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**BOND TRUST INDENTURE**

between

**KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**

and

**REGIONS BANK,**  
as Bond Trustee

Dated as of December 1, 2017

\$202,125,000

Kentucky Economic Development Finance Authority  
Louisville Arena Project Refunding Revenue Bonds, Series 2017A  
(Louisville Arena Authority, Inc.)

\$175,640,000

Kentucky Economic Development Finance Authority  
Louisville Arena Project Refunding Revenue Bonds, Taxable Series 2017B  
(Louisville Arena Authority, Inc.)

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and is for convenience of reference only)

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## **BOND TRUST INDENTURE**

This **BOND TRUST INDENTURE**, dated as of December 1, 2017, between the **KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY**, a public body corporate and politic and an agency, instrumentality, and political subdivision of the Commonwealth of Kentucky, and **REGIONS BANK**, an Alabama banking corporation, duly established, existing, and authorized to accept and execute trusts of the character herein set out under and by virtue of the laws of the United States of America, having a corporate trust office located at 150 Fourth Avenue North, Suite 900, Nashville, Tennessee 37219;

### **PREAMBLE**

**WHEREAS**, all capitalized terms used in this preamble shall have the meanings set forth in **EXHIBIT A** attached hereto; and

**WHEREAS**, the Authority is a public body corporate and politic and an agency, instrumentality, and political subdivision of the Commonwealth created and acting under Sections 154.1-010, 154.10-010 through 154.10-035, and 154.20-010 through 154.20-035 of the Kentucky Revised Statutes and Resolution 92-1 adopted on October 13, 1992, by the Kentucky Economic Development Partnership; and

**WHEREAS**, the Authority previously issued its (i) Louisville Arena Project Revenue Bonds, Series 2008A (Louisville Arena Authority, Inc.), consisting of Subseries 2008A-1 Fixed Rate Bonds currently outstanding in an aggregate principal amount of \$292,280,000 and Subseries 2008A-2 Capital Appreciation Bonds having an aggregate value upon final maturity of \$43,185,000; (ii) Louisville Arena Project Revenue Bonds, Taxable Series 2008B (Louisville Arena Authority, Inc.) currently outstanding in an aggregate principal amount of \$17,335,000; and (iii) Louisville Arena Project Revenue Bonds, Taxable Subordinate Series 2008C (Louisville Arena Authority, Inc.) currently outstanding in an aggregate principal amount of \$9,900,000, the collective proceeds of which were used, among other things, (1) to pay or reimburse the Louisville Arena Authority, Inc., a Kentucky non-profit, non-stock corporation, for the payment of a portion of the costs of acquisition, development, construction, and installation of the KFC Yum! Center, a 721,762 square-foot, 22,090 seat, multi-use arena located at 1 Arena Plaza (and bordered by Main Street, River Road, Second Street, and Third Street) in the central business district of downtown Louisville, Kentucky; (2) to pay capitalized interest for the Series 2008 Bonds; (3) to fund a debt service reserve for the Series 2008 Bonds; (4) to pay costs of credit enhancement for the Series 2008 Bonds; and (5) to pay costs of issuance of the Series 2008 Bonds; and

**WHEREAS**, the Authority is authorized under the Act, among other things, to approve and to refinance the costs of economic development projects and to issue bonds and to make loans to corporate entities for such purposes, the bonds to be secured by instruments evidencing the loans to such corporations and to be payable solely from payments made by such corporations thereon, and to enter into trust indentures providing for the issuance of the bonds and for their payment and security; and

**WHEREAS**, the Corporation has requested the Authority to issue its (i) Louisville Arena Project Refunding Revenue Bonds, Series 2017A (Louisville Arena Authority, Inc.) in an aggregate principal amount of \$202,125,000; and (ii) Louisville Arena Project Refunding Revenue Bonds, Taxable Series 2017B (Louisville Arena Authority, Inc.) in an aggregate principal amount of \$175,640,000; and

**WHEREAS**, the Authority and the Corporation will use the proceeds of the Series 2017 Bonds (i) to refund the Series 2008 Bonds; (ii) to pay the premiums of the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, and the Series 2017 Liquidity Reserve Policy; (iii) to fund a portion of the Senior Reserve Fund; (iv) to fund a deposit to the Renovation and Replacement Fund; (v) to finance the Fair Board Payment; and (vi) to pay Issuance Costs of the Series 2017 Bonds; and

**WHEREAS**, based on the Corporation's representations the Authority has determined that a substantial reduction in the interest cost payable by the Authority with respect to the Series 2017 Bonds and by the Corporation under the Loan Agreement will result if the Series 2017 Bond Insurance Policy is obtained from the Bond Insurer and the Bond Insurer has committed to deliver its Series 2017 Bond Insurance Policy guaranteeing the payment of the principal of and interest on the Series 2017 Bonds; and

**WHEREAS**, pursuant to the Loan Agreement, the Corporation will covenant to make payments at such times and in such amounts or cause payments to be made at such times and in such amounts so as to provide for payment of the principal of and interest on the Bonds Outstanding under this Bond Indenture; and

**WHEREAS**, the execution and delivery of this Bond Indenture and the issuance of the Series 2017 Bonds under the Act have been in all respects duly and validly authorized by resolutions duly adopted by the Authority; and

**WHEREAS**, the Series 2017 Bonds in registered form and the Bond Trustee's certificates of authentication to be endorsed thereon are, except as hereinafter provided, to be in substantially the forms hereinafter set forth, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Bond Indenture; and

**WHEREAS**, all things necessary to make the Series 2017 Bonds, when authenticated by the Bond Trustee and issued as in this Bond Indenture provided, the valid, binding, and legal special and limited obligations of the Authority according to the import thereof, and to constitute this Bond Indenture a valid assignment and pledge of the payments and prepayments under the Loan Agreement, and any other receipts of the Authority to be applied to the payment of the principal of and interest on the Series 2017 Bonds and a valid assignment of the Authority's right, title, and interest under the Loan Agreement and amounts payable to the Authority under the Loan Agreement (except Unassigned Rights), have been done and performed, and the creation, execution, and delivery of this Bond Indenture, and the creation, execution, and issuance of the Series 2017 Bonds, subject to the terms hereof, have in all respects been duly authorized; and



**NOW, THEREFORE, THIS BOND INDENTURE WITNESSETH:**

That the Authority, in consideration of the premises and of the purchase of the Bonds and of other good and lawful consideration, the receipt of which is hereby acknowledged, and to secure (i) the payment of the principal and interest on the Bonds and the performance and observance of all of the covenants and conditions herein or therein contained; (ii) the payment of all Reimbursement Obligations due to the Bond Insurer under the Bond Insurance Documents; and (iii) on a subordinate basis, the payment of principal and interest on any Subordinate Bonds, has executed and delivered this Bond Indenture and has conveyed, granted, assigned, transferred, pledged, set over, and confirmed and granted a security interest in, and by these presents does hereby convey, grant, assign, transfer, pledge, set over, and confirm and grant a security interest in, unto the Bond Trustee, its successor or successors, and its or their assigns forever, with power of sale, all and singular the property, real and personal, hereinafter described (the “**Trust Estate**”), to wit:

**GRANTING CLAUSES**

**DIVISION I**

All right, title, and interest of the Authority in and to the Funds created hereunder and all amounts held therein, including investment earnings;

**DIVISION II**

All right, title, and interest of the Authority (i) in and to the Loan Agreement, the pledges thereunder, and the amounts payable to the Authority thereunder (excluding Unassigned Rights); (ii) in and to any Senior Reserve Fund Credit Facility and the Series 2017 Senior Reserve Fund Surety or other qualified Senior Reserve Fund Surety; (iii) if any, in and to the Irrevocable Assignment of Metro Contract, the Irrevocable Assignment of TIF Contract, the Irrevocable Assignment of Operating Agreements, and the Lockbox Accounts; and (iv) if any, in and to the Mortgage and Security Agreement and any proceeds thereof;

**DIVISION III**

Any and all other property of every kind and nature from time to time hereafter, by delivery or by writing of any kind, sold, conveyed, pledged, assigned, or transferred as and for additional security hereunder by the Authority or the Corporation or by anyone on their behalf to the Bond Trustee, including any TIF Revenues payable by the Commonwealth to the Bond Trustee pursuant to the Irrevocable Assignment of TIF Revenues and the TIF Contract, Metro Revenues payable by Metro Louisville to the Bond Trustee pursuant to the Irrevocable Assignment of Metro Revenues and the Metro Contract, and any other funds or moneys held by the Bond Trustee in any Fund established hereunder as security for the Bonds;

## **EXCEPTED PROPERTY**

There is, however, expressly excepted and excluded from the Trust Estate moneys held by the Bond Trustee in the Rebate Fund established pursuant to the Tax Regulatory Agreement;

**TO HAVE AND TO HOLD**, all and singular, the properties and the rights and privileges hereby conveyed, assigned, and pledged by the Authority or intended so to be, unto the Bond Trustee and its successors and assigns forever, in trust, nevertheless, with power of sale for the equal and pro rata benefit and security of each owner of the Bonds issued and to be issued hereunder and the Bond Insurer, in its capacity as issuer of the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, and the Series 2017 Liquidity Reserve Policy, without preference, priority, or distinction as to participation in the lien, benefit, and protection hereof of one Senior Bond, one Reimbursement Obligation, or one Annual Premium Obligation, over any other Senior Bond, Reimbursement Obligation, or Annual Premium Obligation by reason of priority in the issue or negotiation or maturity thereof, or for any other reason whatsoever, except as herein otherwise expressly provided, so that each and all of such Senior Bonds and Reimbursement Obligations shall, except as otherwise provided herein, have the same right, lien, and privilege under this Bond Indenture and shall be equally secured hereby with the same effect as if the same had all been made, issued, and negotiated simultaneously with the delivery hereof and were expressed to mature on one and the same date; provided, however, that the rights, liens, and privileges under this Bond Indenture securing any Subordinate Bond issued pursuant to Section 2.16 hereof shall be subordinate and subject to such rights, liens, and privileges securing the Senior Bonds and the Reimbursement Obligations;

**PROVIDED, NEVERTHELESS**, and these presents are upon the express condition that if the Authority or its successors or assigns shall well and truly pay or cause to be paid the principal of the Bonds with interest according to the provisions set forth in such Bonds and each of them or shall provide for the payment or redemption of such Bonds by depositing or causing to be deposited with the Bond Trustee the entire amount of funds or securities required for payment or redemption thereof when and as authorized by the provisions hereof, and shall also pay or cause to be paid all Reimbursement Obligations and other sums payable hereunder by the Authority, then these presents and the estate and rights hereby granted shall cease, determine, and become void, and thereupon the Bond Trustee, on payment of its lawful charges and disbursements then unpaid, on demand of the Authority and upon the payment of the costs and expenses thereof, shall duly execute, acknowledge, and deliver to the Authority such instruments of satisfaction or release as may be necessary or proper to discharge this Bond Indenture, including if appropriate any required discharge of record, and if necessary shall grant, reassign, and deliver to the Authority, its successors or assigns, all and singular the property, rights, privileges, and interests by it hereby granted, conveyed, and assigned, and all substitutes therefor, or any part thereof, not previously disposed of or released as herein provided; otherwise this Bond Indenture shall be and remain in full force.

**AND IT IS HEREBY COVENANTED, DECLARED, AND AGREED** by and between the parties hereto that all Bonds are to be issued, authenticated, and delivered, and that all the Trust Estate is to be held and applied, subject to the further covenants, conditions, releases, uses, and trusts hereinafter set forth, and the Authority, for itself and its successors, does hereby covenant and agree to and with the Bond Trustee and its respective successors in said trust, for the benefit of those who shall own the Bonds, or any of them, and the Bond Insurer, as follows:

## **ARTICLE I DEFINITIONS**

To the extent not defined herein, the terms used in this Bond Indenture have the meanings set forth in the Loan Agreement. In addition, words and terms used in this Bond Indenture shall have the meanings provided in **EXHIBIT A** attached hereto unless the context indicates another or different meaning or intent.

## **ARTICLE II AUTHORIZATION OF SERIES 2017 BONDS; CERTAIN TERMS THEREOF; CERTAIN SENIOR AND SUBORDINATE BONDS PERMITTED**

### **Section 2.01. Authorization of Series 2017 Bonds.**

**(a)** The Authority hereby authorizes the issuance pursuant to the Act of two series of Bonds in the aggregate principal amount of \$377,765,000 for the purposes of (i) refunding the Series 2008 Bonds; (ii) paying the premiums of the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, and the Series 2017 Liquidity Reserve Policy; (iii) funding a portion of the Senior Reserve Fund; (iv) funding the Renovation and Replacement Fund; (v) financing the Fair Board Payment; and (vi) paying Issuance Costs of the Series 2017 Bonds.

**(b)** The Series 2017 Bonds shall consist of the following series of bonds:

**(i)** \$202,125,000 principal amount of Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Series 2017A (Louisville Arena Authority, Inc.); and

**(ii)** \$175,640,000 principal amount of Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Taxable Series 2017B (Louisville Arena Authority, Inc.).

The Series 2017 Bonds shall be issuable as fully registered Bonds in Authorized Denominations. Unless the Authority shall otherwise direct, the Series 2017 Bonds of each series shall be numbered from R-1 upward. Interest on the Series 2017 Bonds shall be payable on each Interest Payment Date. Each Series 2017 Bond shall be dated the Closing Date.

(c) The Series 2017 Bonds shall mature on their respective Maturity Dates, subject to the provisions of Section 2.02 hereof.

(d) Interest on the Series 2017 Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

(e) The principal of, premium, if any, and interest on the Series 2017 Bonds shall be payable in any currency of the United States of America which, at the respective dates of payment thereof, is legal tender for the payment of public and private debts.

(f) Interest payments on a Series 2017 Bond (other than with respect to Defaulted Interest) shall be made to the registered owner thereof appearing on the Bond Register as of the close of business of the Bond Registrar on the Record Date. Interest on Series 2017 Bonds shall, except as hereinafter provided, be paid by check of the Bond Trustee mailed on the Interest Payment Date to such holder at the address of such holder as it appears on the Bond Register or to any owner of \$1,000,000 or more in aggregate principal amount of such Series 2017 Bonds of a series as of the close of business of the Bond Registrar on the Record Date for a particular Interest Payment Date, by wire transfer sent on the Interest Payment Date, to such owner. The foregoing notwithstanding, Defaulted Interest shall be payable as provided in the immediately succeeding subsection (g).

(g) Defaulted Interest with respect to any Series 2017 Bond shall cease to be payable to the holder of such Series 2017 Bond on the relevant Record Date and shall be payable to the holder in whose name such Series 2017 Bond is registered at the close of business on the Special Record Date for the payment of such Defaulted Interest, which Special Record Date shall be fixed in the following manner. The Corporation shall notify the Bond Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Series 2017 Bond and the date of the proposed payment (which date shall be such as will enable the Bond Trustee to comply with the second sentence hereafter), and shall deposit with the Bond Trustee at the time of such notice an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Bond Trustee for such deposit before the date of the proposed payment. Money deposited with the Bond Trustee shall be held in trust for the benefit of the holders of the Series 2017 Bonds entitled to such Defaulted Interest as provided in this Section 2.01(g). Following receipt of such funds, the Bond Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than fifteen nor less than ten days before the date of the proposed payment and not less than ten days after the receipt by the Bond Trustee of the notice of the proposed payment. The Bond Trustee shall promptly notify the Corporation of such Special Record Date and, in the name and at the expense of the Corporation, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, not less than ten days before such Special Record Date, to each holder of a Series 2017 Bond at the address of such holder as it appears on the Bond Register.

**Section 2.02. Certain Terms.** The Series 2017 Bonds, in fully registered form as herein provided, shall be payable as to interest each Interest Payment Date to their respective Maturity

Dates, beginning (and including) June 1, 2018, shall be dated the Closing Date, and shall mature on December 1<sup>st</sup> in the years and amounts and shall bear interest from their date of issuance as follows:

**Series 2017A Bonds  
(Term Bonds)**

\$47,340,000	4.000%	Term Bonds Due December 1, 2041
\$96,015,000	5.000%	Term Bonds Due December 1, 2045
\$58,770,000	5.000%	Term Bonds Due December 1, 2047

**Series 2017B Bonds  
(Serial Bonds)**

\$ 3,705,000	2.967%	Serial Bonds Due December 1, 2021
\$ 4,165,000	3.217%	Serial Bonds Due December 1, 2022
\$ 4,650,000	3.349%	Serial Bonds Due December 1, 2023
\$ 5,225,000	3.549%	Serial Bonds Due December 1, 2024
\$ 5,765,000	3.621%	Serial Bonds Due December 1, 2025
\$ 6,335,000	3.721%	Serial Bonds Due December 1, 2026
\$ 6,985,000	3.821%	Serial Bonds Due December 1, 2027
\$ 7,640,000	3.921%	Serial Bonds Due December 1, 2028
\$ 8,330,000	4.021%	Serial Bonds Due December 1, 2029
\$ 9,065,000	4.121%	Serial Bonds Due December 1, 2030
\$ 9,840,000	4.171%	Serial Bonds Due December 1, 2031
\$10,665,000	4.191%	Serial Bonds Due December 1, 2032
\$11,470,000	4.225%	Serial Bonds Due December 1, 2033
\$12,380,000	4.255%	Serial Bonds Due December 1, 2034
\$13,345,000	4.305%	Serial Bonds Due December 1, 2035
\$14,360,000	4.355%	Serial Bonds Due December 1, 2036
\$15,435,000	4.405%	Serial Bonds Due December 1, 2037
\$16,575,000	4.435%	Serial Bonds Due December 1, 2038
\$ 9,705,000	4.455%	Serial Bonds Due December 1, 2039

**Section 2.03. Execution.** The Bonds shall be executed on the Authority's behalf by the manual or reproduced facsimile signature of its Chair or Vice Chair and by the manual or reproduced facsimile signature of its Secretary-Treasurer or any Assistant Secretary-Treasurer (or such other officer as the Authority may designate). The facsimile signatures of the officers shall have the same force and effect as if such officers had manually signed each Bond. In case any officer whose signature shall appear on a Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such person had remained in office until delivery.

**Section 2.04. Authentication.** No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under this Bond Indenture unless and until a certificate of authentication on such Bond shall have been duly executed by the Bond Trustee, and such executed certificate of the Bond Trustee upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Bond Indenture. The Bond Trustee's certificate of authentication on any Bond shall be deemed to have been executed by the Bond Trustee if signed by an authorized signatory of the Bond Trustee, but it shall be unnecessary that the same signatory sign the certificate of authentication on every Bond issued hereunder.

**Section 2.05. Forms of Series 2017 Bonds; Temporary Series 2017 Bonds.**

(a) **Form of Series 2017A Bonds.** The Series 2017A Bonds shall be in substantially the form set forth in **EXHIBIT B-1** hereto with such appropriate variations, omissions, and insertions as are permitted or required by this Bond Indenture or deemed necessary by the Bond Trustee and the Authority.

(b) **Form of Series 2017B Bonds.** The Series 2017B Bonds shall be in substantially the form set forth in **EXHIBIT B-2** hereto with such appropriate variations, omissions, and insertions as are permitted or required by this Bond Indenture or deemed necessary by the Bond Trustee and the Authority.

(c) **Temporary Series 2017 Bonds.** Any Series 2017 Bonds may be initially issued in temporary form exchangeable for definitive Series 2017 Bonds when ready for delivery. The temporary Series 2017 Bonds shall be of such denomination or denominations as may be determined by the Authority, and may contain such reference to any of the provisions of this Bond Indenture as may be appropriate. Every temporary Series 2017 Bond shall be executed by the Authority and shall be authenticated by the Bond Trustee upon the same conditions and in substantially the same manner as the definitive Series 2017 Bonds. If the Authority issues temporary Series 2017 Bonds it will execute and furnish definitive Series 2017 Bonds without delay and thereupon the temporary Series 2017 Bonds may be surrendered for cancellation in exchange therefor at the Designated Corporate Trust Office of the Bond Trustee, and the Bond Trustee shall authenticate and deliver in exchange for such temporary Series 2017 Bonds an equal aggregate principal amount of definitive Series 2017 Bonds of Authorized Denominations. Until so exchanged, the temporary Series 2017 Bonds shall be entitled to the same benefits under this Bond Indenture as definitive Series 2017 Bonds authenticated and delivered hereunder.

**Section 2.06. Mutilated, Lost, Stolen, or Destroyed Bonds.** If any temporary or definitive Bond is mutilated, lost, stolen, or destroyed, the Authority may execute and the Bond Trustee may authenticate a new Bond of like series, form, date, and denomination as that mutilated, lost, stolen, or destroyed; provided that in the case of any mutilated Bond, such mutilated Bond shall first be surrendered to the Bond Trustee, and in the case of any lost, stolen, or destroyed Bond, there shall be first furnished to the Authority and the Bond Trustee evidence of such loss, theft, or destruction satisfactory to the Authority and the Bond Trustee, together

with indemnity satisfactory to them. If any such Bond shall have matured, instead of issuing a duplicate Bond the Authority may pay the same without surrender thereof, but only from the sources of payment as set forth in this Bond Indenture and not from any funds of the Authority. The Authority and the Bond Trustee may charge the holder or owner of such Bond their reasonable fees and expenses in this connection.

**Section 2.07. Transfer and Exchange of Bonds; Persons Treated as Owners.** The Authority shall cause the Bond Register to be kept at the Designated Corporate Trust Office of the Bond Trustee, as Bond Registrar, which is hereby constituted and appointed the Authority's registrar. Upon surrender for transfer of any Bond at the Bond Trustee's Designated Corporate Trust Office, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Trustee and duly executed by the registered owner or the attorney of such owner duly authorized in writing, the Authority shall execute and the Bond Trustee shall authenticate, date, and deliver in the name of the transferee or transferees a new Bond or Bonds of the same series and maturity, of Authorized Denominations, for the same aggregate principal amount, and of like tenor. Any Bond or Bonds may be exchanged at the office of the Bond Trustee for the same aggregate principal amount of Bond or Bonds of other Authorized Denominations and of like tenor. The Authority's execution of any Bond shall constitute full and due authorization of such Bond and the Bond Trustee shall thereby be authorized to authenticate, date, and deliver such Bond.

If any Bond is transferred or exchanged on the Bond Register by the Bond Trustee after notice of redemption of such Bond or the purchase by the Corporation of such Bond has been given, the Bond Trustee shall attach a copy of such notice to the Bond issued in connection with such transfer or exchange.

The Bond Trustee shall not be required to register the transfer of or exchange any such Bond after the mailing of notice calling such Bond or portion thereof for redemption has occurred as herein provided, or during the period of seven calendar days immediately preceding the giving of notice calling any such Bond or Bonds for redemption.

The Person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for the purpose of receiving payment of or on account of principal thereof and premium, if any, thereon and interest due thereon and for all other purposes, and neither the Authority, the Bond Insurer, nor the Bond Trustee shall be affected by any notice to the contrary, but such registration may be changed as herein provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond surrendered for the purpose of payment or retirement or for exchange or transfer or for replacement pursuant to Section 2.06 or Section 2.07 hereof, shall be canceled upon surrender thereof to the Bond Trustee or any Paying Agent. Any such Bonds canceled by any Paying Agent other than the Bond Trustee shall be promptly transmitted by such Paying Agent to the Bond Trustee. Certification of Bonds canceled by the Bond Trustee and Bonds

canceled by a Paying Agent other than the Bond Trustee that are transmitted to the Bond Trustee shall be made to the Authority and to the Corporation if so requested. Canceled Bonds shall be disposed of by the Bond Trustee in accordance with its customary procedures unless instructions to the contrary are received from the Authority or the Corporation.

The Authority and the Bond Trustee may charge each Bondholder requesting an exchange, change in registration, or registration of transfer a sum not exceeding the actual cost of any tax, fee, or other governmental charge required to be paid with respect to such exchange, registration, or transfer, except in the case of the issuance of a definitive Bond for a temporary Bond and except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption or tendered for purchase pursuant to the provisions of ARTICLE XII hereof.

**Section 2.08. Conditions for Delivery of Series 2017 Bonds.** Upon the execution and delivery hereof, the Authority shall execute the Series 2017 Bonds and deliver to the Bond Trustee, and the Bond Trustee shall authenticate the Series 2017 Bonds and deliver them to or for the account of the purchaser under the Bond Purchase Agreement and as directed by the Authority; provided, however, that before delivery by the Bond Trustee of the Series 2017 Bonds there shall be delivered to the Bond Trustee the following:

(a) A certified copy of the resolutions of the Authority authorizing the issuance of the Series 2017 Bonds and the execution and delivery of related documents.

(b) A copy of the resolution adopted and approved by the State Property and Buildings Commission of the Commonwealth, duly certified by an authorized officer thereof, authorizing the issuance and sale of the Series 2017 Bonds and letters signed by an authorized officer thereof of (i) the Kentucky Office of Financial Management and (ii) the Capital Projects and Bond Oversight Committee of the Commonwealth, approving the issuance of the Series 2017 Bonds.

(c) A certified copy of the resolution or resolutions of the Governing Body of the Corporation authorizing the execution and delivery on behalf of the Corporation of the Loan Agreement, the Tax Regulatory Agreement, the Irrevocable Assignment of Metro Contract, the Irrevocable Assignment of TIF Contract, the Irrevocable Assignment of Operating Agreements, the Escrow Agreement, and other Bond-related documents to be executed by the Corporation and approving the Bond Purchase Agreement, this Bond Indenture, and the issuance of the Series 2017 Bonds.

(d) Executed counterparts of this Bond Indenture, the Bond Purchase Agreement, the Loan Agreement, the Tax Regulatory Agreement, the Escrow Agreement, the Mortgage and Security Agreement, the TIF Contract, the Metro Contract, the Irrevocable Assignment of Metro Contract, the Irrevocable Assignment of TIF Contract, and the Irrevocable Assignment of Operating Agreements.



(e) An irreversible written direction by the Corporation to the Commonwealth, acknowledged and accepted in writing by the Commonwealth, to pay all TIF Revenues directly to the Bond Trustee for deposit into the TIF Revenue Fund.

(f) An irreversible written direction by the Corporation to Metro Louisville, acknowledged and accepted in writing by Metro Louisville, to pay all Metro Revenues directly to the Bond Trustee for deposit into the Metro Revenue Fund.

(g) Written Instructions by the Authority to the Bond Trustee to authenticate and deliver the Series 2017 Bonds designating the purchaser to whom such Series 2017 Bonds are to be delivered upon payment therefor and stating the amount to be paid therefor to the Bond Trustee for the account of the Authority plus interest accrued thereon, if any, to the date of delivery.

(h) The amounts specified in Section 3.02 hereof for deposit to the funds and accounts created hereunder.

(i) Each item required as a condition precedent to delivery of the Series 2017 Bonds under the resolutions identified in subsection (a) of this Section 2.08 and under the Bond Purchase Agreement.

(j) Evidence of the execution and recording of the Mortgage and Security Agreement.

(k) The Series 2017 Bond Insurance Policy relating to the Series 2017 Bonds.

(l) The Series 2017 Senior Reserve Fund Surety.

(m) The Series 2017 Liquidity Reserve Policy.

(n) The opinions of counsel to the Bond Insurer relating to the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, and the Series 2017 Liquidity Reserve Policy.

(o) Such other closing documents as the Authority, the Bond Insurer, Bond Counsel, or the Bond Trustee may reasonably specify.

**Section 2.09. Book-Entry Only System.** The Series 2017 Bonds shall be initially issued in the form of a separate single fully registered Series 2017 Bond for each maturity of each series of Series 2017 Bonds. Upon initial issuance, the ownership of each such Series 2017 Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.10 hereof, all of the Outstanding Series 2017 Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

With respect to Series 2017 Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Authority, the Bond Trustee, the Bond Insurer, and the

Corporation shall have no responsibility or obligation to any DTC Participant or to any Person on behalf of whom such a DTC Participant holds an interest in the Series 2017 Bonds. Without limiting the immediately preceding sentence, the Authority, the Bond Trustee, the Bond Insurer, and the Corporation shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Series 2017 Bonds; (b) the delivery to any DTC Participant or any other Person, other than a Bondholder, as shown in the Bond Register, of any notice with respect to the Series 2017 Bonds, including any notice of redemption; or (c) the payment to any DTC Participant or any other Person, other than a Bondholder, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, or interest on the Series 2017 Bonds. Notwithstanding any other provision of this Bond Indenture to the contrary, the Authority, the Bond Trustee, the Bond Insurer, and each Paying Agent, if any, shall be entitled to treat and consider the Person in whose name each Series 2017 Bond is registered in the Bond Register as the absolute owner of such Series 2017 Bond for the purpose of payment of principal of, premium, if any, and interest on such Series 2017 Bond, for the purpose of giving notices of redemption and other matters with respect to such Series 2017 Bond, for the purpose of registering transfers with respect to such Series 2017 Bond, and for all other purposes whatsoever. The Bond Trustee and each Paying Agent, if any, shall pay all principal of, premium, if any, and interest on the Series 2017 Bonds only to or upon the order of the respective Bondholders, as shown in the Bond Register as provided in this Bond Indenture, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge the Authority's obligations fully with respect to payment of principal of, premium, if any, on and interest on for the Series 2017 Bonds to the extent of the sum or sums so paid. No Person other than a Bondholder, as shown in the Bond Register, shall receive a Series 2017 Bond certificate evidencing the obligation of the Authority to make payments of principal, premium, if any, and interest pursuant to this Bond Indenture. Upon delivery by DTC to the Bond Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Bond Indenture with respect to interest checks being mailed to the registered owner as of the close of business on the Record Date, the term "Cede & Co." in this Bond Indenture shall refer to such new nominee of DTC; and upon receipt of such a notice the Bond Trustee shall promptly deliver a copy thereof to the Bond Insurer and each Paying Agent, if any.

**Section 2.10. Successor Securities Depository; Transfers Outside Book-Entry Only System.** If the Authority or the Bond Trustee determines that DTC is incapable of discharging its responsibilities described herein and in the DTC Representation Letter or that it is in the best interest of the beneficial owners of the Series 2017 Bonds that they be able to obtain certificated Bonds, the Authority, by executive action, shall, with the Corporation's consent (which consent shall not be unreasonably withheld), (a) appoint a successor securities depository, qualified to act as such under Section 17(A) of the Securities Exchange Act of 1934, as amended, notify the Bond Insurer, DTC, and DTC Participants of the appointment of the successor securities depository and transfer one or more separate Series 2017 Bond certificates to the successor securities depository; or (b) notify the Bond Insurer, DTC, and DTC Participants of the

availability through DTC of Series 2017 Bond certificates and transfer one or more separate Series 2017 Bond certificates to DTC Participants having Series 2017 Bonds credited to their DTC accounts. In such event, the Series 2017 Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Series 2017 Bonds shall designate, in accordance with the provisions of this Bond Indenture. The Bond Trustee shall give written notice to the Bond Insurer and the Corporation of a determination to issue certificated Series 2017 Bonds.

**Section 2.11. Payments and Notices to Cede & Co.** Notwithstanding any other provision of this Bond Indenture to the contrary, so long as any Series 2017 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Series 2017 Bond and all notices with respect to such Series 2017 Bond shall be made and given, respectively, in the manner provided in the DTC Representation Letter.

**Section 2.12. Bonds; Special and Limited Obligations; No Liability of Commonwealth.** The Bonds shall be special and limited obligations of the Authority payable solely from the Trust Estate created hereunder, including payments or prepayments to be made under the Loan Agreement pledged hereunder (except for Unassigned Rights and except to the extent paid out of moneys attributable to Bond proceeds or the income from the temporary investment thereof and under certain circumstances proceeds from insurance and condemnation awards) and other rights that may be pledged hereunder, and shall be a valid claim of the respective holders thereof only against the funds established under this Bond Indenture and other moneys held by the Bond Trustee for the benefit of the Bonds and the payments due or to become due under the Loan Agreement (except for Unassigned Rights), all of which are hereby assigned and pledged hereunder for the equal and ratable payment of, first, the Senior Bonds and the Reimbursement Obligations, and, second, on a subordinate lien basis, any Subordinate Bonds, shall be used for no other purpose than as set out above except as may be otherwise expressly authorized in this Bond Indenture.

The Bonds do not constitute a debt or liability of the Commonwealth or of any agency or political subdivision thereof, other than a special and limited obligation of the Authority, or a pledge of the faith and credit of the Commonwealth or any agency or political subdivision thereof, other than a special and limited obligation of the Authority, but shall be payable solely from the funds pledged therefor in accordance with this Bond Indenture. The issuance of the Bonds under the provisions of the Act does not directly, indirectly, or contingently obligate the Commonwealth or any agency or political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment, and the Bonds and the interest payable thereon do not now and shall never constitute a debt of the Commonwealth or any agency or political subdivision thereof within the meaning of the Constitution or the statutes of the Commonwealth and do not now and shall never constitute a charge against the credit or taxing power of the Commonwealth or any agency or political subdivision thereof. The Commonwealth shall not in any event be liable for the payment of the principal of or interest on

the Bonds or for the performance of any pledge, obligation, or agreement of any kind whatsoever that may be undertaken by the Authority. No breach by the Authority of any such pledge, mortgage, obligation, or agreement may impose any liability, pecuniary or otherwise, upon the Commonwealth or any charge upon its general credit or against its taxing power.

**Section 2.13. Senior Refunding Bonds - General.** Senior Refunding Bonds permitted to be issued pursuant to this ARTICLE II shall all rank on a parity with the Series 2017 Bonds, and with each other, as to security and source of payment and shall be equally and ratably entitled to the Trust Estate and lien of this Bond Indenture, including the Funds herein established and all moneys and investments therein, except to the extent any such Fund or Funds may be pledged only to a separate series of Senior Refunding Bonds in the authorizing Supplemental Bond Indenture for such series. Any series of Senior Refunding Bonds shall be issued, at the Corporation's Written Instructions to the Authority, with the Bond Insurer's prior written consent, pursuant to a Supplemental Bond Indenture adopted in accordance with Section 2.14 hereof.

**Section 2.14. Senior Refunding Bonds - Approval and Issuance.**

(a) At the Corporation's Written Request, approved in writing by the Bond Insurer, the Authority may issue from time to time Senior Refunding Bonds to refund all or part of the Series 2017 Bonds or any other Senior Bonds then Outstanding, which Senior Refunding Bonds shall rank on a parity with the Series 2017 Bonds or any other Senior Bonds, subject to the condition that before the issuance of such Senior Refunding Bonds there shall be filed with the Bond Trustee, the Bond Insurer, and the Authority:

(i) A certified resolution of the Authority authorizing or ratifying a Supplemental Bond Indenture and authorizing the new series of Senior Refunding Bonds and pledging and assigning all rights of the Authority under such Supplemental Bond Indenture and any payments for such series of Senior Refunding Bonds to the Bond Trustee.

(ii) An executed counterpart of a supplemental loan agreement executed by the Authority and the Corporation that shall provide for payment of not less than the amount necessary, together with other funds pledged and available, for the payment of principal, premium, if any, and interest, when due, for such series of Senior Refunding Bonds and the deposits, if any, into the Senior Reserve Fund required to be made as consequence of the issuance of such series of Senior Refunding Bonds, together with an amendment to the Mortgage and Security Agreement (or a new Mortgage and Security Agreement, if required) executed by the Corporation and the Bond Trustee.

(iii) An executed counterpart of a Supplemental Bond Indenture setting forth the provisions of the new series of Senior Refunding Bonds and pledging and assigning all the Authority's right, title, and interest in and to the supplemental loan agreement referred to in the immediately preceding subparagraph (ii) and pledging and assigning to the Bond Trustee any additional payments to be pledged to secure the payment of such Senior

Bonds hereunder and thereunder, and all rights of the Authority under said supplemental loan agreement.

**(iv)** An Opinion of Bond Counsel to the effect that (1) such Senior Refunding Bonds are valid and binding special and limited obligations of the Authority and enforceable in accordance with their terms and the terms of this Bond Indenture, subject to bankruptcy and insolvency laws; (2) such Senior Refunding Bonds have been duly and validly authorized and issued in accordance with applicable law, this Bond Indenture, and the Loan Agreement; (3) the Loan Agreement has been effectively supplemented by the supplemental loan agreement referred to in the preceding subparagraph (ii) and the Loan Agreement as supplemented is valid and binding on the Authority and the Corporation, subject to bankruptcy and insolvency laws; (4) the Authority has the right and power under the Act as amended to the date of such opinion to execute and deliver the Supplemental Bond Indenture, and that such Supplemental Bond Indenture has been duly executed and delivered by the Authority, is in full force and effect, and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Supplemental Bond Indenture (other than the approval of the Authority and the Bond Insurer) is required; (5) the Bond Indenture, as supplemented and amended, constitutes a valid security agreement as to the property described in the granting clauses hereof, subject only to encumbrances, rights, and interests which will not weaken, diminish, or impair the security intended to be given by or under this Bond Indenture and will not interfere with the use and operation of the Prior Project and all rights of the Authority under the Supplemental Bond Indenture and all payments payable under the Loan Agreement as so supplemented are effectively assigned to the Bond Trustee for the security of the Bonds issued hereunder; and (6) the issuance of the Senior Refunding Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2017A Bonds.

**(v)** A certificate of an officer of the Authority stating that no Bonds have been theretofore issued on the basis of the Supplemental Bond Indenture referred to in the preceding subparagraph (iii) and that on the date of the authentication and delivery of such Senior Refunding Bonds neither the Authority nor the Corporation is in default in the performance or observance of any covenant, condition, agreement, or provision of this Bond Indenture or the Loan Agreement.

**(vi)** A copy of the resolution or resolutions of the Board of Directors of the Corporation authorizing or ratifying the supplemental loan agreement referred to in the preceding subparagraph (ii), certified by the Secretary or an Assistant Secretary of the Corporation.

**(vii)** A certificate of the Corporation that the Corporation approves the issuance of the Senior Refunding Bonds and is not in default in the performance or observance of any of the covenants, conditions, agreements, or provisions of the Loan Agreement.

(viii) The purchase price of the Senior Refunding Bonds being delivered.

(ix) Written Instructions of the Authority for the authentication and delivery of such Senior Refunding Bonds, and such additional documents as the Bond Trustee shall require to establish that provision has been duly made in accordance with the terms of this Bond Indenture for redemption of the Senior Bonds to be redeemed.

(x) Evidence, acceptable to the Bond Insurer that the refunded Senior Bonds have been paid and discharged or otherwise defeased in accordance with ARTICLE XI hereof.

(b) Upon the issuance of any Senior Refunding Bonds, an amount which, together with any other funds that shall be available therefor, when invested in Government Obligations, will produce sufficient funds for paying on a timely basis the principal and redemption premium, if any, of the Senior Bonds to be refunded and the interest which shall accrue thereon to the date fixed for their payment or redemption, shall be deposited to the credit of a special account appropriately designated, to be held in trust by the Bond Trustee for the sole and exclusive purpose of paying such principal, redemption premium, if any, and interest; and moneys held for the credit of such special account shall, as nearly as may be practicable, be invested and reinvested by the Bond Trustee in Government Obligations, which shall mature, or which shall be subject to redemption by the holder thereof at the option of the holder, and bear interest, not later than the respective dates when the moneys held for the credit of such special account will be required for the purposes intended; and the conditions for defeasance in accordance with ARTICLE XI hereof have been satisfied.

(c) Before the Bond Trustee shall authenticate and deliver any Senior Refunding Bonds, the Bond Trustee and the Bond Insurer shall receive the following items in addition to those previously described:

(i) Original executed counterparts of any amendments or supplements to the Tax Regulatory Agreement entered into in connection with the issuance of such Senior Refunding Bonds, which are necessary or advisable, in the opinion of Bond Counsel.

(ii) A copy of the Written Instructions from the Corporation to the Authority for issuance of the Senior Refunding Bonds.

(iii) Written Instructions and authorization to the Bond Trustee on behalf of the Authority to authenticate and deliver the Senior Refunding Bonds to, or on the order of, the original purchaser thereof upon payment to the Bond Trustee of the amount specified therein, which amount shall be deposited as provided in the applicable Supplemental Bond Indenture.

(iv) The written opinion of Bond Counsel, reasonably satisfactory to the Bond Insurer, to the effect that (1) the documents submitted to the Bond Trustee in connection with the request then being made comply with the requirements of this Bond Indenture; (2) the issuance of the Senior Refunding Bonds has been duly authorized; (3) all filings required to be made under Section 6.04 hereof have been made; and (4) all conditions precedent to the delivery of the Senior Refunding Bonds have been fulfilled.

(v) A written opinion of Counsel to the Corporation, reasonably satisfactory to the Bond Insurer, to the effect that the amendments or supplements to the Loan Agreement and the Tax Regulatory Agreement have been duly authorized, executed, and delivered by the Corporation, and that the Loan Agreement, as amended or supplemented, constitutes the legal, valid, and binding obligation of the Corporation, enforceable in accordance with its terms, subject to exceptions for bankruptcy, insolvency, and similar laws and the application of equitable principles.

(vi) If the Senior Refunding Bonds are not issued as taxable Senior Refunding Bonds, a written opinion of Bond Counsel as to the excludability from gross income for federal income tax purposes of interest on the Senior Refunding Bonds.

When (1) the documents listed above have been received by the Bond Trustee and the Bond Insurer, and (2) the Senior Refunding Bonds have been executed and authenticated, the Bond Trustee shall deliver the Senior Refunding Bonds to or on the order of the original purchaser thereof, but only upon payment to the Bond Trustee of the specified amount set forth in the Written Instructions and authorization to which reference is made in the preceding subparagraph (iii).

**Section 2.15. Subordinate Bonds - General.** Any Subordinate Bonds issued pursuant to this ARTICLE II shall be issued on a basis subordinate to all Senior Bonds issued and Outstanding pursuant to this Bond Indenture. Any series of Subordinate Bonds shall be issued, at the Corporation's Written Instructions to the Authority, with the Bond Insurer's prior written consent, pursuant to a Supplemental Bond Indenture adopted in accordance with Section 2.16 hereof.

**Section 2.16. Subordinate Bonds - Approval and Issuance.**

(a) At the Corporation's Written Instruction, approved in writing by the Bond Insurer, the Authority may issue from time to time Subordinate Bonds for any lawful purpose, which Subordinate Bonds shall be subordinate to all Senior Bonds issued pursuant to this Bond Indenture and shall rank on a parity with any other Subordinate Bonds then Outstanding, subject to the condition that before the issuance of such Subordinate Bonds there shall be filed with the Bond Trustee, the Bond Insurer, and the Authority:

(i) A certified resolution of the Authority authorizing or ratifying a Supplemental Bond Indenture and authorizing the new series of Subordinate Bonds and

pledging and assigning all rights of the Authority under such Supplemental Bond Indenture and any additional payments for such series of Subordinate Bonds to the Bond Trustee.

**(ii)** An executed counterpart of a supplemental loan agreement executed by the Authority and the Corporation that shall provide for payment of not less than the amount necessary for the payment of principal, premium, if any, and interest, when due, for such series of Subordinate Bonds and the deposits, if any, into the Subordinate Reserve Fund required to be made as consequence of the issuance of such series of Subordinate Bonds, together with an amendment to the Mortgage and Security Agreement (or a new Mortgage and Security Agreement, if required) executed by the Corporation and the Bond Trustee.

**(iii)** An executed counterpart of a Supplemental Bond Indenture setting forth the provisions of the new series of Subordinate Bonds and pledging and assigning all the Authority's right, title, and interest in and to the supplemental loan agreement referred to in the immediately preceding subparagraph (ii) and pledging and assigning to the Bond Trustee all payments to be applied to the payment of such Subordinate Bonds hereunder and thereunder and all rights of the Authority under said supplemental loan agreement.

**(iv)** An Opinion of Bond Counsel to the effect that (1) such Subordinate Bonds are valid and binding special and limited obligations of the Authority and enforceable in accordance with their terms and the terms of this Bond Indenture, subject to bankruptcy and insolvency laws; (2) such Subordinate Bonds have been duly and validly authorized and issued in accordance with law, this Bond Indenture, and the Loan Agreement; (3) the Loan Agreement has been effectively supplemented by the supplemental loan agreement referred to in the immediately preceding subparagraph (ii) and the Loan Agreement as supplemented is valid and binding on the Authority and the Corporation, subject to bankruptcy and insolvency laws; (4) the Authority has the right and power under the Act as amended to the date of such opinion to execute and deliver the Supplemental Bond Indenture, and that such Supplemental Bond Indenture has been duly executed and delivered by the Authority, is in full force and effect, and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Supplemental Bond Indenture (other than the approval of the Authority and the Bond Insurer) is required; (5) the Bond Indenture, as supplemented and amended, constitutes a valid security agreement as to the property described in the granting clauses hereof, subject only to encumbrances, rights, and interests which will not weaken, diminish, or impair the security intended to be given by or under this Bond Indenture and will not interfere with the use and operation of the Prior Project and all rights of the Authority under the Supplemental Bond Indenture and all payments payable under the Loan Agreement as so supplemented are effectively assigned to the Bond Trustee for the security of the Bonds issued hereunder; and (6) the issuance of the Subordinate Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Series 2017A Bonds.

**(v)** A certificate of an officer of the Authority stating that no Bonds have been theretofore issued on the basis of the Supplemental Bond Indenture referred to in the



preceding subparagraph (iii) and that on the date of the authentication and delivery of such Subordinate Bonds neither the Authority nor the Corporation is in default in the performance or observance of any of the covenants, conditions, agreements, or provisions of this Bond Indenture or the Loan Agreement.

**(vi)** A copy of the resolution or resolutions of the Board of Directors of the Corporation authorizing or ratifying the supplemental loan agreement referred to in the preceding subparagraph (ii) certified by the Secretary or an Assistant Secretary of the Corporation.

**(vii)** A certificate of the Corporation that the Corporation approves the issuance of the Subordinate Bonds and is not in default in the performance or observance of any of the covenants, conditions, agreements, or provisions of the Loan Agreement.

**(viii)** The purchase price of the Subordinate Bonds being delivered.

**(ix)** Written Instructions of the Authority for the authentication and delivery of such Subordinate Bonds.

**(x)** Any other agreements, documents, or certificates required by the Authority, the Corporation, the Bond Trustee, or Bond Counsel.

**(b)** Before the Bond Trustee shall authenticate and deliver any Subordinate Bonds, the Bond Trustee and the Bond Insurer shall receive the following items in addition to those previously described:

**(i)** Original executed counterparts of any amendments or supplements to the Tax Regulatory Agreement entered into in connection with the issuance of such Subordinate Bonds, which are necessary or advisable, in the opinion of Bond Counsel.

**(ii)** A copy of the Written Instructions from the Corporation to the Authority for issuance of the Subordinate Bonds.

**(iii)** Written Instructions and authorization to the Bond Trustee on behalf of the Authority to authenticate and deliver the Subordinate Bonds to, or on the order of, the original purchaser thereof upon payment to the Bond Trustee of the amount specified therein, which amount shall be deposited as provided in the applicable Supplemental Bond Indenture.

**(iv)** The written opinion of Bond Counsel, reasonably satisfactory to the Bond Insurer, to the effect that (1) the documents submitted to the Bond Trustee in connection with the request then being made comply with the requirements of this Bond Indenture; (2) the issuance of the Subordinate Bonds has been duly authorized; (3) all filings required to be made under Section 6.04 hereof have been made; and (4) all conditions precedent to the delivery of the Subordinate Bonds have been fulfilled.

(v) A written opinion of Counsel to the Corporation, reasonably satisfactory to the Bond Insurer, to the effect that the amendments or supplements to the Loan Agreement and the Tax Regulatory Agreement have been duly authorized, executed, and delivered by the Corporation, and that the Loan Agreement, as amended or supplemented, constitutes the legal, valid, and binding obligation of the Corporation, enforceable in accordance with its terms, subject to exceptions for bankruptcy, insolvency, and similar laws and the application of equitable principles.

(vi) If the Subordinate Bonds are not issued as taxable Subordinate Bonds, a written opinion of Bond Counsel as to the excludability from gross income for federal income tax purposes of interest on the Subordinate Bonds.

(vii) A written opinion of Bond Counsel that the issuance of such Subordinate Bonds shall not affect the excludability from gross income for federal income tax purposes of interest on any Tax-Exempt Bond then Outstanding.

When (1) the documents listed above have been received by the Bond Trustee and the Bond Insurer and (2) the Subordinate Bonds have been executed and authenticated, the Bond Trustee shall deliver the Subordinate Bonds to or on the order of the original purchaser thereof, but only upon payment to the Bond Trustee of the specified amount set forth in the Written Instructions and authorization to which reference is made in the immediately preceding subparagraph (iii).

**Section 2.17. CUSIP Numbers.** The Authority in issuing the Bonds may use "CUSIP" numbers (if then generally in use), and, if so, the Bond Trustee shall use "CUSIP" numbers in notices of redemption as a convenience to Bondholders; provided that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Bonds or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Bonds, and any such redemption shall not be affected by any defect in or omission of such numbers. The Corporation will promptly notify the Bond Trustee in writing of any change in the "CUSIP" numbers.

### ARTICLE III APPLICATION OF SERIES 2017 BOND PROCEEDS AND REQUIRED FUND DEPOSITS

**Section 3.01. Expense Fund.** The Authority shall establish with the Bond Trustee a separate fund to be known as the "Expense Fund - Louisville Arena Project," which shall consist of the Series 2017A Account and the Series 2017B Account. Deposits to the credit of the respective accounts in the Expense Fund will be made under the provisions of Section 3.02 hereof. Amounts on deposit in the respective Accounts in the Expense Fund shall be disbursed upon the Corporation's Written Instruction for the payment of expenses for any recording, trustee's, and depository's fees and expenses, accounting and legal fees, financing costs (including costs of acquiring investments for the funds), and other fees and expenses incurred

or to be incurred by or on behalf of the Authority or the Corporation in connection with or incident to the issuance and sale of the Series 2017 Bonds. At such time as the Bond Trustee is furnished with the Corporation's Written Instructions stating that all such fees and expenses have been paid, and in no event later than ninety calendar days after the Closing Date, the Bond Trustee shall transfer any moneys remaining in the respective Accounts in the Expense Fund to the Senior Interest Fund.

**Section 3.02. Deposit of Funds.** The Authority, for and on behalf of the Corporation, shall deposit with the Bond Trustee all of the net proceeds of the Series 2017 Bonds and the Bond Trustee shall apply such proceeds, in accordance with the Corporation's Written Instructions, as follows:

(a) From the proceeds of the Series 2017A Bonds:

(i) Deposit to the Series 2017A Account of the Expense Fund the amount set out in the Written Instructions;

(ii) Remit to the Bond Insurer the amount set out in the Written Instructions (if such amount has not already been paid by the purchaser of the Series 2017 Bonds to the Bond Insurer);

(iii) Deposit to the Senior Reserve Fund the amount necessary to fund the portion of the Senior Reserve Fund Requirement (in addition to the Senior Reserve Fund Surety delivered for the credit of the Senior Reserve Fund on the Closing Date) to be funded from proceeds of the Series 2017A Bonds as set out in the Written Instructions; and

(iv) Deposit to the Tax-Exempt to Tax-Exempt Account of the Escrow Fund the amount set out in the Written Instructions to provide for the defeasance, redemption, payment, and discharge of a portion of the Series 2008A Bonds.

(b) From the proceeds of the Series 2017B Bonds:

(i) Deposit to the Series 2017B Account of the Expense Fund the amount set out in the Written Instructions;

(ii) Remit to the Bond Insurer the amount set out in the Written Instructions (if such amount has not already been paid by the purchaser of the Series 2017 Bonds to the Bond Insurer);

(iii) Deposit to the Senior Reserve Fund the amount necessary to fund the portion of the Senior Reserve Fund Requirement (in addition to the Series 2017 Senior Reserve Fund Surety delivered for the credit of the Senior Reserve Fund on the Closing Date) to be funded from proceeds of the Series 2017B Bonds as set out in the Written Instructions;

(iv) Deposit to the Operation and Maintenance Account the amount of the Fair Board Payment set out in the Written Instructions to be paid by the Corporation to the KSFB;

(v) Deposit to the Renovation and Replacement Fund the amount set out in the Written Instructions;

(vi) Deposit to the Taxable to Tax-Exempt Account of the Escrow Fund the amount set out in the Written Instructions to provide for the defeasance, redemption, payment, and discharge of a portion of the Series 2008A Bonds; and

(vii) Deposit to the Taxable to Taxable Account of the Escrow Fund the amount set out in the Written Instructions to provide for the defeasance, redemption, payment, and discharge of the Series 2008B Bonds and the Series 2008C Bonds.

#### **ARTICLE IV REVENUES AND FUNDS**

**Section 4.01. Source of Payment of Senior Bonds, Reimbursement Obligations, and Subordinate Bonds.** The Senior Bonds, the Reimbursement Obligations, and the Subordinate Bonds and all payments to be made by the Authority thereon and into the various Funds established under this Bond Indenture are not general obligations of the Authority but are special and limited obligations payable solely according to their terms from payments, prepayments, and other amounts payable under the Loan Agreement and the Trust Estate pledged hereunder, including under any Supplemental Bond Indenture (it being understood that such pledged payments do not include the Authority's fees and expenses and amounts payable to the Authority as indemnification under certain circumstances), amounts on deposit in the Funds created hereunder (other than the Rebate Fund and any rebate funds established in connection with separate series of Senior Refunding Bonds or Subordinate Bonds), and any payments to be made by the Bond Insurer pursuant to the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, and the Series 2017 Liquidity Reserve Policy.

**Section 4.02. Payments from Corporation, Commonwealth, and Metro Louisville.** Pursuant to the assignment and pledge of payments due under the Loan Agreement, the absolute and irrevocable assignment of the TIF Revenues pursuant to the Irrevocable Assignment of TIF Contract, and the absolute and irrevocable assignment of Metro Revenues pursuant to the Irrevocable Assignment of Metro Contract set forth in the granting clauses contained herein, the Commonwealth and Metro Louisville shall make the payments due from TIF Revenues and Metro Revenues, respectively, under the Loan Agreement directly to the Bond Trustee when and as the same become due and payable under the terms of the TIF Contract and the Metro Contract, respectively. All such payments, as and when received by the Bond Trustee, shall be deposited and applied as hereinafter provided.

**Section 4.03. TIF Revenues; TIF Revenue Fund.** There is hereby established with the Bond Trustee a separate trust account to be known as the “TIF Revenue Fund - Louisville Arena Project” into which TIF Revenues shall be deposited. The Corporation and the Commonwealth have entered into the TIF Contract, which requires the Commonwealth to contribute TIF Revenues for use in connection with the Prior Project. On or before the Closing Date, the Corporation will cause the absolute and irrevocable assignment of all of the Corporation’s interest in, and right or title to, TIF Revenues and the TIF Contract to the Bond Trustee pursuant to the Irrevocable Assignment of TIF Contract. On or before the Closing Date, the Commonwealth will irrevocably acknowledge and agree to make all payments of TIF Revenues directly to the Bond Trustee for so long as any Bond, Reimbursement Obligation, or Annual Premium Obligation is Outstanding. The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the TIF Revenue Fund and the sources and dates of such deposits, expenditures, and transfers.

(a) Before making any transfers required pursuant to Section 4.04(a) and Section 4.05(a) hereof, the Bond Trustee shall, from moneys on deposit in the TIF Revenue Fund, make the following transfers on or before the third Business Day immediately preceding each December 1<sup>st</sup> commencing on (and including) December 1, 2018:

(i) First, deposit in the Senior Interest Fund and the Senior Bond Sinking Fund (in that order) moneys up to the amount required to pay (1) the interest on and principal (by maturity or mandatory Senior Bond Sinking Fund redemption) of the Senior Bonds due on the immediately succeeding December 1<sup>st</sup>; and (2) any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Bond Insurance Policy by the Bond Insurer; provided, however, that if the moneys available shall be insufficient to pay in full any particular installment or amount to be due as set out above, then to the payment ratably, according to the amounts due on such date;

(ii) Second, deposit in the Senior Reserve Fund moneys up to the amount, if any, required (1) to restore the amount in the Senior Reserve Fund to the Senior Reserve Fund Requirement; and (2) to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Senior Reserve Fund Surety by the Bond Insurer;

(iii) Third, deposit in the Liquidity Reserve Fund moneys up to the amount required to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Liquidity Reserve Policy provided by the Bond Insurer;

(iv) Fourth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Interest Fund and the Subordinate Bond Sinking Fund (in that order) moneys up to the amount, if any, required to pay interest on and principal (by maturity or mandatory Subordinate Bond Sinking Fund redemption) of the Subordinate Bonds due on the immediately succeeding December 1<sup>st</sup>; and

**(v)** Fifth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Reserve Fund moneys up to the amount, if any, required to restore the amount in the Subordinate Reserve Fund to the Subordinate Reserve Fund Requirement.

All moneys remaining in the TIF Revenue Fund after the application of the preceding subsections (i) through (v) shall remain in the TIF Revenue Fund for application by the Bond Trustee on the immediately succeeding June 1<sup>st</sup> as provided in subsection (b) of this Section 4.03.

**(b)** Before making any transfers required pursuant to Section 4.04(b) and Section 4.05(b) hereof, the Bond Trustee shall, from moneys on deposit in the TIF Revenue Fund, make the following transfers on or before the third Business Day immediately preceding each June 1<sup>st</sup> commencing on (and including) June 1, 2018:

**(i)** First, deposit in the Senior Interest Fund moneys up to the amount required to pay (1) the interest on the Senior Bonds due on the immediately succeeding June 1<sup>st</sup>; and (2) any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Bond Insurance Policy by the Bond Insurer; provided, however, that if the moneys available shall be insufficient to pay in full any particular installment or amount to be due as set out above, then to the payment ratably, according to the amounts due on such date;

**(ii)** Second, deposit in the Senior Reserve Fund moneys up to the amount, if any, required (1) to restore the amount in the Senior Reserve Fund to the Senior Reserve Fund Requirement; and (2) to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Senior Reserve Fund Surety by the Bond Insurer;

**(iii)** Third, deposit in the Liquidity Reserve Fund moneys up to the amount required to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Liquidity Reserve Policy provided by the Bond Insurer;

**(iv)** Fourth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Interest Fund, moneys up to the amount, if any, required to pay interest on the Subordinate Bonds due on the immediately succeeding June 1<sup>st</sup>;

**(v)** Fifth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Reserve Fund moneys up to the amount, if any, required to restore the amount in the Subordinate Reserve Fund to the Subordinate Reserve Fund Requirement; and

**(vi)** Sixth, deposit the remaining moneys, if any, in the TIF Revenue Account of the Excess Net Cash Flow Fund.

**Section 4.04. Metro Revenues; Metro Revenue Fund.** There is hereby established with the Bond Trustee a separate trust account to be known as the “Metro Revenue Fund - Louisville Arena Project” into which Metro Revenues shall be deposited. The Corporation and Metro Louisville have entered into the Metro Contract, which requires Metro Louisville to contribute Metro Revenues for use in connection with the Prior Project. On or before the Closing Date, the Corporation will cause the absolute and irrevocable assignment of any interest in, and right or title to, the Metro Revenues and the Metro Contract to the Bond Trustee pursuant to the Irrevocable Assignment of Metro Contract. On or before the Closing Date, Metro Louisville will irrevocably acknowledge and agree to make all payments of Metro Revenues directly to the Bond Trustee for so long as any Bond, Reimbursement Obligation, or Annual Premium Obligation is Outstanding. The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Metro Revenue Fund and the sources and dates of such deposits, expenditures, and transfers.

(a) Before making any transfers required pursuant to Section 4.05(a) hereof, but after making any transfers required pursuant to Section 4.03(a) hereof, the Bond Trustee shall, from moneys on deposit in the Metro Revenue Fund, make the following transfers on or before the third Business Day immediately preceding each December 1<sup>st</sup> commencing on (and including) December 1, 2018:

(i) First, deposit in the Senior Interest Fund and the Senior Bond Sinking Fund (in that order) moneys up to the amount required to pay (1) the interest on and principal (by maturity or mandatory Senior Bond Sinking Fund redemption) of the Senior Bonds due on the immediately succeeding December 1<sup>st</sup>; and (2) any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Bond Insurance Policy by the Bond Insurer; provided, however, that if the moneys available shall be insufficient to pay in full any particular installment or amount to be due as set out above, then to the payment ratably, according to the amounts due on such date;

(ii) Second, deposit in the Senior Reserve Fund moneys up to the amount, if any, required (1) to restore the amount in the Senior Reserve Fund to the Senior Reserve Fund Requirement; and (2) to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Senior Reserve Fund Surety by the Bond Insurer;

(iii) Third, deposit in the Liquidity Reserve Fund moneys up to the amount required to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Liquidity Reserve Policy provided by the Bond Insurer;

(iv) Fourth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Interest Fund and the Subordinate Bond Sinking Fund (in that order), moneys up to the amount, if any, required to pay interest on and principal (by maturity

or mandatory Subordinate Bond Sinking Fund redemption) of the Subordinate Bonds due on the immediately succeeding December 1<sup>st</sup>; and

**(v)** Fifth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Reserve Fund moneys up to the amount, if any, required to restore the amount in the Subordinate Reserve Fund to the Subordinate Reserve Fund Requirement.

All moneys remaining in the Metro Revenue Fund after the application of the preceding subsections (i) through (v) shall remain in the Metro Revenue Fund for application by the Bond Trustee on the immediately succeeding June 1<sup>st</sup> as provided in subsection (b) of this Section 4.04.

**(b)** Before making any transfers required pursuant to Section 4.05(b) hereof, but after making any transfers required pursuant to Section 4.03(b) hereof, the Bond Trustee shall, from moneys on deposit in the Metro Revenue Fund, make the following transfers on or before the third Business Day immediately preceding each June 1<sup>st</sup> commencing on (and including) June 1, 2018:

**(i)** First, deposit in the Senior Interest Fund moneys up to the amount required to pay (1) the interest on the Senior Bonds due on the immediately succeeding June 1<sup>st</sup>; and (2) any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Bond Insurance Policy by the Bond Insurer; provided, however, that if the moneys available shall be insufficient to pay in full any particular installment or amount to be due as set out above, then to the payment ratably, according to the amounts due on such date;

**(ii)** Second, deposit in the Senior Reserve Fund moneys up to the amount, if any, required (1) to restore the amount in the Senior Reserve Fund to the Senior Reserve Fund Requirement; and (2) to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Senior Reserve Fund Surety by the Bond Insurer;

**(iii)** Third, deposit in the Liquidity Reserve Fund moneys up to the amount required to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Liquidity Reserve Policy provided by the Bond Insurer;

**(iv)** Fourth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Interest Fund moneys up to the amount, if any, required to pay interest on the Subordinate Bonds due on the immediately succeeding June 1<sup>st</sup>;

**(v)** Fifth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Reserve Fund moneys up to the amount, if any, required to restore the amount in the Subordinate Reserve Fund to the Subordinate Reserve Fund Requirement; and



(vi) Sixth, deposit the remaining moneys, if any, in the Metro Revenue Account of the Excess Net Cash Flow Fund.

**Section 4.05. Arena Revenues; Arena Revenue Fund.** There is hereby established with the Bond Trustee a separate trust account to be known as the "Arena Revenue Fund - Louisville Arena Project". The Loan Agreement requires the Corporation to pay all Category A Arena Revenues to the Bond Trustee for deposit into the Arena Revenue Fund from time to time, but in no event later than five Business Days after their receipt. The Loan Agreement requires the Corporation to pay certain Category B Arena Revenues to the Bond Trustee for deposit into the Arena Revenue Fund on the dates and in the amounts required by Section 5.05 of the Loan Agreement. The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Arena Revenue Fund and the sources and dates of such deposits, expenditures, and transfers.

(a) After making any transfers required pursuant to Section 4.03(a) and Section 4.04(a) hereof, the Bond Trustee shall, from moneys on deposit in the Arena Revenue Fund, make the following transfers on or before the third Business Day immediately preceding each December 1<sup>st</sup> commencing on (and including) December 1, 2018:

(i) First, deposit in the Senior Interest Fund and the Senior Bond Sinking Fund (in that order) moneys up to the amount required to pay (1) the interest on and principal (by maturity or mandatory Senior Bond Sinking Fund redemption) of the Senior Bonds due on the immediately succeeding December 1<sup>st</sup>; and (2) any Reimbursement Obligation due to the Bond Insurer on account of any payment under the Series 2017 Bond Insurance Policy by the Bond Insurer; provided, however, that if the moneys available shall be insufficient to pay in full any particular installment or amount to be due as set out above, then to the payment ratably, according to the amounts due on such date;

(ii) Second, deposit in the Senior Reserve Fund moneys up to the amount, if any, required (1) to restore the amount in the Senior Reserve Fund to the Senior Reserve Fund Requirement; and (2) to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Senior Reserve Fund Surety;

(iii) Third, deposit in the Liquidity Reserve Fund moneys up to the amount required to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Liquidity Reserve Policy provided by the Bond Insurer;

(iv) Fourth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Interest Fund and the Subordinate Bond Sinking Fund (in that order) moneys up to the amount, if any, required to pay interest on and principal (by maturity or mandatory Subordinate Bond Sinking Fund redemption) of the Subordinate Bonds due on the immediately succeeding December 1<sup>st</sup>; and

(v) Fifth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Reserve Fund moneys up to the amount, if any, required to restore the amount in the Subordinate Reserve Fund to the Subordinate Reserve Fund Requirement.

All moneys remaining in the Arena Revenue Fund after the application of the preceding subsections (i) through (v) shall remain in the Arena Revenue Fund for application by the Bond Trustee on the immediately succeeding June 1<sup>st</sup> as provided in subsection (b) of this Section 4.05.

(b) After making any transfers required pursuant to Section 4.03(b) and Section 4.04(b) hereof, the Bond Trustee shall, from moneys on deposit in the Arena Revenue Fund, make the following transfers on or before the third Business Day immediately preceding each June 1<sup>st</sup> commencing on (and including) June 1, 2018:

(i) First, deposit in the Senior Interest Fund moneys up to the amount required to pay (1) the interest on the Senior Bonds due on the immediately succeeding June 1<sup>st</sup>; and (2) any Reimbursement Obligation due to the Bond Insurer on account of any payment under the Series 2017 Bond Insurance Policy by the Bond Insurer; provided, however, that if the moneys available shall be insufficient to pay in full any particular installment or amount to be due as set out above, then to the payment ratably, according to the amounts due on such date;

(ii) Second, deposit in the Senior Reserve Fund moneys up to the amount, if any, required (1) to restore the amount in the Senior Reserve Fund to the Senior Reserve Fund Requirement; and (2) to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Senior Reserve Fund Surety;

(iii) Third, deposit in the Liquidity Reserve Fund moneys up to the amount required to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment made under the Series 2017 Liquidity Reserve Policy provided by the Bond Insurer;

(iv) Fourth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Interest Fund moneys up to the amount, if any, required to pay interest on the Subordinate Bonds due on the immediately succeeding June 1<sup>st</sup>;

(v) Fifth, if any Subordinate Bond is then issued and Outstanding, deposit in the Subordinate Reserve Fund moneys up to the amount, if any, required to restore the amount in the Subordinate Reserve Fund to the Subordinate Reserve Fund Requirement; and

(vi) Sixth, deposit the remaining moneys, if any, in the Arena Revenue Account of the Excess Net Cash Flow Fund.

(c) There is hereby established within the Arena Revenue Fund a segregated account to be known as the "Advance Payments Account" into which there shall be deposited by the Bond Trustee, pursuant to the Corporation's Written Instructions in accordance with

Section 5.05 of the Loan Agreement, any Category A Arena Revenues that constitute Advance Payments. Any such Advance Payments shall, for purposes of determining Category A Arena Revenues available for payment of debt service during a Fiscal Year hereunder, be allocated, by the Corporation in such Written Instructions, and applied by the Bond Trustee among such Fiscal Year and subsequent Fiscal Years as set out in the Written Instructions, which shall direct the Bond Trustee to transfer from the Advance Payments Account to the Arena Revenue Fund, on or before July 1<sup>st</sup> of a Fiscal Year, the sum allocated to such Fiscal Year. Moneys on deposit in the Advance Payments Account shall not be available for any purpose before the Fiscal Year in which they are to be allocated.

(d) Subject to the limitations set forth in the immediately preceding subsection (c), the Corporation, by Written Instruction to the Bond Trustee, and with the Bond Insurer's prior written consent, may instruct the Bond Trustee to transfer any remaining moneys held within the Arena Revenue Fund to the Operation and Maintenance Account in an amount equal to the funds needed to restore the amount of moneys held within the Operation and Maintenance Account to the Minimum Operating Cash Balance. As provided by Section 5.05 of the Loan Agreement, the Corporation may present the Bond Trustee and the Bond Insurer with such Written Instructions only when the moneys held within the Operation and Maintenance Account are less than the Minimum Operating Cash Balance. The Bond Trustee shall use moneys held within the Arena Revenue Fund, the Arena Revenue Account of the Excess Net Cash Flow Fund, and the Arena Revenue Account of the Renovation and Replacement Fund (in that order) for such purpose.

#### **Section 4.06. Senior Interest Fund.**

(a) There is hereby established with the Bond Trustee, to be maintained so long as any Senior Bonds and any Reimbursement Obligations due to the Bond Insurer are outstanding, a separate trust account to be known as the "Senior Interest Fund - Louisville Arena Project". On the Closing Date the Bond Trustee shall deposit moneys in the Senior Interest Fund received from the Prior Bond Trustee constituting moneys previously held in the Senior Interest Fund established under the Prior Bond Indenture for the benefit of the Series 2008 Bonds. On or before the dates set forth in Section 4.03, Section 4.04, and Section 4.05 hereof, commencing on (and including) June 1, 2018, the Bond Trustee shall make the deposits in the Senior Interest Fund required by such Sections and subsection (c) of this Section 4.06. No deposit pursuant to the preceding sentence need be made if and to the extent that there are sufficient moneys already on deposit and available for such purpose in the Senior Interest Fund.

(b) Except as provided in this Section 4.06, Section 7.07, and Section 8.02 hereof, moneys in the Senior Interest Fund shall be used solely to pay interest on the Senior Bonds when due and to pay any Reimbursement Obligations due to the Bond Insurer on account of any payment made under the Series 2017 Bond Insurance Policy. The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Senior Interest Fund and the sources and dates of such deposits, expenditures, and transfers.

(c) If by the third Business Day immediately preceding (1) any December 1<sup>st</sup>, after making the deposits described in Section 4.03(a)(i), Section 4.04(a)(i), and Section 4.05(a)(i) hereof, or (2) any June 1<sup>st</sup>, after making the deposits described in Section 4.03(b)(i), Section 4.04(b)(i), and Section 4.05(b)(i) hereof, there is not enough money in the Senior Interest Fund to make the payments of interest due on the Senior Bonds, and to pay any Reimbursement Obligation due to the Bond Insurer on account of any payment under the Series 2017 Bond Insurance Policy, then the Bond Trustee shall give notice of that fact to the Bond Insurer as provided in Section 7.15(a) hereof and shall transfer moneys to the Senior Interest Fund from the following Funds, Accounts, or other sources, to the extent necessary, in the following priority:

(i) any moneys then on deposit in the TIF Revenue Account, the Metro Revenue Account, and the Arena Revenue Account of the Excess Net Cash Flow Fund (in that order); and then

(ii) any moneys then on deposit in the Metro Revenue Account and the Arena Revenue Account of the Renovation and Replacement Fund (in that order), which are not otherwise contractually committed; and then

(iii) any moneys then on deposit in the Subordinate Interest Fund and the Subordinate Bond Sinking Fund (in that order); and then

(iv) if the Series 2017 Liquidity Reserve Policy is then in full force and effect, any moneys then available as a draw by the Bond Trustee on the Series 2017 Liquidity Reserve Policy; provided, however, no moneys may be drawn on the Series 2017 Liquidity Reserve Policy to pay any Reimbursement Obligation or Annual Premium Obligation then due and owing; and then

(v) any moneys transferred by the Corporation to the Bond Trustee from the Operation and Maintenance Account in accordance with Section 5.05(b) of the Loan Agreement, the Bond Trustee being hereby authorized and directed to notify the Corporation that such a transfer is required and necessary pursuant to this subparagraph (v) and Section 5.05(b) of the Loan Agreement; and then

(vi) any moneys then on deposit in the Senior Reserve Fund or otherwise available to be drawn under the Series 2017 Senior Reserve Fund Surety; provided, however, no moneys may be drawn on the Series 2017 Senior Reserve Fund Surety to pay any Reimbursement Obligation or Annual Premium Obligation then due and owing.

(d) In connection with any partial redemption or defeasance before maturity of any Senior Bond, the Bond Trustee shall, at the Corporation's Written Instructions, use any amounts on deposit in the Senior Interest Fund in excess of the amount needed to pay any Reimbursement Obligations and interest on the Senior Bonds remaining outstanding on the first Interest Payment Date occurring on or after the date of such redemption or defeasance to pay the principal of and interest on the Senior Bonds to be redeemed or defeased.

#### **Section 4.07. Senior Bond Sinking Fund.**

(a) There is hereby established with the Bond Trustee, to be maintained so long as any Senior Bonds and any Reimbursement Obligations due to the Bond Insurer are outstanding a separate trust account to be known as the "Senior Bond Sinking Fund - Louisville Arena Project". On the Closing Date the Bond Trustee shall deposit moneys in the Senior Bond Sinking Fund received from the Prior Bond Trustee constituting moneys previously held in the Senior Bond Sinking Fund established under the Prior Bond Indenture for the benefit of the Series 2008 Bonds. On or before the dates set forth in Section 4.03, Section 4.04, and Section 4.05 hereof, commencing on (and including) June 1, 2018, after making the required deposits into the Senior Interest Fund, the Bond Trustee shall make the deposits in the Senior Bond Sinking Fund required by such Sections and subsection (d) of this Section 4.07. No deposit pursuant to the preceding sentence need be made if and to the extent that there are sufficient moneys already on deposit and available for such purpose in the Senior Bond Sinking Fund.

(b) Except as provided in this Section 4.07, Section 7.07, and Section 8.02 hereof, moneys in the Senior Bond Sinking Fund shall be used solely for the payment of principal of Senior Bonds as the same shall become due and payable at maturity, to redeem Senior Bonds in accordance with the applicable mandatory Senior Bond Sinking Fund redemption schedule provided in Section 5.03 hereof, and to pay any Reimbursement Obligations due to the Bond Insurer on account of any payment made under the Series 2017 Bond Insurance Policy. The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Senior Bond Sinking Fund and the sources and dates of such deposits, expenditures, and transfers.

(c) In lieu of such mandatory Senior Bond Sinking Fund redemption the Bond Trustee shall, at the Corporation's Written Instruction, purchase an equal principal amount of Senior Bonds of the same series and maturity date in the open market at prices not exceeding the principal amount of the Senior Bonds being purchased plus accrued interest. The Bond Trustee shall cancel any Senior Bonds so purchased. In addition, the amount of Senior Bonds to be redeemed on any date pursuant to the mandatory Senior Bond Sinking Fund redemption schedule shall be reduced by the principal amount of Senior Bonds with the same maturity date which are acquired by the Corporation and delivered to the Bond Trustee for cancellation.

(d) If by the third Business Day immediately preceding any December 1<sup>st</sup>, after making the deposits described in Section 4.03(a)(i), Section 4.04(a)(i), and Section 4.05(a)(i) hereof, there is not enough money in the Senior Bond Sinking Fund to make the payments of principal due on the Senior Bonds, and to pay any Reimbursement Obligations due to the Bond Insurer on account of any payment under the Series 2017 Bond Insurance Policy, then the Bond Trustee shall give notice of that fact to the Bond Insurer as provided in Section 7.15(a) hereof and shall transfer moneys to the Senior Bond Sinking Fund from the following Funds or Accounts, to the extent necessary, in the following priority, but only after having satisfied the requirements of Section 4.06(c) hereof:

(i) any moneys then on deposit in the TIF Revenue Account, the Metro Revenue Account, and the Arena Revenue Account of the Excess Net Cash Flow Fund (in that order); and then

(ii) any moneys then on deposit in the Metro Revenue Account and the Arena Revenue Account of the Renovation and Replacement Fund (in that order), which are not otherwise contractually committed; and then

(iii) any moneys then on deposit in the Subordinate Interest Fund and the Subordinate Bond Sinking Fund (in that order); and then

(iv) if the Series 2017 Liquidity Reserve Policy is then in full force and effect, any moneys then available as a draw by the Bond Trustee on the Series 2017 Liquidity Reserve Policy; provided, however, no moneys may be drawn on the Series 2017 Liquidity Reserve Policy to pay any Reimbursement Obligation or Annual Premium Obligation then due and owing; and then

(v) any moneys transferred by the Corporation to the Bond Trustee from the Operation and Maintenance Account in accordance with Section 5.05(b) of the Loan Agreement, the Bond Trustee being hereby authorized and directed to notify the Corporation that such a transfer is required and necessary pursuant to this subparagraph (v) and Section 5.05(b) of the Loan Agreement; and then

(vi) any moneys then on deposit in the Senior Reserve Fund or otherwise available to be drawn under the Series 2017 Senior Reserve Fund Surety; provided, however, no moneys may be drawn on the Series 2017 Senior Reserve Fund Surety to pay any Reimbursement Obligation or Annual Premium Obligation then due and owing.

(e) In connection with any partial redemption or defeasance before maturity of any Senior Bond, the Bond Trustee shall, at the Corporation's Written Instruction, use any amounts on deposit in the Senior Bond Sinking Fund in excess of the amount needed to pay any Reimbursement Obligations due to the Bond Insurer and the principal of the Senior Bonds remaining outstanding on the first Principal Payment Date occurring on or after the date of such redemption or defeasance to pay the principal of and interest on the Senior Bonds to be redeemed or defeased.

**Section 4.08. Senior Reserve Fund.** There is hereby established with the Bond Trustee, to be maintained so long as any Senior Bonds are Outstanding, a separate trust account to be known as the "Senior Reserve Fund - Louisville Arena Project". The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Senior Reserve Fund and the sources and dates of such deposits, expenditures, and transfers.

(a) On the Closing Date the Bond Trustee shall (i) deposit to the Senior Reserve Fund a portion of the proceeds of the Series 2017 Bonds pursuant to Section 3.02 hereof and Section 6.01 of the Loan Agreement (under which Sections funding of the Senior Reserve

Fund to the Senior Reserve Fund Requirement is required upon issuance of the Series 2017 Bonds); and (ii) receive as of the Closing Date and hold for the credit of the Senior Reserve Fund the Series 2017 Senior Reserve Fund Surety.

**(b)** On or before the dates set forth in Section 4.03, Section 4.04, and Section 4.05 hereof, commencing on (and including) June 1, 2018, after making the required deposits into the Senior Interest Fund and the Senior Bond Sinking Fund, the Bond Trustee shall make the deposits in the Senior Reserve Fund required by such Sections and subsection (c) of this Section 4.08. No such deposits shall be made to the Senior Reserve Fund when the Senior Reserve Fund Value equals or exceeds the Senior Reserve Fund Requirement.

**(c)** If by the third Business Day immediately preceding (1) any December 1<sup>st</sup>, after making the deposits described in Section 4.03(a)(ii), Section 4.04(a)(ii), and Section 4.05(a)(ii) hereof, or (2) any June 1<sup>st</sup>, after making the deposits described in Section 4.03(b)(ii), Section 4.04(b)(ii), and Section 4.05(b)(ii) hereof, there is not enough money in the Senior Reserve Fund to cause the sum of moneys deposited in the Senior Reserve Fund to equal the Senior Reserve Fund Requirement, then the Bond Trustee shall give notice of that fact to the Bond Insurer as provided in Section 7.15(a) hereof and shall transfer moneys to the Senior Reserve Fund from the following Funds or Accounts, to the extent necessary, in the following priority, but only after having satisfied the requirements of Section 4.06(c) and Section 4.07(d) hereof:

**(i)** any moneys then on deposit in the TIF Revenue Account, the Metro Revenue Account, and the Arena Revenue Account of the Excess Net Cash Flow Fund (in that order); and then

**(ii)** any moneys then on deposit in the Metro Revenue Account and the Arena Revenue Account of the Renovation and Replacement Fund (in that order), which are not otherwise contractually committed; and then

**(iii)** any moneys transferred by the Corporation to the Bond Trustee from the Operation and Maintenance Account in accordance with Section 5.05(b) of the Loan Agreement, the Bond Trustee being hereby authorized and directed to notify the Corporation that such a transfer is required and necessary pursuant to this subparagraph (iii) and Section 5.05(b) of the Loan Agreement; and then

**(iv)** any moneys then on deposit in the Subordinate Interest Fund and the Subordinate Bond Sinking Fund (in that order).

**(d)** When moneys in the Senior Bond Sinking Fund are insufficient to pay principal of Senior Bonds when due or moneys in the Senior Interest Fund are insufficient to pay interest on Senior Bonds when due, moneys in the Senior Reserve Fund shall be used to augment payments due for the principal of Senior Bonds when due or interest on the Senior Bonds when due in accordance with the priorities set forth in Section 4.06(c)(vi) and Section

4.07(d)(vi) hereof. When moneys in the Senior Reserve Fund are so used, the Bond Trustee shall give Immediate Notice to the Corporation and the Bond Insurer.

(e) On each December 1<sup>st</sup>, commencing on (and including) December 1, 2018, amounts and investments on deposit in the Senior Reserve Fund shall be (i) valued at cost if to the extent their respective maturities are one year or less; and (ii) valued at fair market value and marked to market by the Bond Trustee annually if their respective maturities are longer than one year. If upon such valuation it is determined that the Senior Reserve Fund Value is less than the Senior Reserve Fund Requirement, the Bond Trustee shall notify the Corporation and the Bond Insurer of the amount of the deficiency. The Corporation agrees in the Loan Agreement to deposit in the Senior Reserve Fund the amount by which such Senior Reserve Fund Value is less than the Senior Reserve Fund Requirement within fifteen days following the date the Corporation and the Bond Insurer receive notice of such deficiency. If the Senior Reserve Fund Value on any such valuation date is more than the Senior Reserve Fund Requirement, the amount of such excess shall be transferred to the Senior Interest Fund.

(f) Except for such excess amounts, moneys on deposit in the Senior Reserve Fund shall be used only to make up any deficiencies in the Senior Interest Fund and Senior Bond Sinking Fund (in that order); provided, however, that in connection with any partial redemption or provision for payment before maturity of any Senior Bonds secured by the Senior Reserve Fund, the Bond Trustee shall, at the Corporation's Written Instruction, use any amounts on deposit in the Senior Reserve Fund which will be in excess of the Senior Reserve Fund Requirement after such redemption or provision for payment to pay or provide for the payment of the principal of or the principal portion of the redemption price of the Senior Bonds then being redeemed.

(g) In lieu of maintaining and depositing moneys in the Senior Reserve Fund as described above in this Section 4.08, the Corporation may, with the Bond Insurer's prior written consent, deposit with the Bond Trustee a letter of credit from a bank with a credit rating in one of the three highest rating categories of any Rating Agency rating the Senior Bonds that are entitled to the benefits of the Senior Reserve Fund. Any bank providing a letter of credit pursuant to this subsection (g) must have the credit rating requirements of the immediately preceding sentence at the time of delivery of any such letter of credit is held by the Bond Trustee for the credit of the Senior Reserve Fund. Any such Senior Reserve Fund Credit Facility shall permit the Bond Trustee to draw amounts thereunder for deposit in the Senior Reserve Fund which, together with any moneys on deposit in, or any Senior Reserve Fund Surety available to fund (as provided in the following paragraph), the Senior Reserve Fund, are not less than the Senior Reserve Fund Requirement and which may be applied to any purpose for which moneys in the Senior Reserve Fund may be applied. The Bond Trustee shall make a drawing on such Senior Reserve Fund Credit Facility (i) whenever moneys are required for the purposes for which Senior Reserve Fund moneys may be applied; and (ii) before any expiration or termination thereof; provided, however, that no such drawing need be made if other moneys are available in the Senior Reserve Fund in the amount of the Senior Reserve Fund Requirement.



In lieu of maintaining and depositing moneys in the Senior Reserve Fund, the Corporation may also, with the Bond Insurer's prior written consent, maintain in effect an irrevocable surety bond policy issued by a bond insurance company with a credit rating in one of the three highest rating categories of any Rating Agency rating the Senior Bonds that are entitled to the benefits of the Senior Reserve Fund. Any bond insurance company providing a surety bond policy pursuant to this subsection (g) must have the credit rating requirements of the immediately preceding sentence at the time of delivery of any such surety bond policy is held by the Bond Trustee for the credit of the Senior Reserve Fund. Any such Senior Reserve Fund Surety shall permit the Bond Trustee to obtain amounts thereunder for deposit in the Senior Reserve Fund which, together with any moneys on deposit in, or Senior Reserve Fund Credit Facility available to fund (as provided in the preceding paragraph), the Senior Reserve Fund, are not less than the Senior Reserve Fund Requirement and which may be applied to any purpose for which moneys in the Senior Reserve Fund may be applied. The Bond Trustee shall make a drawing on such Senior Reserve Fund Surety whenever moneys are required for the purposes for which Senior Reserve Fund moneys may be applied.

If the Corporation elects to deposit a letter of credit or a surety bond in the Senior Reserve Fund in lieu of the moneys on deposit therein, the Bond Trustee shall transfer such moneys as directed by the Corporation, subject to receipt of an approving Opinion of Bond Counsel.

So long as, and to the extent that, any Senior Reserve Fund Credit Facility or any Senior Reserve Fund Surety shall be in full force and effect, and demands therefor and any reimbursement thereon shall be made through this Bond Indenture, the Authority and the Bond Trustee agree to comply with the following provisions with respect to the Series 2017 Senior Reserve Fund Surety provided at closing by the Bond Insurer, notwithstanding anything herein to the contrary:

(1) the Authority shall repay, or cause the Corporation to repay, any draws under the Series 2017 Senior Reserve Fund Surety and pay all related reasonable expenses incurred by the Bond Insurer and shall pay interest thereon from the date of payment by the Bond Insurer at the Late Payment Rate. If the interest provisions of this subparagraph (1) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Bond Insurer, with the same force and effect as if the Authority or Corporation had specifically designated such extra sums to be so applied and the Bond Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein

exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of Policy Costs related to the Series 2017 Senior Reserve Fund Surety shall commence in the first month following each draw, and each such monthly payment shall be in an amount not less than 1/12<sup>th</sup> of the aggregate of Policy Costs related to such draw unless otherwise agreed to in writing by the Bond Insurer.

Amounts in respect of Policy Costs paid to the Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Bond Insurer on account of principal due, the coverage under the Series 2017 Senior Reserve Fund Surety will be increased by a like amount, subject to the terms of the Series 2017 Senior Reserve Fund Surety. The obligation to pay Policy Costs shall be secured by a valid lien on the Trust Estate pledged as security for the Senior Bonds (subject only to the priority of payment provisions set forth in this ARTICLE IV).

All cash and investments in the Senior Reserve Fund established for the Senior Bonds shall be transferred to the Senior Interest Fund and the Senior Bond Sinking Fund (in that order) for payment of debt service on Bonds before any drawing may be made on the Series 2017 Senior Reserve Fund Surety or any other Senior Reserve Fund Credit Facility or Senior Reserve Fund Surety in lieu of cash. Payment of any Policy Costs shall be made before replenishment of any such cash amounts. Draws on any Senior Reserve Fund Credit Facility or Senior Reserve Fund Surety on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Senior Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to any other Senior Reserve Fund Credit Facility or Senior Reserve Fund Surety shall be made on a pro-rata basis before replenishment of any cash drawn from the Senior Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(2) If the Authority and the Corporation shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (1) hereof, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Bond Indenture and the Loan Agreement other than (A) acceleration of the maturity of the Bonds or (B) remedies which would adversely affect owners of the Bonds.

(3) This Bond Indenture shall not be discharged until all Policy Costs owing to the Bond Insurer shall have been paid in full as further provided in the Series 2017 Senior Reserve Fund Surety, which obligation to pay such amounts shall otherwise expressly survive payment in full of any Series 2017 Bonds.

(4) The Bond Trustee shall ascertain the necessity for a claim upon the Series 2017 Senior Reserve Fund Surety in accordance with the provisions of paragraph (g) above and provide notice to the Bond Insurer in accordance with the terms of the Series 2017 Senior Reserve Fund Surety at least three Business Days before each date upon which interest or principal is due on the Series 2017 Bonds. Where deposits are required to be made by the Corporation with the Trustee to the Senior Interest Fund or Senior Bond Sinking Fund for the Bonds more often than semi-annually, the Trustee shall be instructed to give notice to the Bond Insurer of any failure of the Corporation to make timely payment in full of such deposits within two Business Days of the date due.

**Section 4.09. Liquidity Reserve Fund.** There is hereby established with the Bond Trustee, to be maintained so long as any Senior Bonds are Outstanding, a separate trust account to be known as the "Liquidity Reserve Fund - Louisville Arena Project". The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Liquidity Reserve Fund and the sources and dates of such deposits, expenditures, and transfers.

(a) On the Closing Date the Bond Trustee shall receive as of the Closing Date and hold for the credit of the Liquidity Reserve Fund the Series 2017 Liquidity Reserve Policy.

(b) On or before the dates set forth in Section 4.03, Section 4.04, and Section 4.05 hereof, commencing on (and including) June 1, 2018, after making the required deposits into the Senior Interest Fund, the Senior Bond Sinking Fund, and the Senior Reserve Fund, the Bond Trustee shall make the deposits in the Liquidity Reserve Fund required by such Sections. The Bond Trustee shall use all moneys deposited in the Liquidity Reserve Fund to pay to the Bond Insurer all Reimbursement Obligations due to the Bond Insurer on account of any payment made under the Series 2017 Liquidity Reserve Policy provided by the Bond Insurer. No deposits shall be made to the Liquidity Reserve Fund if no Reimbursement Obligation is due to the Bond Insurer on account of any payment made under the Series 2017 Liquidity Reserve Policy provided by the Bond Insurer.

(c) If by the third Business Day immediately preceding (1) any December 1<sup>st</sup>, after making the deposits described in Section 4.03(a)(iii), Section 4.04(a)(iii), and Section 4.05(a)(iii) hereof, or (2) any June 1<sup>st</sup>, after making the deposits described in Section 4.03(b)(iii), Section 4.04(b)(iii), and Section 4.05(b)(iii) hereof, there is not enough money in the Liquidity Reserve Fund to pay all Reimbursement Obligations due to the Bond Insurer on account of any payment made under the Series 2017 Liquidity Reserve Policy provided by the Bond Insurer, then the Bond Trustee shall give notice of that fact to the Bond Insurer as provided in Section 7.15(a) hereof and shall transfer moneys to the Liquidity Reserve Fund from the following Funds or Accounts, to the extent necessary, in the following priority, but only after having satisfied the requirements of Section 4.06(c), Section 4.07(d), and Section 4.08(c) hereof:

(i) any moneys then on deposit in the TIF Revenue Account, the Metro Revenue Account, and the Arena Revenue Account of the Excess Net Cash Flow Fund (in that order); and then

(ii) any moneys then on deposit in the Metro Revenue Account and the Arena Revenue Account of the Renovation and Replacement Fund (in that order), which are not otherwise contractually committed; and then

(iii) any moneys transferred by the Corporation to the Bond Trustee from the Operation and Maintenance Account in accordance with Section 5.05(b) of the Loan Agreement; and then

(iv) any moneys then on deposit in the Subordinate Interest Fund and the Subordinate Bond Sinking Fund (in that order).

(d) When moneys in the Senior Bond Sinking Fund are insufficient to pay principal of Senior Bonds when due or moneys in the Senior Interest Fund are insufficient to pay interest on Senior Bonds when due, for so long as the Series 2017 Liquidity Reserve Policy is in full force and effect, the Bond Trustee shall use the Series 2017 Liquidity Reserve Policy to augment payments due for the principal of Senior Bonds when due or interest on the Senior Bonds when due in accordance with the priorities set forth in Section 4.06(c)(iv) and Section 4.07(d)(iv) hereof. When moneys in the Liquidity Reserve Fund are so used, the Bond Trustee shall give Immediate Notice to the Corporation and the Bond Insurer.

(e) So long as, and to the extent that, the Series 2017 Liquidity Reserve Policy shall be in full force and effect, and demands therefor and any reimbursement thereon shall be made through this Bond Indenture, the Corporation and the Bond Trustee agree to comply with the following provisions with respect to the Series 2017 Liquidity Reserve Policy provided at closing by the Bond Insurer, notwithstanding anything herein to the contrary:

(i) the Authority hereby directs the Corporation to repay, any draws under the Series 2017 Liquidity Reserve Policy and pay all related reasonable expenses incurred by the Bond Insurer. The Corporation shall pay interest on any such draws and expenses thereon from the date of payment by the Bond Insurer at the Late Payment Rate. If the interest provisions of this subparagraph (e)(i) shall result in an effective rate of interest which, for any period, exceeds the limit of the usury or any other laws applicable to the indebtedness created herein, then all sums in excess of those lawfully collectible as interest for the period in question shall, without further agreement or notice between or by any party hereto, be applied as additional interest for any later periods of time when amounts are outstanding hereunder to the extent that interest otherwise due hereunder for such periods plus such additional interest would not exceed the limit of the usury or such other laws, and any excess shall be applied upon principal immediately upon receipt of such moneys by the Bond Insurer, with the same force and effect as if the Authority or the Corporation had specifically designated such extra sums to be so applied and the Bond Insurer had agreed to accept such extra payment(s) as additional interest for such later periods. In no event shall any agreed-to or actual exaction as consideration for the indebtedness created herein exceed the limits imposed or provided by the law applicable to this transaction for the use or detention of money or for forbearance in seeking its collection.

Repayment of Policy Costs related to the Series 2017 Liquidity Reserve Policy shall commence in the first month following each draw, and each such monthly payment shall be in an amount not less than 1/12<sup>th</sup> of the aggregate of Policy Costs related to such draw unless otherwise agreed to in writing by the Bond Insurer.

Amounts in respect of Policy Costs paid to the Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Bond Insurer on account of principal due, the coverage under the Series 2017 Liquidity Reserve Policy will be increased by a like amount, subject to the terms of the Series 2017 Liquidity Reserve Policy. The obligation to pay Policy Costs shall be secured by a valid lien on the Trust Estate pledged as security for the Senior Bonds (subject only to the priority of payment provisions set forth in ARTICLE IV).

All cash and investments in the Excess Net Cash Flow Fund, the Renovation and Replacement Fund, the Subordinate Interest Fund, and the Subordinate Bond Sinking Fund pursuant to Section 4.06(c) and Section 4.07(d) shall be transferred to the Senior Interest Fund or Senior Bond Sinking Fund for payment of debt service on the Senior Bonds before any drawing may be made on the Series 2017 Liquidity Reserve Policy in lieu of cash. Payment of any Policy Costs shall be made before replenishment of any such cash amounts.

(ii) If the Corporation shall fail to pay any Policy Costs in accordance with the requirements of subparagraph (d) hereof, the Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Bond Indenture and the Loan Agreement other than (1) acceleration of the maturity of the Bonds or (2) remedies which would adversely affect owners of the Bonds.

(iii) This Bond Indenture shall not be discharged until all Policy Costs owing to the Bond Insurer shall have been paid in full as further provided in the Series 2017 Liquidity Reserve Policy, which obligation to pay such amounts shall otherwise expressly survive payment in full of any Series 2017 Bonds.

(iv) The Bond Trustee shall ascertain the necessity for a claim upon the Series 2017 Liquidity Reserve Policy in accordance with the provisions of this Section 4.09 and provide notice to the Bond Insurer in accordance with the terms of the Series 2017 Liquidity Reserve Policy at least three Business Days before each date upon which interest or principal is due on the Series 2017 Bonds. Where deposits are required to be made by the Corporation with the Trustee to the Senior Interest Fund or Senior Bond Sinking Fund for the Bonds more often than semi-annually, the Trustee shall be instructed to give notice to the Bond Insurer of any failure of the Corporation to make timely payment in full of such deposits within two Business Days of the date due.

**Section 4.10. Subordinate Interest Fund.** During such times as no Subordinate Bonds are issued and Outstanding under this Bond Indenture and any Supplemental Bond Indenture, the requirements of this Section 4.10 shall have no force or effect.

**(a)** There is hereby established with the Bond Trustee, to be maintained so long as any Subordinate Bonds are or may become Outstanding, a separate trust account to be known as the "Subordinate Interest Fund - Louisville Arena Project". On or before the dates set forth in Section 4.03, Section 4.04, and Section 4.05 hereof, commencing on (and including) June 1, 2018, after making the required deposits into the Senior Interest Fund, the Senior Bond Sinking Fund, the Senior Reserve Fund, and the Liquidity Reserve Fund the Bond Trustee shall make the deposits in the Subordinate Interest Fund required by such Sections and subsection (c) of this Section 4.10. No deposit pursuant to the preceding sentence need be made if and to the extent that there are sufficient moneys already on deposit and available for such purpose in the Subordinate Interest Fund.

**(b)** Except as provided in this Section 4.10, Section 7.07, and Section 8.02 hereof, moneys in the Subordinate Interest Fund shall be used solely to pay interest on Subordinate Bonds when due. The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Subordinate Interest Fund and the sources and dates of such deposits, expenditures, and transfers.

**(c)** If by the third Business Day immediately preceding (1) any December 1<sup>st</sup>, after making the deposits described in Section 4.03(a)(iv), Section 4.04(a)(iv), and Section 4.05(a)(iv) hereof, or (2) any June 1<sup>st</sup>, after making the deposits described in Section 4.03(b)(iv), Section 4.04(b)(iv), and Section 4.05(b)(iv) hereof, there is not enough money in the Subordinate Interest Fund to make the payments of interest due on Subordinate Bonds, then the Bond Trustee agrees to give notice of that fact to the Bond Insurer as provided in Section 7.15(a) and to transfer moneys to the Subordinate Interest Fund from the following Funds or Accounts, to the extent necessary, in the following priority, but only after having satisfied the requirements of Section 4.06(c), Section 4.07(d), Section 4.08(c), and Section 4.09(c) hereof:

**(i)** any moneys then on deposit in the TIF Revenue Account, the Metro Revenue Account, and the Arena Revenue Account of the Excess Net Cash Flow Fund (in that order); and then

**(ii)** any moneys then on deposit in the Metro Revenue Account and the Arena Revenue Account of the Renovation and Replacement Fund (in that order), which are not otherwise contractually committed; and then

**(iii)** any moneys transferred by the Corporation to the Bond Trustee from the Operation and Maintenance Account in accordance with Section 5.05(b) of the Loan Agreement, the Bond Trustee being hereby authorized and directed to notify the Corporation that such a transfer is required and necessary pursuant to this subparagraph (iii) and Section 5.05(b) of the Loan Agreement; and then

**(iv)** any moneys then on deposit in the Subordinate Reserve Fund.

**(d)** In connection with any partial redemption or defeasance before maturity of Subordinate Bonds, the Bond Trustee may, at the Corporation's Written Instruction, use any

amounts on deposit in the Subordinate Interest Fund in excess of the amount needed to pay the interest on any Subordinate Bonds remaining Outstanding on the first Principal Payment Date occurring on or after the date of such redemption or defeasance to pay the principal of and interest on any Subordinate Bonds to be redeemed or defeased.

**Section 4.11. Subordinate Bond Sinking Fund.** During such times as no Subordinate Bonds are issued and Outstanding under this Bond Indenture and any Supplemental Bond Indenture, this Section 4.11 herein shall have no force or effect.

(a) There is hereby established with the Bond Trustee, to be maintained so long as any Subordinate Bonds are or may become Outstanding a separate trust account to be known as the "Subordinate Bond Sinking Fund - Louisville Arena Project". On or before the dates set forth in Section 4.03, Section 4.04, and Section 4.05 hereof, commencing on (and including) June 1, 2018, after making the required deposits into the Senior Interest Fund, the Senior Bond Sinking Fund, the Senior Reserve Fund, the Liquidity Reserve Fund, and the Subordinate Interest Fund, the Bond Trustee shall make the deposits in the Subordinate Bond Sinking Fund required by such Sections and subsection (d) of this Section 4.11. No deposit pursuant to the immediately preceding sentence need be made if and to the extent that there are sufficient moneys already on deposit and available for such purpose in the Subordinate Bond Sinking Fund.

(b) Except as provided in this Section 4.11, Section 7.07, and Section 8.02 hereof, moneys in the Subordinate Bond Sinking Fund shall be used solely for the payment of principal of Subordinate Bonds as the same shall become due and payable at maturity or to redeem Subordinate Bonds in accordance with the Corporation's Written Instructions pursuant to the optional redemption provision of Section 5.05 hereof and any Supplemental Bond Indenture authorizing such Subordinate Bonds. The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Subordinate Bond Sinking Fund and the sources and dates of such deposits, expenditures, and transfers.

(c) In lieu of such optional redemption the Bond Trustee may, at the Corporation's Written Instruction, purchase an equal principal amount of Subordinate Bonds in the open market at prices not exceeding the principal amount of the Subordinate Bonds being purchased plus accrued interest.

(d) If by the third Business Day immediately preceding any December 1<sup>st</sup>, after making the deposits described in Section 4.03(a)(iv), Section 4.04(a)(iv), and Section 4.05(a)(iv) hereof, there is not enough money in the Subordinate Bond Sinking Fund to make the payments of principal due on any Subordinate Bonds then due, then the Bond Trustee agrees to give notice of that fact to the Bond Insurer as provided in Section 7.15(a) hereof and to transfer moneys to the Subordinate Bond Sinking Fund from the following Funds or Accounts, to the extent necessary, in the following priority, but only after having satisfied the requirements of Section 4.06(c), Section 4.07(d), Section 4.08(c), Section 4.09(c), and Section 4.10(c) hereof:

(i) any moneys then on deposit in the TIF Revenue Account, the Metro Revenue Account, and the Arena Revenue Account of the Excess Net Cash Flow Fund (in that order); and then

(ii) any moneys then on deposit in the Metro Revenue Account and the Arena Revenue Account of the Renovation and Replacement Fund (in that order), which are not otherwise contractually committed; and then

(iii) any moneys transferred by the Corporation to the Bond Trustee from the Operation and Maintenance Account in accordance with Section 5.05(b) of the Loan Agreement, the Bond Trustee being hereby authorized and directed to notify the Corporation that such a transfer is required and necessary pursuant to this subparagraph (iii) and Section 5.05(b) of the Loan Agreement; and then

(iv) any moneys then on deposit in the Subordinate Reserve Fund.

(e) In connection with any partial redemption or defeasance before maturity of Subordinate Bonds, the Bond Trustee may, at the Corporation's Written Instruction, use any amounts on deposit in the Subordinate Bond Sinking Fund in excess of the amount needed to pay the principal of any Subordinate Bonds remaining Outstanding on the first Principal Payment Date occurring on or after the date of such redemption or defeasance to pay the principal of and interest on the Subordinate Bonds to be redeemed or defeased.

**Section 4.12. Subordinate Reserve Fund.** During such times as no Subordinate Bonds are issued and Outstanding under this Bond Indenture and any Supplemental Bond Indenture, this Section 4.12 shall have no force or effect.

(a) There is hereby established with the Bond Trustee, to be maintained so long as any Subordinate Bonds are or may become Outstanding, a separate trust account to be known as the "Subordinate Reserve Fund - Louisville Arena Project". The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Subordinate Reserve Fund and the sources and dates of such deposits, expenditures, and transfers.

(b) Beginning on the issuance date of any Subordinate Bonds issued by the Authority pursuant to this Bond Indenture and a Supplemental Bond Indenture, the Bond Trustee shall deposit to and maintain in the Subordinate Reserve Fund moneys then required to be deposited and maintained in the Subordinate Reserve Fund.

(c) On or before the dates set forth in Section 4.03, Section 4.04, and Section 4.05 hereof, commencing on (and including) June 1, 2018, after making the required deposits into the Senior Interest Fund, the Senior Bond Sinking Fund, the Senior Reserve Fund, the Liquidity Reserve Fund, the Subordinate Interest Fund, and the Subordinate Bond Sinking Fund, the Bond Trustee shall deposit to the Subordinate Reserve Fund the moneys required by Section 4.03, Section 4.04, and Section 4.05 hereof, in order to restore the sum of all moneys



deposited to the Subordinate Reserve Fund to the Subordinate Reserve Fund Requirement. No such deposits shall be made to the Subordinate Reserve Fund when the Subordinate Reserve Fund Value equals or exceeds the Subordinate Reserve Fund Requirement.

**(d)** If by the third Business Day immediately preceding (1) any December 1<sup>st</sup>, after making the deposits described in Section 4.03(a)(v), Section 4.04(a)(v), and Section 4.05(a)(v) hereof, or (2) any June 1<sup>st</sup>, after making the deposits described in Section 4.03(b)(v), Section 4.04(b)(v), and Section 4.05(b)(v) hereof, there is not enough money in the Subordinate Reserve Fund to cause the sum of moneys deposited in the Subordinate Reserve Fund to equal the Subordinate Reserve Fund Requirement, then the Bond Trustee shall give notice of that fact to the Bond Insurer as provided in Section 7.15(a) hereof and shall transfer moneys to the Subordinate Reserve Fund from the following Funds or Accounts, to the extent necessary, in the following priority, but only after having satisfied the requirements of Section 4.06(c), Section 4.07(d), Section 4.08(c), Section 4.09(c), Section 4.10(c), and Section 4.11(d) hereof:

**(i)** any moneys then on deposit in the TIF Revenue Account, the Metro Revenue Account, and the Arena Revenue Account of the Excess Net Cash Flow Fund (in that order); and then

**(ii)** any moneys then on deposit in the Metro Revenue Account and the Arena Revenue Account of the Renovation and Replacement Fund (in that order), which are not otherwise contractually committed; and then

**(iii)** any moneys transferred by the Corporation to the Bond Trustee from the Operation and Maintenance Account in accordance with Section 5.05(b) of the Loan Agreement.

**(e)** When moneys in the Subordinate Bond Sinking Fund are insufficient to pay principal of Subordinate Bonds when due or moneys in the Subordinate Interest Fund are insufficient to pay interest on Subordinate Bonds when due, moneys in the Subordinate Reserve Fund shall be used to augment payments due for the principal of Subordinate Bonds when due or interest on the Subordinate Bonds when due in accordance with the priorities set forth in Section 4.10(c)(iv) and Section 4.11(d)(iv) hereof. When moneys in the Subordinate Reserve Fund are so used, the Bond Trustee shall give Immediate Notice to the Corporation and the Bond Insurer.

**(f)** On each December 1<sup>st</sup>, commencing on (and including) December 1, 2018, amounts and investments on deposit in the Subordinate Reserve Fund shall be (i) valued at cost if to the extent their respective maturities are one year or less; and (ii) valued at fair market value and marked to market by the Bond Trustee annually if their respective maturities are longer than one year. If upon such valuation it is determined that the Subordinate Reserve Fund Value is less than the Subordinate Reserve Fund Requirement, the Bond Trustee shall notify the Corporation and the Bond Insurer of the amount of the deficiency. The Corporation agrees in the Loan Agreement to deposit in the Subordinate Reserve Fund the amount by which such Subordinate Reserve Fund Value is less than the Subordinate Reserve Fund Requirement within

fifteen days following the date the Corporation and the Bond Insurer receive notice of such deficiency. If the Subordinate Reserve Fund Value on any such valuation date is more than the Subordinate Reserve Fund Requirement, the amount of such excess shall be transferred to the Subordinate Interest Fund.

(g) Except for such excess amounts, moneys on deposit in the Subordinate Reserve Fund shall be used only to make up any deficiencies in the Subordinate Interest Fund and Subordinate Bond Sinking Fund (in that order); provided, however, that in connection with any partial redemption or provision for payment before maturity of any Subordinate Bonds secured by the Subordinate Reserve Fund, the Bond Trustee shall, at the Corporation's Written Instruction, use any amounts on deposit in the Subordinate Reserve Fund which will be in excess of the Subordinate Reserve Fund Requirement after such redemption or provision for payment to pay or provide for the payment of the principal of or the principal portion of the redemption price of the Subordinate Bonds then being redeemed.

#### **Section 4.13. Excess Net Cash Flow Fund.**

(a) There is hereby established with the Bond Trustee a separate trust account to be known as the "Excess Net Cash Flow Fund - Louisville Arena Project". The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Excess Net Cash Flow Fund and the sources and dates of such deposits, expenditures, and transfers.

(b) There is hereby established with the Bond Trustee a separate subaccount within the Excess Net Cash Flow Fund to be known as the "TIF Revenue Account" into which certain TIF Revenues shall be deposited as provided in Section 4.03(b)(vi) hereof.

(c) There is hereby established with the Bond Trustee a separate subaccount within the Excess Net Cash Flow Fund to be known as the "Metro Revenue Account" into which certain Metro Revenues shall be deposited as provided in Section 4.04(b)(vi) hereof.

(d) There is hereby established with the Bond Trustee a separate subaccount within the Excess Net Cash Flow Fund to be known as the "Arena Revenue Account" into which certain Arena Revenues shall be deposited as provided in Section 4.05(b)(vi) hereof.

(e) Moneys held within the Excess Net Cash Flow Fund shall be held as a reserve fund and applied as provided in this Section 4.13.

(f) On each November 1<sup>st</sup>, beginning on (and including) November 1, 2018, the Corporation, by Written Instruction to the Bond Trustee and by copy to the Bond Insurer, may direct the Bond Trustee to transfer moneys from the Excess Net Cash Flow Fund to the Renovation and Replacement Fund in an amount equal to (1) the then applicable Maximum Annual Renovation and Replacement Deposit; or (2) a lesser amount approved by the Bond Insurer and identified by the Corporation in such Written Instruction to the Bond Trustee and

the Bond Insurer. The Bond Trustee shall disburse any such moneys from the Metro Revenue Account and the Arena Revenue Account of the Excess Net Cash Flow Fund (in that order).

**(g)** Notwithstanding the preceding subsection (f), any moneys held within the Excess Net Cash Flow Fund shall be used to fund any shortfall in moneys required to be deposited in the Senior Interest Fund, the Senior Bond Sinking Fund, the Senior Reserve Fund, the Subordinate Interest Fund, the Subordinate Bond Sinking Fund, and the Subordinate Reserve Fund in accordance with Section 4.06(c)(i), Section 4.07(d)(i), Section 4.08(c)(i), Section 4.09(c)(i), Section 4.10(c)(i), and Section 4.11(d)(i) hereof. The Bond Trustee shall disburse such moneys from the TIF Revenue Account, the Metro Revenue Account, and the Arena Revenue Account of the Excess Net Cash Flow Fund (in that order).

**(h)** Notwithstanding the preceding subsections (f) and (g), the Corporation, by Written Instruction to the Bond Trustee, may direct the Bond Trustee to transfer any moneys held within the Arena Revenue Account of the Excess Net Cash Flow Fund to the Operation and Maintenance Account in an amount equal to the moneys needed to restore the amount of moneys held within the Operation and Maintenance Account to the Minimum Operating Cash Balance. As provided in Section 5.05 of the Loan Agreement, the Corporation may present the Bond Trustee and the Bond Insurer with such a Written Instruction only when the moneys held within the Operation and Maintenance Account are less than the Minimum Operating Cash Balance. Only moneys held within the Arena Revenue Account of the Excess Net Cash Flow Fund (and not the TIF Revenue Account or the Metro Revenue Account of the Excess Net Cash Flow Fund) may be used for such purpose. The Bond Trustee shall use moneys held within the Arena Revenue Fund, the Arena Revenue Account of the Excess Net Cash Flow Fund, and the Arena Revenue Account of the Renovation and Replacement Fund (in that order) for such purpose.

**(i)** Notwithstanding the preceding subsections (f), (g), and (h), if, after application of the requirements of Section 4.03, Section 4.04, and Section 4.05, any Reimbursement Obligation or Annual Premium Obligation remains outstanding or any expense or other payment is owed to the Bond Insurer (including any interest accrued at the Late Payment Rate thereon) and moneys are then held within the Excess Net Cash Flow Fund, the Bond Trustee shall use such moneys to pay any such Reimbursement Obligation, Annual Premium Obligation, expense, or amount (including interest accrued thereon) to the Bond Insurer.

**(j)** After satisfaction of the requirements of the preceding subsections (f), (g), (h), and (i) of this Section 4.13, the Corporation may by Written Instruction to the Bond Trustee and the Bond Insurer direct the Bond Trustee to transfer a stated amount of moneys then held within the Excess Net Cash Flow Fund to the Redemption Fund for the redemption or purchase of Bonds then Outstanding hereunder in accordance with ARTICLE V hereof.

#### **Section 4.14. Renovation and Replacement Fund.**

(a) There is hereby established with the Bond Trustee a separate trust account to be known as the “Renovation and Replacement Fund - Louisville Arena Project” The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Renovation and Replacement Fund and the sources and dates of such deposits, expenditures, and transfers.

(b) There is hereby established with the Bond Trustee a separate subaccount within the Renovation and Replacement Fund to be known as the “Metro Revenue Account” into which certain Metro Revenues shall be deposited as provided in Section 4.13(f) hereof. On the Closing Date the Bond Trustee shall deposit Metro Revenues in the Metro Revenue Account of the Renovation and Replacement Fund received from the Prior Bond Trustee constituting Metro Revenues previously held in the Renovation and Replacement Fund established under the Prior Bond Indenture for the benefit of the Corporation.

(c) There is hereby established with the Bond Trustee a separate subaccount within the Renovation and Replacement Fund to be known as the “Arena Revenue Account” into which certain Arena Revenues shall be deposited as provided in Section 4.13(f) hereof. On the Closing Date the Bond Trustee shall deposit Arena Revenues in the Arena Revenue Account of the Renovation and Replacement Fund received from the Prior Bond Trustee constituting Arena Revenues previously held in the Renovation and Replacement Fund established under the Prior Bond Indenture for the benefit of the Corporation.

(d) Moneys held within the Renovation and Replacement Fund shall be used to provide reasonable reserves for renovations, renewals, replacements, improvements, additions, extraordinary repairs, and contingencies in the operation of the Prior Project. By submission of a Written Instruction to the Bond Trustee, the Corporation shall direct the Bond Trustee to disburse such moneys to the Operation and Maintenance Account to be expended by the Corporation for such purposes; provided, however, that no such moneys may be disbursed from the Metro Revenue Account of the Renovation and Replacement Fund without the Bond Insurer’s prior written consent, which shall not be unreasonably withheld. The Bond Trustee shall disburse such moneys from the Metro Revenue Account (assuming the Bond Insurer’s prior written consent is received in accordance with the immediately preceding sentence) and the Arena Revenue Account of the Renovation and Replacement Fund (in that order).

(e) The Corporation shall be permitted, with the Bond Insurer’s prior written consent, to increase the amount of the Maximum Annual Renovation and Replacement Deposit one or more times and at any time upon the written recommendation of an independent consultant (i) finding that such increase is necessary to ensure the ongoing repair and maintenance of the Prior Project; and (ii) recommending a specific increased annual maximum contribution to the Renovation and Replacement Fund. Any such consultant shall neither be engaged in the regular employ of the Corporation nor then manage the Prior Project and shall specialize in the operation or maintenance of facilities similar to the Prior Project. The

Corporation shall provide any such written recommendation to the Bond Trustee and the Bond Insurer in a Written Instruction specifying the amount and effective date of any such increase and whether such increase shall apply on a one-time or going-forward basis.

(f) Notwithstanding the immediately preceding subsections (d) and (e), any moneys held within the Renovation and Replacement Fund shall be used to fund any shortfall in moneys required to be deposited in the Senior Interest Fund, the Senior Bond Sinking Fund, the Senior Reserve Fund, the Subordinate Interest Fund, the Subordinate Bond Sinking Fund, and the Subordinate Reserve Fund in accordance with Section 4.06(c)(ii), Section 4.07(d)(ii), Section 4.08(c)(ii), Section 4.09(c)(ii), Section 4.10(c)(ii), and Section 4.11(d)(ii) hereof. The Bond Trustee shall disburse such moneys from the Metro Revenue Account and the Arena Revenue Account of the Renovation and Replacement Fund (in that order).

(g) Notwithstanding the immediately preceding subsections (d), (e), and (f), the Corporation, by Written Instruction to the Bond Trustee, with the Bond Insurer's prior written consent, may direct the Bond Trustee to transfer any moneys held within the Arena Revenue Account of the Renovation and Replacement Fund to the Operation and Maintenance Account in an amount equal to the funds needed to restore the amount of moneys held within the Operation and Maintenance Account to the Minimum Operating Cash Balance. As provided by Section 5.05 of the Loan Agreement, the Corporation may present the Bond Trustee and the Bond Insurer with such a Written Instruction only when the moneys held within the Operation and Maintenance Account are less than the Minimum Operating Cash Balance. Only moneys held within the Arena Revenue Account of the Renovation and Replacement Fund (and not the Metro Revenue Account of the Renovation and Replacement Fund) may be used for such purpose. The Bond Trustee shall use moneys held within the Arena Revenue Fund, the Arena Revenue Account of the Excess Net Cash Flow Fund, and the Arena Revenue Account of the Renovation and Replacement Fund (in that order) for such purpose.

#### **Section 4.15. Redemption Fund.**

(a) There is hereby established with the Bond Trustee a separate trust account to be known as the "Redemption Fund - Louisville Arena Project". The Bond Trustee shall at all times maintain accurate records of deposits into and expenditures and transfers from the Redemption Fund and the sources and dates of such deposits, expenditures, and transfers.

(b) The Bond Trustee shall deposit the following moneys into the Redemption Fund:

(i) moneys transferred from the Excess Net Cash Flow Fund pursuant to Section 4.13(j) hereof;

(ii) moneys received by the Bond Trustee from the Corporation constituting condemnation awards or insurance proceeds for purposes of redeeming Bonds; or

(iii) moneys from any other source to be used for purchasing, retiring, or redeeming Bonds.

(c) The Bond Trustee shall use moneys held within the Redemption Fund to purchase and retire Bonds or to redeem Bonds on their first optional redemption date in accordance with the requirements of ARTICLE V hereof. The Bond Trustee shall apply such moneys in accordance with the Written Instruction of the Corporation.

(d) In the case of prepayments described in the preceding subsection (b) that are made more than ninety days before the planned application thereof to redeem Bonds, if so directed by the Corporation's Written Instructions approved in writing by the Bond Insurer, such prepayment moneys shall be irrevocably held by the Bond Trustee in a segregated subaccount within the Redemption Fund to be used as directed by the Corporation to purchase and retire Bonds or to redeem Bonds on their first optional redemption date.

#### **Section 4.16. Investment of Funds.**

(a) Upon telephonic instructions from the Corporation promptly confirmed in writing or based on standing Written Instructions, moneys in the TIF Revenue Fund, Metro Revenue Fund, Arena Revenue Fund, Senior Interest Fund, Senior Bond Sinking Fund, Senior Reserve Fund, Liquidity Reserve Fund, Subordinate Interest Fund, Subordinate Bond Sinking Fund, Subordinate Reserve Fund, Renovation and Replacement Fund, Excess Net Cash Flow Fund, and Expense Fund shall be invested in Qualified Investments, the particular investment to be specified in the investment instructions; provided, however, that moneys held in the Redemption Fund may only be invested in Government Obligations. The Corporation shall not direct the Bond Trustee to make any investment contrary to the preceding sentence and each instruction from the Corporation shall constitute a representation by the Corporation that such investment complies with the preceding sentence. If the Corporation fails to file such Written Instructions with the Bond Trustee, moneys in such Funds shall be invested in (i) Government Obligations maturing not more than fourteen days (or earlier if cash is needed) after the date such investment is made or (ii) money market funds meeting the requirements of item (vii) of the definition of Qualified Investments herein. Such investments shall be made so as to mature on or before the date or dates that moneys therefrom are anticipated to be required. The Bond Trustee, when authorized by the Corporation, may trade with itself in the purchase and sale of securities for such investment; provided, however, that in no case shall investments be otherwise than in accordance with the investment limitations contained herein and in the Tax Regulatory Agreement. The Bond Trustee shall not be liable or responsible for any loss, fee, tax, or other charge resulting from any such investments. The foregoing notwithstanding, moneys held by the Bond Trustee resulting from a payment on the Series 2017 Bond Insurance Policy shall be held uninvested unless otherwise directed in writing by the Bond Insurer. Any purchase or sale of securities may be accomplished through the Bond Trustee's investment department.

(b) All income in excess of the requirements of the Funds specified in subsection (a) of this Section 4.16 (including any account or subaccount therein) derived from the investment of moneys on deposit in any such Funds shall be deposited in the following Funds, in the order listed:

(i) to the Senior Interest Fund and the Senior Bond Sinking Fund (in that order) to the extent, with respect to the Senior Interest Fund, of the amount required to be deposited in the Senior Interest Fund to be necessary to make the interest payments on the Senior 2017 Bonds and any Reimbursement Obligations due to the Bond Insurer occurring within one year of the date of deposit, and to the extent, with respect to the Senior Bond Sinking Fund, of the amount required to be deposited in the Senior Bond Sinking Fund to make the next required principal payment on the Senior 2017 Bonds within one year of the date of deposit; and

(ii) the balance, if any, to the Redemption Fund.

(c) With reference to the provisions of (i) Section 4.08 hereof with regard to the valuation of investments in the Senior Reserve Fund; and (ii) Section 4.12 hereof with regard to the valuation of investments in the Subordinate Reserve Fund, the Bond Trustee shall determine the fair market value thereof (1) based on accepted industry standards and from accepted industry providers, including Financial Times Interactive Data Corporation, Merrill Lynch, or Citigroup Global Markets Inc.; or (2) at the face amount thereof, plus accrued interest, with respect to bank certificates of deposit, guaranteed investment contracts, and similar investments.

**Section 4.17. Trust Funds.** All moneys received by the Bond Trustee under the provisions of this Bond Indenture shall be trust funds under the terms hereof for the benefit of the Outstanding Bonds of the respective series and shall not be subject to lien or attachment of any creditor of the Authority or of the Corporation. Such moneys shall be held in trust and applied in accordance with the provisions of this Bond Indenture.

**Section 4.18. Excluded Funds; Transfers to Rebate Fund.** The foregoing provisions of this ARTICLE IV notwithstanding, (a) the Rebate Fund and any rebate funds established in connection with separate series of Senior Refunding Bonds or Subordinate Bonds shall not be considered a part of the Trust Estate created by this Bond Indenture; and (b) the Bond Trustee shall be permitted to transfer moneys on deposit in any of the trust funds established under this Bond Indenture (other than the Senior Interest Fund, the Senior Bond Sinking Fund, the Subordinate Interest Fund, the Subordinate Bond Sinking Fund, and the Redemption Fund) to the Rebate Fund and any rebate funds established in connection with separate series of Senior Refunding Bonds and Subordinate Bonds in accordance with the provisions of the Tax Regulatory Agreement. Payments under the Series 2017 Bond Insurance Policy shall be used solely and only to pay principal of and interest on the Series 2017 Bonds as provided therein.

**ARTICLE V**  
**REDEMPTION OF BONDS**

**Section 5.01. Right to Redeem.** The Series 2017 Bonds shall be subject to redemption before maturity at such times, to the extent, and in the manner provided in this ARTICLE V. Senior Bonds and Subordinate Bonds may be subject to redemption before maturity at such times, to the extent and in the manner to be provided in the respective Supplemental Bond Indentures applicable thereto and as provided in this ARTICLE V that apply to all Bonds.

**Section 5.02. Optional Redemption.**

(a) **Series 2017A Bonds.** The Series 2017A Bonds maturing on December 1, 2041 and December 1, 2045 shall be subject to optional redemption before maturity, in whole or in part, on or after December 1, 2027. The Series 2017A Bonds maturing on December 1, 2047 shall be subject to optional redemption before maturity, in whole or in part, on or after December 1, 2022. Any such optional redemption shall be at a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date. Any partial redemption of Series 2017A Bonds shall be made in the inverse order of the maturities or mandatory Senior Bond Sinking Fund installments, as the case may be, applicable to the Series 2017A Bonds then Outstanding.

(b) **Series 2017B Bonds.** The Series 2017B Bonds maturing on or before December 1, 2027 are subject to optional redemption before their maturity, in whole or in part on any date, at a redemption price equal to their Make-Whole Premium Redemption Price. The Series 2017B Bonds maturing on or after December 1, 2028 are subject to optional redemption on or after December 1, 2027 in whole or in part, at any time, at a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date. Any partial redemption of Series 2017B Bonds shall be made in accordance with the Written Instructions of the Corporation.

**Section 5.03. Mandatory Bond Sinking Fund Redemption.**

(a) **Series 2017A Bonds.** The Series 2017A Bonds maturing on December 1, 2041, 2045, and 2047 are Term Bonds subject to mandatory redemption from the Senior Bond Sinking Fund by the Authority, acting through the Bond Trustee, before maturity by lot in such manner as the Bond Trustee may determine, at a redemption price of 100% of their respective par amounts plus interest accrued to the redemption date, on December in the years and in the principal amounts set forth below:



**Series 2017A Bonds Due December 1, 2041**

<b>Year</b>	<b>Principal Amount</b>
2039	\$ 8,085,000
2040	19,005,000
2041	20,250,000 (maturity)

**Series 2017A Bonds Due December 1, 2045**

<b>Year</b>	<b>Principal Amount</b>
2042	\$21,550,000
2043	23,125,000
2044	24,790,000
2045	26,550,000 (maturity)

**Series 2017A Bonds Due December 1, 2047**

<b>Year</b>	<b>Principal Amount</b>
2046	\$28,405,000
2047	30,365,000 (maturity)

**(b) Series 2017B Bonds.** The Series 2017B Bonds are **not** subject to mandatory sinking fund redemption.

**Section 5.04. Extraordinary Redemptions.** The Bonds are subject to redemption before maturity as a whole at any time or in part from time to time from and to the extent of any insurance proceeds or condemnation awards applied, pursuant to ARTICLE VII and Section 6.04(b) of the Loan Agreement, to the prepayment of all or a portion of the amount due pursuant to the Loan Agreement, but only if such proceeds exceed \$3,500,000. Any such redemption shall be effected at a redemption price equal to 100% of the principal amount of the Bonds so redeemed plus accrued interest to the redemption date.

**Section 5.05. Selection of Bonds to be Redeemed.** If less than all of the Bonds of the same maturity of a series of Bonds are to be redeemed upon any redemption of Bonds hereunder, the Bond Trustee shall select the Bonds of such maturity to be redeemed by lot in such manner as the Bond Trustee may determine. In making such selection, the Bond Trustee shall treat each Bond as representing that number of Bonds of the lowest authorized denomination as is obtained by dividing the principal amount of such Bond by such denomination. If Bonds of more than one series of Bonds are then eligible for optional

redemption, the Bond Trustee shall optionally redeem the Bonds of the series of Bonds directed by the Corporation, which may be composed of Bonds of one or more series of Bonds then Outstanding.

**Section 5.06. Partial Redemption of Bonds.** Upon the selection and call for redemption of, and the surrender of, any Bond of a series for redemption in part only, the Authority shall cause to be executed and the Bond Trustee shall authenticate and deliver to or upon the written order of the holder thereof, at the Corporation's expense, a new Bond or Bonds of Authorized Denominations of such series in an aggregate face amount equal to the unredeemed portion of the Bond surrendered.

**Section 5.07. Effect of Call for Redemption.** On the date designated for redemption by notice given as herein provided, the Bonds so called for redemption shall become and be due and payable at the redemption price provided for redemption of such Bonds on such date. If on the date fixed for redemption moneys for payment of the redemption price and accrued interest are held by the Bond Trustee or any Paying Agent as provided herein, interest on such Bonds so called for redemption shall cease to accrue, such Bonds shall cease to be entitled to any benefit or security hereunder except the right to receive payment from the moneys held by the Bond Trustee or any Paying Agent and the amount of such Bonds so called for redemption shall be deemed paid and no longer Outstanding.

**Section 5.08. Notice of Redemption.** The Bond Trustee shall mail, via first class mail, notice of any redemption of Series 2017 Bonds not less than thirty nor more than sixty days before the date set for redemption. If less than all such Bonds are to be redeemed, the Bonds to be redeemed shall be identified by reference to the issue and series designation, date of issue, serial numbers, and maturity dates. The notice shall be mailed to each holder of a Bond to be so redeemed at the address shown on the Bond Register, but failure to receive such notice or any defect therein shall not be a condition precedent to, nor shall such failure affect the validity of the proceedings for, the redemption of any Bond.

If at the time of mailing of notice of any optional redemption there shall not have been deposited with the Bond Trustee moneys in an amount sufficient to redeem all the Bonds called for redemption, such notice shall state that it is conditional in that it is subject to the deposit of such moneys with the Bond Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

**Section 5.09. Other Redemption Provisions.**

(a) In lieu of redeeming Series 2017 Bonds as provided above, the Bond Trustee shall, at the Corporation's direction and with the Bond Insurer's prior written consent, use such funds otherwise available hereunder for redemption of Series 2017 Bonds to purchase Series 2017 Bonds in the open market at a price not exceeding the redemption price then applicable hereunder, such Series 2017 Bonds to be delivered to the Bond Trustee for the purpose of cancellation. It is understood that in the case of any such redemption or purchase of Series 2017 Bonds, the Authority shall receive credit against its required Senior Bond Sinking

Fund deposits with respect to the Series 2017 Bonds in the same manner as would be applicable if such Series 2017 Bonds were optionally redeemed.

**(b)** The Authority and, by their acceptance of the Bonds, the Bondholders, irrevocably grant to the Corporation the option to purchase, at any time and from time to time with the Bond Insurer's prior written consent, any Bond that is redeemable pursuant to this ARTICLE V at a purchase price equal to the redemption price therefor. To exercise such option, the Corporation shall give the Bond Trustee a Written Instruction exercising such option, accompanied by the Bond Insurer's prior written consent, within the time period specified in Section 5.04 or Section 5.08 hereof, as the case may be, hereof as though such Written Instruction were a Written Instruction of the Authority for redemption, and the Bond Trustee shall thereupon give the owners of the Bonds to be purchased notice of such purchase in the manner specified in such Section as though such purchase were a redemption and the purchase of such Bonds shall be mandatory and enforceable against the Bondholders. On the date fixed for purchase pursuant to any exercise of such option, the Corporation shall pay the purchase price of the Bonds then being purchased to the Bond Trustee in immediately available funds, and the Bond Trustee shall pay the same to the sellers of such Bonds against delivery thereof. Following such purchase, the Bond Trustee shall cause such Bonds to be registered in the name of the Corporation or its nominee and shall deliver them to the Corporation or its nominee. In the case of the purchase of less than all of the Bonds, the particular Bonds to be purchased shall be selected in accordance with the provisions of the Bond Indenture as though such purchase were a redemption. No purchase of Bonds pursuant to this subsection (c) shall operate to extinguish the indebtedness of the Authority evidenced thereby. Notwithstanding the foregoing, no purchase shall be made pursuant to the provisions of this subsection (c) unless the Corporation shall have delivered to the Bond Trustee, the Bond Insurer, and the Authority concurrently therewith an Opinion of Bond Counsel to the effect that such purchase will not adversely affect the exclusion of interest on any Tax-Exempt Bonds.

**(c)** With respect to the payment of Bonds at maturity or by mandatory bond sinking fund redemption through the applicable bond sinking fund, the Authority (to the extent funds are available through the Funds established under this Bond Indenture) shall have on deposit in the applicable bond sinking funds moneys in the amounts and at the times, respectively, as set out in Section 5.03 and Section 2.02 hereof.

**(d)** If any Bond is transferred or exchanged on the Bond Register by the Bond Registrar after notice has been given calling such Bond for redemption, the Bond Registrar will attach a copy of such notice to the Bond issued in connection with such transfer.

**Section 5.10. Cancellation.** All Bonds which have been redeemed shall be canceled and disposed of by the Bond Trustee and shall not be reissued and a counterpart of the certificate evidencing such disposal shall be furnished by the Bond Trustee to the Authority and the Corporation if so requested; provided, however, that one or more new Bonds shall be issued for the unredeemed portion of any Bond without charge to the holder thereof.

**ARTICLE VI**  
**GENERAL COVENANTS**

**Section 6.01. Payment of Principal and Interest.** Subject to the limited source of payment hereinafter referred to, the Authority covenants that it will promptly pay the principal of and interest on every Bond issued under this Bond Indenture and any Supplemental Bond Indenture at the places, on the dates, and in the manner provided herein and therein and in such Bond according to the true intent and meaning thereof. Subject to the limited source of payment hereinafter referred to, all Reimbursement Obligations shall be promptly paid by the Corporation and the Bond Trustee at the places, on the dates, and in the manner provided herein. The obligations in this Section 6.01 are payable solely from (i) payments by the Corporation pursuant to the Loan Agreement, (ii) payments by the Commonwealth pursuant to the TIF Contract, (iii) payments by Metro Louisville pursuant to the Metro Contract, and (iv) the Trust Estate provided herein, and otherwise as provided herein, in the TIF Contract, in the Metro Contract, and in the Loan Agreement, which payments are hereby specifically sold, assigned, and pledged to the payment of the Bonds and any Reimbursement Obligation in the manner, in the priorities, and to the extent herein, in the Irrevocable Assignment of TIF Contract, the Irrevocable Assignment of Metro Contract, and in any Supplemental Bond Indenture specified, and nothing in the Bonds or in this Bond Indenture shall be considered as assigning or pledging any other fund or asset of the Authority (except the moneys and the Loan Agreement pledged under this Bond Indenture and any Supplemental Bond Indenture).

**Section 6.02. Performance of Covenants; Legal Authorization.** The Authority covenants that it will faithfully perform at all times all covenants, undertakings, stipulations, and provisions contained in this Bond Indenture, in every Bond executed, authenticated, and delivered hereunder and in all proceedings of the Authority pertaining thereto. The Authority shall not be required to perform any undertaking or to execute any instrument pursuant to the provisions hereof until it shall have been requested to do so by the Corporation or the Bond Trustee, or shall have received the instrument to be executed and, at the Authority's option, shall have received from the party requesting such performance or execution assurance satisfactory to the Authority that the Authority shall be reimbursed for its reasonable expenses and attorneys' fees incurred or to be incurred in connection with such performance or execution. The Authority represents that it is duly authorized under the laws of the Commonwealth to issue the Bonds authorized hereby, to execute this Bond Indenture, to execute, deliver, and perform its obligations under and to assign the Loan Agreement (subject to the Unassigned Rights) and to pledge and assign the Loan Agreement and payments received with respect thereto under this Bond Indenture in the manner and to the extent herein set forth; all action on the Authority's part for the issuance of the Bonds and the execution and delivery of this Bond Indenture have been duly and effectively taken; and the Bonds in the hands of the holders thereof, as shown on the Bond Register, are and will be valid and enforceable special and limited obligations of the Authority according to the import thereof.

**Section 6.03. Assignment; Instruments of Further Assurance.** The Authority represents that the assignment of its interest in the Loan Agreement (other than the Unassigned Rights) and the Trust Estate provided herein to the Bond Trustee hereby made is valid and lawful. The Authority covenants that it will defend its interest in the Loan Agreement and the assignment thereof to the Bond Trustee, for the benefit of the holders of the Bonds, against the claims and demands of all Persons whomsoever at the Corporation's sole cost. The Authority covenants that at the Corporation's sole cost the Authority will do, execute, acknowledge, and deliver or cause to be done, executed, acknowledged, and delivered, such indentures supplemental hereto and such further acts, instruments, and transfers as the Bond Trustee may reasonably require for the better assuring, transferring, conveying, pledging, assigning, and confirming unto the Bond Trustee, the TIF Contract, the Metro Contract, the Loan Agreement and all payments received with respect thereto and thereunder pledged hereby to the payment of the principal of and interest on the Bonds and the Reimbursement Obligations.

**Section 6.04. Recording and Filing.** The Authority covenants that, at the Written Instruction of the Corporation or the Bond Trustee, and solely from additional amounts payable as provided in Section 6.08 of the Loan Agreement, it will cause, if necessary, this Bond Indenture and all supplements hereto and the Loan Agreement and all supplements thereto, and all related financing statements, if any, to be kept, recorded, and filed in such manner and in such places as may be required by law in order to preserve and protect fully the security of the holders of the Bonds and the Bond Insurer as the provider of the Series 2017 Bond Insurance Policy, the Series 2017 Liquidity Reserve Policy, and the Series 2017 Senior Reserve Fund Surety and the rights of the Bond Trustee hereunder.

**Section 6.05. Books and Records.** The Authority covenants that so long as any Bond is Outstanding and unpaid, to the extent of the Authority's financial dealings or transactions in relation to the Corporation and the amounts derived from the Loan Agreement pledged under this Bond Indenture, the Authority hereby directs the Corporation to keep proper books of record and account.

The Bond Trustee and the Authority will permit, and the Authority hereby directs the Corporation to permit, the Bond Insurer to have access to and make copies of all books and records relating to the Bonds at any reasonable time, upon prior written notice to them and the Corporation. The Authority will permit the Bond Insurer to discuss the affairs, finances, and accounts of the Authority and the Corporation, or any information the Bond Insurer may request, regarding the security for the Bonds with appropriate officers of the Authority and the Corporation. The Bond Insurer shall have the right, upon prior written notice to the Bond Trustee, the Authority, and the Corporation, to direct an accounting with respect to such information regarding the security for the Bonds, at the Corporation's expense, and the failure to comply with said direction within thirty days after written notice of the direction from the Bond Insurer shall be deemed an Event of Default hereunder; provided, however, that if compliance cannot occur within such period, then such period will be extended so long as compliance is begun within such period and diligently pursued, but only if such extension would not materially adversely affect the interests of any registered owners of the Bonds.

**Section 6.06. List of Bondholders.** The Bond Registrar will keep on file at its office the Bond Register, indicating the names and addresses of the holders of the Bonds and the serial numbers of such Bonds held by each of such holders. At reasonable times and under reasonable regulations established by the Bond Registrar, the Bond Register may be inspected and copied by the Corporation, the Authority, the Bond Insurer, or the authorized representative of any holder or holders of ten percent or more in Outstanding principal amount of the Bonds, such ownership and the authority of any such designated representatives to be evidenced to the satisfaction of the Bond Registrar.

**Section 6.07. Rights under the TIF Contract, the Metro Contract, and the Loan Agreement.** Subject to the provisions of Section 7.03(a) and Section 12.01 hereof, the Authority agrees that the Bond Trustee in its own name or in the name of the Authority may enforce all rights of the Authority and all obligations of the Corporation under the Loan Agreement for and on behalf of the Bondholders (other than the Unassigned Rights), whether or not the Authority is in default hereunder. The Authority acknowledges that the Trustee in its own name may enforce (a) all rights of the Bond Trustee and all obligations of the Commonwealth under the TIF Contract and the Irrevocable Assignment of TIF Contract; and (b) all rights of the Bond Trustee and all obligations of Metro Louisville under the Metro Contract and the Irrevocable Assignment of Metro Contract.

**Section 6.08. Designation of Additional Paying Agents.** The Authority may, in its discretion, cause the necessary arrangements to be made through the Bond Trustee and to be thereafter continued for the designation of alternate Paying Agents and for the making available of funds hereunder for the payment of such of the Bonds as shall be presented when due at the Designated Corporate Trust Office of the Bond Trustee, or its successor in trust hereunder, or at the Designated Corporate Trust Office of said alternate Paying Agents.

**Section 6.09. Arbitrage; Compliance with Tax Regulatory Agreement.** The Authority covenants and agrees that it will not take any action or fail to take any action with respect to the investment of the proceeds of any Bonds issued under this Bond Indenture (regardless of the source thereof and whether or not held under this Bond Indenture) or with respect to the payments derived from the TIF Contract, the Metro Contract, or the Loan Agreement or any other moneys regardless of source or where held which may, notwithstanding compliance with the other provisions of this Bond Indenture, the TIF Contract, the Metro Contract, the Loan Agreement, and the Tax Regulatory Agreement, result in constituting any Tax-Exempt Bonds to be issued hereunder as "arbitrage bonds" within the meaning of such term as used in Code Section 148. The Authority further covenants and agrees that it will comply with and take all actions required by the Tax Regulatory Agreement, so long as the Corporation pays the costs thereof.

**Section 6.10. Collateral.** This Bond Indenture creates a valid and binding pledge and assignment of, and security interest in, the Trust Estate in favor of the Bond Trustee for the benefit of the Bondholders, which pledge, assignment, and security interest is enforceable by the Bond Trustee in accordance with the terms hereof. Under the laws of the Commonwealth,

such security interest is and shall be before any judicial lien hereafter imposed on such collateral to enforce a judgment against the Authority on a simple contract. Except for the lien and security interest pledged by the Prior Bond Indenture (such lien and pledge to be defeased using the proceeds of the Series 2017 Bonds hereunder), the Authority has not heretofore made a pledge of, granted a lien on or security interest in, or made an assignment or sale of such collateral that ranks on parity with, before, or subordinate to the pledge and assignment of, and security interest in, the Trust Estate. The Corporation shall not hereafter make or suffer to exist any pledge or assignment of, lien on, or security interest in such collateral that ranks before, on parity with, or subordinate to the pledge and assignment granted hereby, or file any financing statement describing any such, pledge, assignment, lien, or security interest, except as permitted hereby.

## **ARTICLE VII REMEDIES**

**Section 7.01. Extension of Payment; Penalty.** In case the time for the payment of principal of or the interest on any Bond shall be extended, which extension requires the Bond Insurer's prior consent, whether or not such extension occurs by or with the Authority's consent, such principal or such interest so extended shall not be entitled in case of default hereunder to the benefit or security of this Bond Indenture except subject to the prior payment in full of the principal of all other Bonds then Outstanding and of all interest thereon, the time for the payment of which shall not have been extended.

**Section 7.02. Events of Default.** Each of the following events is hereby declared an "event of default:"

(a) payment of any installment of interest on any Senior Bond shall not be made when the same shall become due and payable; or

(b) payment of the principal of any Senior Bond shall not be made when the same shall become due and payable, either at maturity, by proceedings for redemption, through failure to make any payment to any Fund, hereunder or otherwise; or

(c) the Authority shall for any reason be rendered incapable of fulfilling its obligations hereunder; or

(d) an order or decree shall be entered appointing a receiver, receivers, custodian or custodians for any of the revenues of the Authority, or approving a petition filed against the Authority seeking reorganization of the Authority under the federal bankruptcy laws or any other similar law or statute of the United States of America or any state thereof, or if any such order or decree, having been entered without the Authority's consent or acquiescence, shall not be vacated or discharged or stayed on appeal within sixty days after the entry thereof; or

(e) any proceeding shall be instituted, with the Authority's consent or acquiescence, or the Authority enters into any plan, for the purpose of effecting a composition between the Authority and its creditors or for the purpose of adjusting the claims of such creditors pursuant to any federal or state statute now or hereafter enacted, if the claims of such creditors are under any circumstances payable from any part or all of the Trust Estate, including money derived by the Authority pledged under the Loan Agreement (other than Unassigned Rights); or

(f) the Authority (i) files a petition in bankruptcy under Title 11 of the United States Code, as amended; (ii) makes an assignment for the benefit of its creditors; (iii) consents to the appointment of a receiver, custodian, or trustee for itself or for the whole or any part of the Trust Estate, including money derived by the Authority under the Loan Agreement (other than Unassigned Rights); or (iv) is generally not paying its debts as such debts become due; or

(g) (i) the Authority is adjudged insolvent by a court of competent jurisdiction; (ii) on a petition in bankruptcy filed against the Authority it is adjudged as bankrupt; or (iii) an order, judgment, or decree is entered by any court of competent jurisdiction appointing, without the Authority's consent, a receiver, custodian, or trustee of the Authority or of the whole or any part of its property and any of the aforesaid adjudications, orders, judgments, or decrees shall not be vacated or set aside or stayed within sixty days from the date of entry thereof; or

(h) the Authority shall file a petition or answer seeking reorganization or any arrangement under the federal bankruptcy laws or any other applicable law or statute of the United States of America or any state thereof; or

(i) under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property (other than Unassigned Rights), and such custody or control shall not be terminated within sixty days from the date of assumption of such custody or control; or

(j) any event of default as defined in Section 9.01 of the Loan Agreement or any default, revocation, invalidity, or re-characterization under the Mortgage and Security Agreement, the Irrevocable Assignment of Metro Contract, the Irrevocable Assignment of TIF Contract, or the Irrevocable Assignment of Operating Agreements shall occur and, in the case of an event of default under the Loan Agreement, such event of default shall be continuing from and after the date the Authority is entitled under the Loan Agreement to declare a default thereunder; or

(k) the Authority shall default in the due and punctual performance of any other of the covenants, conditions, agreements, and provisions contained in the Senior Bonds or in this Bond Indenture or any indenture supplemental hereto to be performed on the Authority's part, and such default shall continue for the period of sixty days after written notice



specifying such default and requiring the same to be remedied shall have been given to the Authority, the Corporation, and the Bond Insurer by the Bond Trustee, which notice the Bond Trustee may give in its discretion and must give at the written request of the Bond Insurer or the owners of not less than ten percent in aggregate principal amount of the Series 2017 Bonds then Outstanding hereunder; provided, that, if such default cannot with due diligence and dispatch be wholly cured within sixty days but can be wholly cured, the failure of the Authority to remedy such default within such sixty-day period shall not constitute a default hereunder if the Authority shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch; or

(l) the Authority, the Corporation, or the Bond Trustee shall default in the performance of any covenant, condition, agreement, or provision of the Tax Regulatory Agreement, and such default shall continue for the period of sixty days after written notice specifying such default and requiring the same to be remedied shall have been given to the party in default, the Bond Insurer, and the Corporation by the other party; provided that if such default cannot with due diligence and dispatch be wholly cured within sixty days but can be wholly cured, the failure of the Corporation or the Bond Trustee to remedy such default within such sixty-day period shall not constitute a default hereunder if any of the foregoing shall immediately upon receipt of such notice commence with due diligence and dispatch the curing of such default and, having so commenced the curing of such default, shall thereafter prosecute and complete the same with due diligence and dispatch.

### **Section 7.03. Bond Insurer Control; Acceleration.**

(a) **Bond Insurer Control.** Anything in this Bond Indenture to the contrary notwithstanding, but subject to the provisions of Section 12.01 hereof, upon the occurrence and continuance of an event of default as defined herein, the Bond Insurer shall be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Series 2017 Bonds or the Bond Trustee for the benefit of the holders of the Series 2017 Bonds under this Bond Indenture, including (i) the right to accelerate the principal amount of the Series 2017 Bonds then Outstanding; and (ii) the right to annul any declaration of acceleration, and the Bond Insurer shall also be entitled to waive or otherwise to approve all waivers of events of default.

(b) **Acceleration.** Subject to the provisions of Section 7.03(a) hereof, anything in this Bond Indenture or in the Bonds to the contrary notwithstanding, upon the occurrence of an event of default specified in subsection (a) through (l) of Section 7.02 hereof the Bond Trustee shall, at the Bond Insurer's written direction but without any action on the part of the Bondholders, and upon being indemnified to its satisfaction as provided in Section 8.01(l) hereof, unless the Bond Insurer in the case of an event of default specified in subsection (a), (b), or (c) of Section 7.02 hereof has failed to pay all amounts owing by it under the Series 2017 Bond Insurance Policy, by notice in writing delivered to the Authority and the Corporation, declare the entire principal amount of the Senior Bonds then Outstanding hereunder and the interest

accrued thereon immediately due and payable, and the entire principal and interest shall thereupon become and be immediately due and payable, subject, however, to the provisions of Section 7.11 hereof with respect to waivers of events of default. The Bond Trustee shall give notice thereof by first class mail, postage prepaid, to all owners of Outstanding Senior Bonds; provided, however, that the giving of such notice shall not be considered a precondition to the Bond Trustee declaring the entire principal amount of the Senior Bonds then Outstanding and the interest accrued thereon immediately due and payable. The Senior Bonds shall cease to accrue interest on the date of acceleration if they are paid on such date.

If the maturity of the Senior Bonds is accelerated, the Bond Insurer may elect, in its sole and absolute discretion, to pay all or a portion of the accelerated principal and interest accrued on such principal to the date of acceleration (to the extent unpaid by the Authority or the Corporation) with respect to the Series 2017 Bonds, and the Bond Trustee shall accept such amounts. Upon payment of all such accelerated principal and interest accrued to the acceleration date as provided above, the Bond Insurer's obligations under the Series 2017 Bond Insurance Policy with respect to such accelerated principal shall be fully discharged.

#### **Section 7.04. Remedies; Rights of Bondholders.**

(a) Subject to the provisions of Section 7.03(a) hereof, upon the occurrence of any event of default the Bond Trustee may, with the Bond Insurer's prior written consent, take whatever action at law or in equity it deems necessary or desirable (i) to collect any amounts then due under this Bond Indenture, the Bonds, the TIF Contract, the Metro Contract, the ULAA Contract, and the Loan Agreement; (ii) to enforce performance of any obligation, agreement, or covenant of the Authority under this Bond Indenture or the Bonds, of the Commonwealth under the TIF Contract, of Metro Louisville under the Metro Contract, of the Corporation under the Loan Agreement, of ULAA under the ULAA Contract, of a guarantor under any guaranty given with respect to any Bond or of the grantor of any other collateral given to secure the payment of the Bonds; or (iii) to otherwise enforce any of the Bond Trustee's rights, including its rights under the Mortgage and Security Agreement, subject, however, to the rights of ULAA under the ULAA Contract, and provided further that the rights of the holders of the Subordinate Parity Bonds to the proceeds from the enforcement of the Mortgage and Security Agreement shall be subordinate and subject in all respects to such rights of the holders of the Senior Bonds and the Reimbursement Obligations.

No remedies may be pursued by the holders of the Subordinate Bonds unless (i) no Senior Bonds or Reimbursement Obligations remain Outstanding; or (ii) there is received the Bond Insurer's prior written consent (if the Series 2017 Bond Insurance Policy is then in effect and the Bond Insurer is not in default thereunder).

(b) Subject to the provisions of Section 7.03(a) hereof, if an event of default shall have occurred, and if it shall have been requested so to do by the Bond Insurer or the holders of twenty-five percent in aggregate principal amount of the Senior Bonds Outstanding with the Bond Insurer's prior written consent, and it shall have been indemnified as provided in

Section 8.01 hereof, the Bond Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Section 7.04 as the Bond Trustee shall deem most expedient in the interests of the holders of the Bonds; provided, however, that the Bond Trustee shall have the right to decline to comply with any such request if the Bond Trustee shall be advised by counsel (who may be its own counsel) that the action so requested may not lawfully be taken or the Bond Trustee in good faith shall determine that such action would be unjustly prejudicial to the holders of the Bonds not parties to such request or would subject the Bond Trustee to personal liability; and provided further, however, that the owners of not less than a majority in aggregate principal amount of all then Outstanding Series 2017 Bonds shall have the right at any time by an instrument or instruments in writing executed and delivered to the Bond Trustee to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Series 2017 Bond Insurance Policy.

(c) The Bond Trustee shall not have an affirmative duty to ascertain whether or not the foregoing actions or forbearances are unduly prejudicial to the Bondholders.

(d) No delay or omission to exercise any right or power accruing upon any default or event of default shall impair any such right or power or shall be construed to be a waiver of any such default or event of default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient.

(e) No waiver of any default or event of default hereunder, whether by the Bond Trustee with the Bond Insurer's consent or by the Bond Insurer, shall extend to or shall affect any subsequent default or event of default or shall impair any rights or remedies consequent thereon.

**Section 7.05. Direction of Proceedings by Holders.** Subject to the provisions of Section 7.03(a) hereof, the holders of not less than a majority in aggregate principal amount of the Series 2017 Bonds then Outstanding, with the Bond Insurer's consent, or the Bond Insurer, as applicable, shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Bond Trustee, to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Bond Indenture, including enforcement of the rights of the Authority under the TIF Contract, the Metro Contract, and the Loan Agreement (other than Unassigned Rights) or for the appointment of a receiver or any other proceedings hereunder; provided, however, that such direction shall be in accordance with the provisions of law and of this Bond Indenture; and provided further, however, that the owners of not less than a majority in aggregate principal amount of all then Outstanding Series 2017 Bonds shall have the right at any time by an instrument or instruments in writing executed and delivered to the Bond Trustee to direct the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Series 2017 Bond Insurance Policy.

**Section 7.06. Appointment of Receivers.** Upon the occurrence of an event of default, and upon the filing of a suit or other commencement of judicial proceedings to enforce the

rights of the Bond Trustee and the holders of Bonds under this Bond Indenture, the Bond Trustee shall be entitled, at the Bond Insurer's written direction, as a matter of right, to the appointment of a receiver or receivers of the properties pledged hereunder and of the revenues, issues, payments, and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

**Section 7.07. Application of Moneys.**

(a) Subject to the provisions of the Tax Regulatory Agreement and Section 4.07 hereof, all moneys received by the Bond Trustee, by any receiver, or by any Bondholder pursuant to any right given or action taken under the provisions of this ARTICLE VII shall, after payment of the costs and expenses of the proceedings resulting in the collection of such moneys and of the expenses, liabilities, and advances incurred or made by the Bond Trustee and the Authority, be deposited in the Senior Bond Sinking Fund, and all moneys so deposited during the continuance of an event of default (other than moneys for the payment of Bonds which have previously matured or otherwise become payable before such event of default or for the payment of interest due before such event of default), together with all moneys in the Funds maintained by the Bond Trustee under ARTICLE III and ARTICLE IV hereof, shall be applied as follows:

(i) All such moneys shall be applied:

**FIRST:** To the payment of any arbitrage rebate amounts payable pursuant to the Tax Regulatory Agreement;

**SECOND:** After the Bond Insurer has been reimbursed for any Reimbursement Obligations relating to the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, and the Series 2017 Liquidity Reserve Policy, to the payment of the principal and interest then due and unpaid on the Senior Bonds thereunder then due, without preference or priority of principal over interest or of interest over any other installment of interest, or of any Senior Bond over any other Senior Bond ratably, according to the amounts due respectively for principal of and interest on the Senior Bonds, to the Persons entitled thereto without any discrimination or privilege;

**THIRD:** To the payment to the Persons entitled thereto of the unpaid principal or mandatory redemption price of any of the Senior Bonds which shall have become due (other than the Senior Bonds called for redemption for the payment of which moneys are held pursuant to the provisions of this Bond Indenture), and, if the amount available shall be insufficient to pay in full the Senior Bonds then due, then to the payment ratably, according to the amount of payment due to the Persons entitled thereto, without any discrimination or privilege;

**FOURTH:** To the payment to the Persons entitled thereto of unpaid principal and interest due and owing on any Senior Bonds, the payment of principal and interest of which has been extended in the manner described in Section 7.01 hereof; and

**FIFTH:** To the payment to the Persons entitled thereto of the unpaid interest on and principal of (in that order) any of the Subordinate Bonds which shall have become due and, if the amount available shall be insufficient to pay in full such interest and principal, then to the payment ratably, according to the amount of interest and principal due to the Persons entitled thereto, without any discrimination or privilege.

(ii) If the principal of all the Senior Bonds shall have been declared due and payable, and if such declaration shall thereafter have been rescinded and annulled under the provisions of this ARTICLE VII, then, if the principal of all the Senior Bonds shall later become due or be declared due and payable, the moneys shall be applied in accordance with the provisions of subparagraph (a)(i) of this Section 7.07.

(b) Whenever moneys are to be applied by the Bond Trustee pursuant to the provisions of this Section 7.07, such moneys shall be applied by it at such times, and from time to time, as the Bond Trustee shall determine, having due regard for the amount of such moneys available for application and the likelihood of additional moneys becoming available for such application in the future. Whenever the Bond Trustee shall apply such moneys, it shall fix the date (which shall be a Bond Payment Date unless it shall deem another date more suitable) upon which such application is to be made and upon such date interest on the amounts of principal to be paid on such date shall cease to accrue. The Bond Trustee shall give notice of the deposit with it of any such moneys and of the fixing of any such date and of the Special Record Date in accordance with Section 2.01(g) hereof ten days before the Special Record Date. The Bond Trustee shall not be required to make payment to the holder of any unpaid Bond until such Bond shall be presented to the Bond Trustee for appropriate endorsement or for cancellation if fully paid.

(c) Whenever all Bonds and interest thereon, the Reimbursement Obligations due to the Bond Insurer, and any other secured obligations have been paid under the provisions of this Section 7.07 and all expenses and charges of the Bond Trustee and the Authority have been paid, any balance remaining shall be paid to the Persons entitled to receive the same and then to the Corporation.

**Section 7.08. Remedies Vested in Bond Trustee.** All rights of action including the right to file proof of claims under this Bond Indenture or under any of the Bonds may be enforced by the Bond Trustee without the possession of any of the Bonds or the production thereof in any trial or other proceedings relating thereto. Any such suit or proceeding instituted by the Bond Trustee shall be brought in its name as Bond Trustee without the necessity of

joining as plaintiffs or defendants any holder of a Bond, and any recovery of judgment shall be for the equal benefit of the holders of the Bonds then Outstanding.

**Section 7.09. Rights and Remedies of Bondholders.** No holder of any Bond shall have any right to institute any suit, action, or proceeding in equity or at law for the enforcement of this Bond Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless a default shall have become an event of default and the Bond Insurer or the holders of not less than fifty percent in aggregate principal amount of the Senior Bonds then Outstanding, with the Bond Insurer's prior written consent in its sole judgment, shall have made written request to the Bond Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit, or proceeding in its own name, and unless also they have offered to the Bond Trustee indemnity as provided in Section 8.01 hereof, and unless the Bond Trustee shall thereafter fail or refuse to exercise the power hereinbefore granted, or to institute such action, suit, or proceeding in its own name; and such notification, request, and offer of indemnity are hereby declared in every case at the option of the Bond Trustee to be conditions precedent to the execution of the powers and trusts of this Bond Indenture and to any action or cause of action for the enforcement of this Bond Indenture, or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the lien of this Bond Indenture by its, his, her, or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner herein provided and for the equal benefit of the holders of all Bonds Outstanding. Nothing in this Bond Indenture contained shall, however, affect or impair the right of the Bond Insurer or any Bondholder to enforce the payment of the principal of and interest on any Bond at and after the maturity thereof, or the obligation of the Authority to pay the principal of and interest on each Bond issued hereunder to the respective holders thereof at the time and place, from the source, and in the manner in such Bond expressed.

**Section 7.10. Termination of Proceedings.** In case the Bond Trustee shall have proceeded to enforce any right under this Bond Indenture by the appointment of a receiver, or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Bond Trustee, then and in every case the Authority and the Bond Trustee shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder with respect to the property pledged and assigned hereunder, and all rights, remedies, and powers of the Bond Trustee shall continue as if no such proceedings had been taken.

**Section 7.11. Waiver of Events of Default.** The Bond Trustee shall at the written direction of the Bond Insurer or the owners of at least a majority in aggregate principal amount of all Senior Bonds Outstanding, with the Bond Insurer's consent, waive any event of default; provided, however, that no event of default shall be waived unless before such waiver all arrears of principal and interest on Senior Bonds (other than principal or interest on the Senior

Bonds which became due and payable by declaration of acceleration) shall have been paid or provided for.

**Section 7.12. Corporation's Rights of Possession and Use of Property.** So long as the Corporation is in full compliance with the terms and provisions of the Loan Agreement, it shall be suffered and permitted to possess, use, and enjoy its property and appurtenances thereto free of claims hereunder of the Authority, the Bond Trustee, or the Bond Insurer, subject to the rights of ULAA under the ULAA Contract.

**Section 7.13. Waiver of Redemption; Effect of Sale of Trust Estate.** The Authority, to the extent permitted by law, shall not claim any right under any stay, valuation, exemption, or extension law, and hereby waives any right of redemption which it may have in respect of the Corporation's property. Upon the institution of any foreclosure proceedings or upon any sale of the Corporation's property to satisfy amounts owing under the Loan Agreement, the principal of all Bonds then Outstanding hereunder, if not previously due and payable, shall without more become immediately due and payable.

**Section 7.14. Notice of Default.** In the event of any default hereunder, the Bond Trustee will promptly give written notice thereof to the Authority, the Corporation, and the Bond Insurer setting forth the nature of such default.

**Section 7.15. Actions by Bond Trustee to Provide for Payment under Series 2017 Bond Insurance Policy.** As long as the Series 2017 Bond Insurance Policy shall be in full force and effect, the Bond Trustee agrees that it shall not make a claim for payment on the Series 2017 Bond Insurance Policy until all funds held pursuant to this Bond Indenture and the Loan Agreement have been fully drawn to pay debt service on the Series 2017 Bonds, unless otherwise agreed in writing by the Bond Insurer.

As long as the Series 2017 Bond Insurance Policy shall be in full force and effect, the Bond Trustee agrees to comply with the following provisions:

(a) If, on the third Business Day before the related scheduled Bond Payment Date there is not on deposit with the Bond Trustee, after making all transfers and deposits required under ARTICLE IV hereof, moneys sufficient to pay the principal of and interest on the Series 2017 Bonds due on such Bond Payment Date, the Bond Trustee shall give notice to the Bond Insurer and to its designated agent (if any) (the "**Bond Insurer's Fiscal Agent**") by telephone or teletype of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day before the related Bond Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Bond Payment Date, the Bond Trustee shall make a claim under the Series 2017 Bond Insurance Policy and give notice to the Bond Insurer and the Bond Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Series 2017 Bonds and the amount required to pay principal of the Series 2017 Bonds, confirmed in writing to the Bond Insurer and the Bond Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second

Business Day by completing the form of Notice of Claim and Certificate delivered with the Series 2017 Bond Insurance Policy.

The Bond Trustee shall designate any portion of payment of principal on Series 2017 Bonds paid by the Bond Insurer, whether by virtue of mandatory sinking fund redemption, maturity, or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Bondholder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Bond Insurer, registered in the name of Assured Guaranty Municipal Corp., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Bond Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Issuer on any Series 2017 Bond or the subrogation rights of the Bond Insurer.

The Bond Trustee shall keep a complete and accurate record of all funds deposited by the Bond Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Series 2017 Bond. The Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Bond Trustee.

Upon payment of a claim under the Series 2017 Bond Insurance Policy, the Bond Trustee shall establish a separate special purpose trust account for the benefit of Bondholders referred to herein as the "Policy Payments Account" and over which the Bond Trustee shall have exclusive control and sole right of withdrawal. The Bond Trustee shall receive any amount paid under the Series 2017 Bond Insurance Policy in trust on behalf of Series 2017 Bondholders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Bond Trustee to Series 2017 Bondholders in the same manner as principal and interest payments are to be made with respect to the Series 2017 Bonds under the sections hereof regarding payment of Series 2017 Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything herein to the contrary, the Corporation agrees to pay to the Bond Insurer all Reimbursement Obligations. The Corporation hereby covenants and agrees that the Reimbursement Obligations are secured by a lien on and pledge of the Trust Estate and payable from such Trust Estate on a parity with debt service due on the Series 2017 Bonds.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent. Any funds remaining in the Policy Payments Account following any Bond Payment Date for the Series 2017 Bonds shall promptly be remitted to the Bond Insurer.

**(b)** If the principal or interest due on the Series 2017 Bonds shall be paid by the Bond Insurer pursuant to the Series 2017 Bond Insurance Policy, the Series 2017 Bonds shall



remain Outstanding for all purposes, not be defeased or otherwise satisfied, and not be considered paid by the Authority, and the assignment and pledge of the Trust Estate and all covenants, agreements, and other obligations of the Authority to the Bond Trustee shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of the registered owners of such Series 2017 Bonds.

(c) The Corporation and the Bond Trustee hereby agree for the benefit of the Bond Insurer that:

(i) they recognize that to the extent the Bond Insurer makes payments directly or indirectly (e.g., by paying through the Bond Trustee) on account of principal of or interest on the Series 2017 Bonds, the Bond Insurer will be subrogated to the rights of such holders to receive the amount of such principal and interest from the Bond Trustee on behalf of the Authority, with interest thereon as provided and solely from the sources stated in the Bond Indenture and the Series 2017 Bonds; and

(ii) they will accordingly pay to the Bond Insurer the amount of such principal and interest, with interest thereon as provided in the financing documents and the Series 2017 Bonds, but only from the sources and in the manner provided herein for the payment of principal of and interest on the Series 2017 Bonds to holders, and will otherwise treat the Bond Insurer as the owner of such rights to the amount of such principal and interest.

(d) The Bond Insurer shall be entitled to pay principal or interest on the Series 2017 Bonds that shall become due for payment but shall be unpaid by reason of nonpayment by the Bond Insurer (as such terms are defined in the Series 2017 Bond Insurance Policy) and any amounts due on the Series 2017 Bonds as a result of acceleration of the maturity thereof in accordance with this Bond Indenture, whether or not the Bond Insurer has received a Notice (as defined in the Series 2017 Bond Insurance Policy) of nonpayment or a claim upon the Series 2017 Bond Insurance Policy.

(e) In addition, the Bond Insurer shall to the extent it makes any payment of principal or interest on the Series 2017 Bonds become subrogated to the rights of the recipients of such payments in accordance with the terms of the Series 2017 Bond Insurance Policy, and to evidence such subrogation (i) in the case of claims for interest, the Bond Trustee shall note the Bond Insurer's rights as subrogee on the Authority's registration books maintained by the Bond Trustee, upon receipt of proof of payment of interest thereon to the registered holders of the Series 2017 Bonds; and (ii) in the case of claims for principal, the Bond Trustee, if any, shall note the Bond Insurer's rights as subrogee on the Authority's registration books maintained by the Bond Trustee, upon surrender of the Series 2017 Bonds together with receipt of proof of payment of principal thereof.

(f) The Bond Trustee hereby covenants and agrees that on behalf of the Authority it hereby directs the Corporation to reimburse the Bond Insurer, but only from the amounts available under the Loan Agreement and the Trust Estate under this Bond Indenture, for any amount paid under the Series 2017 Bond Insurance Policy and all costs of collection

thereof and enforcement of this Bond Indenture and any other documents executed in connection with this Bond Indenture, together with interest thereon, from the date paid or incurred by the Bond Insurer until payment thereof in full by the Bond Trustee on behalf of the Authority, payable at the Reimbursement Rate (as defined in the Loan Agreement), including (to the extent permitted by applicable law), interest on claims paid by the Bond Insurer in respect of interest on the Series 2017 Bonds. Such payment obligation shall be payable on demand and on parity with, and from the same sources and secured by the same security as regularly scheduled principal and interest payments in respect of the Series 2017 Bonds and any Reimbursement Obligations due to the provider of the Series 2017 Senior Reserve Fund Surety.

(g) The rights granted to the Bond Insurer under this Bond Indenture, the Loan Agreement, or any other related document to request, consent to, or direct any action are rights granted to the Bond Insurer in consideration of its issuance of the Series 2017 Bond Insurance Policy, the Series 2017 Liquidity Reserve Policy, and the Series 2017 Senior Reserve Fund Surety. Any exercise by the Bond Insurer of such rights is merely an exercise of the Bond Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Bondholders and such action does not evidence any position of the Bond Insurer, affirmative or negative, as to whether the consent of the Bondholders or any other Person is required in addition to the Bond Insurer's consent.

## ARTICLE VIII THE BOND TRUSTEE

**Section 8.01. Acceptance of Trusts.** The Bond Trustee accepts and agrees to execute the trusts imposed upon it by this Bond Indenture, but only upon the terms and conditions set forth herein. The Bond Trustee, before the occurrence of an event of default and after the curing of all events of default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Bond Indenture and no implied covenants or obligations should be read into this Bond Indenture against the Bond Trustee. In case an event of default hereunder has occurred and is continuing, the Bond Trustee shall exercise the rights and powers vested in it by this Bond Indenture and shall use the same degree of care as a prudent person would exercise or use in the circumstances in the conduct of such person's own affairs. The Bond Trustee agrees to perform such trusts only upon and subject to the following express terms and conditions:

(a) The Bond Trustee may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, and shall not be responsible for the acts and omissions of any such attorneys, agents, or receivers appointed by it with due care, shall be entitled to advice of counsel concerning all matters of trusts hereof and duties hereunder, and may in all cases pay such reasonable compensation to any attorney, agent, receiver, or employee retained or employed by it in connection herewith. The Bond Trustee may act upon the opinion or advice of an attorney, surveyor, engineer, or accountant selected by it in the exercise of reasonable care or, if selected or retained by the Authority,

approved by the Bond Trustee in the exercise of such care. The Bond Trustee shall not be responsible for any loss or damage resulting from any action or non-action based on its good faith reliance upon such opinion or advice.

**(b)** The Bond Trustee shall not be responsible for any recital herein, or in the Bonds (except with respect to the certificate of the Bond Trustee endorsed on the Bonds), or for the investment of moneys as herein provided (except that no investment shall be made except in accordance with Section 4.16 hereof and the Tax Regulatory Agreement), or for the recording, re-recording, filing, or re-filing of this Bond Indenture, or any supplement or amendment thereto, or the filing of financing statements, or for the validity of the execution by the Authority of this Bond Indenture, or of any Supplemental Bond Indenture or instrument of further assurance, or for the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby, or for the value or title of the property herein conveyed or otherwise as to the maintenance of the security hereof. The Bond Trustee may (but shall be under no duty to and shall have no liability for its failure to) require of the Authority, at the Corporation's sole cost, and the Corporation full information and advice as to the performance of the covenants, conditions, and agreements in the Loan Agreement and shall make its best efforts, but without any obligation or liability, to advise the Authority and the Corporation of any impending default to which the Bond Trustee has received notice. Except as otherwise provided in Section 8.04 hereof, the Bond Trustee shall have no obligation to perform any of the duties of the Authority under the Loan Agreement.

**(c)** The Bond Trustee shall not be accountable for the use or application by the Authority or the Corporation of any of the Bonds or the proceeds thereof or for the use or application of any money paid over by the Bond Trustee in accordance with the provisions of this Bond Indenture or for the use and application of money received by any Paying Agent (except when the Bond Trustee acts as Paying Agent). The Bond Trustee may become the owner of Bonds secured hereby with the same rights it would have if not Bond Trustee.

**(d)** The Bond Trustee shall be protected in acting upon any notice, order, requisition, request, consent, certificate, order, opinion (including an opinion of Independent Counsel), affidavit, letter, telegram, or other paper or document in good faith deemed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons. The Bond Trustee shall be protected in relying conclusively upon any telephonic or other electronic communication deemed by it in good faith to be genuine and correct and to be from the proper Person or Persons whenever this Bond Indenture permits such telephonic or other electronic communication. Any action taken by the Bond Trustee pursuant to this Bond Indenture upon the request or authority or consent of any Person who at the time of making such request or giving such authority or consent is the owner of any Bond, shall be conclusive and binding upon all future owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

**(e)** As to the existence or non-existence of any fact or as to the sufficiency of validity of any instrument, paper, or proceeding, the Bond Trustee shall be entitled to rely

conclusively upon a certificate signed on behalf of the Authority by its Chair or Vice Chair or its Secretary-Treasurer or any Assistant Secretary-Treasurer as sufficient evidence of the facts therein contained and before the occurrence of a default of which the Bond Trustee has been notified as provided in Section 8.01(g) hereof, or of which by said subsection it is deemed to have notice, shall also be at liberty to accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Bond Trustee may accept a certificate of the Secretary-Treasurer or any Assistant Secretary-Treasurer of the Authority to the effect that a resolution in the form therein set forth has been adopted by the Authority as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(f) The permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed as a duty and the Bond Trustee shall not be answerable for other than its gross negligence or willful misconduct.

(g) The Bond Trustee shall not be required to take notice or be deemed to have notice of any default hereunder except failure by the Authority to cause to be made any of the payments to the Bond Trustee required to be made by ARTICLE IV unless the Bond Trustee shall be specifically notified in writing of such default by the Authority, by the Bond Insurer, or by the holders of at least twenty-five percent in aggregate principal amount of all Senior Bonds then Outstanding, and all notices or other instruments required by this Bond Indenture to be actually delivered to the Bond Trustee must, in order to be effective, be delivered at the Bond Trustee's Designated Corporate Trust Office, and in the absence of such notice so delivered, the Bond Trustee may conclusively assume there is no default except as aforesaid.

(h) The Bond Trustee shall not be personally liable for any debts contracted or for damages to Persons or to personal property injured or damaged, or for salaries or nonfulfillment of contracts during any period in which it may be in possession of or managing any property of the Corporation.

(i) At any and all reasonable times, and upon reasonable prior notice, the Bond Insurer, the Bond Trustee, and the duly authorized agents, attorneys, experts, engineers, accountants, and representatives of either of them, shall have the right fully to inspect any and all of the property pledged hereunder, including all books, papers, and records of the Authority and the Corporation pertaining to the property pledged hereunder and the Bonds, and to take such memoranda from and in regard thereto as may be desired.

(j) The Bond Trustee shall not be required to give any bond or surety in respect of the execution of the trusts and powers or otherwise in respect of the premises set forth herein.

(k) Notwithstanding anything elsewhere in this Bond Indenture contained, the Bond Trustee shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any

action whatsoever within the purview of this Bond Indenture, any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that by the terms hereof required as a condition of such action by the Bond Trustee deemed desirable for the purpose of establishing the Authority's right to the authentication of any Bonds, the withdrawal of any cash, the release of any property, or the taking of any other action by the Bond Trustee.

(l) Before taking any action under ARTICLE VII hereof other than making payments of principal and interest on the Bonds as they become due, causing an acceleration of the Bonds when required by this Bond Indenture, or redeeming Bonds pursuant to Section 5.01 hereof, or obtaining payments pursuant to the Series 2017 Bond Insurance Policy, the Bond Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability that is adjudicated to have resulted from the Bond Trustee's gross negligence or willful default in connection with any action so taken.

(m) All moneys received by the Bond Trustee or any Paying Agent shall, until used or applied or invested as provided in this Bond Indenture or in the Tax Regulatory Agreement, be held in trust for the purposes for which they were received and segregated from other funds except to the extent required by law or by this Bond Indenture or the Tax Regulatory Agreement. Neither the Bond Trustee nor any Paying Agent shall be under any liability for interest on any moneys received hereunder except as provided under the Tax Regulatory Agreement or as may be otherwise agreed upon in writing.

(n) No provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured.

(o) In no event shall the Bond Trustee be responsible or liable for special, indirect, punitive, or consequential loss or damage of any kind whatsoever (including loss of profit) irrespective of whether the Bond Trustee has been advised of the likelihood of such loss or damage and regardless of the form of action.

(p) The rights, privileges, protections, immunities, and benefits given to the Bond Trustee, including its right to be indemnified, are extended to, and shall be enforceable by, the Bond Trustee in each of its capacities hereunder, and each agent, custodian, and other person employed to act hereunder.

The Bond Trustee agrees that its rights, responsibilities, and duties hereunder shall not terminate for a period of at least 124 days after the Bonds are fully paid and retired.

Notwithstanding any provision in this Bond Indenture to the contrary, the permissive right of the Bond Trustee to do things enumerated in this Bond Indenture shall not be construed

as a duty and the Bond Trustee shall not be answerable for other than its negligence or willful misconduct.

Before taking any action under ARTICLE VII hereof other than making payments of principal and interest on the Bonds as they become due, causing an acceleration of the Bonds when required by this Bond Indenture, redeeming Bonds pursuant to ARTICLE V hereof or obtaining payments pursuant to the Series 2017 Bond Insurance Policy, the Bond Trustee may require that a satisfactory indemnity bond be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability that is adjudicated to have resulted from the Bond Trustee's negligence or willful default in connection with any action so taken.

No provision of this Bond Indenture shall require the Bond Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if the Bond Trustee shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

**Section 8.02. Fees, Charges, and Expenses of Bond Trustee and any Additional Paying Agent.** The Bond Trustee shall be entitled to payment or reimbursement for such fees for its services rendered hereunder, including its services as Paying Agent and Bond Registrar, as shall be agreed in writing, and all advances, reasonable counsel fees and expenses, and other expenses reasonably and necessarily made or incurred by the Bond Trustee in connection with such services. Any additional Paying Agent shall be entitled to payment and reimbursement for its reasonable fees and charges as additional Paying Agent for the Bonds. Upon an event of default, but only upon an event of default, the Bond Trustee and any additional Paying Agent shall have a right of payment before payment on account of interest or premium, if any, or principal of any Bond for the foregoing advances, fees, costs, and expenses incurred; provided that the Bond Trustee and any such Paying Agent shall not have a prior right to payment or claim therefor against (a) any moneys received under the Series 2017 Bond Insurance Policy; (b) moneys held to pay redemption price, including premium, if any, of the Bonds; or (c) moneys or obligations deposited with or paid to the Bond Trustee for the redemption or payment of Bonds which are deemed to have been paid in accordance with ARTICLE XI hereof.

The Corporation shall, pursuant to the Loan Agreement, indemnify and hold harmless the Bond Trustee against any liabilities that the Bond Trustee may incur in the exercise and performance of its powers and duties hereunder and under any other agreement referred to herein that are not due to the Bond Trustee's gross negligence or willful misconduct, and for any reasonable fees and expenses of the Bond Trustee to the extent moneys are not available under this Bond Indenture for the payment thereof. The rights of the Bond Trustee under this Section 8.02 shall survive the removal or resignation of the Bond Trustee, the payment in full of the Bonds, and the discharge of this Bond Indenture.

When the Bond Trustee incurs expenses or renders services after an event of default specified in Section 7.02 hereof occurs, the reasonable expenses and the compensation for services (including the reasonable fees and expenses of its agents and counsel) are intended to constitute expenses of administration under applicable bankruptcy law.

**Section 8.03. Notice to Authority, Bond Insurer, and Bondholders if Default Occurs.** If a default occurs of which the Bond Trustee is by Section 8.01 hereof required to take notice or if notice of default be given as in Section 8.01(g), then the Bond Trustee shall give immediate telephonic and overnight written notice thereof to the Bond Insurer and prompt written notice thereof by mail to the Authority and the registered owners of all Bonds then Outstanding shown by the Bond Register.

**Section 8.04. Intervention by Bond Trustee.** Subject to the approval and control of the Bond Insurer, in any judicial proceeding to which the Authority is a party and which in the opinion of the Bond Trustee and its counsel has a substantial bearing on the interests of the holders of the Bonds, the Bond Trustee may intervene on the Bondholders' behalf and, subject to the provisions of Section 8.01(l) hereof, shall do so if requested in writing by the registered owners of at least fifty percent in aggregate principal amount of all Senior Bonds then Outstanding with the consent of the Bond Insurer or by the Bond Insurer. The rights and obligations of the Bond Trustee under this Section 8.04 are subject to the approval of a court of competent jurisdiction.

**Section 8.05. Successor Bond Trustee.** Any corporation or association into which the Bond Trustee may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, provided such corporation or association is otherwise eligible under Section 8.06 hereof, shall be and become the successor Bond Trustee hereunder and vested with all of the title to the whole property of the Trust Estate and all the trusts, powers, discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

**Section 8.06. Bond Trustee Required; Eligibility.** There shall at all times be a Bond Trustee hereunder which shall be a commercial bank or trust company organized or incorporated under the laws of the United States of America or any state thereof, duly authorized to exercise corporate trust powers, subject to supervision or examination by federal or state authorities, subject to regulations regarding fiduciary funds on deposit when acting in its fiduciary capacity, having a reported capital and surplus of not less than \$100,000,000 and acceptable to the Bond Insurer. If at any time the Bond Trustee shall cease to be eligible in accordance with the provisions of this Section 8.06, it shall resign immediately in the manner provided in Section 8.07 hereof. No resignation or removal of the Bond Trustee and no appointment of a successor Bond Trustee shall become effective until (a) the successor Bond Trustee has accepted its appointment under Section 8.10 hereof; (b) the Bond Insurer approves

such successor in writing; and (c) the Bond Trustee has transferred the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, and the Series 2017 Liquidity Reserve Policy (if then in full force and effect) to the successor Bond Trustee in accordance with its terms.

**Section 8.07. Resignation of Bond Trustee.** The Bond Trustee and any successor Bond Trustee may at any time resign from the trusts hereby created by giving not less than thirty days' prior written notice thereof by registered or certified mail to the Authority, the Bond Insurer, the Corporation, and each holder of the Bonds then Outstanding, as shown by the Bond Register. Such notice to the Authority, the Bond Insurer, and the Corporation may be served personally in lieu of sending by registered or certified mail. Such resignation shall take effect upon the date on which a successor Bond Trustee is appointed pursuant to Section 8.06 and Section 8.10 hereof.

**Section 8.08. Removal of Bond Trustee.** The Bond Trustee may be removed, with the prior written consent or at the direction of the Bond Insurer, at any time, by an instrument or concurrent instruments in writing delivered to the Bond Trustee, the Bond Insurer, and the Authority and signed by the registered owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding. So long as no event of default has occurred and is continuing under this Bond Indenture or the Loan Agreement and no event shall have occurred which with the passage of time or the giving of notice or both would become such an event of default under this Bond Indenture or the Loan Agreement, the Bond Trustee may be removed at any time by an instrument in writing signed by the Authority, upon the Corporation's Written Instruction, and delivered to the Bond Trustee and the Bond Insurer. Notice of such removal shall be mailed by first class mail, postage prepaid, to the owners of all such Bonds then Outstanding at the address of such owners then shown on the Bond Register. The Bond Insurer at any time may remove the Bond Trustee for a breach of any trust set forth herein by notice to the Bond Trustee, the Corporation, and the Authority.

**Section 8.09. Appointment of Successor Bond Trustee by Bondholders; Temporary Bond Trustee.** In case the Bond Trustee hereunder shall resign or be removed, or be dissolved, or shall be in the process of dissolution or liquidation, or otherwise becomes incapable of acting hereunder, or in case it shall be taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the Bond Insurer or, if the Series 2017 Bond Insurance Policy is not in effect, by the owners of a majority in aggregate principal amount of the Bonds then Outstanding, by an instrument or concurrent instruments in writing signed by such registered owners, or by their attorneys in fact, duly authorized; provided, nevertheless, that in case of such vacancy the Authority by an instrument executed and signed by its Chair or Vice Chair and attested by its Secretary-Treasurer, any Assistant Secretary-Treasurer, or other designated officer of the Authority, may, with the Bond Insurer's consent, appoint a temporary Bond Trustee to fill such vacancy until a successor Bond Trustee shall be appointed by the Bondholders in the manner above provided; and any such temporary Bond Trustee so appointed by the Authority shall immediately and without further action be superseded by the successor Bond Trustee so appointed by such Bondholders. The Authority



agrees to follow the Corporation's direction in appointing a temporary Bond Trustee unless the Authority shall have a reasonable objection to the entity selected by the Corporation. If a successor Bond Trustee has not been appointed or has not accepted such appointment within thirty days of notice of resignation or removal of the Bond Trustee, the Bond Trustee may apply to a court of competent jurisdiction for the appointment of a successor Bond Trustee and the costs, expenses, and attorney's fees which are incurred in connection with such proceeding shall be paid as provided in Section 8.02 hereof.

**Section 8.10. Concerning any Successor Bond Trustees.** Every successor Bond Trustee appointed hereunder shall execute, acknowledge, and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder, and thereupon such successor, without any further act, deed, or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties, and obligations of its predecessor; but such predecessor shall, nevertheless, on the Written Instruction of the Authority, or of its successor, and upon payment of its charges hereunder, execute and deliver an instrument transferring to such successor Bond Trustee all the estates, properties, rights, powers, and trusts of such predecessor hereunder and under the Tax Regulatory Agreement; and every predecessor Bond Trustee shall deliver all securities and moneys held by it as Bond Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Bond Trustee for more fully and certainly vesting in such successor the estate, rights, powers, and duties hereby vested or intended to be vested in the predecessor, any and all such instruments in writing shall, on request, be executed, acknowledged, and delivered by the Authority. The resignation of any Bond Trustee and the instrument or instruments removing any Bond Trustee and appointing a successor hereunder, together with all other instruments provided for in this ARTICLE VIII shall be filed or recorded by the successor Bond Trustee in each recording office, if any, where the Bond Indenture shall have been filed or recorded.

Notice of the appointment of any successor Bond Trustee hereunder shall be given by such successor Bond Trustee to each Rating Agency at such time maintaining a rating with respect to the Bonds pursuant to Section 13.05 hereof.

**Section 8.11. Bond Trustee Protected in Relying upon Resolution, etc.** The resolutions, opinions, certificates, and other instruments provided for in this Bond Indenture may be accepted by the Bond Trustee as conclusive evidence of the facts and conclusions stated therein and shall be full warrant, protection, and authority to the Bond Trustee for the release of property and the withdrawal of cash hereunder.

**Section 8.12. Successor Bond Trustee as Bond Trustee of Funds, Paying Agent, and Bond Registrar.** In the event of a change in the office of the Bond Trustee, the predecessor Bond Trustee which has resigned or been removed shall cease to be Bond Trustee of the trust funds provided hereunder, shall cease to be the Bond Registrar and Paying Agent for the principal of and interest and premium, if any, on the Bonds, and the successor Bond Trustee shall become such Bond Trustee, Bond Registrar, and Paying Agent unless a separate Paying Agent or Agents

are appointed by the Authority in connection with the appointment of any successor Bond Trustee.

**Section 8.13. Paying Agents; Appointment and Acceptance of Duties; Removal.**

(a) The Bond Trustee is hereby designated and agrees to act as principal Paying Agent and as Bond Registrar for and in respect of the Bonds.

(b) The Authority, at the Corporation's direction, may appoint one or more additional Paying Agents for the Bonds. Any such Paying Agent shall be a commercial bank with trust powers or trust company organized under the laws of the United States of America or one of the states thereof. Each Paying Agent other than the Bond Trustee shall signify its acceptance of the duties and obligations imposed upon it by the Bond Indenture by executing and delivering to the Authority and the Bond Trustee a written acceptance thereof. The Authority, with the Bond Insurer's prior written consent, may remove any Paying Agent other than the Bond Trustee and any successors thereto, and appoint a successor or successors thereto; provided that any such Paying Agent designated by the Authority shall continue to be a Paying Agent of the Authority for the purpose of paying the principal of and interest on the Bonds until the designation of a successor as such Paying Agent. Each Paying Agent is hereby authorized to pay or redeem Bonds when duly presented to it for payment or redemption, which Bonds shall thereafter be delivered to the Bond Trustee for cancellation. Notwithstanding anything contained herein to the contrary, no removal, resignation, or termination of the Paying Agent shall take effect until a successor, acceptable to the Bond Insurer, shall be appointed. The successor Paying Agent shall not be appointed unless the Bond Insurer approves such successor in writing.

**Section 8.14. Notices to be Provided to Bond Insurer.**

(a) For so long as the Series 2017 Bond Insurance Policy is in effect, the Bond Trustee agrees to furnish to the Bond Insurer a copy of any notice to be given to the owners of the Bonds including notice of any redemption or defeasance of the Bonds and any certificate rendered to the Bond Trustee pursuant to this Bond Indenture relating to the security for the Bonds and such additional information as the Bond Insurer may reasonably request.

(b) Notwithstanding any other provision of this Bond Indenture, the Bond Trustee shall promptly notify the Bond Insurer if at any time there are insufficient moneys to make any payments of principal or interest as required and promptly upon the occurrence of any event of default hereunder.

(c) The Bond Trustee shall furnish to the Bond Insurer (but only after the Bond Insurer has requested and not received the following information from the Corporation), upon request, the following information (to the extent the Bond Trustee may possess it):

(i) a copy of any financial statement, audit, or annual report of the Corporation;

(ii) any notice, certificate, financial statement, audit, annual report, or budget of or provided by the Corporation pursuant to the Loan Agreement; or

(iii) such additional information that the Bond Insurer may reasonably request.

(d) To the extent the Authority or the Corporation enters into a continuing disclosure agreement with respect to the Bonds, the Bond Insurer shall be a party to be notified.

(e) The Bond Trustee shall notify the Bond Insurer of any failure by the Authority or the Corporation to deliver any notice or certificate required by this Bond Indenture or the Loan Agreement.

**Section 8.15. Effect of Series 2017 Bond Insurance Policy.** Notwithstanding any other provision of this Bond Indenture, if the Bond Trustee is required by the provisions hereof to determine the effect on the owners of the Bonds of any actions taken hereunder, such determinations shall be made under the assumption that the Series 2017 Bond Insurance Policy is not then in effect.

**Section 8.16. Certain Rights of Bond Insurer.** So long as the Series 2017 Bond Insurance Policy is in effect and the Bond Insurer has not lost its rights pursuant to Section 12.01 hereof,

(a) The Bond Insurer shall receive prior written notice of any name change of the Bond Trustee or the resignation or removal of the Bond Trustee.

(b) No removal, resignation, or termination of the Bond Trustee shall take effect until a successor, acceptable to the Bond Insurer, shall be appointed.

(c) The Bond Trustee may be removed at any time, at the Bond Insurer's request, for any breach of its obligations under this Bond Indenture.

(d) The Bond Trustee shall exercise its best efforts to notify the Bond Insurer of any failure of the Authority or the Corporation to provide notices, certificates, and other information required by the Bond Indenture and the Loan Agreement to be provided to the Bond Trustee.

(e) Wherever this Bond Indenture requires the consent of the Bondholders, the Bond Trustee shall also require the Bond Insurer's consent.

**Section 8.17. Bond Trustee May Rely Upon Certain Documents and Opinions.** Except as otherwise provided in Section 8.01 hereof:

(a) The Bond Trustee may rely and shall be protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order,

bond, or other paper or document believe by the Bond Trustee to be genuine and to have been signed or presented by the proper party or parties.

(b) Any request, direction, election, order, certification, or demand of the Authority shall be sufficiently evidenced by an instrument signed by its Chair or Vice Chair (unless specifically prescribed otherwise in this Bond Indenture), and any resolution of the Authority may be evidenced to the Bond Trustee by a certified resolution.

(c) The Bond Trustee may consult with its counsel, Bond Counsel, or counsel to the Authority and the legal advice or Opinion of Counsel or Bond Counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance with such legal advice or Opinion of Counsel or Bond Counsel.

(d) Whenever, in the administration of the trust created by this Bond Indenture, the Bond Trustee shall deem it necessary or desirable that a matter be provided or established before taking or suffering any action hereunder, such matter (unless other evidence in respect thereof is specifically prescribed herein) may, in the absence of negligence or willful misconduct on the part of the Bond Trustee, be deemed to be conclusively provided and established by the Authority's Officer Certificate; and, in the absence of negligence or willful misconduct on the part of the Bond Trustee, such Officer Certificate shall be full warrant to the Bond Trustee for any action taken or suffered by it under the provisions of this Bond Indenture upon the faith thereof.

## ARTICLE IX SUPPLEMENTAL INDENTURES

**Section 9.01. Supplemental Indentures Not Requiring Bondholder Consent.** The Authority, upon the Corporation's Written Instruction and the Bond Insurer's prior written consent (provided that the Bond Insurer is not then in default of its obligations under the Series 2017 Bond Insurance Policy), and the Bond Trustee may, but without the consent of, or notice to, any Bondholder, enter into an indenture or indentures supplemental to this Bond Indenture, as shall not be inconsistent with the terms and provisions hereof, for any one or more of the following purposes:

(a) to cure any ambiguity or formal defect or omission in this Bond Indenture;

(b) to grant to or confer upon the Bond Trustee for the benefit of the Bondholders any additional right, remedy, power, or authority that may lawfully be granted to or conferred upon the Bondholders and the Bond Trustee, or either of them;

(c) to assign and pledge under this Bond Indenture additional revenues, properties, or collateral;

(d) to evidence the appointment of a separate bond trustee or the succession of a new bond trustee hereunder;

(e) to modify, amend, or supplement this Bond Indenture or any indenture supplemental hereto in such manner as to permit the qualification of this Bond Indenture under the Trust Indenture Act of 1939, as then amended, or any similar federal statute hereafter in effect or to permit the qualification of any Bonds for sale under the securities laws of any state of the United States of America;

(f) to modify, amend, or supplement this Bond Indenture or any indenture supplemental hereto in such manner as to permit the issuance of coupon Bonds and to permit the exchange of Bonds from book-entry to non-book-entry form and vice versa;

(g) to provide for the refunding or advance refunding of any Bonds in accordance with Section 2.14 and Section 2.16 hereof, including the right to establish and administer an escrow fund and to take related action in connection therewith;

(h) to modify, amend, or supplement this Bond Indenture or any indenture supplemental hereto in such manner as to permit certificated Bonds;

(i) to modify, amend, or supplement this Bond Indenture or any indenture supplemental hereto in such manner as to permit continued compliance with the Tax Regulatory Agreement or any similar agreement governing a subsequent series of Bonds;

(j) to evidence, give effect to, or facilitate the delivery and administration under this Bond Indenture of an insurance policy securing payment when due of interest on and principal of any series of Bonds;

(k) to provide for the issuance of one or more series of Senior Refunding Bonds or Subordinate Bonds in accordance with ARTICLE II hereof; or

(l) to modify, amend, or supplement the provisions hereof in any other way that the Bond Trustee has determined does not materially adversely affect the rights or interests of any Bondholder.

Notwithstanding anything herein to the contrary, no provision of this Bond Indenture may be amended in any manner without the Bond Insurer's prior written consent (i) that adversely affects the rights and interests of the Bond Insurer or (ii) so long as the Series 2017 Bond Insurance Policy is in full force and effect and the Bond Insurer is not then in default thereunder. The Bond Insurer reserves the right to charge the Corporation for its reasonable out-of-pocket expenses, and a fee not to exceed \$5,000, for any non-material consent or amendment to this Bond Indenture requested by the Corporation or the Authority and a fee to be agreed upon for any other consent or amendment.

If at any time the Corporation shall request the Authority and the Bond Trustee to consent to any amendment pursuant to this Section 9.01, the Bond Trustee shall cause notice,

which shall be prepared by the Corporation, of the proposed execution of such amendment, change, or modification to the Bond Indenture to be given to the Bond Insurer and each Rating Agency then maintaining a rating on the Bonds by first class mail, postage prepaid, at least ten days before the execution of such amendment, change, or modification to the Bond Indenture, which notice shall include a copy of the proposed amendment, change, or modification. In addition, if at any time the Corporation shall request the Authority and the Bond Trustee to consent to any amendment pursuant to this Section 9.01, the Bond Trustee shall cause a copy of such amendment, change, or modification to be mailed to the Bond Insurer and each Rating Agency then maintaining a rating on the Bonds upon the execution and delivery of such amendment, change, or modification.

Before the Authority and the Bond Trustee shall enter into any Supplemental Bond Indenture pursuant to this Section 9.01, there shall have been delivered to the Bond Trustee, the Authority, the Corporation, and the Bond Insurer an Opinion of Bond Counsel to the effect that such Supplemental Bond Indenture is authorized or permitted by this Bond Indenture and the Act, complies with their respective terms, will, upon the execution and delivery thereof, be valid and binding upon the Authority in accordance with its terms, and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-Exempt Bonds issued hereunder.

The Bond Trustee may, but shall not be obligated to, enter into any such Supplemental Bond Indenture which materially and adversely affects the Bond Trustee's own rights, duties, or immunities under this Bond Indenture or otherwise, unless the Bond Trustee receives indemnification acceptable to the Bond Trustee.

**Section 9.02. Supplemental Indentures Requiring Bondholder Consent.** In addition to Supplemental Bond Indentures covered by Section 9.01 hereof and subject to the terms and provisions contained in this Section 9.02, and not otherwise, the holders of not less than a majority in aggregate principal amount of the Bonds that are Outstanding hereunder at the time of the execution of such indenture or Supplemental Bond Indenture shall have the right, from time to time, anything contained in this Bond Indenture to the contrary notwithstanding, with the Bond Insurer's prior written consent (if the Bond Insurer is not then in default of its obligations under the Series 2017 Bond Insurance Policy), to consent to and approve the execution by the Authority and the Bond Trustee of such other indenture or indentures supplemental hereto as shall be deemed necessary and desirable by the Authority for the purpose of modifying, altering, amending, adding to, or rescinding, in any particular, any term or provision contained in this Bond Indenture or in any Supplemental Bond Indenture; provided, however, that (a) nothing in this Section 9.02 or in Section 9.01 hereof contained shall permit, or be construed as permitting (i) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the redemption of, any Bonds, without the consent of the holders of such Bonds and the Bond Insurer; (ii) a reduction in the amount or extension of the time of any payment required to be made to or from (1) the Senior Interest Fund or the Senior Bond Sinking Fund provided herein, without the consent of the holders of all the Senior Bonds

at the time Outstanding and the Bond Insurer; or (2) the Subordinate Interest Fund or the Subordinate Bond Sinking Fund provided herein, without the consent of the holders of all the Subordinate Bonds at the time Outstanding ; (iii) the creation of any lien before or on a parity with the lien of this Bond Indenture, without the consent of the holders of all the Bonds at the time Outstanding and the Bond Insurer; (iv) a reduction in the aggregate principal amount of Bonds the holders of which are required to consent to any such Supplemental Bond Indenture, without the consent of the holders of all the Bonds at the time Outstanding and the Bond Insurer; or (v) the modification of the Bond Trustee's rights, duties, or immunities without the prior written consent of the Bond Trustee and the Bond Insurer; (b) any such indenture or Supplemental Bond Indenture the provisions of which affect only the rights of the holders of the Senior Bonds (and not the rights of the holders of the Subordinate Bonds) shall require only the consent and approval of the holders of not less than a majority in aggregate principal amount of the Senior Bonds then Outstanding and the Bond Insurer; and (c) any such indenture or Supplemental Bond Indenture the provisions of which affect only the rights of the holders of the Subordinate Bonds (and not the rights of the holders of the Senior Bonds) shall require only the consent and approval of the holders of not less than a majority in aggregate principal amount of the Subordinate Bonds then Outstanding.

If at any time the Authority shall request the Bond Trustee to enter into any such Supplemental Bond Indenture for any of the purposes of this Section 9.02, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, including reasonable counsel fees and expenses, cause notice of the proposed execution of such Supplemental Bond Indenture to be mailed by registered or certified mail to the Bond Insurer and the registered owners of the Bonds at their addresses as the same shall appear on the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Bond Indenture and shall state that copies thereof are on file at the Bond Trustee's Designated Corporate Trust Office for inspection. The Bond Trustee shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such Supplemental Bond Indenture when consented to and approved as provided in this Section 9.02. If the consent to and approval of the execution of any such Supplemental Bond Indenture shall have been given as hereinabove provided in this Section 9.02, no holder of any Bond shall have any right to object to any term or provision contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such Supplemental Bond Indenture as in this Section 9.02 permitted and provided, this Bond Indenture shall be and be deemed to be modified and amended in accordance therewith. The Bond Trustee shall promptly provide the Bond Insurer with a copy of any executed Supplemental Bond Indenture.

Unless otherwise provided in Section 9.01 hereof or this Section 9.02, the Bond Insurer's consent shall be required in lieu of Bondholders' consent, when required, for the following purposes: (i) execution and delivery of any Supplemental Bond Indenture or any amendment, supplement, or change to or modification of the Loan Agreement; (ii) removal of the Bond

Trustee or Paying Agent and selection of a successor trustee or paying agent; and (iii) initiation or approval of any action not described in (i) or (ii) above which requires Bondholder consent.

**Section 9.03. Required Consent of Corporation.** Anything herein to the contrary notwithstanding, so long as the Corporation is not in default under the Loan Agreement, a Supplemental Bond Indenture under this ARTICLE IX that adversely affects the Corporation's rights under the Loan Agreement shall not become effective unless and until the Corporation shall have consented in writing to the execution and delivery of such Supplemental Bond Indenture. In this regard, the Bond Trustee shall cause notice of the proposed execution and delivery of any such Supplemental Bond Indenture to which the Corporation has not already consented, together with a copy of the proposed Supplemental Bond Indenture and a written consent form to be signed by the Corporation, to be mailed by certified or registered mail to the Corporation at least ten days before the proposed date of execution and delivery of any such Supplemental Bond Indenture.

If at any time the Corporation shall request the Authority and the Bond Trustee to consent to any amendment, change, or modification of this Bond Indenture pursuant to this Section 9.03, the Bond Trustee shall cause notice of the proposed execution of such amendment, change, or modification to this Bond Indenture to be given to each Rating Agency maintaining a rating on any Bonds in the manner provided in Section 13.04 hereof at least ten days before the execution of such amendment, change, or modification to this Bond Indenture which notice shall include a copy of the proposed amendment, change, or modification to this Bond Indenture.

## ARTICLE X SUPPLEMENTS AND AMENDMENTS TO LOAN AGREEMENT

**Section 10.01. Amendments to Loan Agreement Not Requiring Consent.** The Authority, the Corporation, and the Bond Trustee may, with the Bond Insurer's prior written consent (if the Bond Insurer is not then in default of its obligations under the Series 2017 Bond Insurance Policy) pursuant to clauses (b) and (e) below, but without the consent of or notice to the holders of the Bonds, consent to any supplement, amendment, change, or modification of the Loan Agreement as may be required (a) by the provisions of the Loan Agreement and this Bond Indenture; (b) for the purpose of curing any ambiguity or formal defect or omission; (c) for the purpose of complying with the provisions of the Tax Regulatory Agreement; (d) for the purpose of effectuating the issuance of any series of Senior Refunding Bonds or Subordinate Bonds in accordance with the terms hereof; or (e) in connection with any other change therein which, in the judgment of the Bond Trustee, does not materially adversely affect the rights of the Bond Trustee or the owners of the Bonds; provided, however, that nothing in this Section 10.01 shall permit, or be construed as permitting, any supplement, amendment, change, or modification of the Loan Agreement that may result in anything described in the lettered clauses of Section 9.02 hereof, without the consent of the Bond Insurer and each Bondholder, if specifically affected thereby. Before the Authority shall enter into, and the Bond Trustee shall



consent to, any modification, alteration, amendment, or supplement to the Loan Agreement pursuant to this Section 10.01, there shall have been delivered to the Authority, the Bond Trustee, and the Bond Insurer an Opinion of Bond Counsel to the effect that such supplement, amendment, change, or modification is permitted under the Loan Agreement and this Bond Indenture, and under any required consents of Bondholders, and will, upon the execution and delivery thereof, be valid and binding upon the Corporation in accordance with its terms and will not adversely affect the exclusion from gross income for federal income tax purposes of interest on any Tax-Exempt Bonds issued hereunder. The Bond Trustee shall promptly provide the Bond Insurer with a copy of any executed amendment to the Loan Agreement.

Notwithstanding any provision contained herein or in the Loan Agreement to the contrary, any provision of the Loan Agreement expressly recognizing or granting rights in or to the Bond Insurer may not be amended in any manner which affects the rights of the Bond Insurer thereunder without the Bond Insurer's prior written consent. The Bond Insurer reserves the right to charge the Corporation for its reasonable out-of-pocket expenses, and a fee not to exceed \$5,000 for any consent or amendment to the Loan Agreement requested by the Corporation while the Series 2017 Bond Insurance Policy is in full force and effect and the Bond Insurer is not in default thereunder.

**Section 10.02. Amendments to Loan Agreement Requiring Bondholder Consent.**

Except for the supplements, amendments, changes, or modifications permitted by Section 10.01 hereof, neither the Authority nor the Bond Trustee shall consent to any other supplement, amendment, change, or modification of the Loan Agreement (a) without the written approval or consent of the holders of not less than a majority in aggregate principal amount of the Bonds that are Outstanding hereunder at the time of execution of any such supplement, amendment, change, or modification; and (b) with the Bond Insurer's prior written consent; provided, however, that (i) no such supplement, amendment, change, or modification shall affect the Corporation's obligation to make payments under the Loan Agreement as they become due and payable; (ii) any such supplement, amendment, change, or modification that affects only the rights of the holders of the Senior Bonds (and not the rights of the holders of the Subordinate Bonds) shall require only the consent and approval of the holders of not less than a majority in aggregate principal amount of the Senior Bonds then Outstanding and the Bond Insurer; and (iii) any such supplement, amendment, change, or modification which affects only the rights of the holders of the Subordinate Bonds (and not the rights of the holders of the Senior Bonds) shall require only the consent and approval of the holders of not less than a majority in aggregate principal amount of the Subordinate Bonds then Outstanding. If at any time the Authority or the Corporation shall request the Bond Trustee's consent to any such proposed supplement, amendment, change, or modification of the Loan Agreement, the Bond Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of such proposed supplement, amendment, change, or modification to be mailed in the same manner as provided by Section 9.02 hereof with respect to Supplemental Bond Indentures. Such notice shall briefly set forth the nature of such proposed supplement, amendment, change, or modification and shall state that copies of the instrument embodying the same are on file at the designated office of the Bond Trustee for inspection by all Bondholders. The Bond Trustee shall

not, however, be subject to any liability to any Bondholder by reason of its failure to mail such notice, and any such failure shall not affect the validity of such supplement, amendment, change, or modification when consented to and approved as provided in this Section 10.02. If the consent to and approval of the execution of any such supplement, amendment, change, or modification shall have been given as hereinabove provided in this Section 10.02, no holder of any Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Bond Trustee or the Authority from executing the same or from taking any action pursuant to the provisions thereof. The Bond Trustee shall promptly provide the Bond Insurer with a copy of any executed amendment to the Loan Agreement.

If at any time the Corporation shall request the Authority and the Bond Trustee to consent to any supplement, amendment, change, or modification of the Loan Agreement pursuant to this Section 10.02, the Bond Trustee shall cause notice of the proposed execution of such supplement, amendment, change, or modification to the Loan Agreement to be given to the Bond Insurer and each Rating Agency maintaining a rating on any Bonds, in the manner provided in Section 13.04 hereof, at least ten days before the execution of such supplement, amendment, change, or modification to the Loan Agreement, which notice shall include a copy of the proposed supplement, amendment, change, or modification to the Loan Agreement.

## ARTICLE XI SATISFACTION OF THIS BOND INDENTURE

**Section 11.01. Defeasance.** The Authority may provide for the payment of the entire indebtedness on all Bonds Outstanding (including, for the purpose of this ARTICLE XI, any Bonds held by the Corporation) in any one or more of the following ways:

(a) causing to be paid the principal of and interest on all Bonds Outstanding, as and when the same become due and payable together with all Reimbursement Obligations due to the Bond Insurer;

(b) by depositing with the Bond Trustee, in trust, at or before maturity, moneys in an amount determined by the Bond Trustee, and verified by a firm of certified public accountants acceptable to the Bond Insurer to be sufficient to pay or redeem (when redeemable) all Bonds Outstanding (including the payment of interest payable on such Bonds to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested in Government Obligations that are not prepayable or callable before the date the moneys therefrom are anticipated to be required in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds Outstanding at or before their respective maturity dates (it being understood that the investment income on such Government Obligations may be used for any other purpose under the Act);

(c) by delivering to the Bond Trustee, for cancellation by the Bond Trustee, all Bonds then Outstanding; or

(d) by depositing with the Bond Trustee, in trust, cash or Government Obligations which are not prepayable or callable before the date the moneys therefrom are anticipated to be required in such amount, verified according to the immediately following subparagraph (i) of this Section 11.01 or otherwise determined to the Bond Trustee's satisfaction to be, together with the income or increment to accrue thereon, without consideration of any reinvestment thereof and any uninvested cash, fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds at or before their respective maturity dates; and in all cases (a), (b), (c), and (d) above, if the Authority shall cause to be paid all other sums payable hereunder by the Authority, including all Reimbursement Obligations due to the Bond Insurer, then and in that case this Bond Indenture and the estate and rights granted hereunder shall cease, determine, and become null and void, and thereupon the Bond Trustee shall, upon the Authority's Written Instruction at the Corporation's direction, and upon receipt by the Bond Trustee and the Bond Insurer of an Officer's Certificate of the Corporation and an opinion of Independent Counsel, each stating that in the opinion of the signers all conditions precedent to the satisfaction and discharge of this Bond Indenture have been complied with, forthwith execute proper instruments acknowledging satisfaction of and discharging this Bond Indenture and the lien hereof. The satisfaction and discharge of this Bond Indenture shall be without prejudice to the rights of the Bond Trustee to charge and be reimbursed by the Corporation for any expenditure that the Bond Trustee may thereafter incur in connection herewith.

All moneys, funds, securities, or other property remaining on deposit in any fund or investment under this Bond Indenture (other than the Government Obligations or other moneys deposited in trust as above provided, and amounts held pursuant to Section 12.01 hereof) shall, upon the full satisfaction of this Bond Indenture, forthwith be transferred, paid over, and distributed to the Authority and the Corporation, as their respective interests may appear.

The Authority or the Corporation may at any time surrender to the Bond Trustee for cancellation by the Bond Trustee any Bonds previously authenticated and delivered which the Authority or the Corporation may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed paid and retired.

If the Authority shall pay or provide for the payment of the Bonds hereinabove described, the Bond Trustee shall give written notice of such payment or provision for payment to the Bond Insurer. In addition, as a condition precedent to the payment of the entire indebtedness on the Bonds pursuant to subsection (b) or (d) of this Section 11.01, the following shall be delivered to the Bond Trustee and the Bond Insurer:

(i) a verification report acceptable to the Bond Insurer pertaining to the escrow established under subsection (b) or (d) of this Section 11.01 to defease and refund the

Bonds, the verification report to be prepared and issued by an independent certified public accountant or accounting firm approved by the Bond Insurer;

(ii) an escrow deposit agreement in form and substance acceptable to the Bond Insurer and an opinion of counsel regarding the validity and enforceability of the escrow agreement, with the escrow agreement providing that (1) any substitution of securities shall require a verification by an independent certified public accountant and the Bond Insurer's prior written consent; (2) the Authority, at the Corporation's direction, will not exercise any optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (A) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding Bonds; and (B) as a condition of any such redemption there shall be provided to the Bond Insurer a verification of an independent certified public accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption; and (3) the Authority, at the Corporation's direction, shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the Bond Insurer's prior written consent; and

(iii) copies of the escrow securities purchase contracts, subscription forms for U.S. Treasury Securities - State and Local Government Series or open market confirmations, as the case may be, executed and delivered in connection with such defeasance of such Bonds.

**Section 11.02. Liability of Authority Not Discharged.** Upon the deposit with the Bond Trustee, in trust, at or before maturity, of money or Government Obligations in the necessary amount to pay or redeem one or more Outstanding Bonds (whether upon or before maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given as in ARTICLE V herein provided, or provisions satisfactory to the Bond Trustee shall have been made for the giving of such notice, and compliance with the other payment requirements of Section 11.01 hereof, and subject to the provisions of Section 11.03 hereof, this Bond Indenture may be discharged with respect to such Bonds in accordance with the provisions hereof, but the special and limited liability of the Authority in respect of such Bonds shall continue provided that the holders thereof shall thereafter be entitled to payment only out of the moneys or Government Obligations deposited with the Bond Trustee as described in Section 11.01 hereof.

**Section 11.03. Provision for Payment of All Bonds of a Series or a Portion of Bonds of a Series.** The Authority may pay or provide for the payment of a portion of all Bonds of a Series Outstanding or a portion of the Bonds of a series Outstanding in one or more of the following ways:

(a) by paying or causing to be paid the principal of and interest on all such Bonds, as and when the same shall become due and payable;

(b) by depositing with the Bond Trustee, in trust, at or before maturity, moneys in an amount determined to the Bond Trustee's satisfaction, to be sufficient to pay or redeem (when redeemable) all such Bonds (including the payment of interest payable on such Bonds to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested in Government Obligations that are not prepayable or callable before the date the moneys therefrom are anticipated to be required in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on such Bonds at or before their maturity date or dates; it being understood that the investment income on such Government Obligations may be used for any other purpose under the Act;

(c) by delivering to the Bond Trustee, for cancellation by the Bond Trustee, all such Bonds; or

(d) by depositing with the Bond Trustee, in trust, Government Obligations that are not prepayable or callable before the date the moneys therefrom are anticipated to be required in such amount determined to the Bond Trustee's satisfaction and verified by a firm of certified public accountants to be, together with the income or increment to accrue thereon without consideration of any reinvestment thereof and uninvested cash, fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all such Bonds at or before their maturity date; and in all cases (a), (b), (c), and (d) above, if the Authority shall cause to be paid all other sums payable hereunder by the Authority with respect to such Bonds, and, if such portion of such Bonds is to be redeemed before the maturity thereof, notice of such redemption shall have been given as in ARTICLE V hereof or provisions satisfactory to the Bond Trustee shall have been made for the giving of such notice, such Bonds shall cease to be entitled to any lien, benefit, or security under the Bond Indenture. The special and limited liability of the Authority (but only to the extent of available moneys in the Trust Estate) in respect of such Bonds shall continue, but the holders thereof shall thereafter be entitled to payment (to the exclusion of all other Bondholders) only out of the moneys or Government Obligations deposited with the Bond Trustee as aforesaid.

If the Authority shall pay or provide for the payment of a portion of all Bonds of a series Outstanding or a portion of the Bonds of a series Outstanding as hereinabove described, the Bond Trustee shall give written notice of such payment or provision for payment to the Bond Insurer. In addition, before any provision for payment of the Bonds pursuant to Section 11.03(b) or Section 11.03(d) hereof, the Bond Insurer shall have consented to any agreements providing for the forward purchase of Government Obligations which will be deposited with the Bond Trustee.

If the Authority shall pay or provide for the payment of a portion of all Bonds of a Series Outstanding or a portion of the Bonds of a series Outstanding as hereinabove described, the Bond Trustee shall give written notice of such payment or provision for payment to the Bond Insurer. In addition, as a condition precedent to the payment of the entire indebtedness on such

Bonds pursuant to subsection (b) or (d) of this Section 11.03, the following shall be delivered to the Bond Trustee and the Bond Insurer:

(i) a verification report acceptable to the Bond Insurer pertaining to the escrow established under subsection (b) or (d) of this Section 11.03 to defease and refund such Bonds, the verification report to be prepared and issued by an independent certified public accountant or accounting firm approved by the Bond Insurer;

(ii) an escrow deposit agreement in form and substance acceptable to the Bond Insurer and an opinion of counsel regarding the validity and enforceability of the escrow agreement, the escrow agreement shall provide that (1) any substitution of securities shall require a verification by an independent certified public accountant and the Bond Insurer's prior written consent; (2) the Authority will not exercise any optional redemption of Bonds secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (A) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding Bonds; and (B) as a condition of any such redemption there shall be provided to the Bond Insurer a verification of an independent certified public accountant as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following such redemption; and (3) the Authority shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the Bond Insurer's prior written consent; and

(iii) copies of the escrow securities purchase contracts, subscription forms for U.S. Treasury Securities - State and Local Government Series or open market confirmations, as the case may be, executed and delivered in connection with such defeasance of such Bonds.

**Section 11.04. When Refunding or Defeasance is Not Permitted.** No Tax-Exempt Bond may be refunded or defeased as aforesaid nor may this Bond Indenture be discharged if under any circumstances such refunding or defeasance would result in the loss of any exclusion from gross income for purposes of federal income tax purposes to which interest on such Tax-Exempt Bond would otherwise be entitled. As a condition precedent to the refunding or defeasance of any Tax-Exempt Bond, the Bond Trustee and the Bond Insurer shall receive an Opinion of Bond Counsel to the effect that such Tax-Exempt Bond would not, by reason of such refunding or defeasance, be made subject to additional federal income taxation to which such interest would not otherwise be subject.

**Section 11.05. Payments Pursuant to Series 2017 Bond Insurance Policy.** Anything in this Bond Indenture to the contrary notwithstanding, any payment with respect to the principal of or interest on the Series 2017 Bonds that is made with moneys received pursuant to the terms of the Series 2017 Bond Insurance Policy shall not be considered payment by the Authority on the Series 2017 Bonds, which will not be defeased or otherwise satisfied as a result of such payment, and shall not result in the payment of or the provision for the payment of the

principal of or interest on the Series 2017 Bonds. Upon such payment, the Bond Insurer shall become the owner of the Series 2017 Bonds or claims for interest thereon and to the extent the Bond Insurer makes payments, directly or indirectly, of principal of or interest on the Series 2017 Bonds to the owners of such Series 2017 Bonds, the Bond Insurer will be fully subrogated to all of the rights of such owners thereunder, including the right to receive principal and interest payments from the Authority.

The Bond Trustee shall note the rights of the Bond Insurer as subrogee for past due interest on the registration books for the Bonds upon receipt of proof from the Bond Insurer of payment of interest thereon to the holders thereof. The Bond Trustee shall note the rights of the Bond Insurer as subrogee for past due principal on the registration books for the Series 2017 Bonds upon surrender of the Series 2017 Bonds by the holders thereof to the Bond Insurer.

The Authority and the Bond Trustee acknowledge that if the principal of or interest on the Series 2017 Bonds shall be paid by the Bond Insurer pursuant to the terms of the Series 2017 Bond Insurance Policy, (a) the assignment and pledge of the Trust Estate and all covenants, agreements, and other obligations of the Authority (but only to the extent of available moneys in the Trust Estate) to the Bondholders shall continue to exist and shall run to the benefit of the Bond Insurer, the Series 2017 Bonds shall still be considered Outstanding, and the Bond Insurer shall be fully subrogated to all of the rights of such Bondholders in accordance with the foregoing terms and conditions and the provisions of the Series 2017 Bond Insurance Policy; and (b) the Authority will pay to the Bond Insurer the principal of and interest on such Series 2017 Bonds, but only from the sources and in the manner provided herein.

**Section 11.06. Compliance with KRS 65.4931.** For purposes of interpreting the phrase “term of the bond” as utilized within KRS 65.4931(1)(c) and the TIF Contract, the “term” of the Series 2017 Bonds shall be deemed to extend until the date all Series 2017 Bonds have been paid in full and no Reimbursement Obligations with respect to the Series 2017 Bonds remain outstanding or unpaid hereunder or under any or all of the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, or the Series 2017 Liquidity Reserve Policy.

**ARTICLE XII**  
**BOND INSURER RIGHTS;**  
**MANNER OF EVIDENCING OWNERSHIP OF BONDS**

**Section 12.01. Rights of Bond Insurer.**

(a) Anything contained in this Bond Indenture or in the Series 2017 Bonds to the contrary notwithstanding, the existence of all rights given to the Bond Insurer hereunder with respect to the giving of consents or approvals or the direction of proceedings are expressly conditioned upon the Bond Insurer’s timely and full performance of the Series 2017 Bond Insurance Policy. Any such rights shall not apply if at any time (i) the Bond Insurer is in default in its obligation to make payments under the Series 2017 Bond Insurance Policy when due; (ii) the Series 2017 Bond Insurance Policy shall at any time for any reason cease to be valid and

binding on the Bond Insurer, or shall be declared to be null and void, in each case by a final, non-appellable order of a court of competent jurisdiction, or the validity or enforceability of any provision thereof is being contested by the Bond Insurer or any governmental agency or authority acting as a receiver or similar capacity for the Bond Insurer, or if the Bond Insurer is denying further liability or obligation under the Series 2017 Bond Insurance Policy; (iii) a proceeding has been instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation, or dissolution in respect of the Bond Insurer under Article 16 of the Insurance Law of the State of New York or any successor provision thereto or similar provision of law and such proceeding is not terminated for a period of ninety consecutive days or such court enters an order granting the relief sought in such proceeding; or (iv) the Series 2017 Bonds are no longer Outstanding and any amounts due or to become due to the Bond Insurer have been paid in full; provided, however, that this Section 12.01 shall not in any way limit or affect the Bond Insurer's rights as a Bondholder, as subrogee of a Bondholder, or as assignee of a Bondholder or otherwise to be reimbursed and indemnified for its costs and expenses and other payment on or in connection with the Series 2017 Bonds or the Series 2017 Bond Insurance Policy either by operation of law or at equity or by contract.

(b) Anything in this Bond Indenture to the contrary notwithstanding, but subject to the provisions of Section 12.01(a) hereof, the Bond Insurer shall be deemed to be the sole holder of the Series 2017 Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the holders of the Series 2017 Bonds insured by it are entitled to take pursuant to this Bond Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Bond Trustee. No (x) waiver shall be granted by the Bond Trustee or the Authority unless the Bond Insurer has consented in writing thereto; and (y) action requiring approval or consent of the owners of the Series 2017 Bonds may be taken without the Bond Insurer's prior written consent. In furtherance thereof and as a term of this Bond Indenture and each Series 2017 Bond, the Bond Trustee and each Bondholder appoint the Bond Insurer as their agent and attorney-in-fact and agree that the Bond Insurer may at any time during the continuation of any proceeding by or against the Authority or the Corporation under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation, or similar law (an "**Insolvency Proceeding**") direct all matters relating to such Insolvency Proceeding, including (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "**Claim**"); (B) the direction of any appeal of any order relating to any Claim; (C) the posting of any surety, supersedeas, or performance bond pending any such appeal; and (D) the right to vote to accept or reject any plan of adjustment. In addition, the Bond Trustee and each Bondholder delegate and assign to the Bond Insurer, to the fullest extent permitted by law, the rights of the Bond Trustee and each Bondholder in the conduct of any Insolvency Proceeding, including all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(c) Notwithstanding anything herein to the contrary, if the principal or interest due on the Series 2017 Bonds shall be paid by the Bond Insurer pursuant to the Series



2017 Bond Insurance Policy, the Series 2017 Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied, and not to be considered paid by the Authority, and all covenants, agreements, and other obligations of the Authority for the benefit of holders of the Series 2017 Bonds shall continue to exist and shall run to the benefit of the Bond Insurer and the Bond Insurer shall be subrogated to the rights of such holders. If the Bond Insurer makes payment in respect to the principal or interest on the Series 2017 Bonds, the amount so paid shall bear interest until repaid to the Bond Insurer at the Reimbursement Rate defined in Section 13.03 of the Loan Agreement.

(d) The Bond Trustee agrees that it shall permit the Bond Insurer to have access to and to make copies of all books and records relating to the Series 2017 Bonds or the security therefor at any reasonable time.

(e) The Bond Insurer is hereby included as a party-in-interest with respect to this Bond Indenture and, as such a party, is entitled to (i) notify the Bond Trustee of the occurrence of an event of default; and (ii) direct the Bond Trustee, at the Corporation's expense, to enter into judicial proceedings that affect the Series 2017 Bonds or the security thereof.

**Section 12.02. Proof of Ownership.** Any request, direction, consent, or other instrument provided by this Bond Indenture to be signed and executed by the Bondholders may be in any number of concurrent writings of similar tenor and may be signed or executed by such Bondholders in person or by agent appointed in writing. Proof of the execution of any such request, direction, or other instrument or of the writing appointing any such agent and of the ownership of Bonds, if made in the following manner, shall be sufficient for any purpose of this Bond Indenture and shall be conclusive in favor of the Bond Trustee and the Authority, with regard to any action taken by them, or either of them, pursuant to such request, direction, consent, or other instrument, namely:

(a) The fact and date of the execution by any Person of any such writing may be proved by the certificate of any officer in any jurisdiction who by law has power to take acknowledgments in such jurisdiction, that the Person signing such writing acknowledged before such officer the execution thereof, or by the affidavit of a witness of such execution; and

(b) The ownership of Bonds, the amounts and numbers of such Bonds, and the date of holding such Bonds shall be proved by the Bond Register.

### ARTICLE XIII MISCELLANEOUS

**Section 13.01. Limitation of Rights.** With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Bond Indenture or the Bonds is intended or shall be construed to give to any Person other than the parties hereto, the Bond Insurer, any Paying Agent, and the holders of the Bonds any legal or equitable right, remedy, or claim under or in respect to this Bond Indenture or any covenants, conditions, and

provisions herein contained; this Bond Indenture and all of the covenants, conditions, and provisions hereof being intended to be and being for the sole and exclusive benefit of the parties hereto, the Bond Insurer, any Paying Agent, and the holders of the Bonds as and solely to the extent herein provided.

**Section 13.02. Unclaimed Moneys.** Any moneys deposited with the Bond Trustee by the Authority in accordance with the terms and covenants of this Bond Indenture, in order to redeem or pay any Bond in accordance with the provisions of this Bond Indenture, and remaining unclaimed by the holder of the Bond for four years after the date fixed for redemption or maturity, as the case may be, shall, if the Authority is not at the time to the Bond Trustee's knowledge in default with respect to any of the terms and conditions of this Bond Indenture or the Bonds, be repaid by the Bond Trustee to the Corporation upon its Written Instruction therefor; and thereafter the registered owner of the Bond shall be entitled to look only to the Corporation for payment thereof, provided, however, that the Bond Trustee, before being required to make any such repayment, shall, at the Corporation's expense, mail to the holder thereof at its address, as the same shall last appear on the Bond Register, a notice to the effect that said moneys have not been so applied and that after the date named in the notice any unclaimed balance of moneys then remaining shall be returned to the Corporation. If the Corporation makes arrangements satisfactory to the Authority and the Bond Trustee to indemnify the Authority and the Bond Trustee for any costs that it may incur due to the unavailability of moneys due to such investment, such moneys may be invested in accordance with Section 4.16 hereof. Investment income on any such unclaimed moneys received by the Bond Trustee shall be deposited as provided in Section 4.10 hereof until the final maturity or redemption date of the Bonds. Any such income generated after such date shall be deemed to be unclaimed moneys of the type referred to in the first sentence of this Section 13.02 and shall be disposed of in accordance with such sentence. As a condition to receiving such funds, the Corporation must covenant and agree to indemnify and save the Authority and the Bond Trustee harmless from any and all loss, costs, liability, and expense suffered or incurred by the Authority or the Bond Trustee by reason of having returned any such moneys to the Corporation as herein provided.

**Section 13.03. Severability.** If any provision of this Bond Indenture shall be held or deemed to be or shall, in fact, be inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions or in all jurisdictions, or in all cases because it conflicts with any other provision or provisions or any constitution or statute or rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions herein contained invalid, inoperative, or unenforceable to any extent whatever.

The invalidity of any one or more phrases, sentences, clauses, or sections in this Bond Indenture contained, shall not affect the remaining portions of this Bond Indenture, or any part thereof.

**Section 13.04. Notices.** Except as otherwise provided in this Bond Indenture, all notices, certificates, or other communications hereunder shall be sufficiently given and shall be deemed given when (a) in writing and hand delivered; (b) mailed by first class mail, postage prepaid, with proper address as indicated below; or (c) sent and received by telecopier (facsimile). Any of such parties may, by written notice given by such party to the others, designate any address or addresses to which notices, certificates, or other communications to them shall be sent when required as contemplated by this Bond Indenture. Until otherwise provided by the respective parties, all notices, certificates, and communications to each of them shall be addressed as follows:

To the Authority: Kentucky Economic Development Finance  
Authority  
c/o Kentucky Economic Development Cabinet  
Old Capitol Annex - 3rd Floor  
300 West Broadway  
Frankfort, Kentucky 40601  
Attention: Chair  
Telephone: (502) 564-7670  
Facsimile: (502) 564-7697

To the Bond Trustee: Regions Bank  
150 Fourth Avenue North, Suite 900  
Nashville, Tennessee 37219  
Attention: Corporate Trust  
Telephone: (615) 770-4357  
Facsimile: (615) 770-4350

with copy to: Rubin & Hays  
Kentucky Home Trust Building  
450 S. Third Street, 3rd Floor  
Louisville, Kentucky 40202  
Attention: Charles S. Musson  
Telephone: (502) 569-7525  
Facsimile: (502) 569-7555

To the Corporation: Louisville Arena Authority, Inc.  
One Arena Plaza  
Louisville, Kentucky 40202  
Attention: Chair  
Telephone: (502) 690-9000  
Facsimile: (502) 690-9010

with copy to its General Counsel: Frost Brown Todd LLC  
400 West Market Street

Suite 3200  
Louisville, Kentucky 40202  
Attention: John Egan  
Telephone: (502) 568-0224  
Facsimile: (502) 581-1087

To the Bond Insurer: Assured Guaranty Municipal Corp.  
1633 Broadway  
New York, New York 10019  
Attention: (i) General Counsel and (ii) Risk  
Management Department - Public Finance  
Surveillance  
Telephone: (212) 974-0100  
Facsimile: (212) 581-3268

To Moody's: Moody's Investors Service, Inc.  
7 World Trade Center  
250 Greenwich Street  
New York, New York 10007  
Attention: Municipal Structured Finance Group

To Standard & Poor's: Standard and Poor's Ratings Services  
55 Water Street, 42nd Floor  
New York, New York 10004  
Attention: LOC Surveillance

The Bond Trustee shall give Immediate Notice to each owner of Bonds, the Bond Insurer, the Authority, and the Corporation of any change in the Bond Trustee's address.

**Section 13.05. Additional Notices to Rating Agency.** The Bond Trustee hereby agrees that if at any time (a) payment of principal and interest on the Bonds is accelerated pursuant to the provisions of Section 7.03 hereof; (b) the Authority redeems (other than by mandatory bond sinking fund redemption) all or any portion of the Bonds Outstanding hereunder before maturity; (c) a successor Bond Trustee is appointed hereunder; (d) the Bondholders shall consent to any amendment to this Bond Indenture, the Loan Agreement, or the Series 2017 Bond Insurance Policy, or waive any provision of this Bond Indenture, the Loan Agreement, or the Series 2017 Bond Insurance Policy; (e) the Authority provides for the payment of all or any portion of the Bonds Outstanding hereunder before maturity pursuant to Section 11.01 or Section 11.03 hereof; and (f) then, in each case, the Bond Trustee will promptly give notice of the occurrence of such event to each Rating Agency then maintaining a rating on any Bond, which notice in the case of an event referred to in clause (d) hereof shall include a copy of any such amendment or waiver. Also, the Bond Trustee shall also send to each such Rating Agency any information within the Bond Trustee's possession that may be reasonably requested by the

Rating Agency. The Bond Trustee makes this covenant as a matter of courtesy and accommodation only and shall not be liable to any Person for any failure to comply therewith.

**Section 13.06. Counterparts.** This Bond Indenture may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

**Section 13.07. Rules of Construction.** The singular form of any word used herein, including the terms defined in **EXHIBIT A** attached hereto, shall include the plural, and vice versa. The use herein of a word of any gender shall include correlative words of all genders. Unless otherwise specified, (a) the word “including” means “including without limitation”; (b) the word “or” means “and/or”; (c) the word “any” means “any and all”; (d) the word “all” means “any and all”; (e) the word “each” means “each and every”; and (e) the word “every” means “each and every”. Unless otherwise specified, references to articles, sections, subsections, and other subdivisions of this Bond Indenture are to the designated articles, sections, subsections, and other subdivisions of this Bond Indenture as originally executed. The words “hereof,” “herein,” “hereunder,” and words of similar import refer to this Bond Indenture as a whole. The captions or headings in this Bond Indenture are for convenience only and in no way define, limit, or describe the scope or intent of any provisions, articles, sections, or subsections of this Bond Indenture. All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles. **EXHIBITS A, B-1 and B-2** attached hereto are hereby incorporated by reference into this Bond Indenture and constitute a part hereof.

**Section 13.08. Applicable Law.** This Bond Indenture shall be governed exclusively by the applicable laws of the Commonwealth.

**Section 13.09. Immunity of Officers, Employees, and Members of Authority.** No recourse shall be had for the payment of the principal of or interest on any Bond or for any claim based thereon or upon any obligation, covenant, or agreement in this Bond Indenture contained against any past, present, or future officer, director, member, employee, or agent of the Authority, or any incorporator, officer, director, member, trustee, employee, or agent of any successor entity or body politic thereof or of the Commonwealth or any agency or instrumentality thereof, as such, either directly or through the Authority or any successor entity or body politic or of the Commonwealth or any agency or instrumentality thereof, under any rule of law or equity, statute, or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such incorporators, officers, directors, trustees, members, employees, or agents, as such, is hereby expressly waived and released as a condition of and consideration for the execution of this Bond Indenture and the issuance of the Bonds.

**Section 13.10. Third-Party Beneficiary.** To the extent that this Bond Indenture confers or gives or grants to the Bond Insurer any right, remedy, or claim under or by reason of this Bond Indenture or the Loan Agreement, the Bond Insurer is hereby explicitly recognized as

being a third-party beneficiary and may enforce any such right, remedy, or claim conferred, given, or granted hereunder or under the Loan Agreement.

**Section 13.11. Waiver of Jury Trial.** Each of the Authority and the Bond Trustee hereby irrevocably waives, to the fullest extent permitted by applicable law, any right to trial by jury in any legal proceeding arising out of or relating to this Bond Indenture, the Bonds, or the transactions contemplated hereby.

**Section 13.12. Force Majeure.** In no event shall the Bond Trustee be responsible or liable for any failure or delay in the performance of its obligations hereunder arising out of or caused by, directly or indirectly, forces beyond its control, including strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, nuclear or natural catastrophes or acts of God, and interruptions, loss, or malfunctions of utilities, communications, or computer (software and hardware) services; it being understood that the Bond Trustee shall use reasonable efforts consistent with accepted practices in the banking industry to resume performance as soon as practicable under the circumstances.

**Section 13.13. Payments Due On Other Than Business Days.** If the date for making any payment or the last date of performance of any act or the exercising of any right, as provided in this Bond Indenture shall not be a Business Day, the payment may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Bond Indenture, and if done on such next succeeding Business Day no interest with respect to the payment shall accrue for the period after the nominal date.

[Signature page to follow]

[SIGNATURE PAGE TO BOND TRUST INDENTURE]

The Authority has caused this Bond Indenture to be signed in its name and on its behalf by its Chair or Vice Chair and to evidence the Bond Trustee's acceptance of the trusts created by this Bond Indenture, the Bond Trustee has caused this Bond Indenture to be executed by its duly authorized officer, all as of the day and year first written above.

**KENTUCKY ECONOMIC  
DEVELOPMENT FINANCE AUTHORITY**

By:  \_\_\_\_\_  
Vice Chair

**REGIONS BANK, as Bond Trustee**

By: \_\_\_\_\_  
Vice President

[SIGNATURE PAGE TO BOND TRUST INDENTURE]

The Authority has caused this Bond Indenture to be signed in its name and on its behalf by its Chair or Vice Chair and to evidence the Bond Trustee's acceptance of the trusts created by this Bond Indenture, the Bond Trustee has caused this Bond Indenture to be executed by its duly authorized officer, all as of the day and year first written above.

**KENTUCKY ECONOMIC  
DEVELOPMENT FINANCE AUTHORITY**

By: \_\_\_\_\_  
Vice Chair

**REGIONS BANK, as Bond Trustee**

By:  \_\_\_\_\_  
Vice President



**EXHIBIT A  
TO BOND TRUST INDENTURE**

**DEFINITIONS**

To the extent not defined herein, the terms used in this Bond Indenture have the same meanings as set forth in the Loan Agreement. In addition to the words and terms elsewhere defined in this Bond Indenture, the following words and terms as used in this Bond Indenture shall have the following meanings unless the context or use indicates another or different meaning or intent:

**“Accounts”** means (i) the Operation and Maintenance Account; (ii) the TIF Account, the Metro Revenue Account, and the Arena Revenue Account of the Excess Net Cash Flow Fund; (iii) the Metro Revenue Account and the Arena Revenue Account of the Renovation and Replacement Fund; and (iv) the Series 2017A Account and the Series 2017B Account of the Expense Fund.

**“Act”** means Sections 154.1-010, 154.10-010 through 154.10-035, and 154.20-010 through 154.20-035 of the Kentucky Revised Statutes and Resolution 92-1 adopted on October 13, 1992, by the Kentucky Economic Development Partnership.

**“Advance Payments”** means that portion of any payment of Category A Arena Revenues that constitutes a prepayment by an obligor for any period extending twelve months beyond the receipt of such payment, which portion shall be allocated among the applicable Fiscal Years covered thereby as of the beginning of each period to which such portion relates.

**“Advance Payments Account”** means the subaccount in the Arena Revenue Fund established pursuant to Section 4.05(c) of this Bond Indenture.

**“Affiliate”** means any entity with respect to which the Corporation has the right or power, directly or indirectly, (i) to approve and to remove without cause a controlling portion of the Governing Body of such entity; or (ii) to require the use of funds or assets of such entity for any purpose of the Corporation.

**“Annual Budget”** means the Corporation’s annual budget for any particular Fiscal Year described in Section 8.14 of the Loan Agreement.

**“Annual Premium Obligation”** means annual premium obligation payable to the Bond Insurer in connection with the terms and requirements of the Series 2017 Bond Insurance Policy and the Series 2017 Liquidity Reserve Policy.

**“Arena Revenue Account of the Excess Net Cash Flow Fund”** means the subaccount of the Excess Net Cash Flow Fund named the “Arena Revenue Account” established by the Authority with the Bond Trustee pursuant to Section 4.13(d) hereof.

**“Arena Revenue Account of the Renovation and Replacement Fund”** means the subaccount of the Renovation and Replacement Fund named the “Arena Revenue Account” established by the Authority with the Bond Trustee pursuant to Section 4.14(c) hereof.

**“Arena Revenue Fund”** means the “Arena Revenue Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.05 hereof for the benefit of the Series 2017 Bonds.

**“Arena Revenues”** means all of the Corporation’s revenues constituting Category A Arena Revenues and Category B Arena Revenues.

**“Authority”** means the Kentucky Economic Development Finance Authority, a public body corporate and politic and an agency, instrumentality, and political subdivision of the Commonwealth created and existing under and by virtue of the Act, and its successors and assigns.

**“Authorized Denomination”** means, (i) for the Series 2017 Bonds, \$5,000 and integral multiples thereof; and (ii) for any Senior Refunding Bonds or Subordinate Bonds, the amount set forth in the applicable Supplemental Bond Indenture.

**“Bond”** or **“Bonds”** means any or all of the Series 2017 Bonds, any Senior Refunding Bonds, and any Subordinate Bonds.

**“Bond Counsel”** initially means Stoll Keenon Ogden PLLC, Louisville, Kentucky, and thereafter means any nationally recognized municipal bond counsel acceptable to the Authority, the Bond Trustee, and the Bond Insurer.

**“Bond Indenture”** means this Bond Trust Indenture dated as of December 1, 2017, from the Authority to the Bond Trustee, as bond trustee, as it may from time to time be amended or supplemented.

**“Bond Insurer”** means Assured Guaranty Municipal Corp., a New York stock insurance company, or any successors thereto or any assignee thereof, as issuer of the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, and the Series 2017 Liquidity Reserve Policy.

**“Bond Payment Date”** means the day on which interest or both principal and interest shall be payable on any Outstanding Bond.

**“Bond Purchase Agreement”** means the Bond Purchase Agreement dated December 6, 2017, by and among the Authority, the Corporation, and Merrill Lynch, Pierce, Fenner & Smith Incorporated on behalf of itself and as representative of the underwriters identified therein, providing for the initial sale of the Series 2017 Bonds.

**“Bond Register”** means the registration books of the Authority kept by the Bond Trustee as Bond Registrar to evidence the registration and transfer of Bonds.

**“Bond Registrar”** means the Bond Trustee, as keeper of the Bond Register.

**“Bond Trustee”** means Regions Bank, Nashville, Tennessee, an Alabama banking corporation, or any successor trustee under this Bond Indenture.

**“Bondholder”, “holder” and “owner of the Bonds”** means any registered owner of any Bond.

**“Business Day”** means a day which is not (i) a Saturday, Sunday, or legal holiday on which banking institutions in the Commonwealth or the State of New York are authorized by law to close; or (ii) a day on which the New York Stock Exchange is closed.

**“Calculation Agent”** means an investment banking institution of national standing that is a primary dealer of United States government securities in the United States and designated by the Corporation (which may be one of the institutions that served as an underwriter for the Series 2017B Bonds), an independent accounting firm or financial advisor.

**“Category A Arena Revenues”** means revenues (as determined by the cash basis of accounting) of the Corporation (less amounts actually distributed under revenue sharing agreements) derived from the ownership, use, or operation of the Prior Project and received generally on an annual basis from contractually obligated third parties for such services as naming rights, external and internal, annual advertising revenues, revenues received from corporate and other sponsorship rights, such as exclusive use of suites, including lounges, preferential seating, mezzanine and terrace preferential seating, annual sponsorship rights, and similar revenue streams generally expected to be received on an annual basis, all exclusive of Category B Arena Revenues, TIF Revenues, Metro Revenues, grants, gifts, and bequests that are restricted to specific purposes, including capital construction or acquisition or an endowment or capital reserve fund, and interest income required to be applied as set out in this Bond Indenture.

By way of example, Category A Arena Revenues include receipts of payments for (i) corporate sponsorship rights; (ii) naming rights; and (iii) premium seating (suites, loge boxes, and certain club seats).

**“Category B Arena Revenues”** means all revenues (as determined by the cash basis of accounting) of the Corporation (less amounts actually distributed under revenue sharing agreements) derived from the ownership, use or operation of the Prior Project and not constituting Category A Arena Revenues and received periodically during the year from rentals and ticket sales, ticket fee surcharges, concessions, catering, restaurant, private offsite parking revenues, and other commercial leases, and similar revenues

expected to be received from time to time during the year, all exclusive of Category A Arena Revenues, TIF Revenues, Metro Revenues, grants, gifts, and bequests that are restricted to specific purposes, including capital construction or acquisition or an endowment or capital reserve fund, and interest income required to be applied as set out in this Bond Indenture.

**“Closing Date”** means December 20, 2017, the date of the initial issuance and delivery of the Series 2017 Bonds.

**“Code”** means the Internal Revenue Code of 1986, as amended from time to time, including, when appropriate, the statutory predecessor thereof, or any applicable corresponding provisions of any future laws of the United States of America relating to federal income taxation, and except as otherwise provided herein or required by the context hereof, includes interpretations thereof contained or set forth in the applicable regulations of the Department of the Treasury (including applicable final or temporary regulations and also including regulations issued pursuant to the statutory predecessor of the Code), the applicable rulings of the Internal Revenue Service (including published Revenue Rulings and private letter rulings), and applicable court decisions.

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

**“Comparable Treasury Issue”** means the United States Treasury security selected by the Calculation Agent as having an actual or interpolated maturity comparable to the remaining average life of any Series 2017B Bond being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2017B Bond being redeemed.

**“Comparable Treasury Price”** means, with respect to any date on which a Series 2017B Bond or portion thereof is being redeemed, either (i) the average of five Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations; or (ii) if the Calculation Agent is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Calculation Agent, at 5:00 p.m. New York City time at least three Business Days but no more than twenty Business Days preceding the date fixed for redemption.

**“Comparable Treasury Yield”** means the per annum yield that represents the average of the daily yields to maturity for the preceding week appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities, ” or any successor publication selected by the Calculation Agent that is published weekly by the Board of Governors of the Federal Reserve System and that establishes yields on actively traded United States

Treasury securities adjusted to constant maturity (the "Weekly Average Yield"), for the maturity corresponding to the remaining average life of the Taxable Series 2017B Bond being redeemed. The Comparable Treasury Yield will be determined at least three Business Days but no more than twenty Business Days preceding the date fixed for redemption. If the H.15(519) statistical release sets forth a Weekly Average Yield for United States Treasury securities that have a constant maturity that is the same as the remaining average life of the Series 2017B Bond being redeemed, then the Comparable Treasury Yield will be equal to such Weekly Average Yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the Weekly Average Yields on the United States Treasury securities that have a constant maturity (i) closest to and greater than the remaining average life of the Series 2017B Bond being redeemed; and (ii) closest to and less than the remaining average life of the Series 2017B Bond being redeemed. Any Weekly Average Yields calculated by interpolation will be rounded to the nearest 1/100<sup>th</sup> of 1%, with any figure of 1/200<sup>th</sup> of 1% or above being rounded upward. If, and only if, Weekly Average Yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (each as defined herein) as of the date fixed for redemption.

**"Consumer Price Index"** means The United States Department of Labor, Bureau of Labor Statistics Revised Consumer Price Index for All Urban Consumers (1982-84=100), U.S. City Average, All Items, or, if that index is not available at the time in question, then the index designated by such Department as the successor to such index, and if there is no index so designated, an index for an area in the United States that most closely corresponds to the entire United States, published by such Department, or if none, by any other instrumentality of the United States, all as reasonably determined by the Corporation with written notice to the Bond Trustee and the Bond Insurer.

**"Corporation"** means the Louisville Arena Authority, Inc., a Kentucky non-profit, non-stock corporation, and its successors.

**"Counsel"** means an attorney duly admitted to practice law before the highest court of any state and may include independent or in-house legal counsel for the Corporation, the Authority, or the Bond Trustee.

**"CPBOC"** means the Capital Projects and Bond Oversight Committee, being a permanent subcommittee of the Legislature of the Commonwealth established pursuant to KRS 45.790.

**“CPBOC Report”** means the annual report presented by the Corporation to CPBOC regarding the operations and financial condition of the Corporation required by KRS 65.4931(3).

**“Defaulted Interest”** means interest on any Series 2017 Bond that is payable but not duly paid on the date due.

**“Demand for Payment”** means a demand by the Bond Trustee for payment in the form required by any applicable Senior Reserve Fund Credit Facility or Senior Reserve Fund Surety documents, as the case may be.

**“Designated Corporate Trust Office”** means the office of the Bond Trustee in Nashville, Tennessee or as established from time to time by written notice sent by the Bond Trustee to the Authority, the Corporation, the Bond Insurer, and to each Bondholder.

**“DTC”** means The Depository Trust Company.

**“DTC Participant”** means those broker dealers, banks, and other financial institutions reflected on the books of DTC.

**“DTC Representation Letter”** means the Blanket Issuer Letter of Representations dated May 16, 1995, by and between DTC and the Authority.

**“Escrow Agreement”** means the Escrow Deposit Agreement dated December 20, 2017, among the Authority, the Corporation, and Regions Bank, as escrow agent, related to the defeasance, redemption, payment, and discharge of the Series 2008A-1 Bonds, the Series 2008B Bonds, and the Series 2008C Bonds and the defeasance, payment, and discharge of the Series 2008A-2 Bonds.

**“Escrow Fund”** means the fund created pursuant to Section 2.01 of the Escrow Agreement.

**“Estimated Expenses”** for any designated period means (i) the Corporation’s annual budgeted Operating Expenses for such period as described in the Annual Budget for Corporation’s then current Fiscal Year; plus (ii) an amount equal to any extraordinary Operating Expenses that are required to be paid during such period (to the extent such amounts are excluded from the budgeted amounts under clause (i)).

**“Excess Net Cash Flow Fund”** means the “Excess Net Cash Flow Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.13 hereof for the benefit of the Series 2017 Bonds. For purposes of this Bond Indenture, any reference to moneys deposited or otherwise held in or to the credit of the Excess Net Cash Flow Fund shall include any moneys held within the subaccounts established thereunder, namely the TIF Revenue Account, the Metro Revenue Account, and the Arena Revenue Account.

**“Expense Fund”** means the “Expense Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 3.01 hereof, which consists of the Series 2017A Account and the Series 2017B Account held thereunder. For purposes of this Bond Indenture, any reference to moneys deposited or otherwise held in or to the credit of the Expense Fund shall include any moneys held within the subaccounts established therein, namely the Series 2017A Account and the Series 2017B Account of the Expense Fund.

**“Fair Board Payment”** means the payment of \$921,910 to KSF, which the Corporation maintains is the remainder of the initial amount of \$1,471,909.51 which in 2013 was agreed to with KSF in settlement of any and all amounts owed by the Corporation to KSF, such settlement being affirmed by the KSF in 2013 and later by the Kentucky Attorney General in its informal opinion dated April 17, 2015. KSF nonetheless evidently alleges it is owed in excess of \$921,910 by the Corporation; the Corporation disputes KSF’s claim.

**“Funds”** means the Expense Fund, the TIF Revenue Fund, the Metro Revenue Fund, the Arena Revenue Fund, the Senior Interest Fund, the Senior Bond Sinking Fund, the Senior Reserve Fund, the Liquidity Reserve Fund, the Subordinate Interest Fund, the Subordinate Bond Sinking Fund, the Subordinate Reserve Fund, the Excess Net Cash Flow Fund, the Renovation and Replacement Fund, the Redemption Fund, the Rebate Fund, and all subaccounts related thereto.

**“Governing Body”** means the board of directors, the board of trustees, or similar group in which the right to exercise the powers of corporate directors or trustees is vested or an executive committee of such board or any duly authorized committee of that board to which the relevant powers of that board have been lawfully delegated.

**“Government Obligations”** means the Qualified Investments described in clauses (a), (b), (c), and (d) of subparagraph (i) of the definition of Qualified Investments herein.

**“Immediate Notice”** means notice by telephone, electronic mail, or telecopier to such telephone number, electronic mail address, or telecopier number as the addressee shall have directed in writing, promptly followed by written notice by first class mail postage prepaid to such address as the addressee shall have directed in writing.

**“Independent Counsel”** means an attorney duly admitted to practice law before the highest court of any state and may include independent legal counsel for the Corporation, the Authority, or the Bond Trustee.

**“Indirect Participant”** means a Person on behalf of whom a DTC Participant directly or indirectly holds an interest in the Bonds.

**“Insurer Advances”** means the sum equal to the total of all amounts paid by the Bond Insurer under the Series 2017 Bond Insurance Policy.

**“Insurer Reimbursement Amounts”** means, collectively, the sum equal to the total of (i) all Insurer Advances, and (ii) interest on such Insurer Advances from the date paid by the Bond Insurer until payment thereof in full, payable to the Bond Insurer at the Late Payment Rate.

**“Interest Payment Date”** means June 1, 2018, and each December 1<sup>st</sup> and June 1<sup>st</sup> thereafter until (and including) December 1, 2047.

**“Irrevocable Assignment of Operating Agreements”** means the Irrevocable Assignment of Arena Revenues and Operating Agreements dated as of December 20, 2017, from the Corporation to the Bond Trustee, as the same may be amended or supplemented from time to time, and which is described in Section 6.09 of the Loan Agreement.

**“Irrevocable Assignment of Metro Contract”** means the Irrevocable Assignment of Metro Revenues and Metro Contract dated as of December 20, 2017, from the Corporation to the Bond Trustee, as the same may be amended or supplemented from time to time, and which is described in Section 6.09 of the Loan Agreement.

**“Irrevocable Assignment of TIF Contract”** means the Irrevocable Assignment of TIF Revenues and TIF Contract dated as of December 20, 2017, from the Corporation to the Bond Trustee, as the same may be amended or supplemented from time to time, and which is described in Section 6.09 of the Loan Agreement.

**“Issuance Costs”** means all costs and expenses of issuance of the Bonds, including (i) application and commitment fees; (ii) counsel fees, including bond counsel, issuer’s counsel, and special tax counsel fees, as well as any other specialized counsel fees; (iii) financial advisor fees; (iv) Rating Agency fees, if any; (v) trustee fees and trustee counsel fees; (vi) paying agent and certifying and authenticating agent fees relating to issuance of the Bonds; (vii) accountants’ fees; (viii) printing costs of the Bonds and of any disclosure document; (ix) publication costs associated with the financing proceedings; and (x) costs of feasibility studies necessary for the issuance of the Bonds.

**“KRS”** means the Kentucky Revised Statutes, as adopted and in full force and effect as of the date of this Bond Indenture.

**“KSF”** means the Kentucky State Fair Board, a body corporate of the Commonwealth established pursuant to Sections 247.090 through (and including) 247.228 of the Kentucky Revised Statutes.

**“Late Payment Rate”** means the lesser of (i) the greater of (a) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A. at its



principal office in The City of New York, as its prime or base lending rate (any change in such rate of interest to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%, and (b) the then applicable highest rate of interest on the Series 2017 Bonds and (ii) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days.

**“Liquidity Reserve Fund”** means the “Liquidity Reserve Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.09 hereof for the benefit of the Senior Bonds.

**“Loan Agreement”** means the Loan Agreement dated as of December 1, 2017, by and between the Authority and the Corporation, as the same may be amended or supplemented from time to time.

**“Make-Whole Premium Redemption Price”** means, with respect to the optional redemption of any Series 2017B Bonds, an amount equal to the greater of (i) 100% of the principal amount of the Series 2017B Bonds to be redeemed; or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Series 2017B Bonds to be redeemed (exclusive of interest accrued to the date fixed for redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Comparable Treasury Yield plus 35 basis points, plus in each case, accrued and unpaid interest on the Series 2017B Bonds being redeemed to the date fixed for redemption.

**“Maturity Date”** means (i) with respect to the Series 2017A Bonds, December 1, 2041, December 1, 2045, and December 1, 2047, as set out in Section 2.02 hereof; and (ii) with respect to the Series 2017B Bonds, each December 1<sup>st</sup> beginning on (and including) December 1, 2021, and continuing to (and including) December 1, 2039, as set out in Section 2.02 hereof.

**“Maximum Annual Renovation and Replacement Deposit”** means the maximum annual deposit to the Renovation and Replacement Fund permitted hereunder. For the period beginning on (and including) the Closing Date to (and including) December 31, 2019, the Maximum Annual Renovation and Replacement Deposit shall equal \$2,500,000. Each December 31<sup>st</sup> thereafter, beginning on (and including) December 31, 2020, the Maximum Annual Renovation and Replacement Deposit shall be increased by an amount necessary, if any, to reflect the percentage increase in the Consumer Price Index from the immediately preceding December 31<sup>st</sup> to the then current December 31<sup>st</sup>. In addition, the Maximum Annual Renovation and Replacement Deposit may be adjusted as set forth in Section 4.14(e) hereof.

**“Metro Contract”** means (i) Ordinance No. 131, Series 2017, duly adopted upon second reading by the Legislative Council of Metro Louisville on August 10, 2017, and approved by the Mayor of Metro Louisville on August 15, 2017, which amended and

supplemented Ordinance No. 143, Series 2007, duly adopted upon second reading by the Legislative Council of Metro Louisville on July 26, 2007, and approved by the Mayor of Metro Louisville on July 30, 2007, which declared and ordained the “guaranteed payments” to be made by Metro Louisville for payment of debt service on the Series 2017 Bonds to constitute a long-term debt obligation of Metro Louisville; and (ii) the Second Amended and Restated Memorandum of Agreement dated November 21, 2017, between Metro Louisville and the Corporation providing for the payment by Metro Louisville to the Corporation of annual “guaranteed payments” of \$10,800,000, which Second Amended and Restated Memorandum of Agreement, was authorized by Ordinance No. 254, Series 2017, of Metro Louisville adopted by its Legislative Council on August 10, 2017, as the same may be amended or supplemented from time to time.

“**Metro Louisville**” means Louisville/Jefferson County Metro Government, Kentucky, a political subdivision and consolidated local government of the Commonwealth, duly organized and validly existing under the laws of the Commonwealth.

“**Metro Revenue Account of the Excess Net Cash Flow Fund**” means the subaccount of the Excess Net Cash Flow Fund named the “Metro Revenue Account” established by the Authority with the Bond Trustee pursuant to Section 4.13(c) hereof.

“**Metro Revenue Account of the Renovation and Replacement Fund**” means the subaccount of the Renovation and Replacement Fund named the “Metro Revenue Account” established by the Authority with the Bond Trustee pursuant to Section 4.14(b) hereof.

“**Metro Revenue Fund**” means the “Metro Revenue Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.04 hereof for the benefit of the Series 2017 Bonds.

“**Metro Revenues**” means the moneys Metro Louisville will pay to the Bond Trustee, as the Corporation’s irrevocable assignee and designee, pursuant to the Metro Contract.

“**Minimum Operating Cash Balance**” means, with respect to a particular date of determination, an amount equal to:

<b>Date of Determination</b>	<b>Minimum Operating Cash Balance</b>
May 15 <sup>th</sup>	The Corporation’s Estimated Expenses for the six-month period beginning on the immediately succeeding June 1 <sup>st</sup> plus one-quarter of the Corporation’s annual budgeted Estimated Expenses for the then current Fiscal Year as

**Date of  
Determination**

**Minimum Operating Cash Balance**

described in the Annual Budget for such Fiscal Year.

November 15<sup>th</sup> The Corporation's Estimated Expenses for the six-month period beginning on the immediately succeeding December 1<sup>st</sup> plus one-quarter of the Corporation's annual budgeted Estimated Expenses for the then current Fiscal Year as described in the Annual Budget for such Fiscal Year.

**"Moody's"** means Moody's Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency acceptable to the Bond Insurer which has been designated by the Authority by notice to the Bond Trustee, the Corporation, and the Bond Insurer, if any.

**"Mortgage and Security Agreement"** means the Mortgage and Security Agreement dated as of December 20, 2017, by and between the Corporation and the Bond Trustee in respect of the site of the Prior Project, and all amendments and supplements thereto.

**"Officer's Certificate"** means a certificate signed, in the case of a certificate delivered by the Corporation, by the Chair, Vice Chair, or any other officer authorized to sign by resolution of the Governing Body of the Corporation or, in the case of a certificate delivered by any other Person, the chief executive or chief financial officer of such other Person, in either case whose authority to execute such Certificate shall be evidenced to the Bond Trustee's satisfaction.

**"Official Statement"** means the Official Statement used in connection with the initial sale of the Series 2017 Bonds.

**"Operating Expenses"** means actual, reasonable and customary costs, fees and expenses of the Corporation directly attributable to the Prior Project, including labor costs, salaries, general and administrative expenses, painting, cleaning, maintenance, repairs, and alterations; landscaping and paving; waste removal; certificates, permits and licenses; utilities charges; real and personal property taxes and assessments, if any; insurance premiums; security; advertising, promotion and publicity; office, janitorial, cleaning and building supplies; purchase, repair, servicing and installation of appliances, equipment, fixtures and furnishings; management fees and expenses, including those payable to the Manager under the Management Agreement; fees and expenses of accountants, attorneys, consultants and other professionals; and sums required to be paid to ULAA under the ULAA Contract and all sums required to be paid

under other Operating Agreements, to the extent such sums are not deducted in determining Arena Revenues. Operating Expenses excludes (i) moneys needed to pay debt service for any Bonds or other obligations issued pursuant to this Bond Indenture or any Supplemental Bond Indenture; and (ii) the projected costs of extraordinary maintenance and repairs (other than and in addition to routine maintenance and repairs included as Operating Expenses in the Corporation's Annual Budgets).

**"Operation and Maintenance Account"** means the account established by the Corporation pursuant to Section 5.05 of the Loan Agreement.

**"Opinion of Bond Counsel"** means a written opinion of Bond Counsel in form and substance acceptable to the Authority, the Bond Trustee, and the Bond Insurer, which opinion may be based on a ruling or rulings of the Internal Revenue Service.

**"Outstanding Bonds"** or **"Bonds outstanding"** means all Bonds that have been duly authenticated and delivered by the Bond Trustee under this Bond Indenture, except:

(i) Bonds canceled after purchase in the open market or because of payment at or redemption before maturity;

(ii) Bonds for the payment or redemption of which cash or Government Obligations shall have been theretofore deposited with the Bond Trustee (whether upon or before the maturity or redemption date of any such Bonds) in accordance with ARTICLE XI of this Bond Indenture; provided that if such Bonds are to be redeemed before the maturity thereof, notice of such redemption shall have been given or arrangements satisfactory to the Bond Trustee shall have been made therefor, or waiver of such notice satisfactory in form to the Bond Trustee shall have been filed with the Bond Trustee;

(iii) Bonds in lieu of which others have been authenticated under Section 2.06 or Section 2.07 hereof; and

(iv) for the purpose of all consents, approvals, waivers, and notices required to be obtained or given hereunder, Bonds held or owned by the Corporation or any Person controlling, controlled by, or under common control with the Corporation to the extent provided in Section 12.02 hereof.

**"Paying Agent"** means the bank or banks, if any, designated pursuant to this Bond Indenture to receive and disburse the principal of and interest on the Bonds.

**"Person"** means any natural person, firm, joint venture, association, partnership, business trust, corporation, limited liability company, public body, agency, or political subdivision thereof or any other similar entity.

**“Policy Costs”** means the sum of (i) repayment of draws on the Series 2017 Senior Reserve Fund Surety; (ii) repayment of draws on the Series 2017 Liquidity Reserve Policy; and (iii) expenses and accrued interest on (i) and (ii) at the Late Payment Rate.

**“Principal Payment Date”** means each December 1st, beginning on (and including) December 1, 2018, and continuing to (and including) December 1, 2047.

**“Prior Bond Indenture”** means the Bond Trust Indenture dated as of August 1, 2008, by and between the Authority and the Prior Bond Trustee, as successor bond trustee thereunder, as amended and supplemented by the First Supplemental Bond Trust Indenture dated as of April 1, 2014, by and among the Authority and the Prior Bond Trustee.

**“Prior Bond Trustee”** means Regions Bank, an Alabama banking corporation, as the successor trustee to U.S. Bank National Association pursuant to the Prior Bond Indenture.

**“Prior Loan Agreement”** means the Loan Agreement dated as of August 1, 2008, by and between the Authority and the Corporation, as amended and supplemented by the First Supplemental Loan Agreement dated as of April 1, 2014, by and among the Authority and the Corporation.

**“Prior Project”** means the project partially financed using the proceeds of the Series 2008 Bonds, being the acquisition, development, construction, and installation of the KFC Yum! Center, a 721,762 square-foot, 22,090 seat, multi-use arena located at 1 Arena Plaza (and bordered by Main Street, River Road, Second Street, and Third Street) in the central business district of downtown Louisville, Kentucky.

**“Project Certificate”** means the Project Certificate dated the Closing Date delivered by the Corporation in connection with the issuance of the Series 2017 Bonds.

**“Qualified Investments”** means investments in any of the following:

(i) (a) Cash (fully insured by the Federal Deposit Insurance Corporation); (b) U.S. Treasury Obligations; (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America; (d) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America; or (e) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying

government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

**(ii)** Federal Housing Administration debentures.

**(iii)** The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

**(a)** Federal Home Loan Mortgage Corporation (FHLMC) senior debt obligations and Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts);

**(b)** Farm Credit System (formerly Federal Land Banks, Federal Intermediate Credit Banks and Banks for Cooperatives) consolidated system-wide bonds and notes;

**(c)** Federal Home Loan Banks (FHL Banks) consolidated debt obligations; and

**(d)** Federal National Mortgage Association (FNMA) senior debt obligations and mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts).

**(iv)** Unsecured certificates of deposit, time deposits, and bankers' acceptances (having maturities of not more than 365 days) of any bank the short-term obligations of which are rated "A-1+" or better by Standard & Poor's and "Prime-1" by Moody's.

**(v)** Deposits the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation, in banks which have capital and surplus of at least \$15 million.

**(vi)** Commercial paper (having original maturities of not more than 270 days) rated "A-1+" by Standard & Poor's and "Prime-1" by Moody's.

**(vii)** Money market funds rated "Aam" or "AAm-G" by Standard & Poor's, or better and if rated by Moody's rated "Aa2" or better.

**(viii)** "State Obligations", which means:

**(a)** Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated at least "A3" by Moody's and at least "A-" by Standard & Poor's, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated;

**(b)** Direct general short-term obligations of any state agency or subdivision or agency thereof described in (a) above and rated "A-1+" by Standard & Poor's and "MIG-1" by Moody's;

**(c)** Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state or state agency described in (b) above and rated "AA-" or better by Standard & Poor's and "Aa3" or better by Moody's.

**(ix)** Pre-refunded municipal obligations rated "AAA" by Standard & Poor's and "Aaa" by Moody's meeting the following requirements:

**(a)** the municipal obligations are (1) not subject to redemption before maturity or (2) the trustee for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

**(b)** the municipal obligations are secured by cash or U.S. Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

**(c)** the principal of and interest on the U.S. Treasury Obligations (plus any cash in the escrow) have been verified by a Verification Report;

**(d)** the cash or U.S. Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or trustee in trust for owners of the municipal obligations;

**(e)** no substitution of a U.S. Treasury Obligation shall be permitted except with another U.S. Treasury Obligation and upon delivery of a new Verification Report; and

**(f)** the cash or U.S. Treasury Obligations are not available to satisfy any other claims, including those by or against the trustee or escrow agent.

**(x)** Repurchase agreements: with (1) any domestic bank, or domestic branch of a foreign bank, the long term debt of which is rated at least "A-" by Standard & Poor's and "A3" Moody's; or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "A-" by Standard & Poor's and "A3" by Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (3) any other entity rated at least "A-" by Standard & Poor's and "A3" by Moody's and acceptable to the Bond Insurer (each an "Eligible Provider"), provided that:

(a) (1) permitted collateral shall include U.S. Treasury Obligations, or senior debt obligations of GNMA, FNMA, or FHLMC (no collateralized mortgage obligations shall be permitted for these providers); and (2) collateral levels must be at least 102% of the total principal when the collateral type is U.S. Treasury Obligations, 103% of the total principal when the collateral type is GNMA's, and 104% of the total principal when the collateral type is FNMA and FHLMC ("**Eligible Collateral**");

(b) a third party acting solely as agent for the Bond Trustee (the "**Custodian**") has possession of the collateral or the collateral has been transferred to the Custodian in accordance with applicable state and federal laws (other than by means of entries on the transferor's books) and such collateral shall be marked to market;

(c) the collateral shall be marked to market on a daily basis and the provider or Custodian shall send monthly reports to the Bond Trustee setting forth the type of collateral, the collateral percentage required for that collateral type, the market value of the collateral on the valuation date and the name of the Custodian holding the collateral;

(d) the repurchase agreement (or guaranty, if applicable) may not be assigned or amended without the Bond Insurer's prior written consent;

(e) the repurchase agreement shall state, and an opinion of counsel shall be rendered at the time such collateral is delivered, that the Custodian has a perfected first priority security interest in the collateral, any substituted collateral, and all proceeds thereof; and

(f) the repurchase agreement shall provide that if during its term the provider's rating by either Moody's or Standard & Poor's is withdrawn or suspended or falls below "A-" by Standard & Poor's or "A3" by Moody's, as appropriate, the provider must notify the Bond Trustee and the Bond Insurer within five days of receipt of such notice. Within ten days of receipt of such notice, the provider shall either (1) provide a written guarantee acceptable to the Bond Insurer; (2) post Eligible Collateral; or (3) assign the agreement to an Eligible Provider. If the provider does not perform a remedy within ten Business Days, the provider shall, at the direction of the Bond Trustee (who shall give such direction only if so directed in writing by the Bond Insurer), repurchase all collateral and terminate the repurchase agreement, with no penalty or premium to the Bond Trustee.

(xi) Other forms of investment (including repurchase agreements) approved in writing by the Bond Insurer and permitted by law.

"**Rating Agency**" means Moody's and Standard & Poor's or their respective successors and assigns.



**“Rebate Fund”** means the fund by that name created by the Tax Regulatory Agreement.

**“Record Date”** means the fifteenth day (whether or not a Business Day) of the month immediately preceding each Interest Payment Date.

**“Redemption Fund”** means the “Redemption Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.15 hereof for the benefit of the Series 2017 Bonds.

**“Reference Treasury Dealer”** means a primary dealer of United States Government securities in the United States (which may be one of the institutions that served as underwriters for the Series 2017B Bonds) appointed by the Corporation and reasonably acceptable to the Calculation Agent.

**“Refunding Bonds”** means any or all of the Senior Refunding Bonds and any or all Subordinate Bonds used for purposes of refunding prior obligations of the Corporation.

**“Reimbursement Obligations”** means, collectively, (i) all Insurer Reimbursement Amounts, together with any other reimbursement obligations due to the Bond Insurer relating to the Series 2017 Bond Insurance Policy under this Bond Indenture or Article VI of the Loan Agreement; and (ii) all Policy Costs.

**“Renovation and Replacement Fund”** means the “Renovation and Replacement Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.14 hereof for the benefit of the Series 2017 Bonds. For purposes of this Bond Indenture, any reference to moneys deposited or otherwise held in or to the credit of the Renovation and Replacement Fund shall include any moneys held within the subaccounts established thereunder, namely the Metro Revenue Account and the Arena Revenue Account.

**“Senior Bond Sinking Fund”** means the “Senior Bond Sinking Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.07 hereof for the benefit of the Senior Bonds.

**“Senior Bonds”** means any and all of the Series 2017 Bonds and any and all of the Senior Refunding Bonds.

**“Senior Interest Fund”** means the “Senior Interest Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.06 hereof for the benefit of the Senior Bonds.

**“Senior Refunding Bonds”** means bonds, notes, or other obligations of the Authority that may be issued from time to time to refund any Outstanding Series 2017

Bonds or other Senior Refunding Bonds upon the terms presented in and by Section 2.14 hereof.

**“Senior Reserve Fund”** means the “Senior Reserve Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.08 hereof for the benefit of the Senior Bonds.

**“Senior Reserve Fund Credit Facility”** means a letter of credit from a bank with a credit rating in one of the three highest rating categories of each Rating Agency rating the Senior Bonds that are entitled to the benefits of the Senior Reserve Fund and which has been approved in writing by the Bond Insurer.

**“Senior Reserve Fund Requirement”** means as to the Senior Bonds the least of (i) the maximum annual debt service on all Senior Bonds Outstanding; (ii) an amount equal to 10% of the proceeds of the Senior Bonds within the meaning of Code Section 148(d); and (iii) an amount equal to 125% of the average annual debt service on all Senior Bonds Outstanding. In calculating annual debt service on the Senior Bonds for the purpose of determining the Senior Reserve Fund Requirement, the interest rates applicable to the Senior Bonds Outstanding at the time of the calculation shall be used.

**“Senior Reserve Fund Surety”** means any surety policy issued by an insurer that insures payment of all or a portion of the Senior Reserve Fund Requirement, as further described in Section 4.08 hereof, and which has been approved in writing by the Bond Insurer. The Series 2017 Senior Reserve Fund Surety issued by the Bond Insurer is a qualified Senior Reserve Fund Surety under this Bond Indenture.

**“Senior Reserve Fund Value”** shall mean the valuation at fair market value of the moneys and investments (and the face amount of any surety bond policy or letter of credit) credited to the Senior Reserve Fund, determined in accordance with Section 4.08 hereof.

**“Serial Bonds”** means Series 2017 Bonds so designated herein and stated to mature as to principal in annual installments.

**“Series 2008 Bonds”** means any or all of the Series 2008A-1 Bonds, the Series 2008A-2 Bonds, the Series 2008B Bonds, and the Series 2008C Bonds.

**“Series 2008A Bonds”** means the Series 2008A-1 Bonds and the Series 2008A-2 Bonds.

**“Series 2008A-1 Bonds”** means the Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Series 2008A (Louisville Arena Authority, Inc.) Subseries 2008A-1 Fixed Rate Bonds, being term bonds originally issued in an aggregate principal amount of \$292,280,000 and maturing (exclusive of mandatory

sinking fund installments) on December 1, 2028, December 1, 2033, December 1, 2038, and December 1, 2042.

**“Series 2008A-2 Bonds”** means the Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Series 2008A (Louisville Arena Authority, Inc.) Subseries 2008A-2 Capital Appreciation Bonds, being capital appreciation bonds having an aggregate value upon final maturity of \$43,185,000 and maturing in successive annual installments on each December 1<sup>st</sup>, beginning on (and including) December 1, 2018 through (and including) December 1, 2024.

**“Series 2008B Bonds”** means the Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Taxable Series 2008B (Louisville Arena Authority, Inc.), being term bonds originally issued in an aggregate principal amount of \$20,100,000 and maturing (exclusive of mandatory sinking fund installments) on December 1, 2021.

**“Series 2008C Bonds”** means the Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Taxable Subordinate Series 2008C (Louisville Arena Authority, Inc.), being term bonds originally issued in an aggregate principal amount of \$9,900,000 and maturing (exclusive of mandatory sinking fund installments) on December 1, 2025.

**“Series 2017 Bonds”** means any or all of the Series 2017A Bonds and the Series 2017B Bonds.

**“Series 2017 Bond Insurance Policy”** means the insurance policy no. 218638-N issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on the Series 2017 Bonds when due as provided therein.

**“Series 2017 Liquidity Reserve Policy”** means the municipal bond debt service reserve policy (liquidity reserve) no. 218638-R2 issued by the Bond Insurer, to be used solely to pay scheduled payments of principal and interest due on the Senior Bonds as further described herein. Unless extended by the mutual agreement of the Authority, the Corporation, and the Bond Insurer, the Series 2017 Liquidity Reserve Policy shall terminate in accordance with its terms effective December 1, 2024. During such times as the Series 2017 Liquidity Reserve Policy has terminated in accordance with its terms, all references to the Series 2017 Liquidity Reserve Policy herein shall have no force or effect.

**“Series 2017 Senior Reserve Fund Surety”** means the municipal bond debt service reserve policy no. 218638-R1 issued by the Bond Insurer, to be used solely to pay scheduled payments of principal and interest due on the Senior Bonds as further described in Section 4.08 hereof.

**“Series 2017A Bonds”** means any or all of the bonds issued pursuant to this Bond Indenture in the original principal amount of \$202,125,000 and styled “Kentucky

Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Series 2017A (Louisville Arena Authority, Inc.).”

“**Series 2017A Account of the Expense Fund**” means the account established as a subaccount of the Expense Fund pursuant to Section 3.01 hereof.

“**Series 2017B Account of the Expense Fund**” means the account established as a subaccount of the Expense Fund pursuant to Section 3.01 hereof.

“**Series 2017B Bonds**” means any or all of the bonds issued pursuant to this Bond Indenture in the original principal amount of \$175,640,000 and styled “Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Taxable Series 2017B (Louisville Arena Authority, Inc.).”

“**Special Record Date**” means the date fixed by the Bond Trustee pursuant to Section 2.01(g) hereof for the payment of Defaulted Interest.

“**Standard & Poor’s**” means Standard & Poor’s Ratings Service, a division of The McGraw-Hill Companies, Inc., a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency acceptable to the Bond Insurer which has been designated by the Authority by notice to the Bond Trustee, the Corporation, and the Bond Insurer, if any.

“**Subordinate Bond Sinking Fund**” means the “Subordinate Bond Sinking Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.11 hereof for the benefit of the Subordinate Bonds. During such times as no Subordinate Bonds are issued and Outstanding under this Bond Indenture and any Supplemental Bond Indenture, all references to the Subordinate Bond Sinking Fund herein shall have no force or effect.

“**Subordinate Bonds**” means bonds, notes, or other obligations of the Authority that may be issued from time to time upon the terms presented in and by Section 2.16 hereof. During such times as no Subordinate Bonds are issued and Outstanding under this Bond Indenture and any Supplemental Bond Indenture, all references to Subordinate Bonds herein shall have no force or effect.

“**Subordinate Interest Fund**” means the “Subordinate Interest Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.10 hereof for the benefit of the Subordinate Bonds. During such times as no Subordinate Bonds are issued and Outstanding under this Bond Indenture and any Supplemental Bond Indenture, all references to the Subordinate Interest Fund herein shall have no force or effect.

**“Subordinate Reserve Fund”** means the “Subordinate Reserve Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.12 hereof for the benefit of the Subordinate Bonds. During such times as no Subordinate Bonds are issued and Outstanding under this Bond Indenture and any Supplemental Bond Indenture, all references to the Subordinate Reserve Fund herein shall have no force or effect.

**“Subordinate Reserve Fund Requirement”** means as to the Subordinate Bonds the amount so established pursuant to any Supplemental Bond Indenture governing such Subordinate Bonds.

**“Subordinate Reserve Fund Value”** shall mean the valuation at fair market value of the moneys and investments credited to the Subordinate Reserve Fund.

**“Supplemental Bond Indenture”** means any supplemental indenture entered into by and between the Authority and the Bond Trustee pursuant to ARTICLE IX hereof.

**“Tax-Exempt Bonds”** means the Series 2017A Bonds, and any Senior Refunding Bonds or any Subordinate Bonds issued and Outstanding pursuant to this Bond Trust Indenture, the interest on which is excluded from gross income for federal tax purposes.

**“Tax-Exempt to Tax-Exempt Account”** means the account by that name established pursuant to the Escrow Agreement into which proceeds of the Series 2017A Bonds shall be deposited to, among other things, redeem, defease, pay, and discharge a portion of the Series 2008A Bonds.

**“Taxable to Taxable Account”** means the account by that name established pursuant to the Escrow Agreement into which proceeds of the Series 2017B Bonds shall be deposited to, among other things, redeem, defease, pay, and discharge all of the Series 2008B Bonds and the Series 2008C Bonds.

**“Taxable to Tax-Exempt Account”** means the account by that name established pursuant to the Escrow Agreement into which proceeds of the Series 2017B Bonds shall be deposited to, among other things, redeem, defease, pay, and discharge a portion of the Series 2008A Bonds.

**“Tax Regulatory Agreement”** means the Tax Regulatory Agreement and Certificate dated the Closing Date among the Corporation, the Authority, and the Bond Trustee, together with the Project Certificate, as the same may be amended or supplemented from time to time.

**“Term Bonds”** means the Series 2017A Bonds maturing on December 1, 2041, 2045, and 2047, which are subject to mandatory sinking fund redemption as designated in this Bond Indenture.

**“TIF Contract”** means the Sixth Amended and Restated Grant Contract having an effective date of December 20, 2017, between the Commonwealth and the Corporation, which amended and restated certain prior Grant Contracts between the Commonwealth and the Corporation as more particularly described and identified in the Sixth Amended and Restated Grant Contract, which provides for the payment by the Commonwealth to the Corporation of a portion of certain Commonwealth tax increments derived within a certain “Development Area” in downtown Louisville, Kentucky, as that term was originally defined in Ordinance No.226, Series 2006, adopted on May 15, 2008, and which has been reconfigured and is now defined in Ordinance No.179, Series 2013, of Metro Louisville adopted by its Metro Council on September 26, 2013, which amended Ordinance No.226, Series 2006, adopted on May 15, 2008, Ordinance No.179, Series 2007, adopted on September 19, 2007, and Ordinance No.75, Series 2008, adopted on May 21, 2008, and as such “Development Area” is more particularly described in the Sixth Amended and Restated Grant Contract, all in accordance with KRS 65.490 through 65.499, as such statutes were in effect at the relevant times, as the Sixth Amended and Restated Grant Contract may be further amended, restated, or supplemented from time to time.

**“TIF Revenue Account of the Excess Net Cash Flow Fund”** means the subaccount of the Excess Net Cash Flow Fund named the “TIF Revenue Account” established by the Authority with the Bond Trustee pursuant to Section 4.13(b) hereof.

**“TIF Revenue Fund”** means the “TIF Revenue Fund - Louisville Arena Project” established by the Authority with the Bond Trustee pursuant to Section 4.03 hereof for the benefit of the Series 2017 Bonds.

**“TIF Revenues”** means the moneys the Commonwealth will pay to the Bond Trustee, as the Corporation’s irrevocable assignee and designee, pursuant to the TIF Contract.

**“Trust Estate”** has the meaning set out in the preface of the Granting Clauses hereof.

**“ULAA”** means the University of Louisville Athletic Association, Inc., a Kentucky non-stock, non-profit corporation.

**“ULAA Contract”** means the Lease Agreement between the Corporation and ULAA with respect to the Prior Project, dated as of July 3, 2008, as amended pursuant to the First Amendment to Lease Agreement dated as of July 20, 2017, between the Corporation and ULAA, and as the same may be further amended or supplemented from time to time.

**“Unassigned Rights”** means the right of the Authority to receive payment of its fees and expenses, the Authority’s right to indemnification in certain circumstances, the Authority’s right to execute and deliver supplements and amendments to the Loan

Agreement, the Authority's right to grant consents under the Loan Agreement, and the Authority's right to receive notices under this Bond Indenture, the Loan Agreement, the Bond Purchase Agreement, and related documents, subject to the rights of the Bond Insurer as provided herein and in the Loan Agreement.

**"U.S. Treasury Obligations"** means direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America.

**"Verification Report"** means a report of an independent certified public accountant finding that the principal of and interest on earnings held in an escrow account (plus any cash therein) are sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on a specific municipal obligation or obligations.

**"Written Instruction"** or **"Written Request"** means, with reference to the Authority, instructions or a request in writing signed by the Chair, Vice Chair, Secretary-Treasurer, or any Assistant Secretary-Treasurer of the Authority and with reference to the Corporation means instructions or a request in writing signed by the Chair or Vice Chair of the Corporation, or any other officer or representative designated in writing by the Authority or the Corporation, as the case may be.

**EXHIBIT B-1  
TO BOND TRUST INDENTURE  
FORM OF SERIES 2017A BOND**

No. \_\_\_\_\_ \$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
LOUISVILLE ARENA PROJECT REFUNDING REVENUE BOND, SERIES 2017A  
(LOUISVILLE ARENA AUTHORITY, INC.)**

<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Bond Date</b>	<b>CUSIP</b>
_____ %	_____	December 20, 2017	_____

**Registered Holder:** Cede & Co.

**Principal Amount:** \_\_\_\_\_ Dollars and No/100 Cents

THE COMMONWEALTH OF KENTUCKY'S NAME IS ON THIS SERIES 2017A BOND FOR THE BENEFIT AND CONVENIENCE OF OTHER ENTITIES WITHIN THE COMMONWEALTH. HOWEVER, THE ONLY SECURITY THAT IS PLEDGED FOR THIS SERIES 2017A BOND IS THE REVENUES AND ASSETS IDENTIFIED IN THIS SERIES 2017A BOND. EXCEPT FOR PAYMENT OF TIF REVENUES (AS DEFINED IN THE BOND INDENTURE DESCRIBED HEREIN), THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF KENTUCKY DOES NOT INTEND TO APPROPRIATE ANY STATE FUNDS TO FULFILL THE FINANCIAL OBLIGATIONS REPRESENTED BY THIS SERIES 2017A BOND.

KNOW ALL MEN BY THESE PRESENTS that the Kentucky Economic Development Finance Authority (the "**Authority**"), a public body corporate and politic and an agency, instrumentality, and political subdivision of the Commonwealth of Kentucky created and acting under Sections 154.1-010, 154.10-010 through 154.10-035, and 154.20-010 through 154.20-035 of the Kentucky Revised Statutes and Resolution 92-1 adopted on October 13, 1992, by the Kentucky Economic Development Partnership (collectively the "**Act**"), for value received hereby acknowledges itself obligated to and promises to pay to the registered holder identified above, or registered assigns, but solely from the sources pledged for that purpose as hereinafter provided, and not otherwise, the principal amount set out above, on the Maturity Date set out above, and to pay interest from the same sources on the unpaid balance of said amount at the Interest Rate per annum set out above, payable June 1, 2018, and semiannually thereafter on the first days of June and December in each year until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided



for. Each such interest payment shall represent interest accruing on this Bond from the later of the Bond Date shown above or the most recent interest payment date (June 1<sup>st</sup> or December 1<sup>st</sup>) to which interest has been paid or duly provided for.

Interest accruing on this Bond on and before the Maturity Date hereof shall be payable by check drawn upon Regions Bank, Nashville, Tennessee, as trustee (the “**Bond Trustee**”), and mailed to the registered holder hereof at the address of such holder as it appears on the Bond Register of the Bond Trustee on the Record Date for such interest installment, which Record Date shall be the fifteenth day (whether or not a Business Day) of the month preceding the date for payment of such interest occurs, or shall be paid to such holder as of the Record Date by wire transfer on the date the interest becomes due to such bank or trust account as has by such Record Date been designated in writing by the registered holder of \$1,000,000 or more principal amount of Bonds (as hereinafter defined) of the same series, as the case may be.

This Series 2017A Bond is a special and limited obligation of the Authority payable solely from and secured by a pledge of the trust estate under the Bond Indenture (hereinafter defined) and does not constitute an indebtedness of the Authority or the Commonwealth of Kentucky (the “**Commonwealth**”) or any agency or political subdivision thereof within the meaning of the Kentucky Constitution. Neither the Commonwealth nor any agency or political subdivision thereof shall be obligated to pay the principal of or interest on this Series 2017A Bond and neither the faith and credit nor the taxing power of the Commonwealth or of any agency or political subdivision thereof is pledged to the payment of the principal of or interest on this Series 2017A Bond.

This Series 2017A Bond is one of a series of bonds of the Authority designated “Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Series 2017A (Louisville Arena Authority, Inc.),” in the principal amount of \$202,125,000 which, together with certain parity bonds issued concurrently herewith designated “Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Taxable Series 2017B” (the “**Series 2017B Bonds**” and, together with the Series 2017A Bonds, the “**Series 2017 Bonds**”), are authorized and issued by the Authority in accordance with the Act and the Bond Trust Indenture dated as of December 1, 2017 (the “**Bond Indenture**”), between the Authority and the Bond Trustee, to provide funds (i) to refund the Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Series 2008A (Louisville Arena Authority, Inc.), consisting of (a) Subseries 2008A-1 Fixed Rate Bonds outstanding in an aggregate principal amount of \$292,280,000, and (b) Subseries 2008A-2 Capital Appreciation Bonds, being capital appreciation bonds having an aggregate value upon final maturity of \$43,185,000 (collectively, the “**Series 2008A Bonds**”); (ii) to refund the Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Taxable Series 2008B (Louisville Arena Authority, Inc.) outstanding in an aggregate principal amount of \$17,335,000 (the “**Series 2008B Bonds**”); (iii) to refund the Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Taxable Subordinate Series 2008C (Louisville Arena Authority, Inc.) outstanding in an aggregate principal amount of \$9,900,000 (the “**Series 2008C Bonds**” and, together with the Series 2008A Bonds and the Series

2008B Bonds, the “**Series 2008 Bonds**”); (iv) to partially fund a debt service reserve fund; (v) to provide for credit enhancement for the Series 2017 Bonds; (vi) to provide working capital funds; (vii) to fund a renovation and replacement fund; and (viii) to pay other expenses and costs incurred in connection with the issuance of the Series 2017 Bonds and the refunding of the Series 2008 Bonds, all pursuant to a resolution duly adopted by the Authority. This Series 2017A Bond and all Series 2017 Bonds of this issue, together with certain Reimbursement Obligations (as defined in the Bond Indenture), are payable solely from the Trust Estate created in and by the Bond Indenture. Pursuant to a Loan Agreement dated as of December 1, 2017 (the “**Loan Agreement**”), between the Authority and the Louisville Arena Authority, Inc. (the “**Corporation**”), a Kentucky nonprofit corporation, the proceeds of the Series 2017 Bonds have been loaned to the Corporation and the Corporation has agreed to make or cause to be made payments to the Authority at times and in sufficient amounts to enable the Authority to pay when due the principal of and interest on the Series 2017 Bonds and the Reimbursement Obligations. By the Bond Indenture the Authority has assigned and pledged to the Bond Trustee, for the ratable benefit of the holders of the Series 2017 Bonds and the Reimbursement Obligations, the Authority’s interest in the Loan Agreement (except for Unassigned Rights). Reference is hereby made to the Bond Indenture and the Loan Agreement, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties, and immunities of the Authority, the Corporation, the Bond Trustee, and the holders of the Series 2017 Bonds, and for certain terms used but not defined herein. Among other things, the Bond Indenture makes provision for the amendment and supplementation of the Loan Agreement and the Bond Indenture, the satisfaction of the Bond Indenture and the defeasance of Series 2017 Bonds and the redemption, removal, and replacement of the Bond Trustee. Executed counterparts or certified copies of the Bond Indenture and the Loan Agreement are on file in the Designated Corporate Trust Office of the Bond Trustee.

The Corporation has absolutely and irrevocably assigned its rights in (i) the TIF Contract (as defined in the Bond Indenture), including the Corporation’s rights to receive TIF Revenues (as defined in the Bond Indenture) from the Commonwealth on the dates and in the amounts provided therein, and (ii) the Metro Contract (as defined in the Bond Indenture), including the Corporation’s rights to receive TIF Revenues (as defined in the Bond Indenture) from Louisville/Jefferson County Metro Government, Kentucky on the dates and in the amounts provided therein, to the Bond Trustee as additional security for the Series 2017 Bonds.

All outstanding Series 2017 Bonds and the Reimbursement Obligations are secured, together with any Senior Refunding Bonds (as defined in the Bond Indenture) ranking on a parity with the Series 2017 Bonds that may be issued and outstanding from time to time, by a co-equal lien on and claim to the Trust Estate under the Bond Indenture and share ratably therein without any preference, priority, or distinction as to the source or method of payment and security. The Bond Indenture permits the issuance from time to time, subject to certain conditions, of such Senior Refunding Bonds and also permit the issuance from time to time, subject to certain conditions, of Subordinate Bonds on a basis subordinate as to payment and security to the Series 2017 Bonds and Senior Refunding Bonds.

The Series 2017A Bonds are subject to redemption before their stated maturity dates, as provided in the Bond Indenture, as set forth in the following paragraphs:

The Series 2017A Bonds maturing on December 1, 2041 and December 1, 2045 shall be subject to optional redemption before maturity, in whole or in part, on or after December 1, 2027. The Series 2017A Bonds maturing on December 1, 2047 shall be subject to optional redemption before maturity, in whole or in part, on or after December 1, 2022. Any such optional redemption shall be at a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date.

The Series 2017A Bonds maturing on December 1, 2041, December 1, 2045, and December 1, 2047, are subject to mandatory Senior Bond Sinking Fund redemption before maturity, by lot in such manner as the Bond Trustee may determine, at a redemption price of 100% of the par amount plus interest accrued on the redemption date, on December 1<sup>st</sup> in the years and in the amounts and manner provided in the Bond Indenture. Moneys on deposit in the Senior Bond Sinking Fund on December 1, 2041, December 1, 2045, and December 1, 2047, shall be applied to the payment of the Series 2017A Bonds maturing on those dates.

The principal amount of the Series 2017A Bonds so required to be redeemed on any such mandatory redemption date may, at the direction of the Corporation by delivery of Written Instructions, be reduced by the principal amount of the Series 2017A Bonds of the same maturity (i) purchased by or surrendered to the Bond Trustee for cancellation; or (ii) redeemed other than through Senior Bond Sinking Fund redemption, and which, in either case, have not previously been the basis for a reduction of the principal amount of the Series 2017A Bonds to be redeemed through Senior Bond Sinking Fund redemption.

The Series 2017A Bonds are subject to redemption before maturity as a whole at any time or in part from time to time, pursuant to the Bond Indenture, from and to the extent of certain insurance proceeds or condemnation awards, if any, applied, pursuant to the Loan Agreement, to the prepayment of all or a portion of the amounts due pursuant to the Loan Agreement, but only if such proceeds exceed \$3,500,000. Any such redemption shall be effected at a redemption price equal to 100% of the principal amount of the Series 2017A Bonds so redeemed plus accrued interest to the redemption date. In the case of any such redemption of less than all of a series of Series 2017 Bonds then outstanding, the Series 2017 Bonds shall be selected for redemption in accordance with the requirements contained in the Bond Indenture.

Any notice or call for redemption will be given by mailing a copy of the redemption notice first class mail to each registered holder of a Series 2017 Bond to be redeemed not less than thirty nor more than sixty days before the date fixed for redemption. Failure to receive notice by mailing or any defect therein will not affect the validity of the redemption. Interest will not be payable on any Series 2017 Bonds so called for redemption after the date fixed for redemption if such notice has been given and sufficient moneys are on deposit with the Series 2017 Bond Trustee to pay the principal of and interest on such Series 2017 Bonds to the date fixed for redemption.

If at the time of mailing notice of any optional redemption there shall not have been deposited with the Bond Trustee moneys sufficient to redeem all Series 2017 Bonds called for redemption, such notice shall state that it is conditional in that it is subject to the deposit of such moneys with the Bond Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

The Series 2017 Bonds, upon surrender thereof to the Bond Trustee together with Written Instructions satisfactory to the Bond Trustee, duly executed by the registered holder or his attorney duly authorized in writing, may be transferred to another registered holder or may be exchanged for an equal aggregate face amount of Series 2017 Bonds with the same interest rate and maturity of any other Authorized Denominations, all as set out in the Bond Indenture. The Bond Trustee, as Bond Registrar, shall not be required to make any exchange or transfer of this Series 2017 Bond after notice calling this Series 2017 Bond or portion hereof for redemption has been mailed or during the period of seven days next preceding the mailing of notice of redemption of Series 2017 Bonds of the same maturity. In connection with any such exchange or transfer of Series 2017 Bonds, the holder requesting such exchange or transfer shall as a condition precedent to the exercise of the privilege of making such exchange or transfer remit to the Bond Trustee an amounts sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The holder of this Series 2017 Bond shall have no right to enforce the provisions of the Bond Indenture or to institute an action to enforce the covenants thereof, or to take any action with respect to a default hereof, or to institute, appear in, or defend any suit or other proceedings with respect thereto or hereto, except as provided in the Bond Indenture.

Amendments of or supplements to the Bond Indenture or the Loan Agreement may be made only to the extent and in the circumstances permitted by the Bond Indenture.

For purposes of interpreting the phrase “term of the bond” as utilized within KRS 65.4931(1)(c) and the TIF Contract, the term of the Series 2017 Bonds shall be deemed to extend until the date all Series 2017 Bonds have been paid in full and no Reimbursement Obligations with respect to the Series 2017 Bonds remain outstanding or unpaid hereunder or under any or all of the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, or the Series 2017 Liquidity Reserve Policy.

It is hereby further certified and recited that all acts, conditions, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Series 2017A Bond have existed, have happened, and have been performed in due form, time, and manner as required by law.

[Signature page to follow]

[SIGNATURE PAGE TO SERIES 2017A BOND]

IN TESTIMONY WHEREOF, the Authority has caused this Series 2017A Bond to be executed and attested by the manual or facsimile signatures of its Chair or Vice Chair and its Secretary-Treasurer or any Assistant Secretary-Treasurer, and this Series 2017A Bond to be authenticated by the manual signature of an authorized signer of the Bond Trustee, without which authentication this Series 2017A Bond shall not be valid or entitled to the benefits of the Bond Indenture.

**KENTUCKY ECONOMIC  
DEVELOPMENT FINANCE AUTHORITY**

By: \_\_\_\_\_  
Vice Chair

Attest:

By: \_\_\_\_\_  
Secretary-Treasurer

**AUTHENTICATION CERTIFICATE**

The undersigned Bond Trustee hereby certifies that this is one of the Series 2017A Bonds described in the within-mentioned Bond Indenture.

**REGIONS BANK**, as Bond Trustee

By: \_\_\_\_\_  
Authorized Signer

Date of Authentication: December 20, 2017

**ASSIGNMENT**

**FOR VALUE RECEIVED** the undersigned hereby sells, assigns and transfers unto

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(Please print or typewrite name and address and

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give Social Security or other identifying number of transferee)

the within Series 2017A Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Series 2017A Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

\_\_\_\_\_  
**NOTICE:** The signature to this assignment must correspond with the name of the registered holder as it appears upon the face of the within Series 2017A Bond in every particular, without alteration or enlargement or any change whatever.

**STATEMENT OF INSURANCE**

Assured Guaranty Municipal Corp. ("**AGM**"), New York, New York, has delivered its municipal bond insurance policy (the "**Policy**") with respect to the scheduled payments due of principal and interest on this Series 2017A Bond to Regions Bank, Nashville, Tennessee, or its successor, as paying agent for the Series 2017A Bonds (the "**Paying Agent**"). The Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Series 2017A Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

**EXHIBIT B-2  
TO BOND TRUST INDENTURE  
FORM OF SERIES 2017B BOND**

No. \_\_\_ \$ \_\_\_\_\_

**UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY  
LOUISVILLE ARENA PROJECT REFUNDING REVENUE BOND, TAXABLE SERIES 2017B  
(LOUISVILLE ARENA AUTHORITY, INC.)**

<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Bond Date</b>	<b>CUSIP</b>
_____ %	_____	December 20, 2017	_____

**Registered Holder:** Cede & Co.

**Principal Amount:** \_\_\_\_\_ Dollars and No/100 Cents

THE COMMONWEALTH OF KENTUCKY'S NAME IS ON THIS SERIES 2017B BOND FOR THE BENEFIT AND CONVENIENCE OF OTHER ENTITIES WITHIN THE COMMONWEALTH. HOWEVER, THE ONLY SECURITY THAT IS PLEDGED FOR THIS SERIES 2017B BOND IS THE REVENUES AND ASSETS IDENTIFIED IN THIS SERIES 2017B BOND. EXCEPT FOR PAYMENT OF TIF REVENUES (AS DEFINED IN THE BOND INDENTURE DESCRIBED HEREIN), THE GENERAL ASSEMBLY OF THE COMMONWEALTH OF KENTUCKY DOES NOT INTEND TO APPROPRIATE ANY STATE FUNDS TO FULFILL THE FINANCIAL OBLIGATIONS REPRESENTED BY THIS SERIES 2017B BOND.

KNOW ALL MEN BY THESE PRESENTS that the Kentucky Economic Development Finance Authority (the "**Authority**"), a public body corporate and politic and an agency, instrumentality, and political subdivision of the Commonwealth of Kentucky created and acting under Sections 154.1-010, 154.10-010 through 154.10-035, and 154.20-010 through 154.20-035 of the Kentucky Revised Statutes and Resolution 92-1 adopted on October 13, 1992, by the Kentucky Economic Development Partnership (collectively the "**Act**"), for value received hereby acknowledges itself obligated to and promises to pay to the registered holder identified above, or registered assigns, but solely from the sources pledged for that purpose as hereinafter provided, and not otherwise, the principal amount set out above, on the Maturity Date set out above, and to pay interest from the same sources on the unpaid balance of said amount at the Interest Rate per annum set out above, payable June 1, 2018, and semiannually thereafter on the first days of June and December in each year until maturity or until the date fixed for redemption if this Bond is called for prior redemption and payment on such date is provided

for. Each such interest payment shall represent interest accruing on this Bond from the later of the Bond Date shown above or the most recent interest payment date (June 1<sup>st</sup> or December 1<sup>st</sup>) to which interest has been paid or duly provided for.

Interest accruing on this Bond on and before the Maturity Date hereof shall be payable by check drawn upon Regions Bank, Nashville, Tennessee, as trustee (the “**Bond Trustee**”), and mailed to the registered holder hereof at the address of such holder as it appears on the Bond Register of the Bond Trustee on the Record Date for such interest installment, which Record Date shall be the fifteenth day (whether or not a Business Day) of the month preceding the date for payment of such interest occurs, or shall be paid to such holder as of the Record Date by wire transfer on the date the interest becomes due to such bank or trust account as has by such Record Date been designated in writing by the registered holder of \$1,000,000 or more principal amount of Bonds (as hereinafter defined) of the same series, as the case may be.

This Series 2017B Bond is a special and limited obligation of the Authority payable solely from and secured by a pledge of the trust estate under the Bond Indenture (hereinafter defined) and does not constitute an indebtedness of the Authority or the Commonwealth of Kentucky (the “**Commonwealth**”) or any agency or political subdivision thereof within the meaning of the Kentucky Constitution. Neither the Commonwealth nor any agency or political subdivision thereof shall be obligated to pay the principal of or interest on this Series 2017B Bond and neither the faith and credit nor the taxing power of the Commonwealth or of any agency or political subdivision thereof is pledged to the payment of the principal of or interest on this Series 2017B Bond.

This Series 2017B Bond is one of a series of bonds of the Authority designated “Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Taxable Series 2017B (Louisville Arena Authority, Inc.),” in the principal amount of \$175,640,000 which, together with certain parity bonds issued concurrently herewith designated “Kentucky Economic Development Finance Authority, Louisville Arena Project Refunding Revenue Bonds, Series 2017A” (the “**Series 2017A Bonds**” and, together with the Series 2017B Bonds, the “**Series 2017 Bonds**”), are authorized and issued by the Authority in accordance with the Act and the Bond Trust Indenture dated as of December 1, 2017 (the “**Bond Indenture**”), between the Authority and the Bond Trustee, to provide funds (i) to refund the Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Series 2008A (Louisville Arena Authority, Inc.), consisting of (a) Subseries 2008A-1 Fixed Rate Bonds outstanding in an aggregate principal amount of \$292,280,000, and (b) Subseries 2008A-2 Capital Appreciation Bonds, being capital appreciation bonds having an aggregate value upon final maturity of \$43,185,000 (collectively, the “**Series 2008A Bonds**”); (ii) to refund the Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Taxable Series 2008B (Louisville Arena Authority, Inc.) outstanding in an aggregate principal amount of \$17,335,000 (the “**Series 2008B Bonds**”); (iii) to refund the Kentucky Economic Development Finance Authority, Louisville Arena Project Revenue Bonds, Taxable Subordinate Series 2008C (Louisville Arena Authority, Inc.) outstanding in an aggregate principal amount of \$9,900,000 (the “**Series 2008C Bonds**” and, together with the Series 2008A Bonds and the Series



2008B Bonds, the “**Series 2008 Bonds**”); (iv) to partially fund a debt service reserve fund; (v) to provide for credit enhancement for the Series 2017 Bonds; (vi) to provide working capital funds; (vii) to fund a renovation and replacement fund; and (viii) to pay other expenses and costs incurred in connection with the issuance of the Series 2017 Bonds and the refunding of the Series 2008 Bonds, all pursuant to a resolution duly adopted by the Authority. This Series 2017B Bond and all Series 2017 Bonds of this issue, together with certain Reimbursement Obligations (as defined in the Bond Indenture), are payable solely from the Trust Estate created in and by the Bond Indenture. Pursuant to a Loan Agreement dated as of December 1, 2017 (the “**Loan Agreement**”), between the Authority and the Louisville Arena Authority, Inc. (the “**Corporation**”), a Kentucky nonprofit corporation, the proceeds of the Series 2017 Bonds have been loaned to the Corporation and the Corporation has agreed to make or cause to be made payments to the Authority at times and in sufficient amounts to enable the Authority to pay when due the principal of and interest on the Series 2017 Bonds and the Reimbursement Obligations. By the Bond Indenture the Authority has assigned and pledged to the Bond Trustee, for the ratable benefit of the holders of the Series 2017 Bonds and the Reimbursement Obligations, the Authority’s interest in the Loan Agreement (except for Unassigned Rights). Reference is hereby made to the Bond Indenture and the Loan Agreement, as the same may be amended and supplemented from time to time, for a description of the rights, limitations of rights, obligations, duties, and immunities of the Authority, the Corporation, the Bond Trustee, and the holders of the Series 2017 Bonds, and for certain terms used but not defined herein. Among other things, the Bond Indenture makes provision for the amendment and supplementation of the Loan Agreement and the Bond Indenture, the satisfaction of the Bond Indenture and the defeasance of Series 2017 Bonds and the redemption, removal, and replacement of the Bond Trustee. Executed counterparts or certified copies of the Bond Indenture and the Loan Agreement are on file in the Designated Corporate Trust Office of the Bond Trustee.

The Corporation has absolutely and irrevocably assigned its rights in (i) the TIF Contract (as defined in the Bond Indenture), including the Corporation’s rights to receive TIF Revenues (as defined in the Bond Indenture) from the Commonwealth on the dates and in the amounts provided therein, and (ii) the Metro Contract (as defined in the Bond Indenture), including the Corporation’s rights to receive TIF Revenues (as defined in the Bond Indenture) from Louisville/Jefferson County Metro Government, Kentucky on the dates and in the amounts provided therein, to the Bond Trustee as additional security for the Series 2017 Bonds.

All outstanding Series 2017 Bonds and the Reimbursement Obligations are secured, together with any Senior Refunding Bonds (as defined in the Bond Indenture) ranking on a parity with the Series 2017 Bonds that may be issued and outstanding from time to time, by a co-equal lien on and claim to the Trust Estate under the Bond Indenture and share ratably therein without any preference, priority, or distinction as to the source or method of payment and security. The Bond Indenture permits the issuance from time to time, subject to certain conditions, of such Senior Refunding Bonds and also permit the issuance from time to time, subject to certain conditions, of Subordinate Bonds on a basis subordinate as to payment and security to the Series 2017 Bonds and Senior Refunding Bonds.

The Series 2017B Bonds are subject to redemption before their stated maturity dates, as provided in the Bond Indenture, as set forth in the following paragraphs:

The Series 2017B Bonds maturing on or before December 1, 2027 are subject to optional redemption before their maturity, in whole or in part on any date, at a redemption price (the **“Make-Whole Premium Redemption Price”**) equal to the greater of (i) 100% of the principal amount of the Series 2017B Bonds to be redeemed, or (ii) the sum of the present values of the remaining scheduled payments of principal and interest on the Series 2017B Bonds to be redeemed (exclusive of interest accrued to the date fixed for redemption) discounted to the date of redemption on a semiannual basis (assuming a 360-day year consisting of twelve 30-day months) at the Comparable Treasury Yield (defined below) plus 35 basis points, plus in each case, accrued and unpaid interest on the Series 2017B Bonds being redeemed to the date fixed for redemption.

For purposes of calculating the Make-Whole Premium Redemption Price with respect to the optional redemption of the Series 2017B Bonds, the following terms shall have the following meanings:

**“Calculation Agent”** means an investment banking institution of national standing that is a primary dealer of United States government securities in the United States and designated by the Corporation (which may be one of the institutions that served as an underwriter for the Series 2017B Bonds), an independent accounting firm or financial advisor.

**“Comparable Treasury Issue”** means the United States Treasury security selected by the Calculation Agent as having an actual or interpolated maturity comparable to the remaining average life of the Series 2017B Bond being redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of debt securities of comparable maturity to the remaining average life of the Series 2017B Bond being redeemed.

**“Comparable Treasury Price”** means, with respect to any date on which a Series 2017B Bond or portion thereof is being redeemed, either: (a) the average of five Reference Treasury Dealer quotations for the date fixed for redemption, after excluding the highest and lowest such quotations or (b) if the Calculation Agent is unable to obtain five such quotations, the average of the quotations that are obtained. The quotations will be the average, as determined by the Calculation Agent, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of principal amount) quoted in writing to the Calculation Agent, at 5:00 p.m. New York City time at least three business days but no more than twenty business days preceding the date fixed for redemption.

**“Comparable Treasury Yield”** means the per annum yield that represents the average of the daily yields to maturity for the preceding week appearing in the most recently published statistical release designated “H.15(519) Selected Interest Rates” under the heading “Treasury Constant Maturities, ” or any successor publication selected by the Calculation Agent that is published weekly by the Board of Governors of the Federal Reserve System and that establishes

yields on actively traded United States Treasury securities adjusted to constant maturity (the “Weekly Average Yield”), for the maturity corresponding to the remaining average life of the Series 2017B Bond being redeemed. The Comparable Treasury Yield will be determined at least three business days but no more than twenty business days preceding the date fixed for redemption. If the H.15(519) statistical release sets forth a Weekly Average Yield for United States Treasury securities that have a constant maturity that is the same as the remaining average life of the Series 2017B Bond being redeemed, then the Comparable Treasury Yield will be equal to such Weekly Average Yield. In all other cases, the Comparable Treasury Yield will be calculated by interpolation on a straight-line basis, between the Weekly Average Yields on the United States Treasury securities that have a constant maturity: (i) closest to and greater than the remaining average life of the Series 2017B Bond being redeemed; and (ii) closest to and less than the remaining average life of the Series 2017B Bond being redeemed. Any Weekly Average Yields calculated by interpolation will be rounded to the nearest 1/100th of 1%, with any figure of 1/200th of 1% or above being rounded upward. If, and only if, Weekly Average Yields for United States Treasury securities for the preceding week are not available in the H.15(519) statistical release or any successor publication, then the Comparable Treasury Yield will be the rate of interest per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price (each as defined herein) as of the date fixed for redemption.

“**Reference Treasury Dealer**” means a primary dealer of United States Government securities in the United States (which may be one of the institutions that served as underwriters for the Series 2017B Bonds) appointed by the Corporation and reasonably acceptable to the Calculation Agent.

The Series 2017B Bonds maturing on or after December 1, 2028 are subject to optional redemption on or after December 1, 2027 in whole or in part, at any time, at a redemption price of 100% of the principal amount thereof plus interest accrued to the redemption date.

The Series 2017B Bonds are not subject to mandatory Senior Bond Sinking Fund redemption.

The principal amount of the Series 2017B Bonds so required to be redeemed on any such mandatory redemption date may, at the direction of the Corporation by delivery of Written Instructions, be reduced by the principal amount of the Series 2017B Bonds of the same maturity (i) purchased by or surrendered to the Bond Trustee for cancellation; or (ii) redeemed other than through Senior Bond Sinking Fund redemption, and which, in either case, have not previously been the basis for a reduction of the principal amount of the Series 2017B Bonds to be redeemed through Senior Bond Sinking Fund redemption.

The Series 2017B Bonds are subject to redemption before maturity as a whole at any time or in part from time to time, pursuant to the Bond Indenture, from and to the extent of certain insurance proceeds or condemnation awards, if any, applied, pursuant to the Loan Agreement, to the prepayment of all or a portion of the amounts due pursuant to the Loan Agreement, but

only if such proceeds exceed \$3,500,000. Any such redemption shall be effected at a redemption price equal to 100% of the principal amount of the Series 2017B Bonds so redeemed plus accrued interest to the redemption date. In the case of any such redemption of less than all of a series of Series 2017 Bonds then outstanding, the Series 2017 Bonds shall be selected for redemption in accordance with the requirements contained in the Bond Indenture.

Any notice or call for redemption will be given by mailing a copy of the redemption notice first class mail to each registered holder of a Series 2017 Bond to be redeemed not less than thirty nor more than sixty days before the date fixed for redemption. Failure to receive notice by mailing or any defect therein will not affect the validity of the redemption. Interest will not be payable on any Series 2017 Bonds so called for redemption after the date fixed for redemption if such notice has been given and sufficient moneys are on deposit with the Series 2017 Bond Trustee to pay the principal of and interest on such Series 2017 Bonds to the date fixed for redemption.

If at the time of mailing notice of any optional redemption there shall not have been deposited with the Bond Trustee moneys sufficient to redeem all Series 2017 Bonds called for redemption, such notice shall state that it is conditional in that it is subject to the deposit of such moneys with the Bond Trustee not later than the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

The Series 2017 Bonds, upon surrender thereof to the Bond Trustee together with Written Instructions satisfactory to the Bond Trustee, duly executed by the registered holder or his attorney duly authorized in writing, may be transferred to another registered holder or may be exchanged for an equal aggregate face amount of Series 2017 Bonds with the same interest rate and maturity of any other Authorized Denominations, all as set out in the Bond Indenture. The Bond Trustee, as Bond Registrar, shall not be required to make any exchange or transfer of this Series 2017 Bond after notice calling this Series 2017 Bond or portion hereof for redemption has been mailed or during the period of seven days next preceding the mailing of notice of redemption of Series 2017 Bonds of the same maturity. In connection with any such exchange or transfer of Series 2017 Bonds, the holder requesting such exchange or transfer shall as a condition precedent to the exercise of the privilege of making such exchange or transfer remit to the Bond Trustee an amounts sufficient to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer.

The holder of this Series 2017 Bond shall have no right to enforce the provisions of the Bond Indenture or to institute an action to enforce the covenants thereof, or to take any action with respect to a default hereof, or to institute, appear in, or defend any suit or other proceedings with respect thereto or hereto, except as provided in the Bond Indenture.

Amendments of or supplements to the Bond Indenture or the Loan Agreement may be made only to the extent and in the circumstances permitted by the Bond Indenture.

For purposes of interpreting the phrase "term of the bond" as utilized within KRS 65.4931(1)(c) and the TIF Contract, the term of the Series 2017 Bonds shall be deemed to extend

until the date all Series 2017 Bonds have been paid in full and no Reimbursement Obligations with respect to the Series 2017 Bonds remain outstanding or unpaid hereunder or under any or all of the Series 2017 Bond Insurance Policy, the Series 2017 Senior Reserve Fund Surety, or the Series 2017 Liquidity Reserve Policy.

It is hereby further certified and recited that all acts, conditions, and things required to exist, to happen, and to be performed precedent to and in the issuance of this Series 2017B Bond have existed, have happened, and have been performed in due form, time, and manner as required by law.

[Signature page to follow]

[SIGNATURE PAGE TO SERIES 2017B BOND]

IN TESTIMONY WHEREOF, the Authority has caused this Series 2017B Bond to be executed and attested by the manual or facsimile signatures of its Chair or Vice Chair and its Secretary-Treasurer or any Assistant Secretary-Treasurer, and this Series 2017B Bond to be authenticated by the manual signature of an authorized signer of the Bond Trustee, without which authentication this Series 2017B Bond shall not be valid or entitled to the benefits of the Bond Indenture.

**KENTUCKY ECONOMIC  
DEVELOPMENT FINANCE AUTHORITY**

By: \_\_\_\_\_  
Vice Chair

Attest:

By: \_\_\_\_\_  
Secretary-Treasurer

**AUTHENTICATION CERTIFICATE**

The undersigned Bond Trustee hereby certifies that this is one of the Series 2017B Bonds described in the within-mentioned Bond Indenture.

**REGIONS BANK**, as Bond Trustee

By: \_\_\_\_\_  
Authorized Signer

Date of Authentication: December 20, 2017

**ASSIGNMENT**

**FOR VALUE RECEIVED** the undersigned hereby sells, assigns and transfers unto

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(Please print or typewrite name and address and

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give Social Security or other identifying number of transferee)

the within Series 2017B Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Series 2017B Bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

\_\_\_\_\_  
**NOTICE:** The signature to this assignment must correspond with the name of the registered holder as it appears upon the face of the within Series 2017B Bond in every particular, without alteration or enlargement or any change whatever.

**STATEMENT OF INSURANCE**

Assured Guaranty Municipal Corp. ("**AGM**"), New York, New York, has delivered its municipal bond insurance policy (the "**Policy**") with respect to the scheduled payments due of principal and interest on this Series 2017B Bond to Regions Bank, Nashville, Tennessee, or its successor, as paying agent for the Series 2017B Bonds (the "**Paying Agent**"). The Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Series 2017B Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.