

## SIXTH AMENDED AND RESTATED GRANT CONTRACT

WHEREAS, the Louisville Arena Authority, Inc. (the “Authority”) and the Commonwealth of Kentucky (the “Commonwealth”) entered into a Grant Contract with an effective date of December 17, 2006, as amended by an Amended and Restated Grant Contract with an effective date of February 1, 2007, a Second Amended and Restated Grant Contract with an effective date of November 16, 2007, a Third Amended and Restated Grant Contract with an effective date of June 26, 2008, a Fourth Amended and Restated Grant Contract with an effective date of September 15, 2011, and a Fifth Amended and Restated Grant Contract with an effective date of January 15, 2014 (as amended, the “Grant Contract”), providing for, among other things, the payment of tax increments generated by the Louisville Arena Zone from the Commonwealth to the Authority;

WHEREAS, as a result of the enactment of KRS 65.4931, the parties have determined that it is appropriate to so amend the current Grant Contract and hereby do so in this Sixth Amended and Restated Grant Contract;

THEREFORE, the parties agree as follows:

The Third Amended and Restated Grant Contract with an effective date of June 26, 2008 (the “Third Amended and Restated Grant Contract”), the Fourth Amended and Restated Grant Contract with an effective date of September 15, 2011 (the “Fourth Amended and Restated Grant Contract”), and the Fifth Amended and Restated Grant contract with an effective date of January 15, 2014 (the “Fifth Amended and Restated Grant Contract”), including all exhibits thereto, are hereby incorporated in full into this agreement and said terms of the Third Amended and Restated Grant Contract, the Fourth Amended and Restated Grant Contract, and the Fifth Amended and Restated Grant Contract shall remain in full force, except for the following amendments and any provisions in the current Grant Contract that are deemed to conflict with the following amendments.

1. **Section 1(n)---“Old Ad Valorem Tax Revenue”** shall be amended to read as follows:

“Old Ad Valorem Tax Revenue” means the amount of Ad Valorem Taxes received by the Commonwealth from the Development Area, in the Base Year.

2. **Section 1(o)---“Old Sales Tax Revenue”** shall be amended to read as follows:

“Old Sales Tax Revenue” means the amount of Sales Taxes received by the Commonwealth from the Development Area, in the Base Year.

3. **Section 1(p)---“Old Withholding Tax Revenue”** shall be amended to read as follows:

“Old Withholding Tax Revenue” means the amount of Withholding Taxes received by the Commonwealth from the Development Area, in the Base Year.

**4. New Definitions** – New definitions are added to the Definitions in Section 1 of the Third Amended and Restated Grant Contract as follows:

(x) “Bonds” means the Kentucky Economic Development Finance Authority Louisville Arena Project Refunding Revenue Bonds, Series 2017 (Louisville Arena Authority, Inc.), to be issued in one or more series or subseries in an aggregate principal amount of not to exceed \$450,000,000.

(y) “Excess Revenues” means all moneys which exceed the costs associated with the Authority’s operating expenses, capital expenditures and the regularly scheduled debt service on the Bonds.

(z) “Term of the Bonds” shall begin on the date the Bonds are issued and then shall end upon the earlier of the stated maturity date of the Bonds or the payment in full of the Bonds.

**5. Section 4.1 - Term of the Increment.** Section 4.1 of the Third Amended and Restated Grant Contract is amended and restated as follows:

**“4.1. Term of Increment.** The Commonwealth agrees to pay to the Authority, and the Authority does accept from the Commonwealth, the Portion of Increment Payable for each calendar year beginning in 2009, with payment to be made beginning in 2010, and for successive calendar years continuing automatically thereafter until the earliest of (i) the date that all Bonds or debt obligations, including letters of credit, and credit/liquidity facilities, allocable to the Increment are defeased, redeemed, or paid in full; (ii) December 31, 2054, being the date forty-five (45) years from the initial payment date (such date having been extended pursuant to House Bill 330 of 2017) or (iii) the Commonwealth’s election to terminate this Restated Grant Contract at the end of any current calendar year upon sixty (60) days’ prior written notice to the Authority. If the Bonds or other debt obligations, including letters of credit, and credit/liquidity facilities, secured, in whole or in part, by the Increment Payable are issued and outstanding (including the Bonds or debt obligations that are refinanced), the Parties agree that Section 6.1 of this Restated Grant Contract shall contain a bond trustee (“Bond Trustee”) within the list of entities receiving notice, and that prior to exercising any termination rights pursuant to this Restated Grant Contract, Bond Trustee shall have consented to the termination. To the extent the Authority provides written instruction to the Commonwealth that it has elected to irrevocably assign its rights to the Portion of the Increment Payable to the Bond Trustee for the benefit of the holders of the Bonds while the Bonds are outstanding, the Commonwealth agrees that it will remit the Portion of the Increment Payable directly to the Bond Trustee and as remittances are made to the Bond Trustee during the term of this Agreement, it will provide notice of such remittances to the Authority.

Notwithstanding anything in this Restated Grant Contract to the contrary, if (i) all Bonds, letters of credits, credit/liquidity facilities, or debt obligations (including the Bonds or debt obligations that are refinanced) secured, in whole or in part, by the Increment Payable are defeased, redeemed or paid in full; or (ii) it is forty-five (45) years after the Initial Payment; then consent of Bond Trustee shall no longer be required for any action taken pursuant to this Restated Grant Contract.

In consideration of the Commonwealth's agreement to extend the term of the Increment and to remove the limitation on the amount of the aggregate Increment originally contained in the Third Amended and Restated Grant Contract, the Authority agrees that it shall comply with the following conditions:

(i) The Authority shall use all "Excess Revenues" as defined herein to redeem the Bonds prior to their stated maturity date.

(ii) Once the Bonds are callable, the Authority shall apply all Excess Revenues to the redemption of the Bonds prior to their stated maturity date, at least once every 36 months.

(iii) If it is the position of the Authority that the application of all Excess Revenues to the redemption of the Bonds prior to their stated maturity date jeopardizes the Project, the Authority shall present an alternative payment plan for that thirty-six (36) month period to the Capital Projects and Bond Oversight Committee for approval.

(iv) The Authority shall submit a report to the Governor and the Capital Projects and Bond Oversight Committee on or before November 1, 2018 and annually thereafter regarding the operations and financial conditions of the Authority;

(v) The Authority shall submit a report to the Finance and Administration Cabinet promptly following any date on which:

1. Excess Revenues are used to redeem the Bonds early, or
2. Final payment of the Bonds is made; and

(vi) No further revenues under the pilot program shall be remitted to the Authority following the end of the term of the Bonds."

**6. Section 4.3 - Use of Increment.** Section 4.3 of the Third Amended and Restated Grant Agreement is amended and restated as follows:

**"4.3. Use of Increment.** Consistent with the Pilot Program Legislation, the Authority covenants and agrees that it will use the proceeds derived under this Restated Grant Contract solely for the purposes of this Project. If the Increment is used to support notes, bonds, letters of credit, credit/liquidity facilities, or other debt

obligations by or on behalf of the Authority, the Authority shall utilize the Portion of Increment Payable received in a given year to (1) pay the then current principal and interest payments and (2) maintain a fully funded debt service reserve. Any excess beyond that used for the purposes in the preceding sentence shall be used to provide for the payment of debt service, the retirement, refinancing, or defeasance of all or a portion of the outstanding notes, bonds, letters of credit, credit/liquidity facilities, or other debt obligations. Additionally, in all respects the Increment may be used to pay remarketing and bank fees and any credit insurance reimbursement necessary to facilitate any bond transaction(s) involving the Project and the Authority. Commencing after 2009, the Authority shall provide to the Finance and Administration Cabinet no later than September 1 of each year, a certification, substantially in the form of Exhibit C attached hereto, as to the use of the proceeds derived under this Restated Grant Contract during the preceding year.”

**7. Section 6.1 – Notices.** The addresses for notice are amended and restated as follows:

If to Commonwealth: Commonwealth of Kentucky  
c/o Finance and Administration Cabinet  
Room 383, Capitol Annex  
Frankfort, Kentucky 40601  
Attn: Office of the Secretary

If to Authority: Louisville Arena Authority, Inc.  
1 Arena Plaza  
Louisville, Kentucky 40202  
Attn: Chairperson

With a copy to: C. Edward Glasscock, Esq.  
Frost Brown Todd LLC  
400 W. Market Street, Suite 3200  
Louisville, Kentucky 40202

If to Bond Trustee: Regions Bank  
150 Fourth Avenue North, Suite 900  
Nashville, Tennessee 37219  
Attn: Corporate Trust Department

**8. Effectiveness.** The changes to the Grant Contract contained in this Sixth Amended and Restated Grant Contract shall take effect upon the issuance and delivery of the Bonds by the Kentucky Economic Development Finance Authority.

**HAVE SEEN AND AGREE TO:**

**LOUISVILLE ARENA AUTHORITY, INC.**

**COMMONWEALTH OF  
KENTUCKY FINANCE AND  
ADMINISTRATION CABINET**

By: Scott Cox  
Scott Cox, Chairman

By: William M. Landrum III  
William M. Landrum III, Secretary

Date: 2 NOV 17

Date: 9 Nov 2017

**APPROVED FOR FORM AND LEGALITY:**

Louisville Arena Authority, Inc.

Finance and Administration Cabinet

By: John S. Egan  
John S. Egan, Counsel for the Authority

By: Patrick W. McGee  
Patrick W. McGee, Acting General  
Counsel