, Kentucky 40383
Attention: Mayor
Telephone: (859) 873-5436

With a copy to: City Attorney
City of Versailles, Kentucky
126 S. Main Street
Versailles, Kentucky 40383
Telephone: (859) 873-6207

Section 8.04. Severability. The provisions of this Agreement are severable, and if any clause or provision of this Agreement shall be held invalid or unenforceable in whole or in part, then such clause or provision shall be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability or the remaining provisions hereof.

Section 8.05. Governing Law. This Agreement and the rights and obligations of the parties hereto and thereto shall be governed by and construed and enforced in accordance with the substantive law of the Commonwealth, without regard to conflict of law principles.

Section 8.06. No Implied Waiver; Cumulative Remedies; Writing Required. No delay or failure of a Party in exercising any right, power, or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise thereof or any abandonment or discontinuance of steps to enforce such right, power, or remedy preclude any other or further exercise thereof or the exercise of any other right, power, or remedy. The rights, powers and remedies provided hereunder are cumulative and not exclusive of any right, power or remedy (including the right of specific performance) which a Party would otherwise have. Any waiver, permit, consent, or approval of any kind or character on the part of a Party of any default hereunder or any such waiver of any provision or condition hereof or thereof must be in writing and shall be effective only to the extent specifically set forth in such writing.

Section 8.07. Benefit And Binding Effect Of Agreement. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors.

Section 8.08. References. All reference in this Agreement to any document shall be a reference to such document as the same may from time to time be modified, amended, renewed, consolidated, or extended, with the prior written consent of each Party hereto.

Section 8.09. Interpretative Rules. For all purposes of this Agreement, except as otherwise expressly provided, or unless the context otherwise requires (a) all references in this Agreement to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement as originally executed; (b) the words “herein,” “hereof,” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section, or other subdivision hereof; (c) Article, Section, and other headings used herein are for convenience only and are not a part of this Agreement and shall not be used in construing this Agreement; (d) the terms defined in hereof have the meanings assigned to them in ARTICLE II hereof and include the plural as well as the singular and the singular as well as the plural; and (e) unless otherwise specified, the word “including” means “including without limitation”, the word “or” means “and/or”, the word “any” means “any and all,” the word “all” means “any and all”, and the word “each” means “each and every,” and the word “every” means “each and every.”

Section 8.10. Amendment. The Parties may only amend this Agreement by complying with the requirements of KRS 65.242, KRS 65.290, or any succeeding legal authority thereof.

Section 8.11. Counterpart Execution. This Agreement may be signed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement. Delivery of an executed counterpart of the signature page to this Agreement by facsimile or other electronic means (including .pdf format) shall be effective as delivery of a manually executed counterpart of this Agreement, and any party delivering such an

executed counterpart of the signature page to this Agreement by facsimile or other electronic means (including .pdf format) to any other party shall thereafter also promptly deliver a manually executed counterpart of this Agreement to such other party, provided that the failure to deliver such manually executed counterpart shall not affect the validity, enforceability, or binding effect of this Agreement.

[Signature page to follow]

[SIGNATURE PAGE TO INTERLOCAL COOPERATION AGREEMENT]

IN WITNESS WHEREOF, the City of Versailles, Kentucky has caused this Interlocal Cooperation Agreement to be executed in its name by its duly authorized representatives, all as of the Effective Date.

CITY OF VERSAILLES, KENTUCKY

By: _____

Laura Dake
Mayor

Attest:

By: _____

Elizabeth Reynolds
City Clerk

[SIGNATURE PAGE TO INTERLOCAL COOPERATION AGREEMENT]

IN WITNESS WHEREOF, the County of Woodford, Kentucky has caused this Interlocal Cooperation Agreement to be executed in its name by its duly authorized representatives, all as of the Effective Date.

**COUNTY OF WOODFORD,
KENTUCKY**

By: _____
James Kay
County Judge/Executive

Attest:

By: _____
Jordan Coyle
Fiscal County Clerk

**APPROVAL OF INTERLOCAL COOPERATION AGREEMENT
BY THE DEPARTMENT OF LOCAL GOVERNMENT
OF THE COMMONWEALTH OF KENTUCKY**

The undersigned, being the duly appointed Commissioner of the Department For Local Government of the Commonwealth of Kentucky, hereby approves the foregoing Interlocal Cooperation Agreement in accordance with the requirements of Section 65.260 of the Kentucky Revised Statutes, this _____ day of _____, 2026.

Matt Sawyers
Commissioner of the Department of Local
Government of the Commonwealth of
Kentucky

**CERTIFICATE REGARDING FILING OF
INTERLOCAL COOPERATION AGREEMENT
WITH THE OFFICE OF THE CLERK OF
WOODFORD COUNTY, KENTUCKY**

The County Clerk of the County of Woodford, Kentucky, hereby certifies that a copy of the foregoing Interlocal Cooperation Agreement was duly filed in his office this _____ day of _____, 2026, pursuant to Section 65.290(2) of the Kentucky Revised Statutes.

Sandra Jones
Woodford County Clerk

**CERTIFICATE REGARDING FILING OF
INTERLOCAL COOPERATION AGREEMENT
WITH THE OFFICE OF THE
KENTUCKY SECRETARY OF STATE**

The Kentucky Secretary of State hereby certifies that a copy of the foregoing Interlocal Cooperation Agreement was duly filed in her office this _____ day of _____, 2026, pursuant to Section 65.290 of the Kentucky Revised Statutes.

Michael G. Adams
Kentucky Secretary of State

**APPENDIX A
TO INTERLOCAL COOPERATION AGREEMENT**

Description of the Property

(See attachment)