

ORDINANCE NUMBER 137, SERIES 2016

AN ORDINANCE OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, PROVIDING FOR AND AUTHORIZING THE ISSUANCE OF CERTAIN GENERAL OBLIGATION BONDS OF THE METRO GOVERNMENT IN ONE OR MORE SERIES TO FINANCE THE COSTS OF THE PUBLIC PROJECTS AS DESCRIBED THEREIN; SETTING FORTH THE TERMS AND CONDITIONS ON WHICH THE BONDS ARE TO BE ISSUED AND PROVIDING FOR A COMPETITIVE, ADVERTISED SALE THEREOF; DEFINING AND PROVIDING FOR THE RIGHTS OF THE HOLDERS OF THE BONDS AND PROVIDING FOR THE APPLICATION OF THE PROCEEDS THEREOF; AND TAKING OTHER RELATED ACTION RELATING TO THE ISSUANCE AND SALE OF THE BONDS.

Sponsored By: Councilwoman Leet.

WHEREAS, in the November 7, 2000 General Election, local voters approved a consolidation of the governmental and corporate functions of the City of Louisville, Kentucky (the "City") and the County of Jefferson, Kentucky (the "County") into a single political entity, and pursuant to legislation enacted by the Kentucky General Assembly, the Louisville/Jefferson County Metro Government (the "Issuer") commenced operations effective January 6, 2003, replacing and superseding the governments of the City and the County; and

WHEREAS, the Issuer has determined that it is necessary, desirable and in the public interest to finance the costs of the public projects, including costs of the acquisition, installation and maintenance of equipment and vehicles to be used by various departments and agencies of the Issuer, hereinafter described, through the incurrence of indebtedness as herein described by the sale and issuance of the Issuer's "General Obligation Bonds, Series 2016A" (the "Bonds"), the payment of the principal thereof and interest thereon is secured by the full faith, credit and resources of the Issuer which is hereby pledged for such purpose pursuant to this Bond Ordinance; and

WHEREAS, it is the desire and intent of the Issuer at this time to enact this Bond Ordinance which, among other things, authorizes and provides for the issuance of the Bonds for

the purpose aforesaid and sets forth the restrictions and conditions on which the Bonds are to be issued and outstanding; and

WHEREAS, the General Assembly of the Commonwealth in 1994 enacted Senate Bill 256 proposing amendments to Sections 156, 157 and 158 of the Kentucky Constitution; and

WHEREAS, such amendments to the Kentucky Constitution were approved and enacted into law, by virtue of a favorable vote of the electorate in November 1994; and

WHEREAS, on July 24, 1998, the Kentucky Court of Appeals in *Chandler v. City of Winchesters* 973 S.W.2d 78 (1998) rejected a challenge by the Attorney General of the Commonwealth to the validity of the amendment enacted to Section 157 of the Kentucky Constitution, and such decision of the Court of Appeals has become final, the Attorney General having not appealed therefrom; and

WHEREAS, Chapter 280 of the Acts of the General Assembly of the Commonwealth, 1996 Regular Session, enacted legislation which is codified at Sections 66.011 through 66.191 of the Kentucky Revised Statutes ("KRS"), "General Provisions on Bonded Indebtedness of Local Governments" (collectively, the "Act"), providing for the issuance of bonds, notes, commercial paper and other instruments for one or more of the following purposes, with a maximum bond maturity of not exceeding forty (40) years: (i) paying all or any portion of the costs of the acquisition, improvement or construction of public projects (provided bonds for such purpose shall have a maximum maturity not exceeding the good faith estimated life or period of usefulness of the public project, or if the issue includes more than one public project, a maximum maturity not exceeding the good faith estimated weighted average number of years of life or period of usefulness of the public projects), (ii) funding floating indebtedness (provided bonds for such purpose shall have a maximum maturity of five (5) years), (iii) funding the cost of providing a public service if the governing body of the issuer determines that an emergency exists and the public health or safety so requires, (iv) to fund unfunded liabilities, (v) to establish a reserve for past or future liabilities or casualties, (vi) to pay one or more final judgments

rendered against an issuer, including settlement of claims approved by the court and (vii) to fund or refund any outstanding bonds or obligations previously issued; and

WHEREAS, Subsection (1) of Section 66.101 of the Act provides that the authorizing bond legislation shall (i) declare the necessity of the bond issue, (ii) state the principal amount or maximum principal amount of the bonds to be issued, (iii) state the purpose of the bond issue, (iv) state or provide for the date of, and the dates and amounts or maximum amounts of, maturities or principal payments on the bonds, (v) state any provisions for a mandatory sinking fund, mandatory sinking fund redemption or for redemption prior to maturity, (vi) provide for the rate or rates of interest, or maximum rate or rates of interest, or the method from time to time for establishing or determining the rate or rates of interest to be paid on the bonds and (vii) state any provision for a designated officer of the issuer to determine any of the specific terms required to be stated or provided for in such section, subject to any limitations stated in the proceedings; and

WHEREAS, Subsection (2) of Section 66.101 of the Act provides that (i) the legislation authorizing issuance of bonds shall identify the source or sources of payment of debt charges on the bonds, which may be any moneys of the issuer required by law to be used, or lawfully available and (ii) such legislation shall provide (but only to the extent the amount lawfully available from existing taxes is insufficient) for the levying of a tax sufficient in amount to pay the debt charges on the bonds issued under the legislation; and

WHEREAS, Subsection (1) of Section 66.111 of the Act provides that the issuer shall, after the issuance of the bonds (and to the extent the amount lawfully available from existing taxes is insufficient), levy a tax in a sufficient amount and appropriate in its annual budget, together with any other moneys available to the issuer, an amount of funds sufficient to pay debt charges on the bonds; and

WHEREAS, Subsection (2) of Section 66.111 of the Act provides that if the issuer determines it to be necessary and appropriate, and if not prohibited by other law, proceedings relating to issuance of the bonds may contain or provide for a pledge to the payment of debt charges on the bonds, and a related covenant to levy, charge, collect, deposit, and apply, receipts of the issuer (including but not limited to ad valorem property taxes as permitted by law, occupational license fees, insurance premium taxes, excises, utility and service revenues and any other receipts from taxes, excises, permits, licenses, fines or other source of revenue of, or of revenue distributions to, the issuer); provided no such pledge or covenant may be made that impairs the express contract rights of the holders of outstanding bonds of the issuer; and

WHEREAS, the Project (hereinafter defined), constitutes a public project within the meaning of the Act, and the weighted average number of years of life or period of usefulness thereof, as estimated by the Issuer exceeds the maximum maturity of the Bonds authorized to be issued and sold pursuant to this Bond Ordinance; and

WHEREAS, KRS 67C.123(1) provides that the tax structure, tax rates, and level of services in effect in the former City and County upon the adoption of a consolidated local government shall remain in effect after the adoption of the consolidated local government and shall remain the same until changed by the consolidated local government council; and

WHEREAS, KRS 67C.123(3) provides that all bonds and other obligations of the former City and County, respectively, in existence on the effective date of the consolidated local government shall continue in force and effect as obligations of the consolidated local government and the consolidated local government shall succeed to all rights and entitlements thereunder; and

WHEREAS, KRS 67C.123(3) further provides that all conflicts, if any, in the provisions of the bonds or other obligations of the former City and County, respectively, in existence on the effective date of the consolidated local government shall be resolved in a manner that does not impair the rights of any parties thereto; and

WHEREAS, the projects financed constitute public projects within the meaning of KRS 66.011; and the life or period of usefulness of said projects, as estimated by the Issuer, extends beyond the respective maturity of the Bonds; and

WHEREAS, on issuance of the Bonds authorized to be issued and sold pursuant to this Bond Ordinance, the total indebtedness of the Issuer within the meaning of Section 158 of the Kentucky Constitution, and the total net indebtedness of the Issuer within the meaning of the Act, do not exceed any applicable limitation based on the total value of taxable property within the consolidated local government as determined by the last certified assessment with respect to such property; and

WHEREAS, all acts, conditions and things required by the constitution and laws of the Commonwealth and by the requirements applicable to the Issuer to happen, exist and be performed precedent to and in the execution and delivery of this Bond Ordinance and the issuance of the Bonds (hereinafter defined) have happened, have existed and have been performed as so required in order to make this Bond Ordinance a valid and binding contract for the benefit of Bondholders (hereinafter defined) in accordance with the terms and provisions hereof.

NOW, THEREFORE, BE IT ORDAINED BY THE LEGISLATIVE COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, AS FOLLOWS:

ARTICLE 1

INTRODUCTION AND DEFINITIONS

Section 1.1. Incorporation of Preambles Into Bond Ordinance; Determinations of Fact. It is hereby determined and declared that all statements of fact set forth in the preambles to this Bond Ordinance are true and accurate in all respects. Said preambles are hereby incorporated in this Bond Ordinance by reference, the same as if set forth at length herein.

Section 1.2. Definitions. As used in this Bond Ordinance, unless the context requires otherwise, the following terms shall have the following respective meanings:

"Act" means collectively, Sections 66.011 through 66.191 of the Kentucky Revised Statutes.

"Agent Member" means a member of, or participant in, the Securities Depository.

"Authorized Denomination" means the authorized denominations of the Bonds, which shall be \$5,000 or any multiple of \$5,000.

"Bondholder", or *"Bondowner"*, or *"Holder"*, or *"Owner"* means the person in whose name a Bond is registered on the registration books maintained by the Bond Registrar. Notwithstanding this definition, with respect to any Bonds which are registered in Book-Entry Form, the Bond Registrar shall be entitled to rely on written instructions from a majority of the beneficial owners of the Bonds with reference to consent, if any, required from Bondholders under this Bond Ordinance.

"Bond Registrar" or *"Registrar"* or *"Paying Agent"* or *"Transfer Agent"* means the bank which shall constitute the Bond Registrar and Paying Agent with respect to the Bonds, which bank shall have the duties and responsibilities of (a) issuing checks or wire transfers in payment of interest requirements as to the Bonds, (b) paying the principal of same at maturity or applicable mandatory redemption or optional redemption prior to maturity upon surrender of the Bonds, (c) authenticating, issuing and delivering the Bonds to the original purchasers of same in accordance with the sale of the Bonds, at the direction of the Issuer, (d) maintaining the Bond Register and (e) handling exchanges, cancellations, reissuance, redemption and all apparent duties of a Bond Registrar, Paying Agent and Transfer Agent with respect to the Bonds, as set out in the Paying Agency Agreement. U.S. Bank National Association, Louisville, Kentucky is hereby designated the Bond Registrar, Paying Agent and Transfer Agent hereby. Provided, however, it is understood that the Issuer, either pursuant to a resolution of the Metro Council or by order of the Mayor and the Chief Financial Officer, and in accordance with the provisions of

Section 3.3 hereof, reserves the right to designate a different Federal Deposit Insurance Corporation instrumentality to perform any and all of such functions of Bond Registrar, Paying Agent and Transfer Agent as to the Bonds.

"Bond Register" means the form or system or document in which the ownership of Bonds is recorded by the Bond Registrar.

"Bond Ordinance" means this ordinance of the Issuer, authorizing and approving the Bonds, as amended or supplemented from time to time in accordance with the provisions hereof.

"Bond Fund" means the fund created by Section 5.5 of this Bond Ordinance.

"Bonds" means the Series 2016A Bonds authorized under the provisions of this Bond Ordinance.

"Book-Entry Form" means, with respect to the Bonds, a form or system, as applicable, under which (i) the ownership of beneficial interests in Bonds and bond service charges may be transferred only through a book entry and (ii) physical Bond certificates in fully registered form are registered only in the name of a Securities Depository or its nominee as Holder, with the physical Bond certificates in the custody of a Securities Depository.

"Business Day" means any day other than (i) a Saturday, Sunday or holiday or (ii) a day on which banks located in the city or cities in which the designated corporate trust office of the Paying Agent is located are required or authorized to close for general banking business or a day on which the New York Stock Exchange is closed.

"Chief Financial Officer" means the Chief Financial Officer of the Issuer, or such other official of the Issuer as may from time to time be designated by the Issuer to perform the functions or responsibilities of the Chief Financial Officer hereunder.

"Code" means the Internal Revenue Code of 1986, as amended to the date of adoption of this Bond Ordinance, or as hereafter amended, including valid regulations of the Department of the Treasury and rulings of the Commissioner of Internal Revenue thereunder.

"Commonwealth" means the Commonwealth of Kentucky.

"Cost of Issuance Account" means the account created by Section 5.4 of this Bond Ordinance.

"Defeasance Obligations" means the following:

(a) direct obligations of (including obligations issued or held in book entry form) the United States of America; and

(b) any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based on the escrow, in the highest rating category of Standard and Poor's Ratings Services and Moody's Investors Service or any successors thereto; or (ii) which are fully secured as to principal and interest and redemption premium, if any, by a fund consisting only of cash or obligations described in paragraph (a) above, which fund may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate.

"Disclosure Agreement" means the Continuing Disclosure Agreement of the Issuer substantially in the form which is attached as Exhibit B to this Bond Ordinance.

"Fiscal Year" means any period of twelve (12) months commencing July 1 of any year and ending June 30 of the ensuing year, or any other fiscal year of the Issuer after recognition of such fiscal year by a supplement to this Bond Ordinance.

"Financial Advisor" means J.J.B. Hilliard, W.L. Lyons, LLC, Louisville, Kentucky.

"Funds and Accounts" means, collectively, the Bond Fund, the Cost of Issuance Account and the Project Fund.

"General Obligation Debt" means, collectively, the Bonds as may be Outstanding from time to time, as well as all other general obligation debt of the Issuer (including bonds, notes, commercial paper and any other debt instruments in writing, authorized by or issued as general obligations of the Issuer pursuant to or in accordance with the Act) and bond anticipation notes of the Issuer, if any, as may be issued and outstanding from time to time under the Act.

"Interest Payment Date" or "Payment Date" means, except as may be provided pursuant to the procedures established for public sale in Section 4.1 hereof accepting or ratifying bids for the purchase of each series of Bonds shall be each June 1 and December 1, commencing June 1, 2017; (ii) any date set for the redemption of Bonds, as provided in the Bond Ordinance; and (iii) with respect to any other General Obligation Debt (if any), the applicable payment dates set forth or approved in the Issuer's legislation authorizing issuance of the General Obligation Debt.

"Investment Obligation" means any investment that the Issuer is authorized to acquire pursuant to the Kentucky Revised Statutes, as amended from time to time, and to the extent, if any, that the funds then proposed for investment are governed by an applicable formal investment policy of the Issuer, which complies with such investment policy.

"Issuer" means the Louisville/Jefferson County Metro Government, a consolidated local government and political subdivision of the Commonwealth.

"Kentucky Revised Statutes" or "KRS" means the Kentucky Revised Statutes as in effect at the date of the adoption of this Bond Ordinance, and any future amendments thereof to the extent that the same will not unconstitutionally impair the obligations of contracts created under the provisions of the Bond Ordinance.

"Mayor" means the Mayor of the Louisville/Jefferson County Metro Government.

"Metro Clerk" means the Clerk of the Metro Council.

"Metro Council" means the Louisville/Jefferson County Metro Council, the legislative body of the Issuer.

"Official Statement" means the final Official Statement of the Issuer relating to the original issuance of the Bonds.

"Official Terms and Conditions of Bond Sale" means the respective Official Terms and Conditions of Bond Sale prepared for distribution to potential bidders prior to the date of sale of the Bonds.

"Outstanding", when used with reference to any Bonds, means, as of any date, all Bonds theretofore or then being authenticated and delivered under the Bond Ordinance, except:

- (a) any Bonds cancelled by the Bond Registrar at or prior to such date;
- (b) Bonds in lieu of or in substitution for which other Bonds shall have been authenticated and delivered; and
- (c) Bonds deemed to have been paid as provided in Section 10.3 of this Bond Ordinance.

"Paying Agency Agreement" the Paying Agency Agreement dated as of the date of issuance of the Bonds by and between the Issuer and the Bond Registrar setting forth the duties of the Bond Registrar under this Bond Ordinance.

"Pledged Receipts" means amounts received by or on behalf of the Issuer (including but not limited to ad valorem property taxes as permitted by law, occupational license fees, insurance premium taxes, excises, utility and service revenues and any other receipts from taxes, excises, permits, licenses, fines or other source of revenue of, or of revenue distributions to, the Issuer).

"Project" means collectively (i) the acquisition, construction and equipping of various public projects as described in the Issuer's 2016-17 Capital Project Budget set forth in the Issuer's Budget Ordinance No. 102, Series 2016 and (ii) the acquisition, installation and maintenance of equipment and vehicles for various departments and agencies of the Issuer.

"Project Fund" means the fund created by Section 5.6 of this Bond Ordinance.

"Record Date" means with respect to the Bonds the fifteenth (15th) day of the month prior to each date established for payment of principal, interest or premium on the Bonds, whether by maturity, acceleration or redemption.

"Revenue Commission" means Louisville/Jefferson County Metro Revenue Commission, as established and operated under the provisions of the Louisville/Jefferson County Metro Government Codified Ordinances §§32.450 through 32.454.

"Sale Certificate" means the Certificate Awarding the Bid on the Bonds executed by the Chief Financial Officer accepting the successful bid on for the Bonds and setting the principal amount, maturities, mandatory redemption schedule and interest rates for each series of the Bonds.

"Securities Depository" means any securities depository that is a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in bonds and bond service charges, and to effect transfers of bonds in Book-Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

"Securities Depository Nominee" means any nominee of a Securities Depository and shall initially mean Cede & Co., New York, New York, as nominee of The Depository Trust Company.

"Series 2016A Bonds" means the Louisville/Jefferson County Metro Government General Obligation Bonds, Series 2016A, dated the date of issuance.

"Tax Advantaged Bonds" means the Series 2016A Bonds.

"Term Bonds" means the Bonds, if any, which are required to be mandatorily redeemed in accordance with the provisions hereof and as set forth in the Sale Certificate.

"Underwriters" means the successful bidders for the purchase of the Bonds on the competitive sale thereof.

All references in this instrument to designated "Articles," "Sections" and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words "herein," "hereof" and "hereunder" and other words of similar import refer to this Bond Ordinance as a whole and not to any particular Article, Section or other subdivision unless the context indicates otherwise.

The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular, and when expressed in the plural, shall also include the singular.

All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

ARTICLE 2

AUTHORIZATION OF BONDS

Section 2.1. Authorization and Approval of Documents. This Bond Ordinance is hereby adopted and approved, under authority of (i) the Act, (ii) the general laws and the Constitution of the Commonwealth, including Sections 158 and 159 of such Constitution and (iii) applicable decisions of the appellate courts of the Commonwealth. All actions of the Revenue Commission, the Issuer, and their respective staffs in the structuring, staffing, planning and preparation of all documentation for the issuance of the Bonds are hereby authorized and ratified.

Provided they are not subject to any general or personal liability, all appropriate officers and officials of the Issuer and all appropriate employees or agents of the Issuer are hereby authorized to approve and to execute, acknowledge and deliver on behalf of the Issuer any and

all papers, instruments, certificates, affidavits and other documents, and to do and cause to be done any and all acts and things necessary or proper for entering into and effecting this Bond Ordinance and the documents herein authorized and contemplated relating to the issuance of the Bonds, including but not limited to the Disclosure Agreement, the Escrow Agreement, the Paying Agency Agreement and the Sale Certificate.

Section 2.2. Approval of Use of Proceeds and Authorization for the Bonds; Designation of Bond Counsel and Financial Advisor; Ratification of Official Intent. The financing of the Project is hereby approved, ratified and affirmed to be necessary and desirable, and to accomplish such purpose the Issuer hereby determines, subject to the acceptance of an acceptable bid or bids for the purchase of each series of Bonds pursuant to the Official Terms and Conditions of Bond Sale substantially in the forms approved in this Bond Ordinance.

The Issuer is authorized to issue and sell its Series 2016A Bonds in a principal amount not to exceed \$69,500,000, the exact amount to be specified by the Issuer in the Sale Certificate accepting the successful bid for each series of Bonds at the recommendation of the Financial Advisor to the Issuer based on the bond market at the time of sale of the Bonds.

Any previously expressed intent by the Issuer to proceed with the Project and to be reimbursed for amounts contributed by the Issuer or otherwise paid in connection with the Project is hereby ratified and affirmed. It is further acknowledged, ratified and confirmed that it is the official intent of the Issuer that costs of the Project may be paid from existing available funds of the Issuer prior to the issuance of the Bonds. The Issuer reasonably expects and intends to be reimbursed for such expenditures from the proceeds of the Bonds. Nothing in this Bond Ordinance, however, shall commit or require the Issuer to issue Bonds in any amount, and the Underwriters shall have no rights with respect to this Bond Ordinance or the Bonds, unless and until the Bonds shall be sold and delivered pursuant to Section 4.1 hereof; and in this regard the Issuer expressly reserves the right to refuse to issue Bonds, for any reason whatsoever in the sole discretion of the Issuer.

The law firm of Rubin & Hays is designated as Bond Counsel in connection with the Bonds. The firm of J.J.B Hilliard, W.L. Lyons, LLC is designated as Financial Advisor in connection with the Bonds.

Section 2.3. Designation of Bonds. Pursuant to the Act, there is hereby established and created one or more series of Bonds of the Issuer to be known and designated as follows:

(a) Louisville/Jefferson County Metro Government General Obligation Bonds, Series 2016A.

The Bonds shall be issued as hereinafter provided, subject to the successful sale thereof pursuant to Section 4.1 hereof.

ARTICLE 3

THE BONDS

Section 3.1. Term, Form and Execution of Bonds. Each series of the Bonds shall initially be dated as of the date of delivery, or (on the recommendation of the Financial Advisor to the Issuer hereinafter identified) as of any other date as may be authorized by separate resolution of the Issuer or such other date as may be determined by the Chief Financial Officer of the Issuer upon the recommendation of the Financial Advisor to the Issuer, and shall bear interest payable on each Payment Date.

The Bonds shall be issued and reissued by the Bond Registrar, from time to time, only as fully registered bonds without coupons in the Authorized Denominations, all as set forth in the respective form of Bonds which shall be in substantially the forms attached hereto as Exhibit A and shall contain a statement pursuant to KRS 66.021(2)(a), to the effect that the Bonds are issued or entered into under or pursuant to authorizing provisions of law. The Bonds shall initially be issued in Book-Entry Form and registered in the name of the Securities Depository or

the Securities Depository Nominee as provided in Section 3.10 of this Bond Ordinance. Unless the Issuer shall otherwise direct, the Bonds shall be numbered serially from 1 upwards or as the Bond Registrar may determine.

The Bonds shall bear interest, to be set by a public sale, from the date of their issuance, payable on the Interest Payment Dates. The total principal amount and the maturities of the Bonds shall be finally determined in accordance with the provisions of Section 4.1 hereof.

The Bonds shall be executed for and on behalf of the Issuer by the manual or reproduced facsimile signature of the Mayor of the Issuer and by the manual or reproduced facsimile signature of the Chief Financial Officer of the Issuer, and shall be imprinted with a manual or facsimile of the Seal of the Issuer.

The official signatures of said officials of the Issuer shall be valid and binding notwithstanding that before delivery of the Bonds and payment therefor any and all persons whose signatures appear thereon shall have ceased to be such officers.

Section 3.2. General Obligation and Liability of Issuer; Tax Levy and Pledge. The Bonds are general obligations of the Issuer and the full faith, credit and taxing power of the Issuer are hereby irrevocably pledged to the prompt payment of the principal of and interest (and premium, if any) on the Bonds when due.

As general obligations of the Issuer, the Bonds shall be and hereby are declared to be payable in accordance with the Act from all lawfully available Pledged Receipts (including, but not by way of limitation, any moneys attributable to Bond proceeds or the income from the temporary investment thereof, moneys held in the Funds and Accounts and any other moneys held by the Bond Registrar for the benefit of the Bonds); provided there shall be no impairment of the express contract rights, if any, of the holders of outstanding bonds of the Issuer. No liability shall attach to the officials, agents, directors, employees or representatives of the Issuer for the payment of principal, interest or premium, if any, on the Bonds.

For the purpose of providing funds required to pay the interest on the Bonds (as well as all other General Obligation Debt, if any) as and when the interest becomes due and in order to create a sinking fund to pay and discharge the principal thereof (and premium, if any) as the Bonds and any other General Obligation Debt become due, and pursuant to and in compliance with (i) Section 159 of the Constitution of the Commonwealth and (ii) the Act, there shall be and there is hereby levied on all of the taxable property within the jurisdiction of the Issuer, beginning as of the date hereof and continuing in each year as long as any of the Bonds are Outstanding or any other General Obligation Debt is outstanding, a direct annual tax sufficient, to the extent other lawfully available moneys of the Issuer are not provided, for that purpose, which tax shall be unlimited as to rate or amount. The Issuer hereby covenants and pledges to levy, charge, collect, deposit and apply the proceeds of such special annual tax to the payment of such debt charges on the Bonds and any other General Obligation Debt. The Issuer acknowledges, however, that in the current fiscal year no such special tax would actually be required to be levied or collected in order for the Issuer to make payments on the Bonds (and such other General Obligation Debt, if any) when due, there being sufficient other moneys lawfully available to the Issuer for the making of such payments. The Issuer further acknowledges that in no future fiscal year does the Issuer currently expect that a special tax would actually be required to be levied or collected for the Issuer to make payments on the Bonds (and such other General Obligation Debt, if any) when due, the Issuer having projected there shall be sufficient other moneys lawfully available to the Issuer for the making of such payments.

Any and all proceeds derived from the special annual tax authorized above and levied from time to time, together with other lawfully available moneys of the Issuer provided for the purpose, shall be deposited and carried in a separate and special account of the Issuer (specifically, the Bond Fund hereinafter provided for), held apart from all other funds of the Issuer, and shall be applied only for the purpose of paying the principal of and interest (and

premium, if any) on the Bonds as provided in this Bond Ordinance and any other General Obligation Debt, if any. The proceeds of the special annual tax and the balances accumulated from time to time in the Bond Fund are hereby irrevocably pledged for the purpose of paying the principal of and interest (and premium, if any) on the Bonds and any other General Obligation Debt, if any, and shall never be used for any other purpose. The Issuer hereby covenants and pledges with the Bondholders that the Issuer will levy the special annual tax in each year at whatever rates may be necessary from time to time in order to produce the amounts required in each year, to the extent funds are not otherwise provided, to pay the principal of and interest (and premium, if any) on the Bonds and such other General Obligation Debt, if any, when due.

If principal or interest (or premium, if any) on the Bonds or any other General Obligation Debt should fall due in any year at a time when there are insufficient funds on hand, collected by reason of the foregoing special tax levy, such principal and interest (and premium, if any) shall be paid from other available funds of the Issuer and reimbursement therefor shall be made out of the special tax hereby provided, when the same shall have been collected.

This Bond Ordinance also constitutes a continuing appropriation from such taxes and all other lawfully available Pledged Receipts, of the sum annually necessary to pay the principal of and interest (and premium, if any) on the Bonds and such other General Obligation Debt when due. The Revenue Commission is hereby authorized to collect occupational taxes and any other amounts received by or on behalf of the Issuer, and to apply the same to the payment of debt charges on the Bonds and such other General Obligation Debt and all other obligations due or coming due under the Bond Ordinance or otherwise with respect to such General Obligation Debt.

Payment of the principal of and interest (and premium, if any) on the Bonds and such other General Obligation Debt when due in accordance with the foregoing provisions is subject only to the prior application of the Pledged Receipts in accordance with the express contract rights, if any, of the holders of outstanding bonds of the Issuer, as provided pursuant to the Act.

Section 3.3. Appointment of Bond Registrar and Paying Agent. U.S. Bank National Association, Louisville, Kentucky, is hereby designated as the Bond Registrar and Paying Agent and the Issuer is hereby authorized to enter into the Paying Agency Agreement for the purpose of setting forth the duties and responsibilities of the Paying Agent.

Section 3.4. Procedures in Respect of Registration and Transfer of Bonds; Payment of Principal and Interest. The Bond Registrar may treat for all purposes the person in whose name any Bond is registered on the Record Date, on the registration books kept by the Bond Registrar, as the absolute owner thereof.

Interest on each Bond not registered in Book-Entry Form to a Securities Depository shall be payable by check mailed by the Bond Registrar to the Holder thereof as of the Record Date, at the address shown on the registration books kept by the Bond Registrar or at such other address as is furnished to the Bond Registrar in writing by such Holder. The principal of and premium, if any, on the Bonds not registered in Book-Entry Form to a Securities Depository shall be payable, without exchange or collection charges, in lawful money of the United States of America on their presentation and surrender as they respectively become due and payable, whether at maturity or by prior redemption or acceleration, at the principal trust office of the Bond Registrar. On request of a Holder of at least \$1,000,000 in aggregate principal amount of the Bonds, all payments of principal of, premium, if any, or interest on the Bonds shall be paid by wire transfer in immediately available funds to an account designated by such Holder.

Principal of, premium, if any, and interest on Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee shall be payable by wire transfer from the Bond Registrar to the Securities Depository or its nominee. So long as any Bonds remain Outstanding, the Bond Registrar shall keep and maintain at its principal trust office complete registration records in respect of the Bonds and shall provide for the registration

of transfer and exchange of the Bonds in accordance with the terms of this Bond Ordinance, subject to such reasonable procedures and regulations as the Bond Registrar may prescribe.

Except as may be otherwise provided in Section 3.10 below for Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, each Bond shall be transferable or exchangeable only on the presentation and surrender thereof at the principal trust office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Holder or his authorized representative.

Except as may be otherwise provided in Section 3.10 below for Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, Bonds shall be exchangeable for a Bond or Bonds of the same maturity, and interest rate and in Authorized Denominations, within a single maturity, in an aggregate principal amount or amounts equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Bond Registrar shall be and is hereby authorized to authenticate, deliver and exchange Bonds in accordance herewith. Each Bond delivered in exchange for a surrendered Bond shall constitute an original contractual obligation of the Issuer and shall be entitled to the benefits and security of this Bond Ordinance to the same extent as the Bond or Bonds in lieu of which any Bond is delivered in exchange. Any Bonds surrendered for exchange shall be cancelled by the Bond Registrar and the Bond Registrar shall maintain a complete record of all exchanges, transfers and cancellations of Bonds and shall make a report thereof to the Issuer on request.

Except as may be otherwise provided in Section 3.10 below for Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, no service charge or other transfer fee shall be charged in connection with any transfer or exchange of a Bond. However, the registered owner of any Bond may be required to pay an amount equal to any tax or other governmental charge, if any, that may be imposed in connection with the transfer or exchange of any Bond.

The Bond Registrar shall not be required to transfer or exchange any Bond for the period beginning 15 days prior to the selection by the Bond Registrar of Bonds to be redeemed prior to maturity and ending on the date of mailing of notice of any such redemption.

Section 3.5. Authentication of Bonds. The Bond Registrar shall evidence the acceptance of its duties as Bond Registrar with respect to the Bonds by executing the authentication certificate appearing on each of the Bonds. No Bond shall be valid or obligatory for any purpose or entitled to any security or benefit under the Bond Ordinance unless and until a certificate of authentication on such Bond substantially in the form appearing on the form of the Bonds attached to this Bond Ordinance as Exhibit A shall have been duly executed by the Bond Registrar, and such executed certificate of the Bond Registrar on any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Bond Ordinance. The Bond Registrar's certificate of authentication on any Bond shall be deemed to have been executed by it if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 3.6. Loss, Theft, Destruction or Mutilation of Bonds. On the receipt by the Issuer and the Bond Registrar of evidence satisfactory to them of the loss, theft, destruction or mutilation of any Outstanding Bonds, and of indemnity satisfactory to them, and on surrender and cancellation of such Bond if mutilated, the Issuer may execute and the Bond Registrar may authenticate and deliver, on the lapse of such period of time as they may deem advisable, a new Bond of like series, tenor and maturity bearing the same or different serial number, to be issued in lieu of such lost, stolen, destroyed or mutilated Bond. The Issuer and the Bond Registrar may require the payment of costs for each new Bond issued under this Section, and the furnishing of indemnity satisfactory to the Issuer and the Bond Registrar. The Bond Registrar shall incur no liability for anything done by it under this Section in the absence of gross negligence or fault.

Section 3.7. Optional Redemption. The Bonds maturing on and prior to December 1, 2025, shall not be subject to optional redemption prior to maturity. The Bonds maturing on and after December 1, 2026, are subject to optional redemption prior to maturity, upon notice mailed to the Registered Owners as provided hereinafter, in whole or in part, on any date on and after June 1, 2026, and in any order of maturities (less than all of a single maturity to be selected by lot), at a redemption price equal to 100% of the principal amount redeemed on the redemption date.

Section 3.8. Mandatory Sinking Fund Redemption. The Term Bonds, if any, must be mandatorily redeemed on the respective Payment Date in each of the respective years set forth in the mandatory redemption schedule set forth in the Sale Certificate. The Term Bonds to be so redeemed shall be selected by the Bond Registrar by lot in such manner as may be determined in the discretion of the Bond Registrar. Such Term Bonds due shall be so mandatorily redeemed at 100% of the aggregate principal amounts specified in accordance with the provisions of Section 4.1 hereof for each year plus accrued interest to the respective dates of mandatory redemption.

In lieu of mandatory redemption as set forth above, the Issuer, or the Bond Registrar on behalf of the Issuer, to be exercised at least 45 days prior to the date for application of the mandatory redemption of the Term Bonds, may purchase Bonds subject to mandatory sinking fund redemption, at the most advantageous price obtainable, such price not to exceed the principal amount thereof plus accrued interest to date of delivery of such Bonds. Payment shall be made on the date of delivery of any Bonds so purchased by the Bond Registrar from moneys made available to the Bond Registrar by the Issuer. Any Bonds so purchased by the Issuer shall be submitted to the Bond Registrar for cancellation.

The purchase of such Bonds in the market or cancellation of such Bonds presented by the Issuer pursuant to this Section shall be used to reduce the amount of Bonds of such maturity to be called by the Bond Registrar on the next succeeding mandatory redemption date. If the Bonds of such maturity so purchased and cancelled exceed the amount of such Bonds subject to sinking fund redemption on the next such mandatory redemption date, such excess may be used to reduce future sinking fund installments of Bonds of such maturity in any manner designated by the Issuer. Notice of such designation shall be provided to the Bond Registrar.

Section 3.9. Notice of Redemption. The Paying Agent shall give notice of redemption by first class mail, postage prepaid, mailed not less than 25 nor more than 60 days prior to the redemption date to each Holder of Bonds to be redeemed or tendered at the address of such Holder appearing in the Bond Register, and also to such other Persons as the Issuer shall deem appropriate.

Neither the failure of any Holder to receive notice mailed as provided herein nor any defect in notice so mailed shall affect the validity of the proceedings for redemption in accordance with this Bond Ordinance.

All notices of redemption shall state:

- (i) the redemption date;
- (ii) the redemption price (including premium, if any);
- (iii) the name of the Bonds to be redeemed, the principal amount of Bonds to be redeemed, and, if less than all Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed;
- (iv) that on the redemption date, the redemption price, as appropriate, of each such Bond will become due and payable, that interest on each such Bond shall cease to accrue on and after such date, and that each such Bond will be deemed to have been redeemed;

(v) the place or places where such Bonds must be surrendered for payment of the redemption price thereof; and

(vi) such additional information as the Issuer or the Paying Agent shall deem appropriate.

In the case for an optional redemption pursuant to the Bond Ordinance, the notice of redemption may state (i) that it is conditioned upon the deposit of moneys, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent no later than the redemption date or (ii) that the Issuer retains the right to rescind such notice on or prior to the scheduled redemption date (in either case, a "Conditional Redemption"), and such notice and optional or extraordinary redemption shall be of no effect if such moneys are not so deposited or if the notice is rescinded in writing, and disseminated to each Holder of the Bonds in accordance with the procedures set forth in this Section, no later than 7 days prior to the redemption date.

Notice of redemption having been given as aforesaid, the Bonds so to be redeemed shall become due and payable on the redemption date at the redemption price specified, and on and after such date (unless the Issuer shall default in the payment of the redemption price) such Bonds shall cease to bear interest. Upon surrender of any such Bond for redemption in accordance with such notice, such Bond shall be paid at the redemption price thereof.

Section 3.10. Securities Depository; Ownership of Bonds. (a) Except as provided in paragraph (b) of this Section 3.10, the Bonds shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members thereof. Initially, the Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Except as provided in paragraph (b) below of this Section 3.10, the Bonds may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved

by the Issuer or to a nominee of such successor Securities Depository. As to any Bond, the person in whose name the Bond shall be registered shall be the absolute owner thereof for all purposes, and payment of or on account of the principal of and premium, if any, and interest on any such Bond shall be made only to or on the order of the registered owner thereof or his legal representative.

Neither the Issuer nor the Bond Registrar shall have any responsibility or obligation with respect to:

(i) the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the Bonds;

(ii) the delivery to any Agent Member, any beneficial owner of the Bonds or any other person, other than the Securities Depository, of any notice with respect to the Bonds; or

(iii) the payment to any Agent Member, any beneficial owner of the Bonds or any other person, other than the Securities Depository, of any amount with respect to the principal, premium, if any, or interest on the Bonds.

So long as any Bonds are registered in Book-Entry Form, the Issuer and the Bond Registrar may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of such Bonds for all purposes whatsoever, including without limitation:

- (i) the payment of principal, premium, if any, and interest on the Bonds;
- (ii) giving notices of redemption and other matters with respect to the Bonds;
- (iii) registering transfers with respect to the Bonds;
- (iv) selection of Bonds for redemption; and
- (v) for purposes of obtaining consents under this Bond Ordinance.

Notwithstanding the definition of the term Bondholder, Bondowner, Holder or Owner herein, as referencing registered holders of the Bonds, the Bond Registrar shall be entitled to

rely on written instructions from a majority of the beneficial owners of the Bonds with reference to consent, if any, required from Holders pursuant to the terms of this Bond Ordinance.

If at any time the Securities Depository notifies the Issuer that it is unwilling or unable to continue as Securities Depository with respect to the Bonds, or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Securities Depository is not appointed by the Issuer within 90 days after the Issuer receives notice or becomes aware of such condition, as the case may be, then this Section 3.10 shall no longer be applicable and the Issuer shall execute and the Bond Registrar shall authenticate and deliver certificates representing the Bonds to the Bondholders.

Payment of principal, premium, if any, and interest on any Bonds not registered in Book-Entry Form shall be made as provided in Section 3.4 hereof.

ARTICLE 4

SALE AND DELIVERY OF BONDS

Section 4.1. Sale of the Bonds. The Bonds shall be sold at a publicly advertised sale, upon the basis of sealed bids, at such time as the Chief Financial Officer may deem desirable. The Mayor and the Chief Financial Officer, are hereby authorized to prepare such Notice of Bond Sale, substantially in the form of Exhibit C attached hereto, Official Terms and Conditions of Bond Sale, substantially in the form of Exhibit D attached hereto, Bid Form, substantially in the form of Exhibit E attached hereto, and an Official Statement, in the customary forms as may be necessary or desirable, without further action being taken, after the execution of this instrument is authorized.

A suggested form of Preliminary Official Statement having been prepared by the Financial Advisor, and the same having been found to be in satisfactory form and to contain accurate information concerning the Issuer and the Bonds, the same is hereby authorized, approved and ordered to be distributed to potential bidders for the Bonds. The Mayor and the Chief Financial Officer are hereby authorized to execute the appropriate certification evidencing the approval of such Preliminary Official Statement and a final Official Statement at the time of and/or after the acceptance of the successful bid for the purchase of the Bonds.

If, for any reason, it is determined that no bids should be accepted when the Bonds are first offered for public sale, then, upon recommendation of the Financial Advisor, the Mayor shall be authorized to approve a change in the required minimum bid price, and also to change the date and hour of the sale (upon observing all notice requirements of Kentucky law), and the Mayor and/or Metro Clerk are further authorized to readvertise such Bonds for public sale and to approve a revised Notice of Bond Sale, Bid Form, and Official Terms and Conditions of Sale of Bonds, and to distribute same to prospective bidders, without the necessity of the Governing Body taking any further action or granting any further authority for such proceedings.

Said bids shall be received in the Chief Financial Officer's office, or such other place as may be designated. The Chief Financial Officer is hereby authorized to accept the successful bid(s), determine, establish and set the aggregate principal amount of each series of Bonds to be issued, the principal maturities and any mandatory sinking fund redemptions of the Bonds, the exact rates of interest which said Bonds shall bear, which rates of interest may be either a fixed rate or rates or a variable rate based on a percentage of an easily identifiable and calculable index formula, and the interest rates on the Bonds shall be automatically set at the rates set out in the Sale Certificates, without the necessity of any further action by the Issuer or the Metro Council fixing said rates, provided however that the successful bid for the Bonds shall not have a true interest cost in excess of 5.0% per annum.

All actions of the Issuer and its officers and staff in the structuring, staffing, planning and preparation of all documentation for the issuance of the Bonds are hereby authorized and ratified.

Section 4.2. Provisions Relating to Issuance and Delivery of the Bonds. After execution on behalf of the Issuer and authentication by the Bond Registrar as prescribed in this Bond Ordinance, the Bond Registrar shall deliver the respective series of the Bonds to the Underwriters, on receipt by the Bond Registrar of:

- (i) a certified copy of the Bond Ordinance;
- (ii) the written order to the Bond Registrar by the Issuer, acting through the Mayor or Chief Financial Officer, to make delivery of the executed and authenticated Bonds on receipt by the Bond Registrar of a specified amount, which shall be in immediately available funds;
- (iii) an executed counterpart of the Disclosure Agreement;
- (iv) an executed opinion of Bond Counsel relating to the validity and enforceability of the Bonds and the excludability from gross income of interest on the Tax Advantaged Bonds as same relates to federal income taxes and the exempt status of the Bonds as same relates to Kentucky income taxes, and the exemption of the Bonds from ad valorem taxation in the Commonwealth; and
- (v) such other closing documents, showings and opinions of counsel as the Bond Registrar, Bond Counsel and the Issuer may reasonably specify.

ARTICLE 5
APPLICATION OF BOND PROCEEDS;
SECURITY FOR BONDS; FUNDS AND ACCOUNTS

Section 5.1. Deposit and Application of Bond Proceeds. The proceeds received by the Issuer from the sale of the Bonds shall be applied as follows:

(i) there shall be deposited from each series of Bonds to the credit of the Cost of Issuance Account in the Project Fund sufficient proceeds as necessary for payment of the costs incurred in connection with the issuance of the Bonds;

(ii) there shall be deposited from the Bonds to the credit of the Project Fund, the remaining proceeds thereof to pay the costs associated with the acquisition, construction and equipping of the Project; and

(iii) there shall be deposited from each series of Bonds to the credit of the Bond Fund any remaining proceeds after the deposit and payments made as set forth above.

Section 5.2. Pledge of Proceeds of Bonds on Deposit in Project Fund. There is hereby pledged to the payment of the principal of, interest on, and any premium on the redemption of, the Bonds, the proceeds of the sale of the Bonds on deposit in the Project Fund, until expended for the Project, and any income from the investment thereof.

Section 5.3. Pledge of Pledged Receipts. There is hereby pledged to the payment of the principal of, interest on, and any premium for the redemption of, the Bonds, the Pledged Receipts received by the Issuer and all Funds and Accounts established by and in accordance with the provisions of this Bond Ordinance, including the investment income, if any, of Funds and Accounts established by this Bond Ordinance, all in accordance with the terms and provisions of the Bonds and this Bond Ordinance, and there is hereby created in favor of the Bonds, a lien, pledge and charge on all of the Pledged Receipts over and ahead of all other

bonds not contemplated by this Bond Ordinance payable from the Pledged Receipts which may be hereafter issued, and over and ahead of all other claims or obligations of any nature against the Pledged Receipts hereafter arising or hereafter incurred. The Issuer covenants and agrees that the pledge under this Section 5.3 shall be valid and binding from and after the date of the issuance, sale and delivery of the Bonds issued pursuant to this Bond Ordinance, and all such money and securities so pledged shall be subject to the lien of this pledge without any physical delivery thereof, or any further action by the Issuer.

Section 5.4. Cost of Issuance Account. There is hereby created the Cost of Issuance Account, to be established and maintained at a national bank or Kentucky banking corporation by the Chief Financial Officer as a separate account within the Project Fund under this Bond Ordinance. The Issuer will, at the delivery of the Bonds, cause to be deposited with the Chief Financial Officer into the Cost of Issuance Account from Bond proceeds a sum sufficient to pay any and all duly authorized expenses of the issuance of the Bonds, including legal and accounting fees and expenses, financial advisors' fees and expenses, printing costs, fees of bond rating agencies, and initial fees and expenses of the Bond Registrar in connection with the issuance of the Bonds. On the payment or reimbursement of all costs of issuance of the Bonds, any proceeds of such Bonds or any investment earnings thereof remaining in the Cost of Issuance Account shall be transferred by the Chief Financial Officer to the Bond Fund.

Section 5.5. Bond Fund. There is hereby recognized and there shall be maintained, with the Revenue Commission, at any time while the Bonds are outstanding, a Bond Fund, which shall constitute a "sinking fund" within the meaning of KRS 66.081(1) which is pledged for the retirement of the General Obligation Debt. The Issuer covenants and agrees that it shall set aside as received and pay into the Bond Fund, all or such portion of the Pledged Receipts as will be sufficient to pay when due, in immediately available funds, the principal of, premium, if any, and interest on all Bonds Outstanding hereunder and all other General Obligation Debt, in each of the foregoing cases at or before their maturity or earlier proceedings for redemption. No

further payment need be made to the Bond Fund when, and so long as, the aggregate amount therein is sufficient to retire all of the Bonds then Outstanding, plus the amount of interest due and thereafter to become due on such Bonds on and prior to such retirement, together with redemption premium, if any.

The Bond Fund shall be maintained for and on behalf of the Issuer, at a national bank or Kentucky banking corporation, by the Revenue Commission, or shall from time to time be maintained in such other manner by or on behalf of the Issuer as shall be provided for in the proceedings of the Issuer, as a separate and special fund, apart and distinct from all other funds of the Issuer or the Revenue Commission. Separate account statements with respect thereto shall at all times be kept and maintained. On each Payment Date, there is hereby authorized and directed to be withdrawn and made available out of the Bond Fund a sufficient amount to pay the principal of; premium, if any, and interest on the Bonds and any other General Obligation Debt becoming due on such Payment Date, including Bonds redeemed pursuant to the optional or mandatory redemption provisions of this Bond Ordinance

Section 5.6. Project Fund. There is hereby created and established a Project Fund which shall be established and maintained for and on behalf of the Issuer at a national bank or Kentucky banking corporation by the Chief Financial Officer, or shall from time to time be maintained in such other manner by or on behalf of the Issuer as shall be provided for in the proceedings of the Issuer, as a separate and special fund, apart and distinct from all other funds of the Issuer. The Project Fund shall be used solely for payment of costs of issuance of the Bonds and for payment of the costs associated with the Project except as hereinbelow provided. As provided in Section 5.4 above, on the payment or reimbursement of all costs of issuance of the Bonds, as certified by the Chief Financial Officer, any proceeds of such Bonds or any investment earnings thereof remaining in the Cost of Issuance Account shall be transferred to the Bond Fund.

Section 5.7. Investment of Funds. Moneys from time to time in any Fund or Account, pending disbursement for the purposes of each Fund and Account, shall be invested or reinvested from time to time on order of the Issuer in Investment Obligations. Investments of moneys held in the Project Fund shall be made in such manner as to make cash available in the Project Fund for disbursement as and when required to pay acquisition, construction, and equipping of Project. Investments of moneys held in the Bond Fund shall be made in such manner as to make cash available in the Bond Fund for disbursement as and when required to pay interest on and principal and premium, if any, of the Bonds as and when the same become due.

ARTICLE 6
SPECIAL COVENANTS

Section 6.1. Maximum Percentages of Net Indebtedness. The Issuer covenants not to incur "net indebtedness" (within the meaning of the Act) to an amount exceeding any applicable limitation based on the value of taxable property within the Issuer's corporate limits and jurisdiction, as estimated by the last certified assessment previous to the incurring of the indebtedness.

Section 6.2. Use of Bond Proceeds. Notwithstanding anything in this Bond Ordinance to the contrary, the Issuer, may, at its sole discretion, change, substitute, or otherwise modify the use and expenditure of the proceeds of the Bonds issued hereunder to the extent permitted by the Act and any other law or constitutional provision; provided that any such change, substitution or modification shall not cause the Issuer to be in violation of Article 7 hereof.