

**ORDINANCE NO. 183, Series 2015**

**AN ORDINANCE OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AUTHORIZING A SECOND SUPPLEMENT TO THE INDENTURE OF TRUST RELATING TO METRO GOVERNMENT'S VARIABLE RATE DEMAND INDUSTRIAL BUILDING REVENUE BONDS, SERIES 2008 (SPALDING UNIVERSITY, INC. PROJECT), THE PROCEEDS OF WHICH WERE LOANED TO SPALDING UNIVERSITY, INC. AND TAKING OTHER RELATED ACTION.**

Sponsored By: Councilperson Marianne Butler

WHEREAS, the Louisville/Jefferson County Metro Government (the "Metro Government") is a consolidated local government organized and existing under the laws of the Commonwealth of Kentucky (the "Commonwealth") and as such is authorized under the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 of the Kentucky Revised Statutes (the "Act"), to issue its industrial building revenue bonds and loan the proceeds thereof to any person to finance and refinance the costs of acquiring, constructing, and equipping an "industrial building" (as defined in the Act), including specifically land, buildings, improvements, equipment, and other facilities related to or in furtherance of the charitable purposes of any nonprofit institution, so as to accomplish thereby the public purposes of promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein, PROVIDED THAT SUCH BONDS ARE PAYABLE SOLELY FROM THE LOAN REPAYMENTS AND OTHER REVENUES DERIVED IN RESPECT OF THE LOAN AND DO NOT CONSTITUTE AN INDEBTEDNESS OF THE METRO GOVERNMENT WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE COMMONWEALTH; and

WHEREAS, Metro Government previously issued its Variable Rate Demand Industrial Building Revenue Bonds, Series 2008 (Spalding University, Inc. Project) in the aggregate principal amount of \$13,500,000 (the "Bonds") under an Indenture of Trust dated as of October 1, 2008 (the "Original Indenture"), between the Metro Government and U.S. Bank National Association, as trustee (the "Trustee"), to provide funds for a loan to Spalding University, Inc. (the "University"), a non-stock, nonprofit corporation organized and existing under the laws of the Commonwealth of Kentucky in order to: (a) redeem and retire the outstanding City of Shively, Kentucky Variable Rate Demand Educational Revenue Bonds, Series 2003, (b) refinance the purchase of the Breckinridge Building and finance a portion of the costs of renovating, improving and equipping such building for use by the University, (c) renovate, expand and improve existing structures or purchase equipment consistent with the University's Campus Master Plan and (d) pay the costs of issuance of the Bonds (collectively, the "Project"); and

WHEREAS, the Issuer (at the request of the University) together with the Trustee entered into a First Supplement to the Indenture of Trust (the "First Supplement", which together with the Original Indenture and the Second Supplemental Indenture (hereinafter identified), the "Indenture"), dated as of June 1, 2010, for the purpose of modifying the calculation of the Flex

Private Placement Rate of the Bonds while in the Flex Private Placement Rate Mode (as defined in the Original Indenture); and

WHEREAS, the University, with the consent of U.S. Bank National Association, as Owner of all of the Bonds (the “Initial Purchaser”), has notified the Trustee of its election under the Indenture to further amend and supplement the Indenture to further modify the calculation of the Flex Private Placement Rate of the Bonds while in the Flex Private Placement Rate Mode (as defined in the Indenture); and

WHEREAS, the Metro Government and the University entered into a loan agreement dated as of October 1, 2008 (the “Loan Agreement”), to effect the loan to the University with respect to the Project; and

WHEREAS, in connection with the further modification of the Flex Private Placement Rate, the University has requested that the Metro Government and the Trustee enter into the Second Supplemental Indenture described herein; and

WHEREAS, the Act authorizes the governing body of an issuer to delegate to an official thereof or to establish by ordinance or resolution the method or methods for determining the interest rate or rates and actual terms and maturities of any bonds issued pursuant to the Act, subject to certain limitations; and

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

1. Recitation and Incorporation. The facts and recitations set out in the preamble of this Resolution are adopted and incorporated as a part hereof, and the terms defined in the preamble shall have the same meanings when used herein.

2. Public Purposes. The Metro Council hereby finds and declares that the issuance of the Bonds and the loan of the proceeds thereof to the University to finance the Project will further the public purposes of the Act by promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein. THE BONDS ARE PAYABLE SOLELY FROM THE LOAN REPAYMENTS AND OTHER REVENUES DERIVED IN RESPECT OF THE LOAN AND DO NOT CONSTITUTE AN INDEBTEDNESS OF THE METRO GOVERNMENT, THE COMMONWEALTH OR ANY OTHER POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF THE CONSTITUTION AND LAWS OF THE COMMONWEALTH.

3. Authorization of the Bonds and the Project. For the purposes set forth in the preamble hereto, there is hereby authorized and directed:

A. the issuance, execution, sale, and delivery of the Bonds, as provided herein and in the Indenture as supplemented, which Bonds (i) shall be in a principal amount not to exceed Eight Million Three Hundred Thirty Thousand Dollars (\$8,330,000), (ii) shall bear interest at a variable rate and/or fixed rate as provided in the Indenture as supplemented and as approved as provided in Section 4 hereof, but in no event shall the interest rate exceed ten percent (10%) per annum, and (iii) shall have the maturities and be subject to redemption at the

times and in the manner set forth in the Indenture as supplemented and as approved as provided in Sections 4 hereof; and

B. the approval of the Second Supplemental Indenture (hereinafter identified), the related modification of the Flex Private Placement Rate, and the execution and approval of related documentation which will further the public purposes of the Act by promoting the economic development of the Commonwealth, relieving conditions of unemployment and encouraging the increase of industry therein.

4. Authorization of Second Supplemental Indenture and Consent to and Approval of Amendments. For the purposes set forth in the preamble hereto, the Mayor and the Clerk of the Metro Council are hereby authorized and directed to execute and deliver on behalf of the Metro Government a Second Supplement to the Indenture of Trust (the “Second Supplemental Indenture”) substantially in the form attached hereto as Exhibit A, providing for modification of the Flex Private Placement Rate on the Bonds as set forth in the Second Supplemental Indenture, with such changes as the Mayor shall approve, the execution thereof to constitute conclusive evidence of such approval. The Metro Council consents to and approves the amendments to the terms of the Indenture and the Bonds to be effected by the Second Supplemental Indenture.

5. Authorization of Official to Approve Other Terms of Bonds. The Mayor is hereby authorized to approve on behalf of the Metro Government the final principal amounts, conversion privileges and actual terms and maturity schedule for the Bonds, provided that (i) the final principal amount of the Bonds shall not exceed Eight Million Three Hundred Thirty Thousand Dollars (\$8,330,000), (ii) the final maturity of any of the Bonds shall not extend beyond the year 2023 and (iii) the interest rate or rates and the procedures for determining such rates, any conversion privileges and actual terms and maturity schedule for the Bonds are approved by the University and the Initial Purchaser.

6. Further Acts and Deeds. The Mayor, the Clerk of the Metro Council, and other appropriate officers and employees of the Metro Government, as may be designated by the Mayor or the Clerk of the Metro Council, are hereby authorized and directed to execute, acknowledge, and deliver on behalf of the Metro Government 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, the Second Supplemental Indenture, and the Bonds, and the financing of the Project, provided that neither the Metro Government nor any of its councilmen, officers, employees, or agents incur any general liability thereby.

7. Severability. The provisions of this ordinance are severable, and if any section, phrase, or provision hereof shall for any reason be declared invalid or unenforceable, such declaration shall not affect the validity of the remainder of this ordinance.

8. Bonds Not a General Obligation. **The Bonds shall not be a general obligation or indebtedness of Metro Government, the Commonwealth or any agency or political subdivision thereof within the meaning of the Constitution and the laws of the Commonwealth but shall be payable solely from the loan repayments to be made by or on**

**behalf of the University to Metro Government pursuant to the Loan Agreement and any security pledged therefor.**


9. Prior Conflicting Actions Superseded. To the extent that any ordinance, resolution, order, or part thereof is in conflict with the provisions of this ordinance, the provisions of this ordinance shall prevail and be given effect.

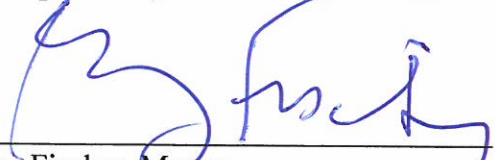
10. Effective Date. This ordinance shall be in full force and effect from and after its enactment and publication as provided by law.

INTRODUCED, SECONDED AND GIVEN FIRST READING at a duly convened meeting of the Metro Council of the Louisville/Jefferson County Metro Government held on October 8, 2015.

GIVEN SECOND READING AND ENACTED at a duly convened meeting of the Metro Council of the Louisville/Jefferson County Metro Government held on October 22, 2015, signed by the President and the Clerk of the Metro Council and approved by the Mayor of the Issuer, and ordered to be published in summary form, filed and indexed as provided by law.


  
H. Stephen Ott, Metro Council Clerk

  
David W. Tandy, President of Council

  
Greg Fischer, Mayor

Approved: 10/26/15  
Date

**APPROVED AS TO FORM AND LEGALITY:**  
Michael J. O'Connell  
Jefferson County Attorney

By:   
Nicholas Lococo, Assistant County Attorney

**LOUISVILLE METRO COUNCIL  
READ AND PASSED  
October 22, 2015**

CERTIFICATION

The undersigned hereby certifies that he is the duly qualified and acting Clerk of the Metro Council, that the foregoing is a true, correct, and complete copy of an ordinance duly enacted by the Metro Council at a duly convened meeting held on October 22, 2015, on the same occasion signed by the Mayor, duly filed, recorded, and indexed in his office and now in full force and effect, and that all actions taken in connection with such ordinance were in compliance with the requirements of KRS 61.810, 61.815, 61.820, and 61.825, all as appears from the official records of said Council in his possession and under his control.

WITNESS my hand and the seal of the Louisville/Jefferson County Metro Government this 22<sup>nd</sup> day of October, 2015.



H. Stephen Ott,  
Clerk of the Metro Council

[SEAL]

**EXHIBIT A**

**SECOND SUPPLEMENT TO INDENTURE OF TRUST**

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**SECOND SUPPLEMENT**  
**TO THE INDENTURE OF TRUST**  
**DATED AS OF OCTOBER 1, 2015**  
**BY AND BETWEEN**  
**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**  
**AND**  
**U.S. BANK NATIONAL ASSOCIATION**  
**AS TRUSTEE**  
**ORIGINALLY DATED AS OF OCTOBER 1, 2008**  
**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**  
**VARIABLE RATE DEMAND INDUSTRIAL BUILDING**  
**REVENUE BONDS, SERIES 2008**  
**(SPALDING UNIVERSITY, INC. PROJECT)**

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## SECOND SUPPLEMENT

THIS SECOND SUPPLEMENT, made and entered into as of October 1, 2015, (“Second Supplemental Indenture”) to the INDENTURE OF TRUST, dated as of October 1, 2008, (the “Original Indenture”), between the LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, a consolidated local government and political subdivision of the Commonwealth of Kentucky (herein called the “Issuer”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States, having a corporate trust office in Louisville, Kentucky, and being qualified to accept and administer the trusts hereby created, as trustee (herein called the “Trustee”),

### WITNESSETH:

WHEREAS, by virtue of the authority of the laws of the Commonwealth of Kentucky, and particularly Chapter 103 of the Kentucky Revised Statutes and pursuant to the Bond Ordinance referred to below, the Issuer is authorized to enter into this Second Supplemental Indenture and to do or cause to be done all the acts and things herein provided or required to be done, to issue the Bonds and to loan the proceeds of such bonds to any person to finance and refinance the cost of “industrial buildings,” including specifically any buildings, structures, and facilities, including the site thereof and machinery, equipment, and furnishings suitable for use as educational facilities, and all buildings, structures, and facilities deemed necessary or useful in connection therewith, so as to accomplish thereby the public purposes of promoting the economic development of the Commonwealth, relieving conditions of unemployment, preserving existing jobs, and encouraging the increase of industry therein, provided that such bonds are payable solely from the loan repayments and other revenues derived in respect of such loan and do not constitute an indebtedness of the Issuer within the meaning of the Constitution and laws of the Commonwealth, and to use the proceeds of the Bonds to make loans that will provide moneys to assist in the financing of the Project, as hereinafter defined; and

WHEREAS, the Issuer previously issued its Variable Rate Demand Industrial Building Revenue Bonds, Series 2008 (Spalding University, Inc. Project) in the aggregate principal amount of \$13,500,000 (the “Bonds”) under the Original Indenture to provide funds for a loan to Spalding University, Inc. (the “Borrower”), a non-stock, nonprofit corporation organized and existing under the laws of the Commonwealth of Kentucky in order to: (a) redeem and retire the outstanding City of Shively, Kentucky Variable Rate Demand Educational Revenue Bonds, Series 2003, (b) refinance the purchase of the Breckinridge Building and finance a portion of the costs of renovating, improving and equipping such building for use by the Borrower, (c) renovate, expand and improve existing structures or purchase equipment consistent with the Borrower’s Campus Master Plan and (d) pay the costs of issuance of the Bonds (collectively, the “Project”); and

WHEREAS, the Issuer (at the request of the Borrower) together with the Trustee entered into a First Supplement to the Indenture of Trust (the “First Supplement”, which together with the Original Indenture and this Second Supplemental Indenture, the “Indenture”), dated as of June 1, 2010, for the purpose of modifying the calculation of the Flex Private Placement Rate of the Bonds while in the Flex Private Placement Rate Mode (as defined in the Original Indenture); and

WHEREAS, pursuant to Section 9.02 of the Original Indenture, the Issuer, with the written consents of the Borrower, the Holders of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, and the Trustee may enter into a supplemental indenture or indentures for the purpose of adding provisions to, changing or eliminating provisions of the Original Indenture, subject to the certain limitations and restrictions set forth in such section; and

WHEREAS, the Borrower has requested the Issuer to further modify the calculation of the Flex Private Placement Rate of the Bonds while in the Flex Private Placement Rate Mode (as defined in the Original Indenture) and has requested the Issuer to further amend the Indenture, which amendments are permitted by Section 9.02 with the written consents of the Borrower, U.S. Bank National Association, Holder of all of the Bonds currently Outstanding (the "Initial Purchaser"), and the Trustee; and

WHEREAS, the Borrower and the Initial Purchaser will consent to the amendments to the Original Indenture as supplemented by the First Supplement to be effected by this Second Supplemental Indenture through execution of the Consent to Second Supplemental Indenture attached hereto; and

WHEREAS, the Issuer has by an ordinance duly enacted on October 22, 2015 authorized the execution and delivery of this Second Supplemental Indenture; and

WHEREAS, all other acts and proceedings required by law necessary to make this Second Supplemental Indenture the valid, binding, and legal limited obligation of the Issuer, and to constitute this Second Supplemental Indenture a valid and binding agreement for the uses and purposes herein set forth, in accordance with its terms, have been done and taken.

NOW, THEREFORE, for and in consideration of the premises and of the mutual covenants herein contained and for other valuable consideration, the receipt whereof is hereby acknowledged, the Issuer covenants and agrees with the Trustee, for the equal and proportionate benefit of the respective Holders from time to time of the Bonds to further supplement and amend the Original Indenture as supplemented by the First Supplement, as follows:

## **ARTICLE I DEFINITIONS AND INTERPRETATION**

Section 1.01 Definitions. Unless otherwise defined in this Second Supplemental Indenture, all terms used herein which are defined in the Agreement shall have the meanings assigned to such terms in the Agreement and all terms used herein which are defined in the Original Indenture as supplemented by the First Supplement shall have the meanings assigned to such terms in the Original Indenture as supplemented by the First Supplement. Unless the context otherwise requires, the terms defined in this Second Supplemental Indenture shall, for all purposes of this Second Supplemental Indenture and of the Original Indenture as supplemented by the First Supplement, have the meanings herein specified, to be equally applicable to both the singular and plural forms of any of the terms herein defined.

The following definitions are amended and restated in their entirety:

“Bond Ordinance” means collectively the ordinance adopted by the Issuer on May 29, 2008, authorizing the issuance, delivery and sale of the Bonds, as amended by an ordinance adopted by the Issuer on May 27, 2010, and as further amended by an ordinance adopted by the Issuer on October 22, 2015.

“Interest Period” means (a) while a Bond is in the Daily Rate Mode, the period from and including each day which is a Business Day to but excluding the next succeeding day which is a Business Day, (b) while a Bond is in the initial Flex Private Placement Rate Mode, the period from and including the Closing Date through and including October 31, 2018 or as such initial period may be extended by mutual agreement of the Borrower and the Initial Purchaser, or upon a Conversion Date, or while a Bond is in the Flex Private Placement Rate Mode, the period from and including a Flex Private Placement Conversion Date through and including a date ending the following one year period or the day preceding a Conversion Date (if earlier), whether or not such days are Business Days, and (c) while a Bond is in the Weekly Rate Mode, the period from and including a Weekly Rate Conversion Date, as appropriate, through and including the following Wednesday, and, after the first Interest Period, the period from and including Thursday of each week through and including the following Wednesday or the day preceding a Conversion Date (if earlier), whether or not such days are Business Days; provided, however, that if the scheduled rate change day for Bonds in the Weekly Rate Mode is changed to a day of the calendar week other than Wednesday pursuant to Section 2.02(C) hereof, the Interest Period for Bonds in the Weekly Rate Mode shall mean the period from the Weekly Rate Conversion Date through and including the day immediately preceding such new rate change day, and, after the first Interest Period, the period from such new rate change day through and including the day immediately preceding the following rate change day, whether or not such days are Business Days.

Section 1.02 Article and Section Headings. The headings or titles of the several Articles and Sections of this Indenture, and the Table of Contents appended hereto, are solely for convenience of reference and shall not affect the meaning or construction of the provisions hereof.

Section 1.03 Interpretation. The singular form of any word used herein shall include the plural, and vice versa, if applicable. The use of a word of any gender shall include all genders, if applicable. This Indenture and all of the terms and provisions hereof shall be construed so as to effectuate the purposes contemplated hereby and to sustain the validity hereof. All references to any person or entity defined in Section 1.01 shall be deemed to include any person or entity succeeding to the rights, duties and obligations of such person or entity.

(End of Article I)

## **ARTICLE II AMENDMENTS TO ORIGINAL INDENTURE AS AMENDED BY FIRST SUPPLEMENT**

Section 2.01 Certain Amended and Restated Provisions of Indenture. The following provisions of the Original Indenture as amended by the First Supplement are further amended and restated in their entirety as follows:

**A. Amended Section 2.02(A)**

(A) General Provisions. The Bonds shall be issued pursuant to this Indenture for the purposes described herein, and the proceeds shall be lent to the Borrower pursuant to the Loan Agreement. The Bonds (excluding Pledged Bonds, Borrower Bonds and Bonds in a Fixed Rate Mode or Flex Private Placement Rate Mode) shall be secured by the Credit Facility, and shall have such other terms, conditions and characteristics as specified in the Bond form attached hereto as Exhibit A, and in the Loan Agreement. The Bonds (a) shall be dated as provided in paragraph (L) of this Section 2.02, (b) shall be issued in the aggregate principal amount of \$8,330,000 (originally issued in the principal amount of \$13,500,000 and dated on original issuance as of October 27, 2008), (c) shall bear interest as set forth in paragraphs (B) through (F) of this Section, until paid, at the rates therein provided (computed, while a Bond is in a Daily Rate Mode, a Weekly Rate Mode, a Flex Private Placement Rate Mode or an Adjustable Rate Mode with an Adjustable Rate Period of 365 days or less, on the basis of a 365- or 366-day year, for the actual number of days elapsed; and, while a Bond is in an Adjustable Rate Mode with an Adjustable Rate Period of more than 365 days or the Fixed Rate Mode, on the basis of a 360-day year, composed of twelve 30-day months), payable on each Interest Payment Date, and (d) shall mature on October 1, 2023. All Bonds need not be in the same Mode simultaneously; however, each Bond may be in only one Mode at any one time.

The initial interest rate on the Bonds shall be that rate per annum, not to exceed the Maximum Rate, as shall be established in the Bond Purchase Agreement for the Bonds. The Bonds shall initially be in the Flex Private Placement Rate Mode; provided that the initial Interest Rate Period shall begin on the Closing Date and shall end on October 31, 2018 (or as such initial period may be extended by mutual agreement of the Borrower and the Initial Purchaser or unless earlier converted as provided in Section 2.02(G)(i)), and each one year period thereafter until the interest rate on the Bonds is converted as provided below. The Bonds shall bear interest from the most recent date to which interest has been paid or duly provided for or, if no interest has been paid or provided for, from their date of initial delivery, payable on the first day of August, 2010 and thereafter on each Interest Payment Date.

**B. Amended Section 2.02(F)**

(F) Flex Private Placement Rate Provisions.

Each Bond in the Flex Private Placement Rate Mode shall bear interest at the Flex Private Placement Rate from the Closing Date to the earlier of its redemption, a Conversion Date or its maturity date and as set forth in the firm underwriting or purchase contract. The initial Flex Private Placement Rate so established shall not be set at a rate greater than the Maximum Rate and shall equal 65.94% of the total calculated by adding together the One-Month LIBOR, a three-year liquidity add-on of .43%, and a credit spread of .87% (the aggregate total of the liquidity add-on and the credit spread is 1.30%) (the "Initial Flex Private Placement Rate"). In the event the initial Interest Rate Period is extended in accordance with Section 2.02(A) above, one or more of the factors used to calculate the Initial Flex Private Placement Rate may be adjusted to (i) reflect the credit strength of the Initial Purchaser as of the date of the extension, (ii) give effect to any adjustment in tax rates and the cost of funds to the Initial Purchaser, and (iii) float with a different benchmark interest rate index, subject to the receipt of an opinion of

nationally recognized bond counsel stating that such adjustment or modification will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

On Wednesday (unless Wednesday is not a Business Day, then the next preceding Business Day) of each calendar week during a Flex Private Placement Rate Period, the Initial Purchaser shall calculate and furnish to the Trustee, by facsimile transmission, the Flex Private Placement Rate for the period from and including Thursday of each week through and including the following Wednesday or the day preceding a Conversion Date (if earlier), whether or not such days are Business Days, and the Trustee shall furnish the same to the Borrower by close of business on the following Business Day.

Each Bond in the Flex Private Placement Rate Mode shall be issued only in registered form in the denomination of \$100,000 or any integral multiple thereof within a single maturity, shall be dated as of the Closing Date, and shall be numbered consecutively from R-1 upward. So long as any of the Bonds bear interest in the Flex Private Placement Rate Mode, the Bond Registrar shall keep at its principal office the Registration Books showing and recording a register of the Owners of the Bonds and shall provide for the registration and transfer of Bonds in accordance with the terms hereof, subject to such reasonable regulations as the Bond Registrar may prescribe.

The person in whose name any Bond is registered on the Registration Books maintained by the Bond Registrar, at the Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date (unless such Bond shall have been called for redemption on a redemption date which is prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

During a Flex Private Placement Rate Period, a Bond bearing interest at a Flex Private Placement Rate shall be subject to optional redemption by the Issuer prior to maturity in whole or in part (and if in part in an amount of at least \$100,000 or integral multiples of \$5,000 in excess thereof; provided that no Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination of at least \$100,000) on any date selected by the Borrower, at the direction of the Borrower upon 35 days' prior written notice to the Trustee, the Issuer and the Initial Purchaser, at a redemption price equal to the aggregate principal amount of the Bonds to be redeemed plus accrued interest thereon to the redemption date, without premium, to the extent of optional prepayments of the Loan in accordance with the Loan Agreement.

### **ARTICLE III MISCELLANEOUS**

Section 3.01 Execution in Several Counterparts. This Second Supplemental Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Issuer

and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 3.02 Incorporation of Second Supplemental Indenture into Indenture. The Original Indenture, as amended and supplemented by the First Supplement and this Second Supplemental Indenture, shall constitute the Indenture.

Section 3.03 Indenture Represents Entire Agreement. The Indenture represents the entire contract between the parties. The Indenture may not be modified except as provided in Article IX of the Original Indenture.

(End of Article III)

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be executed in their respective names by their respective duly authorized officers, all as of the day and year first above written.

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: \_\_\_\_\_  
Mayor

Attest:

By: \_\_\_\_\_  
Metro Council Clerk

**APPROVED AS TO FORM AND LEGALITY:**

Mike O'Connell  
Jefferson County Attorney

By: \_\_\_\_\_  
Nicholas Lococo, Assistant County Attorney

SIGNATURE PAGE OF THE TRUSTEE  
TO THE INDENTURE OF TRUST

U.S. BANK NATIONAL ASSOCIATION  
as Trustee

By: \_\_\_\_\_

Its: \_\_\_\_\_



CONSENT TO SUPPLEMENTAL INDENTURE

Pursuant to Section 9.02 of the Original Indenture, the undersigned hereby consent to the terms of the Second Supplemental Indenture.

SPALDING UNIVERSITY, INC.

By: \_\_\_\_\_  
Authorized Officer

U.S. BANK NATIONAL ASSOCIATION,  
Initial Purchaser

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT A**  
**FORM OF BOND**

No. R-1

\$8,330,000

**UNITED STATES OF AMERICA**  
**COMMONWEALTH OF KENTUCKY**

**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**  
**VARIABLE RATE DEMAND ECONOMIC DEVELOPMENT**  
**REVENUE BOND, SERIES 2008**  
**(SPALDING UNIVERSITY, INC. PROJECT)**

<u>DATED DATE</u> <u>OF REISSUANCE</u>	<u>MATURITY DATE</u>	<u>INITIAL MODE</u>	<u>CUSIP</u>
October __, 2015	_____, 20__	Weekly	

REGISTERED OWNER:

PRINCIPAL AMOUNT: EIGHT MILLION THREE HUNDRED THIRTY THOUSAND  
(\$8,330,000) DOLLARS

THIS BOND IS SUBJECT TO MANDATORY TENDER FOR PURCHASE AT THE TIMES AND IN THE MANNER HEREINAFTER DESCRIBED, AND MUST BE SO TENDERED OR WILL BE DEEMED TO HAVE BEEN SO TENDERED UNDER CERTAIN CIRCUMSTANCES AS DESCRIBED HEREIN.

WHILE IN THE DAILY RATE MODE OR THE WEEKLY RATE MODE, THIS BOND SHALL BE PURCHASED ON THE DEMAND OF THE OWNER AT THE TIMES AND IN THE MANNER HEREINAFTER DESCRIBED.

The Louisville/Jefferson County Metro Government (the "Issuer"), a consolidated local government and political subdivision of the Commonwealth of Kentucky (the "State"), hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above (or earlier as hereinafter provided), and to pay interest on the Principal Amount hereof from the Dated Date specified above at the rates per annum and on the dates set forth herein; provided, however, that such principal and interest are payable solely from the sources and in the manner herein after described, and as authorized and provided in Chapter 103 of the Kentucky Revised Statutes (the "Act").

No recourse shall be had for the payment of the principal of, premium, if any, or interest hereon or for any claims based thereon or upon any obligation, covenant or agreement contained herein or in the Indenture or the Loan Agreement (as such terms are hereinafter defined), against any past, present or future incorporator, officer, member, director, agent, attorney or employee of the Issuer, or any incorporator, officer, member, director, agent, attorney or employee of any

successor organization, as such, either directly or through the Issuer or any successor organization, 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 official, officer, member, director, agent, attorney or employee as such is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of the Bonds.

THIS BOND AND THE INTEREST HEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER. THE PRINCIPAL HEREOF, PREMIUM, IF ANY, AND INTEREST HEREON ARE PAYABLE SOLELY OUT OF THE REVENUES AND INCOME OF THE ISSUER DERIVED FROM OBLIGATIONS OF THE BORROWER UNDER THE LOAN AGREEMENT (AS SUCH TERMS ARE HEREINAFTER DEFINED), PROCEEDS FROM THE SALE OF THE BONDS AND INCOME FROM THE TEMPORARY INVESTMENT THEREOF AND PAYMENTS UNDER THE CREDIT FACILITY (AS HEREINAFTER DEFINED). THIS BOND AND THE PREMIUM, IF ANY, AND INTEREST HEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION, AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE A SPECIAL, LIMITED OBLIGATION OF THE ISSUER, PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM PAYMENTS MADE BY THE BORROWER UNDER THE LOAN AGREEMENT AND PAYMENTS UNDER THE CREDIT FACILITY. NEITHER THE STATE, THE ISSUER, NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE SHALL BE OBLIGATED TO PAY THE BONDS AND THE PREMIUM, IF ANY, OR THE INTEREST THEREON, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE STATE, THE ISSUER OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH BONDS.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future official of the Issuer, or director, officer, member, employee, attorney or agent of the Issuer nor shall any officer thereof executing the Bonds be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Bond is issued with the intent that the laws of the State will govern its construction.

The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. The principal and premium, if any, payable upon maturity or earlier redemption of this Bond are payable when due upon the presentation and surrender hereof at the designated corporate trustee processing facility of U.S. Bank National Association, as trustee (the "Trustee"), or any successor. Each payment of interest on this Bond shall be payable to the Registered Owner hereof as shown on the registration books kept by the Trustee as bond

registrar (the "Bond Registrar"), at the close of business on the Business Day (but, during an Adjustable Rate Period of more than 365 days or a Fixed Rate Period, the fifteenth day of the calendar month) next preceding the date on which such interest becomes due and payable (herein, a "Record Date"). Interest on this Bond shall be payable to the Registered Owner hereof by check or draft mailed by first class mail on the respective Interest Payment Dates (as hereinafter defined) to the address of such Registered Owner as shown on the books kept by the Trustee as Bond Registrar at the close of business on the relevant Record Date, or to such other address as is furnished in writing to the Trustee (in form satisfactory to the Trustee) by such Owner prior to such Record Date. Registered Owners of \$1,000,000 or more in aggregate principal amount of Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Trustee before the Record Date and by complying at the request of the Trustee with any reasonable requirements of the Trustee with respect to such wire transfers as are necessary to comply with any applicable provisions of Article IV of the Uniform Commercial Code of the State.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS BOND SET FORTH SUBSEQUENT TO THE CERTIFICATE OF AUTHENTICATION BELOW, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF FULLY SET FORTH IN THE TEXT OF THIS BOND WRITTEN ABOVE.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee as Bond Registrar or the Tender Agent, if one has been appointed, or any successor to either.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor and attested with the manual or facsimile signature of the Clerk of the Metro Council, all as of the date first above written.

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: \_\_\_\_\_  
Mayor

Attest:

By: \_\_\_\_\_  
Metro Council Clerk

**APPROVED AS TO FORM AND LEGALITY:**

Mike O'Connell  
Jefferson County Attorney

By: \_\_\_\_\_  
Nicholas Lococo, Assistant County Attorney

## CERTIFICATE OF AUTHENTICATION

This Bond is hereby authenticated as required by Section 2.05 of the within-referenced Indenture.

U.S. Bank National Association, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication: \_\_\_\_\_

This Bond is authorized and issued under and pursuant to authority conferred by the Act, a resolution adopted by the Issuer, and the Indenture of Trust, dated as of October 1, 2008, as amended by the First Supplement to the Indenture of Trust dated as of June 1, 2010, as further amended by the Second Supplement to the Indenture of Trust, dated as of October 1, 2015 and as may be further amended and supplemented (the "Indenture"), between the Issuer and the Trustee. Certain terms used and not defined in this Bond are defined in the Indenture. This Bond is one of the Issuer's duly authorized Variable Rate Demand Industrial Building Revenue Bonds, Series 2008 (Spalding University, Inc. Project), issued in the aggregate principal amount of \$8,330,000 (which original Bond was issued in the principal amount of \$13,500,000 and dated on original issuance as of October 27, 2008) to provide funds to make a loan (the "Loan") to the Spalding University, Inc., a Kentucky nonprofit corporation (the "Borrower"), for the purpose of financing all or a portion of the costs to (a) redeem and retire the outstanding City of Shively, Kentucky Variable Rate Demand Educational Revenue Bonds, Series 2003, (b) refinance the purchase of the Breckinridge Building, finance and refinance a portion of the costs of renovating, improving and equipping such building for use by the Borrower, (c) renovate, expand and improve existing structures or purchase equipment consistent with the Borrower's Campus Master Plan and (d) pay the costs of issuance of the Bonds (the "Project").

As security for the payment of the Bonds, the Borrower has caused to be delivered to the Trustee on the Closing Date an irrevocable transferable direct pay letter of credit (the "Credit Facility") issued by U.S. Bank National Association (the "Credit Provider"), against which the Trustee shall be entitled to draw, in accordance with the terms thereof, to pay, when and as due, the principal or purchase price of, and interest on, the Bonds. The Credit Provider has issued the Credit Facility pursuant to the Reimbursement Agreement dated the date of issuance of the Bonds (the "Reimbursement Agreement"), between the Credit Provider and the Borrower. The Trustee is required to draw moneys under the Credit Facility, by presenting drafts and certificates as provided therein, in an amount sufficient to pay the principal or purchase price of the Bond, plus an amount equal to up to 51 days' accrued interest thereon. Notwithstanding the foregoing, there shall be no draw upon the Credit Facility for payment with respect to any Pledged Bond (as defined in the Indenture), any Borrower Bond (as defined in the Indenture) or any Bond bearing interest at a Fixed Rate. The Credit Facility will expire on \_\_\_\_\_, 20\_\_\_\_, unless earlier terminated or unless extended in accordance with the terms thereof. The Borrower may, upon

the conditions specified in the Loan Agreement, dated as of October 1, 2008, between the Issuer and the Borrower, as the same may be amended and supplemented (the "Loan Agreement"), provide for the delivery to the Trustee of an Alternate Credit Facility to replace the Credit Facility. The Bonds are subject to mandatory tender for purchase on each Conversion Date, on each Adjustable Rate Reset Date, on the date of delivery of an Alternate Credit Facility, and on the last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, prior to the Expiration of the Term of the Credit Facility (but in no event less than two (2) Business Days prior to the Expiration of the Term of the Credit Facility), as described in Part VI below.

The Bonds are all issued under and entitled to the benefit and security of the Indenture. Pursuant to the Indenture, the Issuer has pledged and assigned to the Trustee the Trust Estate referred to therein as security for its obligation to pay the principal of, premium, if any, and interest on the Bonds. Reference is made to the Indenture for a description of the Trust Estate and for the provisions thereof with respect to the nature and extent of the security granted by the Issuer to the Trustee thereunder, the rights, duties and obligations of the Issuer and the Trustee, the rights of the registered owners of the Bonds, the terms on which the Bonds are issued and secured, to all of which provisions, and to all other provisions of the Indenture, the Registered Owner hereof by the acceptance of this Bond assents. Unless the context clearly requires otherwise, all capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture or the Loan Agreement.

The Issuer, upon the direction of the Borrower, has established a book-entry only system of registration for the Bonds. Except as specifically provided otherwise in the Indenture, an agent will be the registered owner and will hold this Bond on behalf of the beneficial owners hereof. By acceptance of a confirmation of purchase, delivery or transfer, the beneficial owners of this Bond shall be deemed to have agreed to this arrangement. The agent, as registered owner of this Bond, shall be treated as the owner hereof for all purposes.

All Bonds need not be in the same Mode simultaneously; however, each Bond may be in only one Mode at any time.

THE CREDIT FACILITY SHALL NOT BE AVAILABLE FOR ANY PAYMENT UNDER THIS BOND IF AND FOR SUCH TIME AS THIS BOND IS A PLEDGED BOND, A BORROWER BOND OR A FIXED RATE BOND WITHIN THE MEANING OF THE INDENTURE.

#### *Part I – Daily Rate Provisions*

The provisions of this Part I shall apply to each Bond bearing interest at a Daily Rate during a Daily Rate Period.

During a Daily Rate Period when the Bonds are held in a book-entry only system by a nominee of The Depository Trust Company ("DTC") or its successor, each beneficial owner of a beneficial interest in a Bond bearing interest at a Daily Rate (other than any Pledged Bond or Borrower Bond) may demand the purchase of such beneficial owner's beneficial interest (or portion thereof; provided that the portion thereof tendered is an Authorized Denomination; and

provided, further, that the portion thereof retained is itself an Authorized Denomination) on any Business Day at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase, upon delivery to RBC Capital Markets Corporation, as Remarketing Agent (the "Remarketing Agent"), at its office located at RBC Capital Markets Corporation, 414 Walnut St., Suite 300, Cincinnati, OH 45202, Attn: Dan Blank and also to Mark R. Mick, Vice President, Relationship Manager - Commercial Banking, CN-KY-0850, One Financial Square Louisville, KY 40202, (502) 562-6648, by 9:00 a.m., New York City time, on any Business Day, of a written irrevocable notice, which will be effective upon receipt, which states (a) the name and address of the beneficial owner, (b) the principal amount of such beneficial interest (and the portion thereof to be tendered, if less than the full principal amount thereof is to be tendered), and (c) the date on which such beneficial interest shall be so purchased, which date shall be a Business Day (and which date may be the date of the delivery of such notice to the Remarketing Agent, but only if delivery is accomplished by 9:00 a.m. New York City time on a Business Day). Such beneficial interest will be deemed to have been surrendered on the date specified in such notice.

During a Daily Rate Period and when a book-entry only system is not in effect, any Bond bearing interest at a Daily Rate (other than any Pledged Bond or Borrower Bond) or portion thereof (provided that the portion thereof tendered is an Authorized Denomination; and provided, further, that the portion thereof retained is itself an Authorized Denomination) that is not due shall be purchased on the demand of the registered owner thereof on any Business Day at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase, upon delivery to a tender agent appointed by the Trustee upon the direction of the Borrower (the "Tender Agent"), at the address of the Tender Agent filed with the Trustee, by 9:00 a.m., New York City time, on any Business Day, of the following:

(a) a written irrevocable notice, which will be effective upon receipt, which states (i) the name and address of the registered owner, (ii) the principal amount of such Bond (and the portion thereof to be tendered, if less than the full principal amount thereof is to be tendered) and the Bond number, (iii) the date on which such Bond shall be so purchased, which date shall be a Business Day (and which date may be the date of the delivery of such notice to the Tender Agent, but only if delivery is accomplished by 9:00 a.m. New York City time on a Business Day), and (iv) if the Bond is not delivered with such notice as permitted in paragraph (b) below, that the registered owner agrees to deliver the Bond (with all necessary endorsements and guarantees of signature) as specified in paragraph (b) below; and

(b) such Bond (with all necessary endorsements and guarantees of signature) attached to the aforesaid notice; provided, however, that such Bond shall be so purchased only if the Bond delivered to the Tender Agent shall conform in all respects to the description thereof in the aforesaid notice; and provided, further, that if the registered owner of the tendered Bond is an open-ended diversified management investment company (registered under the Investment Company Act of 1940, as amended), the delivery required under this paragraph (b) need not be made until 11:00 a.m., New York City time, on the date such Bond is to be purchased from such registered owner. If a registered owner described in the last proviso of the preceding sentence fails to deliver such Bond as required therein (an "Undelivered Bond"), such Bond shall nevertheless be deemed to have been delivered at the time and on the date required, and shall no longer be outstanding under the Indenture, and such registered owner thereafter shall be entitled



only to the purchase price payable for such Bond on such required delivery date, and such purchase price shall be paid to such registered owner only upon surrender of such Bond to the Tender Agent.

IN THE EVENT OF A FAILURE BY AN OWNER OF BONDS TO DELIVER ITS BONDS ON OR PRIOR TO THE REQUIRED DELIVERY DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING INTEREST TO ACCRUE SUBSEQUENT TO THE PURCHASE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BONDS, AND ANY SUCH UNDELIVERED BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFIT AND SECURITY OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF THE PAYMENT OF THE PURCHASE PRICE THEREOF; AND THE TRUSTEE WILL NOT REGISTER ANY FURTHER TRANSFERS OF SUCH UNDELIVERED BONDS.

While a Bond is in the Daily Rate Mode, interest on such Bond shall be paid on the first Business Day of each month, commencing on the first Business Day of the month next succeeding the Daily Rate Conversion Date, and on the Maturity Date specified above if such Bond is in the Daily Rate Mode at such time (each, a "Daily Rate Interest Payment Date"), and shall be computed on the basis of a 365- or 366-day year for the actual number of days elapsed. Interest on such Bond shall accrue from and including the first day of the Daily Rate Period to and including the day before the first Daily Rate Interest Payment Date of such Daily Rate Period, and thereafter interest on such Bond shall accrue from and including each Daily Rate Interest Payment Date to and including the day next preceding the next Daily Rate Interest Payment Date except as otherwise provided in the Indenture. Interest on the Bonds for each Interest Period shall be calculated as provided below and in the Indenture. During each Daily Rate Period, "Interest Period" shall mean the period from and including each day which is a Business Day to but excluding the next succeeding day which is a Business Day.

By 11:00 a.m., New York City time, on the first day of each Interest Period during a Daily Rate Period, the Remarketing Agent shall determine the Daily Rate applicable for such Interest Period. The Daily Rate for each Interest Period of a Daily Rate Period shall be calculated by the Remarketing Agent as the lowest rate which, in the sole judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, is necessary to permit such Bond to be sold at a price of par plus accrued interest on the first day of the applicable Interest Period; provided that in no case shall the Daily Rate be set at a rate greater than the lesser of (i) 10.0% per annum or (ii) the annual interest rate used in determining the interest portion of the Credit Facility, if any (the "Maximum Rate"). In the event no Daily Rate is determined by the Remarketing Agent for an Interest Period during the Daily Rate Period, the Daily Rate for such Interest Period shall be the Daily Rate in effect for the immediately preceding Interest Period. The Remarketing Agent shall notify the Trustee, and the Trustee shall notify the Borrower, the Credit Provider and the Tender Agent, of the Daily Rate in accordance with the Indenture and each determination of a Daily Rate by the Remarketing Agent shall be conclusive and binding upon the Issuer, the Borrower, the Trustee, the Tender Agent, the Credit Provider and the Bondholders.

During a Daily Rate Period, a Bond bearing interest at a Daily Rate shall be subject to optional redemption by the Issuer prior to maturity in whole or in part (and if in part in an

amount of at least \$100,000 or integral multiples of \$5,000 in excess thereof; provided that no Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination of at least \$100,000) on any date selected by the Borrower, at the direction of the Borrower upon 35 days' (or such shorter period of time approved by the Trustee) prior written notice to the Trustee, the Issuer, the Credit Provider and the Remarketing Agent, at a redemption price equal to the aggregate principal amount of the Bonds to be redeemed plus accrued interest thereon to the redemption date, without premium, to the extent of optional prepayments of the Loan in accordance with the Loan Agreement.

#### *Part II – Weekly Rate Provisions*

The provisions of this Part II shall apply to each Bond bearing interest at a Weekly Rate during a Weekly Rate Period.

During a Weekly Rate Period when the Bonds are held in a book-entry only system by a nominee of DTC or its successor, each beneficial owner of a beneficial interest in a Bond bearing interest at a Weekly Rate (other than Pledged Bonds or Borrower Bonds) may demand the purchase of such beneficial owner's beneficial interest (or portion thereof; provided that the portion thereof tendered is an Authorized Denomination; and provided, further, that the portion thereof retained is itself an Authorized Denomination) on any Business Day at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase, upon delivery to the Remarketing Agent, at its office located at RBC Capital Markets Corporation, 414 Walnut St., Suite 300, Cincinnati, OH 45202, Attn: Dan Blank and also to Mark R. Mick, Vice President, Relationship Manager - Commercial Banking, CN-KY-0850, One Financial Square Louisville, KY 40202, (502) 562-6648, on any Business Day, of a written irrevocable notice, which will be effective upon receipt, which states (a) the name and address of the beneficial owner, (b) the principal amount of such beneficial interest (and the portion thereof to be tendered, if less than the full principal amount thereof is to be tendered), and (c) the date on which such beneficial interest shall be so purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Remarketing Agent. Such beneficial interest will be deemed to have been surrendered on the date specified in such notice.

During a Weekly Rate Period and when a book-entry only system is not in effect, any Bond bearing interest at a Weekly Rate (other than any Pledged Bond or Borrower Bond) or portion thereof (provided that the portion thereof tendered is an Authorized Denomination; and provided, further, that the portion thereof retained is itself an Authorized Denomination) that is not due shall be purchased on the demand of the registered owner thereof on any Business Day at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase, upon delivery to a tender agent appointed by the Trustee upon the direction of the Borrower (the "Tender Agent") at the address of the Tender Agent filed with the Trustee, on any Business Day, of the following:

(a) a written irrevocable notice, which will be effective upon receipt, which states (i) the name and address of the registered owner, (ii) the principal amount of such Bond (and the portion thereof to be tendered, if less than the full principal amount thereof is to be tendered) and the Bond number, (iii) the date on which such Bond shall be so purchased, which date shall be a

Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Tender Agent, and (iv) if the Bond is not delivered with such notice as permitted in paragraph (b) below, that the registered owner agrees to deliver the Bond (with all necessary endorsements and guarantees of signature) as specified in paragraph (b) below; and

(b) such Bond (with all necessary endorsements and guarantees of signature) attached to the aforesaid notice; provided, *however*, that such Bond shall be so purchased only if the Bond delivered to the Tender Agent shall conform in all respects to the description thereof in the aforesaid notice; and provided, further, that if the registered owner of the tendered Bond is an open-ended diversified management investment company (registered under the Investment Company Act of 1940, as amended), the delivery required under this paragraph (b) need not be made until 11:00 a.m., New York City time, on the date such Bond is to be purchased from such registered owner. If a registered owner described in the last proviso of the preceding sentence fails to deliver such Bond as required therein (an “Undelivered Bond”), such Bond shall nevertheless be deemed to have been delivered at the time and on the date required, and shall no longer be outstanding under the Indenture, and such registered owner thereafter shall be entitled only to the purchase price payable for such Bond on such required delivery date, and such purchase price shall be paid to such registered owner only upon surrender of such Bond to the Tender Agent.

IN THE EVENT OF A FAILURE BY AN OWNER OF BONDS TO DELIVER ITS BONDS ON OR PRIOR TO THE REQUIRED DELIVERY DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING INTEREST TO ACCRUE SUBSEQUENT TO THE PURCHASE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BONDS, AND ANY SUCH UNDELIVERED BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFIT AND SECURITY OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF THE PAYMENT OF THE PURCHASE PRICE THEREOF; AND THE TRUSTEE WILL NOT REGISTER ANY FURTHER TRANSFERS OF SUCH UNDELIVERED BONDS.

While a Bond is in the Weekly Rate Mode, interest on such Bond shall be paid on the first Business Day of each month, commencing, with respect to the initial Weekly Rate Period, on \_\_\_\_\_ 1, 200\_ (and, with respect to each subsequent Weekly Rate Period, commencing on the first Business Day of the month next succeeding the Weekly Rate Conversion Date), and on the Maturity Date specified above if such Bond is in the Weekly Rate Mode at such time (each, a “Weekly Rate Interest Payment Date”), and shall be computed on the basis of a 365- or 366-day year for the actual number of days elapsed. Interest on such Bond shall accrue from and including the first day of the Weekly Rate Period to and including the day before the first Weekly Rate Interest Payment Date of such Weekly Rate Period, and thereafter interest on such Bond shall accrue from and including each Weekly Rate Interest Payment Date to and including the day next preceding the next Weekly Rate Interest Payment Date except as otherwise provided in the Indenture. The Weekly Rate for the initial Interest Period of a Weekly Rate Period shall be calculated by the Remarketing Agent on or prior to the first day of the Weekly Rate Period as provided below and in the Indenture. Interest on such Bond for each Interest Period subsequent to the initial Interest Period during a Weekly Rate Period shall be calculated as provided below and in the Indenture. During each Weekly Rate Period, “Interest Period” shall mean the period from and including the first day of the Weekly Rate Period through and including the following

Wednesday, and, after the first Interest Period of each Weekly Rate Period, from and including Thursday of each week through and including the following Wednesday, whether or not such days are Business Days; provided, however, that if the scheduled rate change day for Bonds in the Weekly Rate Mode is changed to a day of the calendar week other than Wednesday as described in the Indenture, the Interest Period for Bonds in the Weekly Rate Mode shall mean the period from the Weekly Rate Conversion Date through and including the day immediately preceding such new rate change day, and, after the first Interest Period, the period from such new rate change day through and including the day immediately preceding the following rate change day, whether or not such days are Business Days.

On Wednesday (unless Wednesday is not a Business Day, then the next preceding Business Day) of each week during a Weekly Rate Period, with respect to each Interest Period after the initial Interest Period, the Remarketing Agent shall determine the Weekly Rate for the following or current Interest Period. The Weekly Rate for each Interest Period of a Weekly Rate Period shall be calculated by the Remarketing Agent as the lowest rate which, in the sole judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, is necessary to permit such Bond to be sold at a price of par plus accrued interest on the first day of the applicable Interest Period; provided that in no case shall the Weekly Rate be set at a rate greater than the Maximum Rate. In the event no Weekly Rate is determined by the Remarketing Agent for an Interest Period, the Weekly Rate for such Interest Period shall be the Weekly Rate in effect for the immediately preceding Interest Period. In the event any such Bond shall commence to bear interest at a Weekly Rate as a result of the provisions described under Part III below, on the date that the Weekly Rate is so established, the Remarketing Agent shall follow the procedures for establishing a Weekly Rate for such Bond set forth in Section 2.02(C) of the Indenture and described above in this paragraph. In the event no such Weekly Rate is determined by the Remarketing Agent for the first week of such Weekly Rate Period established as a result of the provisions described under Part III below, the Weekly Rate for such week shall be the Adjustable Rate in effect for the immediately preceding Adjustable Rate Period. The Remarketing Agent shall notify the Trustee, and the Trustee shall notify the Borrower, the Credit Provider and the Tender Agent, of the Weekly Rate in accordance with the Indenture and each determination of a Weekly Rate by the Remarketing Agent shall be conclusive and binding upon the Issuer, the Borrower, the Trustee, the Credit Provider, the Tender Agent and the Bondholders.

The Indenture permits the Remarketing Agent to designate another day for determining the interest rate on the Bonds or initiating a new Weekly Rate under certain circumstances described therein.

During a Weekly Rate Period, a Bond bearing interest at a Weekly Rate shall be subject to optional redemption by the Issuer prior to maturity in whole or in part (and if in part in an amount of at least \$100,000 or integral multiples of \$5,000 in excess thereof; provided that no Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination of at least \$100,000) on any date selected by the Borrower, at the direction of the Borrower upon 35 days' prior written notice to the Trustee, the Issuer, the Credit Provider and the Remarketing Agent, at a redemption price equal to the aggregate principal amount of the Bonds to be redeemed plus accrued interest thereon to the

redemption date, without premium, to the extent of optional prepayments of the Loan in accordance with the Loan Agreement.

### *Part III – Adjustable Rate Provisions*

The provisions of this Part III shall apply to each Bond bearing interest at an Adjustable Rate during an Adjustable Rate Period.

From and after each Adjustable Rate Conversion Date or Adjustable Rate Reset Date, the interest rate on each Bond shall be an Adjustable Rate as provided hereafter. If at the end of the then current Adjustable Rate Period, the Borrower does not elect and effect a conversion of any Bond from the Adjustable Rate Mode to another Mode, or a change or continuation in the duration of the Adjustable Rate Period, that Bond shall: (a) if it is in an Adjustable Rate Period of 365 days or less, convert to the Weekly Rate Mode; (b) if it is in an Adjustable Rate Period of 366 days or more and an opinion of Bond Counsel is furnished to the Trustee stating that such change is authorized or permitted by the Indenture, the Loan Agreement and the Act and that such change will not adversely affect the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds, convert to the Weekly Rate Mode; or (c) if it is in an Adjustable Rate Period of 366 days or more and such Bond Counsel opinion is not so furnished, remain in an Adjustable Rate Mode with an Adjustable Rate Period of 366 days; provided, however, that if the period of time between the applicable Adjustable Rate Reset Date and the maturity date of the Bonds is less than 366 days, then the new Rate Period shall end on the maturity date of such Bonds.

Upon conversion to the Adjustable Rate Mode on an Adjustable Rate Conversion Date, or the setting of a new Adjustable Rate on an Adjustable Rate Reset Date, the Adjustable Rate shall equal the lowest rate which the Remarketing Agent, in its sole judgment having due regard for prevailing financial market conditions, shall determine will permit the remarketing of such Bond on the Adjustable Rate Conversion Date or Adjustable Rate Reset Date, as appropriate, at par, which interest rate and the duration of such Adjustable Rate Period shall be established by the Remarketing Agent no later than 12:00 noon, New York City time, on the Adjustable Rate Conversion Date or Adjustable Rate Reset Date, as appropriate; provided, however, that in no event shall the Adjustable Rate be set at a rate greater than the Maximum Rate. In the event no Adjustable Rate is determined by the Remarketing Agent for an Adjustable Rate Period the duration of which has been established as provided above, the Adjustable Rate for such Adjustable Rate Period shall be the Adjustable Rate in effect for the immediately preceding Adjustable Rate Period. The Remarketing Agent shall notify the Trustee, and the Trustee shall notify the Credit Provider, the Tender Agent and the Borrower, of the Adjustable Rate and the duration of such Adjustable Rate Period, and such Adjustable Rate shall be conclusive and binding upon the Tender Agent, the Issuer, the Borrower, the Trustee, the Credit Provider and the Bondholders.

While in the Adjustable Rate Mode, interest on such Bond shall be paid, with respect to any Bond in an Adjustable Rate Period of 365 days or less, on the day following the last day of such Adjustable Rate Period; with respect to any Bond in an Adjustable Rate Period of more than 365 days, on each April 1 and October 1, commencing on the April 1 or October 1 next succeeding the Adjustable Rate Conversion Date; on the Adjustable Rate Reset Date; or on the

Maturity Date specified above if such Bond is in the Adjustable Rate Mode at such time (and if the conditions specified in Section 2.02(D) of the Indenture are met) (each, an “Adjustable Rate Interest Payment Date”), and shall be computed, while any Bond is in an Adjustable Rate Period of 365 days or less, on the basis of a 365/366-day year, for actual number of days lapsed, and, while any Bond is in an Adjustable Rate Period of more than 365 days, on the basis of a 360-day year consisting of twelve 30-day months.

During an Adjustable Rate Period, no Bondholders shall have the right to tender such Bonds for optional purchase pursuant to Article III of the Indenture.

During an Adjustable Rate Period, a Bond bearing interest at an Adjustable Rate shall be subject to redemption by the Issuer prior to maturity only as follows:

(a) The Bonds are subject to extraordinary redemption in whole on any date selected by the Borrower, at a redemption price equal to the aggregate principal amount of the Bonds plus accrued interest thereon to the redemption date, without premium, upon the occurrence of certain events described in Section 9.4 of the Loan Agreement if the Borrower elects to prepay a like amount under the Loan Agreement.

(b) Each Bond is subject to optional redemption in whole or in part (and if in part in an amount of at least \$100,000 or in integral multiples of \$5,000 in excess thereof; provided that no Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination of at least \$100,000) on any date selected by the Borrower, at the direction of the Borrower upon 45 days’ prior written notice to the Trustee, the Issuer, the Credit Provider and the Remarketing Agent, as set forth below, to the extent of optional prepayments of the Loan in accordance with the Loan Agreement, at the applicable redemption price (expressed as a percentage of the principal amount to be redeemed) relating to the length of the Adjustable Rate Period as set forth below, plus accrued interest thereon to the date of redemption:

<u>Length of Period (Expressed in Whole Years)*</u>	<u>Dates on Which Redemption is Allowed and Redemption Prices**</u>
greater than 12	after 10 years at 102%, declining by 1% annually to 100%
less than or equal to 12 and greater than 4	noncallable until two years prior to the end of the Adjustable Rate Period, then 102%, declining by 1% annually to 100%
Less than or equal to 4	NOT SUBJECT TO OPTIONAL REDEMPTION

\* The Adjustable Rate Period shall be rounded up to the next whole year if otherwise a partial year.

\*\* Measured from the first day of the Adjustable Rate Period.

Notwithstanding the schedule shown above, the Borrower may direct the Issuer to redeem Bonds prior to maturity, and the Issuer shall redeem such Bonds according to another schedule, if, with the notice of redemption, the Borrower also delivers to the Issuer and the

Trustee an opinion of Bond Counsel to the effect that the new schedule of redemption will not adversely affect the validity or enforceability of the Bonds in accordance with their terms, and will not have an adverse effect on any exemption from federal income taxation to which the interest on the Bonds would otherwise be entitled.

(c) Notwithstanding the limitation set forth in paragraph (b) above, each Bond in an Adjustable Rate Mode shall be subject to optional redemption by the Issuer prior to maturity, in whole or in part (and if in part in Authorized Denominations), on the last Adjustable Rate Interest Payment Date for the Adjustable Rate Period in which such Bond then operates, at the direction of the Borrower upon not less than 45 days' prior written notice to the Trustee, the Issuer, the Credit Provider and the Remarketing Agent, at a redemption price equal to 100% of the aggregate principal amount of such Bonds to be redeemed plus interest thereon to the redemption date, without premium, to the extent of optional prepayments of the Note in accordance with the Loan Agreement.

#### *Part IV – Fixed Rate Provisions*

The provisions of this Part IV shall apply to each Bond bearing interest at a Fixed Rate during the Fixed Rate Period.

From and after the Fixed Rate Conversion Date with respect to any Bond, the interest rate on such Bond shall be the Fixed Rate as provided hereafter. The Fixed Rate shall be established in accordance with Section 2.02 (E) of the Indenture, and shall be set forth in the firm underwriting or purchase contract described in Section 2.02(G)(d)(ii) of the Indenture. In no event shall the Fixed Rate be set at a rate greater than 10.0% per annum. Such Fixed Rate shall be conclusive and binding upon the Tender Agent, the Issuer, the Borrower, the Trustee and the Bondholders.

Except as provided below, upon conversion of the interest rate on any Bonds to a Fixed Interest Rate, all such Bonds then being converted shall mature serially on October 1 of each year through and including final maturity in accordance with the terms specified below. Upon conversion, the firm of bond underwriters or recognized institutional investors who agree to underwrite or purchase such Bonds in accordance with Section 2.02(G)(d)(ii) of the Indenture shall deliver to the Borrower and the Trustee a certificate which includes (a) a schedule specifying the principal amount of Bonds maturing or to be called for mandatory sinking fund redemption on October 1 of each year, commencing on the first October 1 occurring after the Fixed Rate Conversion Date, through and including final maturity, and (b) a schedule specifying the interest on such Bonds to be paid on April 1 and October 1 of each year, commencing with the first April 1 or October 1 occurring after the Fixed Rate Conversion Date, through and including the final maturity date. In determining the amount of interest and principal that shall be payable on such dates, such firm of bond underwriters or institutional investors shall use the following guidelines:

(a) Such firm of bond underwriters or institutional investors shall set the interest rate on each Bond then being converted to be the lowest interest rate that will enable such Bond upon conversion to be remarketed at par, assuming that all Bonds then being converted will mature serially on October 1 of each year through and including final maturity, and taking into account

the fact that such Bond shall mature on a particular October 1 through and including final maturity in accordance with (b) below, all such Bonds shall pay interest semiannually on April 1 and October 1 of each year, all such Bonds maturing on a particular October 1 shall bear interest at the same rate, and all such Bonds shall only be remarketed at par; and

(b) The schedule of principal payments shall be set to achieve annual level debt service (including both principal and interest) for all remaining Bond Years or portions thereof and to the extent such annual level debt service cannot be exactly achieved due to the denomination of the Bonds then being converted, such annual level debt service shall be achieved by rounding down all principal amounts to the next \$5,000 denomination if the Authorized Denomination for such Bonds is \$5,000 and any integral multiple thereof, and rounding up the last principal payment; provided, that the schedule of principal payments need not be set as described above if the Borrower shall provide to the Issuer, the Trustee and such firm of bond underwriters or institutional investors an opinion of Bond Counsel to the effect that the setting of an alternative schedule of principal payments will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

With respect to those Bonds, if any, that mature on or after the October 1 occurring after the Fixed Rate Conversion Date therefor, if, after establishing the interest rates and the schedule of principal payments for the Bonds then being converted in accordance with the above guidelines, Bonds maturing in three or more consecutive years bear interest at the same per annum interest rate, such Bonds shall no longer be deemed to mature serially but shall be deemed to mature on the October 1 of the last consecutive year that Bonds bearing such interest rate were to have matured serially and shall be subject to mandatory sinking fund redemption prior to maturity on October 1 in accordance with the principal payment schedule established therefor in accordance with the above guidelines.

If the designation referred to above cannot be made and the opinion of Bond Counsel described in the immediately succeeding paragraph has not otherwise been delivered to the Trustee and the Issuer by the Borrower, then no conversion shall be effected.

The foregoing notwithstanding, another method of providing for payment of principal on the Bonds after the Fixed Rate Conversion Date may be established by the firm of bond underwriters or institutional investors underwriting or purchasing such Bonds if there is delivered to the Trustee and the Issuer by the Borrower an opinion of Bond Counsel to the effect that utilization of such other method will not adversely affect the validity or enforceability in accordance with their terms of any Bonds or any exemption from federal income taxation to which interest on the Bonds would otherwise be entitled.

While in the Fixed Rate Mode, interest on such Bonds shall be paid on each April 1 and October 1 (each, a "Fixed Rate Interest Payment Date"), commencing on the April 1 or October 1 next succeeding the Fixed Rate Conversion Date, and shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

During the Fixed Rate Period, no Bondholder shall have the right to tender its Bond for optional purchase pursuant to Article III of the Indenture.



During the Fixed Rate Period, such Bond shall be subject to redemption by the Issuer prior to maturity only as follows:

(i) The Bonds are subject to extraordinary redemption in whole on any date selected by the Borrower, at a redemption price equal to the aggregate principal amount of the Bonds plus accrued interest thereon to the redemption date, without premium, upon the occurrence of certain events described in Section 9.4 of the Loan Agreement if the Borrower elects to prepay a like amount under the Loan Agreement.

(ii) Each Bond is subject to optional redemption in whole or in part (and if in part in Authorized Denominations; provided that no Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination) on any date selected by the Borrower, at the direction of the Borrower upon 35 days' prior written notice to the Trustee and the Issuer, as set forth below, to the extent of optional prepayments of the Loan in accordance with the Loan Agreement, at the applicable redemption price (expressed as a percentage of the principal amount to be redeemed) relating to the length of the Fixed Rate Period set forth below, plus accrued interest thereon to the date of redemption:

LENGTH OF PERIOD (EXPRESSED IN WHOLE YEARS)*	DATES ON WHICH REDEMPTION IS ALLOWED AND REDEMPTION PRICES**
greater than 12	after 10 years at 102%, declining by 1% annually to 100%
less than or equal to 12 and greater than 4	noncallable until two years prior to maturity, then 102%, declining by 1% annually to 100%
less than or equal to 4	NOT SUBJECT TO OPTIONAL REDEMPTION

\* The Fixed Rate Period shall be rounded up to the next whole year if otherwise a partial year.

\*\* Measured from the first day of the Fixed Rate Period.

Notwithstanding the schedule shown above, the Borrower may direct the Issuer to redeem Bonds prior to maturity, and the Issuer shall redeem such Bonds according to another schedule, if, with the notice of redemption, the Borrower also delivers to the Issuer and the Trustee an opinion of Bond Counsel to the effect that the new schedule of redemption will not adversely affect the validity or enforceability of the Bonds in accordance with their terms, and will not have an adverse effect on any exemption from federal income taxation to which the interest on the Bonds would otherwise be entitled.

(c) Bonds in the Fixed Rate Mode that are subject to mandatory sinking fund redemption prior to maturity as described above shall be selected for redemption by the Trustee by lot within the maturity to be so redeemed, and shall be redeemed at a redemption price equal to the aggregate principal amount of such Bonds being redeemed plus accrued interest thereon to the redemption date, without premium.

## *Part V – Conversion Provisions*

The provisions of this Part V shall apply to each Bond with respect to (a) conversion from the Daily Rate Mode to the Adjustable Rate Mode, the Weekly Rate Mode or the Fixed Rate Mode, (b) conversion from the Weekly Rate Mode to the Daily Rate Mode, the Adjustable Rate Mode or the Fixed Rate Mode, (c) conversion from the Adjustable Rate Mode to the Daily Rate Mode, the Weekly Rate Mode or the Fixed Rate Mode, or (d) conversion from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration within the Adjustable Rate Mode. No Bond shall be converted from one Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration if an Event of Default shall have occurred and be continuing under the Indenture.

The interest rate on a Bond shall be converted from one Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration within the Adjustable Rate Mode, if the Borrower shall notify the Trustee of its irrevocable election to effect such conversion, and together with such notice specifies, the identification of the Bonds to be converted, the Interest Payment Date on which such conversion is to take place, and, if such conversion is to or within the Adjustable Rate Mode, the Adjustable Rate Interest Payment Date upon which such Adjustable Rate Period is to terminate (which Adjustable Rate Period shall be of at least 30 days duration). Upon receipt by the Trustee of such notice from the Borrower, the Trustee shall immediately cause the same information contained in such notice to be delivered to the Tender Agent, the Remarketing Agent, the Issuer and the Credit Provider. An opinion of Bond Counsel (which opinion shall be confirmed on the Conversion Date or Adjustable Rate Reset Date, as appropriate) stating that such conversion is authorized or permitted by the Indenture, the Loan Agreement and the Act, and will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bonds shall be delivered with such notice when the conversion is: (a) from a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode with an Adjustable Rate Period of 365 days or less in duration to an Adjustable Rate Mode with an Adjustable Rate Period in excess of 365 days in duration; or (b) from an Adjustable Rate Mode with an Adjustable Rate Period in excess of 365 days in duration to an Adjustable Rate Mode with an Adjustable Rate Period of 365 days or less in duration, a Daily Rate Mode or a Weekly Rate Mode; or (c) from a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode to a Fixed Rate Mode. If the conversion is to a Fixed Rate Mode from any other Mode, a firm underwriting or purchase contract from a recognized firm of bond underwriters or recognized institutional investors to underwrite or purchase all Bonds that are to be converted to a Fixed Rate Mode at a price of 100% of the principal amount thereof at an agreed upon interest rate (not in excess of 10.0% per annum) for each Bond to be so converted, which such underwriter or institutional investor certifies is the lowest rate that will permit such Bond to be sold at par on the first day of the Fixed Rate Period and which contract shall contain the maturity schedule, and, if applicable, the mandatory sinking fund redemption schedule, prepared in accordance with Section 2.02(E) of the Indenture, shall also be delivered with such notice. The conversion date for any Bond to be converted from one Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration, will be the Interest Payment Date specified by the Borrower in its notice of election to effect such conversion, which date will be not less than 30 days succeeding receipt by the Trustee, the Tender Agent, the Credit Provider and the Remarketing Agent of such notice from the Borrower of such conversion. Each Bond (other than a Pledged Bond or a

Borrower Bond) shall be subject to mandatory tender and purchase on each Conversion Date or Adjustable Rate Reset Date, as appropriate.

In the event, with respect to any Bond, any condition precedent to the conversion from one Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration, is not fulfilled (including, but not limited to, the establishment of the appropriate interest rate for such Mode or Adjustable Rate Period), the mandatory tender shall nonetheless be effectuated. After the mandatory tender date, such Bond shall continue in its then current Mode for the same period and bear the same interest rate as was last borne by such Bond in such Mode; provided, however, in the case when the then current Mode is the Adjustable Rate Mode, such Bond shall be in the Mode and at the interest rate established pursuant to Section 2.02(D) of the Indenture. In the event any Bond is not remarketed on the mandatory tender date and becomes a Pledged Bond or a Borrower Bond, the Remarketing Agent shall be entitled to determine a new Daily Rate, Weekly Rate or Adjustable Rate relating to such Bond, as appropriate (under the conditions and subject to the limitations provided above), effective on such date as the Remarketing Agent is able to remarket such Pledged Bond or Borrower Bond then in such Mode at a price of par plus accrued interest to such delivery date; but in any event such new rate shall not be set at a rate in excess of the Maximum Rate. The determination of the new Daily Rate, Weekly Rate or Adjustable Rate, as appropriate, by the Remarketing Agent shall be conclusive and binding on the Issuer, the Borrower, the Trustee, the Credit Provider, the Tender Agent and the Bondholders.

The Borrower shall cause to be on deposit with the Trustee, prior to each Conversion Date (other than a Fixed Rate Conversion Date) or Adjustable Rate Reset Date, as appropriate, a Credit Facility that complies with the provisions of Section 4.3(b) of the Loan Agreement. Each Credit Facility shall require the issuer thereof to pay, upon presentation of drafts and certificates required therein, to the Trustee, in accordance with the terms thereof, up to (a) an amount equal to the aggregate principal amount of Bonds then outstanding supported by such Credit Facility, whether at maturity, upon redemption, upon purchase or otherwise, plus (b) an amount equal to at least 51 days' accrued and unpaid interest on all outstanding Bonds supported by such Credit Facility during the Daily Rate Period, Weekly Rate Period or Adjustable Rate Period, as applicable, at an assumed rate per annum established in such Credit Facility and no greater than 10.0% per annum. At the request of the Borrower, such Credit Facility may also require the issuer thereof to pay an amount equal to the maximum optional redemption premium payable on the Bonds supported by such Credit Facility subsequent to the Adjustable Rate Conversion Date or Adjustable Rate Reset Date. All references to "Alternate Credit Facility," "Credit Provider," "Credit Facility" and "Reimbursement Agreement" shall be of no effect at any time that no Credit Facility is outstanding and no obligations of the Borrower to the Credit Provider remain outstanding under the Reimbursement Agreement. At all times while a Bond is in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode, such Bond shall be entitled to both credit support and liquidity support. A Credit Facility may be issued to provide credit support, liquidity support or both to one, some or all of the Bonds.

At least 30 days prior to each Conversion Date or Adjustable Rate Reset Date, as appropriate, the Trustee shall give to each affected Bondholder notice by facsimile, first class or certified mail stating: (a) the Conversion Date or Adjustable Rate Reset Date, as appropriate; and (b) that on the Conversion Date or Adjustable Rate Reset Date, as appropriate, such Bond is

subject to mandatory tender and purchase (or, if the Bonds are held in a book-entry only system, that the beneficial interests in the affected Bonds are subject to mandatory tender for purchase). In addition, if a book-entry only system is not in effect, the notice shall further state: (a) that any affected owner who has not tendered Bonds for purchase on the mandatory tender date will be deemed to have tendered its Bonds for purchase on such date; and (b) that any Bond not delivered to the Tender Agent on or prior to the mandatory tender date (an “Undelivered Bond”), for which there has been irrevocably deposited in trust with the Trustee or the Tender Agent on or prior to the mandatory tender date an amount of money sufficient to pay the purchase price of such Undelivered Bond on the mandatory tender date, shall be deemed to have been so purchased at the price of par plus accrued interest as of such date, and such Bond shall no longer be considered to be outstanding for purposes of the Indenture and shall no longer be entitled to the benefits of the Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date). IN THE EVENT OF A FAILURE BY AN OWNER OF BONDS TO DELIVER ITS BONDS ON OR PRIOR TO THE CONVERSION DATE OR ADJUSTABLE RATE RESET DATE, AS APPROPRIATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO THE CONVERSION DATE OR ADJUSTABLE RATE RESET DATE, AS APPROPRIATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BONDS, AND ANY UNDELIVERED BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFIT AND SECURITY OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF THE PAYMENT OF THE PURCHASE PRICE THEREOF; AND THE TRUSTEE WILL NOT REGISTER ANY FURTHER TRANSFERS OF SUCH UNDELIVERED BONDS.

#### *Part VI – Optional and Mandatory Tender for Purchase*

The provisions of this Part VI shall apply with respect to each Bond which is subject to optional and mandatory tender for purchase. Bonds in a Daily Rate Mode or a Weekly Rate Mode may be optionally tendered for purchase as described in Parts I and II above. The Bonds in an Adjustable Rate Mode or the Fixed Rate Mode are not subject to optional tender for purchase. The Bonds in a Daily Rate Mode, a Weekly Rate Mode and an Adjustable Rate Mode are subject to mandatory tender for purchase on each Conversion Date and each Adjustable Rate Reset Date as described in Part V above, and also on the date of delivery of an Alternate Credit Facility. The Bonds in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode (other than Pledged Bonds and Borrower Bonds) are also subject to mandatory tender for purchase on the last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, prior to the Expiration of the Term of the Credit Facility (but in no event less than two (2) Business Days prior to the Expiration of the Term of the Credit Facility). The Bonds optionally or mandatorily tendered for purchase shall be purchased at the price of 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase.

At least 30 days prior to each Conversion Date, Adjustable Rate Reset Date, and date of delivery of an Alternate Credit Facility, the Trustee shall give notice as required by the Indenture. At least 30 days prior to the last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, prior to either the Expiration of the Term of the Credit Facility, the Trustee shall give to each affected

Bondholder notice by facsimile, first class or certified mail stating: (a) the last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, prior to either the Expiration of the Term of the Credit Facility; (b) that on such last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate (but in no event less than two (2) Business Days prior to the Expiration of the Term of the Credit Facility), such Bond is subject to mandatory tender and purchase (or, if the Bonds are held in a book-entry only system, that the beneficial interests in the affected Bonds are subject to mandatory tender for purchase); and (c) the rating, if any, applicable to the Bonds after delivery of any Alternate Credit Facility. In addition, if a book-entry only system is not in effect, the notice shall further state: (a) that any affected owner who has not tendered Bonds for purchase on the mandatory tender date will be deemed to have tendered its Bonds for purchase on such date; and (b) that any Bond not delivered to the Tender Agent on or prior to the mandatory tender date (an "Undelivered Bond"), for which there has been irrevocably deposited in trust with the Trustee or the Tender Agent on or prior to the mandatory tender date an amount of money sufficient to pay the purchase price of such Undelivered Bond on the mandatory tender date, shall be deemed to have been so purchased at the price of par plus accrued interest as of such date, and such Bond shall no longer be considered to be outstanding for purposes of the Indenture and shall no longer be entitled to the benefits of the Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date). IN THE EVENT OF A FAILURE BY AN OWNER OF BONDS TO DELIVER ITS BONDS ON OR PRIOR TO THE CONVERSION DATE, ADJUSTABLE RATE RESET DATE, OR DATE OF DELIVERY OF AN ALTERNATE CREDIT FACILITY, OR ON OR PRIOR TO THE LAST DAILY RATE INTEREST PAYMENT DATE, WEEKLY RATE INTEREST PAYMENT DATE OR ADJUSTABLE RATE INTEREST PAYMENT DATE, AS APPROPRIATE, PRIOR TO THE EXPIRATION OF THE TERM OF THE CREDIT FACILITY, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO SUCH CONVERSION DATE, ADJUSTABLE RATE RESET DATE OR DATE OF DELIVERY OF AN ALTERNATE CREDIT FACILITY, OR SUBSEQUENT TO SUCH LAST DAILY RATE INTEREST PAYMENT DATE, WEEKLY RATE INTEREST PAYMENT DATE OR ADJUSTABLE RATE INTEREST PAYMENT DATE, AS APPROPRIATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BONDS, AND ANY UNDELIVERED BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFIT AND SECURITY OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF THE PAYMENT OF THE PURCHASE PRICE THEREOF; AND THE TRUSTEE WILL NOT REGISTER ANY FURTHER TRANSFERS OF SUCH UNDELIVERED BONDS.

Bonds may be redeemed in whole or in part on any mandatory tender date.

#### *Part VII – General Provisions*

The provisions of this Part VII shall apply at all times from and after the date of issuance of this Bond.

Except during such period of time as the Bonds are held under the Issuer's book-entry only system, or as described above with respect to demands for purchase during a Daily Rate Period or a Weekly Rate Period, the ownership of this Bond may be transferred (in an amount

which is an Authorized Denomination; provided that the portion thereof retained is itself an Authorized Denomination) only upon presentation and surrender of this Bond at the designated corporate trust operations office of the Trustee as Bond Registrar, together with an assignment duly executed by the Registered Owner hereof or its duly authorized attorney-in-fact in such form as shall be satisfactory to the Trustee, and subject to the provisions made therefor in the Indenture. The Bonds may be exchanged at the designated corporate trust operations office of the Trustee for a like aggregate principal amount of Bonds of Authorized Denominations. The Trustee shall not be required to make any such transfer or exchange of any Bond during the three Business Days immediately preceding the selection of Bonds for redemption or, with respect to a Bond, after such Bond or any portion thereof has been selected for redemption.

Authorized Denomination shall mean: (a) for any Bond in the Daily Rate Mode, the Weekly Rate Mode, or the Adjustable Rate Mode with an Adjustable Rate Period of 365 days or less, the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof; and (b) for any Bond in the Adjustable Rate Mode with an Adjustable Rate Period of more than 365 days, or the Fixed Rate Mode, the denomination of \$5,000 or any integral multiple thereof.

Not less than 30 nor more than 45 days prior to any redemption date, the Trustee shall cause notice of the call for redemption, identifying each Bond or portion thereof to be redeemed, given in the name of the Issuer, to be sent by first class certified mail, postage prepaid, to the registered owner of each Bond to be redeemed at the address of such registered owner shown on the books kept by the Trustee as Bond Registrar. Failure to give such notice or any defect therein with respect to a Bond shall not affect the validity of any proceedings for the redemption of the other Bonds. By the date fixed for any such redemption, due provision shall be made with the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds to be redeemed on the date of redemption. If notice of redemption is given and if due provision for payment of the redemption price is made, all as provided in the Indenture (including under the Credit Facility), the Bonds or portions thereof which are to be redeemed shall not bear interest after the date fixed for redemption, and shall not be entitled to any benefit or security under the Indenture, except for the right of the registered owner to receive the principal thereof, and premium and accrued interest thereon, out of the funds provided for such payment.

Upon the occurrence of a Determination of Taxability, as defined in the Indenture, the Bonds are subject to mandatory redemption in whole at a redemption price equal to 100% of the outstanding principal amount thereof, plus interest accrued to the redemption date, at the earliest practicable date selected by the Trustee, after consultation with the Borrower, but in no event later than 45 days following the Trustee's notification of the Determination of Taxability. The occurrence of a Determination of Taxability with respect to the Bonds will not constitute an Event of Default under the Indenture.

Provisions may be made for the payment of amounts represented by the Bonds as provided in the Indenture, in which event all liability of the Issuer to the registered owners of the applicable Bonds for the payment of such Bonds shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds (but only for the period specified and as provided in the Indenture), without liability for interest thereon, for the benefit of the registered owners of such Bonds, who shall thereafter be restricted

exclusively to such funds for any claims of whatever nature under the Indenture or on, or with respect to, said Bonds.

It is hereby certified and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, done and have existed in accordance with law; that the Bonds are special, limited obligations of the Issuer; and that the principal of, premium, if any, and interest on the Bonds are payable from and secured by the properties, revenues and income that constitute a part of the Trust Estate and, in the case of principal and interest (but not premium payable upon the optional redemption of Bonds unless the Credit Facility provides for such), the Credit Facility; provided, however, that Pledged Bonds and Borrower Bonds shall not be payable from or secured by the Credit Facility.

The Bonds are secured by the Indenture, whereunder the Trustee undertakes to enforce the rights of the owners of the Bonds and to perform other duties to the extent and under the conditions stated in the Indenture. In case an Event of Default shall occur, the principal of and interest on the Bonds then outstanding may, and, under certain circumstances, shall, be declared to be due and payable immediately upon the conditions and in the manner provided in the Indenture. Under the circumstances provided in the Indenture, the Trustee may in its discretion, with the consent of the Credit Provider (if the Credit Provider has not failed to honor a properly presented and conforming drawing under the Credit Facility), and upon written direction of the Credit Provider (if the Credit Provider has not failed to honor a properly presented and conforming drawing under the Credit Facility) shall, and upon written request of the registered owners of a majority in aggregate principal amount of the Bonds then outstanding, with the written consent of the Credit Provider (if the Credit Provider has not failed to honor a properly presented and conforming drawing under the Credit Facility) shall, waive any Event of Default and its consequences; provided, however, that an Event of Default arising from (a) a default in the payment of the principal or purchase price of, premium, if any, or interest on the Bonds, (b) notice by the Credit Provider to the Trustee that an event of default under the Reimbursement Agreement and the Credit Provider is terminating its Credit Facility or (c) the failure to pay principal or purchase price of or interest on Bonds in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode with moneys drawn under the Credit Facility or Seasoned Funds may not be so waived by the Trustee without the written consent of the registered owners of all of the Bonds then outstanding, and the prior full reinstatement of amounts available to be drawn under the Credit Facility. The registered owners of the Bonds shall have no right to institute any action, suit or proceeding at law or in equity to enforce the Indenture, except as provided in the Indenture; provided, however, that nothing in the Indenture shall affect or impair the right of the registered owner of any Bond to enforce the payment of the principal of, premium, if any, and interest on such Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on any Bond to the registered owner thereof at the time and place, from the source and in the manner herein expressed.

The Issuer has reserved the right to amend the Indenture, with the consent of the Credit Provider and the Borrower, as provided therein. Under some (but not all) circumstances amendments thereto must also be approved by the owners of at least a majority in aggregate principal amount of the Outstanding Bonds.

**REGISTRATION INFORMATION**

Under the terms of the Indenture, the Trustee will register a Bond in the name of a transferee only if the owner of such Bond (or its duly authorized representative) provides as much of the information requested below as is applicable to such owner prior to submitting this Bond for transfer.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Social Security or Employer Identification Number: \_\_\_\_\_

If a Trust, Name and Address of Trustee(s) and Date of Trust: \_\_\_\_\_

**ASSIGNMENT**

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer such Bond on the books kept for registration and transfer of the within Bond, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without enlargement or alteration or any change whatsoever.

Signature guaranteed by:

\_\_\_\_\_  
NOTE: Signature must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.



**EXHIBIT B**

**FORM OF BOND — FLEX PRIVATE PLACEMENT RATE MODE**

No. R-1

\$8,330,000

**UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY**

**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
VARIABLE RATE DEMAND ECONOMIC DEVELOPMENT  
REVENUE BOND, SERIES 2008  
(SPALDING UNIVERSITY, INC. PROJECT)**

<u>DATED DATE OF REISSUANCE</u>	<u>MATURITY DATE</u>	<u>INITIAL MODE</u>	<u>CUSIP</u>
October __, 2015	October 1, 2023	Flex Private Placement Rate	Not Applicable

REGISTERED OWNER: U.S. BANK NATIONAL ASSOCIATION

PRINCIPAL AMOUNT: EIGHT MILLION THREE HUNDRED THIRTY THOUSAND  
(\$8,330,000) DOLLARS

THIS BOND IS SUBJECT TO MANDATORY TENDER FOR PURCHASE AT THE TIMES AND IN THE MANNER HEREINAFTER DESCRIBED, AND MUST BE SO TENDERED OR WILL BE DEEMED TO HAVE BEEN SO TENDERED UNDER CERTAIN CIRCUMSTANCES AS DESCRIBED HEREIN.

WHILE IN THE DAILY RATE MODE OR THE WEEKLY RATE MODE, THIS BOND SHALL BE PURCHASED ON THE DEMAND OF THE OWNER AT THE TIMES AND IN THE MANNER HEREINAFTER DESCRIBED.

The Louisville/Jefferson County Metro Government (the "Issuer"), a consolidated local government and political subdivision of the Commonwealth of Kentucky (the "State"), hereby promises to pay to the Registered Owner specified above, or registered assigns, the Principal Amount specified above on the Maturity Date specified above (or earlier as hereinafter provided), and to pay interest on the Principal Amount hereof from the Dated Date specified above at the rates per annum and on the dates set forth herein; provided, however, that such principal and interest are payable solely from the sources and in the manner herein after described, and as authorized and provided in Chapter 103 of the Kentucky Revised Statutes (the "Act").

No recourse shall be had for the payment of the principal of, premium, if any, or interest hereon or for any claims based thereon or upon any obligation, covenant or agreement contained herein or in the Indenture or the Loan Agreement (as such terms are hereinafter defined), against any past, present or future incorporator, officer, member, director, agent, attorney or employee of

the Issuer, or any incorporator, officer, member, director, agent, attorney or employee of any successor organization, as such, either directly or through the Issuer or any successor organization, 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 official, officer, member, director, agent, attorney or employee as such is hereby expressly waived and released as a condition of and in consideration for the execution of the Indenture and the issuance of the Bonds.

THIS BOND AND THE INTEREST HEREON ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER. THE PRINCIPAL HEREOF, PREMIUM, IF ANY, AND INTEREST HEREON ARE PAYABLE SOLELY OUT OF THE REVENUES AND INCOME OF THE ISSUER DERIVED FROM OBLIGATIONS OF THE BORROWER UNDER THE LOAN AGREEMENT (AS SUCH TERMS ARE HEREINAFTER DEFINED), PROCEEDS FROM THE SALE OF THE BONDS AND INCOME FROM THE TEMPORARY INVESTMENT THEREOF AND PAYMENTS UNDER THE CREDIT FACILITY (AS HEREINAFTER DEFINED). THIS BOND AND THE PREMIUM, IF ANY, AND INTEREST HEREON DO NOT CONSTITUTE AN INDEBTEDNESS OR AN OBLIGATION, GENERAL OR MORAL, OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE PURVIEW OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR PROVISION, AND SHALL NEVER CONSTITUTE NOR GIVE RISE TO A CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWERS, IF ANY, OF THE ISSUER, THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, BUT SHALL BE A SPECIAL, LIMITED OBLIGATION OF THE ISSUER, PAYABLE SOLELY FROM THE REVENUES AND INCOME DERIVED FROM PAYMENTS MADE BY THE BORROWER UNDER THE LOAN AGREEMENT AND PAYMENTS UNDER THE CREDIT FACILITY, IF APPLICABLE. NEITHER THE STATE, THE ISSUER, NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATE SHALL BE OBLIGATED TO PAY THE BONDS AND THE PREMIUM, IF ANY, OR THE INTEREST THEREON, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER, IF ANY, OF THE STATE, THE ISSUER OR ANY OTHER POLITICAL SUBDIVISION OR AGENCY OF THE STATE IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON SUCH BONDS.

No covenant, agreement or obligation contained herein shall be deemed to be a covenant, agreement or obligation of any present or future official of the Issuer, or director, officer, member, employee, attorney or agent of the Issuer nor shall any officer thereof executing the Bonds be liable personally hereon or be subject to any personal liability or accountability by reason of the issuance hereof.

This Bond is issued with the intent that the laws of the State will govern its construction.

The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. The principal and premium, if any, payable upon maturity or earlier redemption of this Bond are payable when due upon the presentation and surrender hereof at the designated corporate trustee processing facility of U.S. Bank National Association, as trustee (the "Trustee"), or any successor. Each payment of interest on this Bond shall be payable

to the Registered Owner hereof as shown on the registration books kept by the Trustee as bond registrar (the "Bond Registrar"), at the close of business on the Business Day (but, during an Adjustable Rate Period of more than 365 days or a Fixed Rate Period, the fifteenth day of the calendar month) next preceding the date on which such interest becomes due and payable (herein, a "Record Date"). Interest on this Bond shall be payable to the Registered Owner hereof by check or draft mailed by first class mail on the respective Interest Payment Dates (as hereinafter defined) to the address of such Registered Owner as shown on the books kept by the Trustee as Bond Registrar at the close of business on the relevant Record Date, or to such other address as is furnished in writing to the Trustee (in form satisfactory to the Trustee) by such Owner prior to such Record Date. Registered Owners of \$1,000,000 or more in aggregate principal amount of Bonds shall be entitled to receive interest payments by wire transfer by providing written wire instructions to the Trustee before the Record Date and by complying at the request of the Trustee with any reasonable requirements of the Trustee with respect to such wire transfers as are necessary to comply with any applicable provisions of Article IV of the Uniform Commercial Code of the State.

This Bond is authorized and issued under and pursuant to authority conferred by the Act, a resolution adopted by the Issuer, and the Indenture of Trust, dated as of October 1, 2008, as amended by the First Supplement to the Indenture of Trust dated as of June 1, 2010, as further amended by the Second Supplement to the Indenture of Trust, dated as of October 1, 2015 and as may be further amended and supplemented (the "Indenture"), between the Issuer and the Trustee. Certain terms used and not defined in this Bond are defined in the Indenture. This Bond is one of the Issuer's duly authorized Variable Rate Demand Industrial Building Revenue Bonds, Series 2008 (Spalding University, Inc. Project), issued in the aggregate principal amount of \$8,330,000 (which original Bond was issued in the principal amount of \$13,500,000 and dated on original issuance as of October 27, 2008) to provide funds to make a loan (the "Loan") to the Spalding University, Inc., a Kentucky nonprofit corporation (the "Borrower"), for the purpose of financing all or a portion of the costs to (a) redeem and retire the outstanding City of Shively, Kentucky Variable Rate Demand Educational Revenue Bonds, Series 2003, (b) refinance the purchase of the Breckinridge Building, finance and refinance a portion of the costs of renovating, improving and equipping such building for use by the Borrower, (c) renovate, expand and improve existing structures or purchase equipment consistent with the Borrower's Campus Master Plan and (d) pay the costs of issuance of the Bonds (the "Project").

The Bonds are all issued under and entitled to the benefit and security of the Indenture. Pursuant to the Indenture, the Issuer has pledged and assigned to the Trustee the Trust Estate referred to therein as security for its obligation to pay the principal of, premium, if any, and interest on the Bonds. As long as the Initial Purchaser is the Bondholder, the obligations of the Borrower with respect to the Bonds will be secured by the additional security described in Exhibit D of the Loan Agreement, dated as of October 1, 2008, between the Issuer and the Borrower, as the same may be amended and supplemented (the "Loan Agreement"). Reference is made to the Indenture for a description of the Trust Estate and for the provisions thereof with respect to the nature and extent of the security granted by the Issuer to the Trustee thereunder, the rights, duties and obligations of the Issuer and the Trustee, the rights of the registered owners of the Bonds, the terms on which the Bonds are issued and secured, to all of which provisions, and to all other provisions of the Indenture, the Registered Owner hereof by the acceptance of this Bond assents. Unless the context clearly requires otherwise, all capitalized terms used

herein and not otherwise defined herein shall have the meanings ascribed thereto in the Indenture or the Loan Agreement.

Except as described below for Bonds in the Flex Private Placement Rate Mode, the Issuer, upon the direction of the Borrower, has established a book-entry only system of registration for the Bonds. Except as specifically provided otherwise in the Indenture, an agent will be the registered owner and will hold this Bond on behalf of the beneficial owners hereof. By acceptance of a confirmation of purchase, delivery or transfer, the beneficial owners of this Bond shall be deemed to have agreed to this arrangement. The agent, as registered owner of this Bond, shall be treated as the owner hereof for all purposes.

All Bonds need not be in the same Mode simultaneously; however, each Bond may be in only one Mode at any time.

THE CREDIT FACILITY SHALL NOT BE AVAILABLE FOR ANY PAYMENT UNDER THIS BOND IF AND FOR SUCH TIME AS THIS BOND IS A PLEDGED BOND, A BORROWER BOND, A FLEX PRIVATE PLACEMENT RATE BOND OR A FIXED RATE BOND WITHIN THE MEANING OF THE INDENTURE.

*Part I – Daily Rate Provisions*

The provisions of this Part I shall apply to each Bond bearing interest at a Daily Rate during a Daily Rate Period.

During a Daily Rate Period when the Bonds are held in a book-entry only system by a nominee of The Depository Trust Company (“DTC”) or its successor, each beneficial owner of a beneficial interest in a Bond bearing interest at a Daily Rate (other than any Pledged Bond or Borrower Bond) may demand the purchase of such beneficial owner’s beneficial interest (or portion thereof; provided that the portion thereof tendered is an Authorized Denomination; and provided, further, that the portion thereof retained is itself an Authorized Denomination) on any Business Day at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase, upon delivery to RBC Capital Markets Corporation, as Remarketing Agent (the “Remarketing Agent”), at its office located at RBC Capital Markets Corporation, 414 Walnut St., Suite 300, Cincinnati, OH 45202, Attn: Dan Blank and also to Mark R. Mick, Vice President, Relationship Manager - Commercial Banking, CN-KY-0850, One Financial Square Louisville, KY 40202, (502) 562-6648, by 9:00 a.m., New York City time, on any Business Day, of a written irrevocable notice, which will be effective upon receipt, which states (a) the name and address of the beneficial owner, (b) the principal amount of such beneficial interest (and the portion thereof to be tendered, if less than the full principal amount thereof is to be tendered), and (c) the date on which such beneficial interest shall be so purchased, which date shall be a Business Day (and which date may be the date of the delivery of such notice to the Remarketing Agent, but only if delivery is accomplished by 9:00 a.m. New York City time on a Business Day). Such beneficial interest will be deemed to have been surrendered on the date specified in such notice.

During a Daily Rate Period and when a book-entry only system is not in effect, any Bond bearing interest at a Daily Rate (other than any Pledged Bond or Borrower Bond) or portion

thereof (provided that the portion thereof tendered is an Authorized Denomination; and provided, further, that the portion thereof retained is itself an Authorized Denomination) that is not due shall be purchased on the demand of the registered owner thereof on any Business Day at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase, upon delivery to a tender agent appointed by the Trustee upon the direction of the Borrower (the “Tender Agent”), at the address of the Tender Agent filed with the Trustee, by 9:00 a.m., New York City time, on any Business Day, of the following:

(a) a written irrevocable notice, which will be effective upon receipt, which states (i) the name and address of the registered owner, (ii) the principal amount of such Bond (and the portion thereof to be tendered, if less than the full principal amount thereof is to be tendered) and the Bond number, (iii) the date on which such Bond shall be so purchased, which date shall be a Business Day (and which date may be the date of the delivery of such notice to the Tender Agent, but only if delivery is accomplished by 9:00 a.m. New York City time on a Business Day), and (iv) if the Bond is not delivered with such notice as permitted in paragraph (b) below, that the registered owner agrees to deliver the Bond (with all necessary endorsements and guarantees of signature) as specified in paragraph (b) below; and

(b) such Bond (with all necessary endorsements and guarantees of signature) attached to the aforesaid notice; provided, however, that such Bond shall be so purchased only if the Bond delivered to the Tender Agent shall conform in all respects to the description thereof in the aforesaid notice; and provided, further, that if the registered owner of the tendered Bond is an open-ended diversified management investment company (registered under the Investment Company Act of 1940, as amended), the delivery required under this paragraph (b) need not be made until 11:00 a.m., New York City time, on the date such Bond is to be purchased from such registered owner. If a registered owner described in the last proviso of the preceding sentence fails to deliver such Bond as required therein (an “Undelivered Bond”), such Bond shall nevertheless be deemed to have been delivered at the time and on the date required, and shall no longer be outstanding under the Indenture, and such registered owner thereafter shall be entitled only to the purchase price payable for such Bond on such required delivery date, and such purchase price shall be paid to such registered owner only upon surrender of such Bond to the Tender Agent.

IN THE EVENT OF A FAILURE BY AN OWNER OF BONDS TO DELIVER ITS BONDS ON OR PRIOR TO THE REQUIRED DELIVERY DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING INTEREST TO ACCRUE SUBSEQUENT TO THE PURCHASE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BONDS, AND ANY SUCH UNDELIVERED BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFIT AND SECURITY OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF THE PAYMENT OF THE PURCHASE PRICE THEREOF; AND THE TRUSTEE WILL NOT REGISTER ANY FURTHER TRANSFERS OF SUCH UNDELIVERED BONDS.

While a Bond is in the Daily Rate Mode, interest on such Bond shall be paid on the first Business Day of each month, commencing on the first Business Day of the month next succeeding the Daily Rate Conversion Date, and on the Maturity Date specified above if such Bond is in the Daily Rate Mode at such time (each, a “Daily Rate Interest Payment Date”), and

shall be computed on the basis of a 365- or 366-day year for the actual number of days elapsed. Interest on such Bond shall accrue from and including the first day of the Daily Rate Period to and including the day before the first Daily Rate Interest Payment Date of such Daily Rate Period, and thereafter interest on such Bond shall accrue from and including each Daily Rate Interest Payment Date to and including the day next preceding the next Daily Rate Interest Payment Date except as otherwise provided in the Indenture. Interest on the Bonds for each Interest Period shall be calculated as provided below and in the Indenture. During each Daily Rate Period, "Interest Period" shall mean the period from and including each day which is a Business Day to but excluding the next succeeding day which is a Business Day.

By 11:00 a.m., New York City time, on the first day of each Interest Period during a Daily Rate Period, the Remarketing Agent shall determine the Daily Rate applicable for such Interest Period. The Daily Rate for each Interest Period of a Daily Rate Period shall be calculated by the Remarketing Agent as the lowest rate which, in the sole judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, is necessary to permit such Bond to be sold at a price of par plus accrued interest on the first day of the applicable Interest Period; provided that in no case shall the Daily Rate be set at a rate greater than the lesser of (i) 10.0% per annum or (ii) the annual interest rate used in determining the interest portion of the Credit Facility, if any (the "Maximum Rate"). In the event no Daily Rate is determined by the Remarketing Agent for an Interest Period during the Daily Rate Period, the Daily Rate for such Interest Period shall be the Daily Rate in effect for the immediately preceding Interest Period. The Remarketing Agent shall notify the Trustee, and the Trustee shall notify the Borrower, the Credit Provider and the Tender Agent, of the Daily Rate in accordance with the Indenture and each determination of a Daily Rate by the Remarketing Agent shall be conclusive and binding upon the Issuer, the Borrower, the Trustee, the Tender Agent, the Credit Provider and the Bondholders.

During a Daily Rate Period, a Bond bearing interest at a Daily Rate shall be subject to optional redemption by the Issuer prior to maturity in whole or in part (and if in part in an amount of at least \$100,000 or integral multiples of \$5,000 in excess thereof; provided that no Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination of at least \$100,000) on any date selected by the Borrower, at the direction of the Borrower upon 35 days' (or such shorter period of time approved by the Trustee) prior written notice to the Trustee, the Issuer, the Credit Provider and the Remarketing Agent, at a redemption price equal to the aggregate principal amount of the Bonds to be redeemed plus accrued interest thereon to the redemption date, without premium, to the extent of optional prepayments of the Loan in accordance with the Loan Agreement.

#### *Part II – Weekly Rate Provisions*

The provisions of this Part II shall apply to each Bond bearing interest at a Weekly Rate during a Weekly Rate Period.

During a Weekly Rate Period when the Bonds are held in a book-entry only system by a nominee of DTC or its successor, each beneficial owner of a beneficial interest in a Bond bearing interest at a Weekly Rate (other than Pledged Bonds or Borrower Bonds) may demand the purchase of such beneficial owner's beneficial interest (or portion thereof; provided that the

portion thereof tendered is an Authorized Denomination; and provided, further, that the portion thereof retained is itself an Authorized Denomination) on any Business Day at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase, upon delivery to the Remarketing Agent, at its office located at RBC Capital Markets Corporation, 414 Walnut St., Suite 300, Cincinnati, OH 45202, Attn: Dan Blank and also to Mark R. Mick, Vice President, Relationship Manager - Commercial Banking, CN-KY-0850, One Financial Square Louisville, KY 40202, (502) 562-6648, on any Business Day, of a written irrevocable notice, which will be effective upon receipt, which states (a) the name and address of the beneficial owner, (b) the principal amount of such beneficial interest (and the portion thereof to be tendered, if less than the full principal amount thereof is to be tendered), and (c) the date on which such beneficial interest shall be so purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Remarketing Agent. Such beneficial interest will be deemed to have been surrendered on the date specified in such notice.

During a Weekly Rate Period and when a book-entry only system is not in effect, any Bond bearing interest at a Weekly Rate (other than any Pledged Bond or Borrower Bond) or portion thereof (provided that the portion thereof tendered is an Authorized Denomination; and provided, further, that the portion thereof retained is itself an Authorized Denomination) that is not due shall be purchased on the demand of the registered owner thereof on any Business Day at a price equal to 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase, upon delivery to a tender agent appointed by the Trustee upon the direction of the Borrower (the "Tender Agent") at the address of the Tender Agent filed with the Trustee, on any Business Day, of the following:

(a) a written irrevocable notice, which will be effective upon receipt, which states (i) the name and address of the registered owner, (ii) the principal amount of such Bond (and the portion thereof to be tendered, if less than the full principal amount thereof is to be tendered) and the Bond number, (iii) the date on which such Bond shall be so purchased, which date shall be a Business Day not prior to the seventh day next succeeding the date of the delivery of such notice to the Tender Agent, and (iv) if the Bond is not delivered with such notice as permitted in paragraph (b) below, that the registered owner agrees to deliver the Bond (with all necessary endorsements and guarantees of signature) as specified in paragraph (b) below; and

(b) such Bond (with all necessary endorsements and guarantees of signature) attached to the aforesaid notice; provided, however, that such Bond shall be so purchased only if the Bond delivered to the Tender Agent shall conform in all respects to the description thereof in the aforesaid notice; and provided, further, that if the registered owner of the tendered Bond is an open-ended diversified management investment company (registered under the Investment Company Act of 1940, as amended), the delivery required under this paragraph (b) need not be made until 11:00 a.m., New York City time, on the date such Bond is to be purchased from such registered owner. If a registered owner described in the last proviso of the preceding sentence fails to deliver such Bond as required therein (an "Undelivered Bond"), such Bond shall nevertheless be deemed to have been delivered at the time and on the date required, and shall no longer be outstanding under the Indenture, and such registered owner thereafter shall be entitled only to the purchase price payable for such Bond on such required delivery date, and such

purchase price shall be paid to such registered owner only upon surrender of such Bond to the Tender Agent.

IN THE EVENT OF A FAILURE BY AN OWNER OF BONDS TO DELIVER ITS BONDS ON OR PRIOR TO THE REQUIRED DELIVERY DATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING INTEREST TO ACCRUE SUBSEQUENT TO THE PURCHASE DATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BONDS, AND ANY SUCH UNDELIVERED BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFIT AND SECURITY OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF THE PAYMENT OF THE PURCHASE PRICE THEREOF; AND THE TRUSTEE WILL NOT REGISTER ANY FURTHER TRANSFERS OF SUCH UNDELIVERED BONDS.

While a Bond is in the Weekly Rate Mode, interest on such Bond shall be paid on the first Business Day of each month, and, with respect to each subsequent Weekly Rate Period, commencing on the first Business Day of the month next succeeding the Weekly Rate Conversion Date), and on the Maturity Date specified above if such Bond is in the Weekly Rate Mode at such time (each, a "Weekly Rate Interest Payment Date"), and shall be computed on the basis of a 365- or 366-day year for the actual number of days elapsed. Interest on such Bond shall accrue from and including the first day of the Weekly Rate Period to and including the day before the first Weekly Rate Interest Payment Date of such Weekly Rate Period, and thereafter interest on such Bond shall accrue from and including each Weekly Rate Interest Payment Date to and including the day next preceding the next Weekly Rate Interest Payment Date except as otherwise provided in the Indenture. The Weekly Rate for the initial Interest Period of a Weekly Rate Period shall be calculated by the Remarketing Agent on or prior to the first day of the Weekly Rate Period as provided below and in the Indenture. Interest on such Bond for each Interest Period subsequent to the initial Interest Period during a Weekly Rate Period shall be calculated as provided below and in the Indenture. During each Weekly Rate Period, "Interest Period" shall mean the period from and including the first day of the Weekly Rate Period through and including the following Wednesday, and, after the first Interest Period of each Weekly Rate Period, from and including Thursday of each week through and including the following Wednesday, whether or not such days are Business Days; provided, however, that if the scheduled rate change day for Bonds in the Weekly Rate Mode is changed to a day of the calendar week other than Wednesday as described in the Indenture, the Interest Period for Bonds in the Weekly Rate Mode shall mean the period from the Weekly Rate Conversion Date through and including the day immediately preceding such new rate change day, and, after the first Interest Period, the period from such new rate change day through and including the day immediately preceding the following rate change day, whether or not such days are Business Days.

On Wednesday (unless Wednesday is not a Business Day, then the next preceding Business Day) of each week during a Weekly Rate Period, with respect to each Interest Period after the initial Interest Period, the Remarketing Agent shall determine the Weekly Rate for the following or current Interest Period. The Weekly Rate for each Interest Period of a Weekly Rate Period shall be calculated by the Remarketing Agent as the lowest rate which, in the sole judgment of the Remarketing Agent, having due regard for prevailing financial market conditions, is necessary to permit such Bond to be sold at a price of par plus accrued interest on



the first day of the applicable Interest Period; provided that in no case shall the Weekly Rate be set at a rate greater than the Maximum Rate. In the event no Weekly Rate is determined by the Remarketing Agent for an Interest Period, the Weekly Rate for such Interest Period shall be the Weekly Rate in effect for the immediately preceding Interest Period. In the event any such Bond shall commence to bear interest at a Weekly Rate as a result of the provisions described under Part III below, on the date that the Weekly Rate is so established, the Remarketing Agent shall follow the procedures for establishing a Weekly Rate for such Bond set forth in Section 2.02(C) of the Indenture and described above in this paragraph. In the event no such Weekly Rate is determined by the Remarketing Agent for the first week of such Weekly Rate Period established as a result of the provisions described under Part III below, the Weekly Rate for such week shall be the Adjustable Rate in effect for the immediately preceding Adjustable Rate Period. The Remarketing Agent shall notify the Trustee, and the Trustee shall notify the Borrower, the Credit Provider and the Tender Agent, of the Weekly Rate in accordance with the Indenture and each determination of a Weekly Rate by the Remarketing Agent shall be conclusive and binding upon the Issuer, the Borrower, the Trustee, the Credit Provider, the Tender Agent and the Bondholders.

The Indenture permits the Remarketing Agent to designate another day for determining the interest rate on the Bonds or initiating a new Weekly Rate under certain circumstances described therein.

During a Weekly Rate Period, a Bond bearing interest at a Weekly Rate shall be subject to optional redemption by the Issuer prior to maturity in whole or in part (and if in part in an amount of at least \$100,000 or integral multiples of \$5,000 in excess thereof; provided that no Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination of at least \$100,000) on any date selected by the Borrower, at the direction of the Borrower upon 35 days' prior written notice to the Trustee, the Issuer, the Credit Provider and the Remarketing Agent, at a redemption price equal to the aggregate principal amount of the Bonds to be redeemed plus accrued interest thereon to the redemption date, without premium, to the extent of optional prepayments of the Loan in accordance with the Loan Agreement.

### *Part III – Adjustable Rate Provisions*

The provisions of this Part III shall apply to each Bond bearing interest at an Adjustable Rate during an Adjustable Rate Period.

From and after each Adjustable Rate Conversion Date or Adjustable Rate Reset Date, the interest rate on each Bond shall be an Adjustable Rate as provided hereafter. If at the end of the then current Adjustable Rate Period, the Borrower does not elect and effect a conversion of any Bond from the Adjustable Rate Mode to another Mode, or a change or continuation in the duration of the Adjustable Rate Period, that Bond shall: (a) if it is in an Adjustable Rate Period of 365 days or less, convert to the Weekly Rate Mode; (b) if it is in an Adjustable Rate Period of 366 days or more and an opinion of Bond Counsel is furnished to the Trustee stating that such change is authorized or permitted by the Indenture, the Loan Agreement and the Act and that such change will not adversely affect the exclusion from gross income for purposes of federal income taxation of the interest on the Bonds, convert to the Weekly Rate Mode; or (c) if it is in

an Adjustable Rate Period of 366 days or more and such Bond Counsel opinion is not so furnished, remain in an Adjustable Rate Mode with an Adjustable Rate Period of 366 days; provided, however, that if the period of time between the applicable Adjustable Rate Reset Date and the maturity date of the Bonds is less than 366 days, then the new Rate Period shall end on the maturity date of such Bonds.

Upon conversion to the Adjustable Rate Mode on an Adjustable Rate Conversion Date, or the setting of a new Adjustable Rate on an Adjustable Rate Reset Date, the Adjustable Rate shall equal the lowest rate which the Remarketing Agent, in its sole judgment having due regard for prevailing financial market conditions, shall determine will permit the remarketing of such Bond on the Adjustable Rate Conversion Date or Adjustable Rate Reset Date, as appropriate, at par, which interest rate and the duration of such Adjustable Rate Period shall be established by the Remarketing Agent no later than 12:00 noon, New York City time, on the Adjustable Rate Conversion Date or Adjustable Rate Reset Date, as appropriate; provided, however, that in no event shall the Adjustable Rate be set at a rate greater than the Maximum Rate. In the event no Adjustable Rate is determined by the Remarketing Agent for an Adjustable Rate Period the duration of which has been established as provided above, the Adjustable Rate for such Adjustable Rate Period shall be the Adjustable Rate in effect for the immediately preceding Adjustable Rate Period. The Remarketing Agent shall notify the Trustee, and the Trustee shall notify the Credit Provider, the Tender Agent and the Borrower, of the Adjustable Rate and the duration of such Adjustable Rate Period, and such Adjustable Rate shall be conclusive and binding upon the Tender Agent, the Issuer, the Borrower, the Trustee, the Credit Provider and the Bondholders.

While in the Adjustable Rate Mode, interest on such Bond shall be paid, with respect to any Bond in an Adjustable Rate Period of 365 days or less, on the day following the last day of such Adjustable Rate Period; with respect to any Bond in an Adjustable Rate Period of more than 365 days, on each April and October, commencing on the April or October next succeeding the Adjustable Rate Conversion Date; on the Adjustable Rate Reset Date; or on the Maturity Date specified above if such Bond is in the Adjustable Rate Mode at such time (and if the conditions specified in Section 2.02(D) of the Indenture are met) (each, an "Adjustable Rate Interest Payment Date"), and shall be computed, while any Bond is in an Adjustable Rate Period of 365 days or less, on the basis of a 365/366-day year, for actual number of days lapsed, and, while any Bond is in an Adjustable Rate Period of more than 365 days, on the basis of a 360-day year consisting of twelve 30-day months.

During an Adjustable Rate Period, no Bondholders shall have the right to tender such Bonds for optional purchase pursuant to Article III of the Indenture.

During an Adjustable Rate Period, a Bond bearing interest at an Adjustable Rate shall be subject to redemption by the Issuer prior to maturity only as follows:

(a) The Bonds are subject to extraordinary redemption in whole on any date selected by the Borrower, at a redemption price equal to the aggregate principal amount of the Bonds plus accrued interest thereon to the redemption date, without premium, upon the occurrence of certain events described in Section 9.4 of the Loan Agreement if the Borrower elects to prepay a like amount under the Loan Agreement.

(b) Each Bond is subject to optional redemption in whole or in part (and if in part in an amount of at least \$100,000 or in integral multiples of \$5,000 in excess thereof; provided that no Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination of at least \$100,000) on any date selected by the Borrower, at the direction of the Borrower upon 45 days' prior written notice to the Trustee, the Issuer, the Credit Provider and the Remarketing Agent, as set forth below, to the extent of optional prepayments of the Loan in accordance with the Loan Agreement, at the applicable redemption price (expressed as a percentage of the principal amount to be redeemed) relating to the length of the Adjustable Rate Period as set forth below, plus accrued interest thereon to the date of redemption:

<u>Length of Period (Expressed in Whole Years)*</u>	<u>Dates on Which Redemption is Allowed and Redemption Prices**</u>
greater than 12	after 10 years at 102%, declining by 1% annually to 100%
less than or equal to 12 and greater than 4	noncallable until two years prior to the end of the Adjustable Rate Period, then 102%, declining by 1% annually to 100%
Less than or equal to 4	NOT SUBJECT TO OPTIONAL REDEMPTION

\* The Adjustable Rate Period shall be rounded up to the next whole year if otherwise a partial year.

\*\* Measured from the first day of the Adjustable Rate Period.

Notwithstanding the schedule shown above, the Borrower may direct the Issuer to redeem Bonds prior to maturity, and the Issuer shall redeem such Bonds according to another schedule, if, with the notice of redemption, the Borrower also delivers to the Issuer and the Trustee an opinion of Bond Counsel to the effect that the new schedule of redemption will not adversely affect the validity or enforceability of the Bonds in accordance with their terms, and will not have an adverse effect on any exemption from federal income taxation to which the interest on the Bonds would otherwise be entitled.

(c) Notwithstanding the limitation set forth in paragraph (b) above, each Bond in an Adjustable Rate Mode shall be subject to optional redemption by the Issuer prior to maturity, in whole or in part (and if in part in Authorized Denominations), on the last Adjustable Rate Interest Payment Date for the Adjustable Rate Period in which such Bond then operates, at the direction of the Borrower upon not less than 45 days' prior written notice to the Trustee, the Issuer, the Credit Provider and the Remarketing Agent, at a redemption price equal to 100% of the aggregate principal amount of such Bonds to be redeemed plus interest thereon to the redemption date, without premium, to the extent of optional prepayments of the Note in accordance with the Loan Agreement.

*Part IV – Fixed Rate Provisions*

The provisions of this Part IV shall apply to each Bond bearing interest at a Fixed Rate during the Fixed Rate Period.

From and after the Fixed Rate Conversion Date with respect to any Bond, the interest rate on such Bond shall be the Fixed Rate as provided hereafter. The Fixed Rate shall be established in accordance with Section 2.02 (E) of the Indenture, and shall be set forth in the firm underwriting or purchase contract described in Section 2.02(G)(d)(ii) of the Indenture. In no event shall the Fixed Rate be set at a rate greater than 10.0% per annum. Such Fixed Rate shall be conclusive and binding upon the Tender Agent, the Issuer, the Borrower, the Trustee and the Bondholders.

Except as provided below, upon conversion of the interest rate on any Bonds to a Fixed Interest Rate, all such Bonds then being converted shall mature serially on October 1 of each year through and including final maturity in accordance with the terms specified below. Upon conversion, the firm of bond underwriters or recognized institutional investors who agree to underwrite or purchase such Bonds in accordance with Section 2.02(G)(d)(ii) of the Indenture shall deliver to the Borrower and the Trustee a certificate which includes (a) a schedule specifying the principal amount of Bonds maturing or to be called for mandatory sinking fund redemption on October 1 of each year, commencing on the first October 1 occurring after the Fixed Rate Conversion Date, through and including final maturity, and (b) a schedule specifying the interest on such Bonds to be paid on April 1 and October 1 of each year, commencing with the first April 1 or October 1 occurring after the Fixed Rate Conversion Date, through and including the final maturity date. In determining the amount of interest and principal that shall be payable on such dates, such firm of bond underwriters or institutional investors shall use the following guidelines:

(a) Such firm of bond underwriters or institutional investors shall set the interest rate on each Bond then being converted to be the lowest interest rate that will enable such Bond upon conversion to be remarketed at par, assuming that all Bonds then being converted will mature serially on October 1 of each year through and including final maturity, and taking into account the fact that such Bond shall mature on a particular October 1 through and including final maturity in accordance with (b) below, all such Bonds shall pay interest semiannually on April 1 and October 1 of each year, all such Bonds maturing on a particular October 1 shall bear interest at the same rate, and all such Bonds shall only be remarketed at par; and

(b) The schedule of principal payments shall be set to achieve annual level debt service (including both principal and interest) for all remaining Bond Years or portions thereof and to the extent such annual level debt service cannot be exactly achieved due to the denomination of the Bonds then being converted, such annual level debt service shall be achieved by rounding down all principal amounts to the next \$5,000 denomination if the Authorized Denomination for such Bonds is \$5,000 and any integral multiple thereof, and rounding up the last principal payment; provided, that the schedule of principal payments need not be set as described above if the Borrower shall provide to the Issuer, the Trustee and such firm of bond underwriters or institutional investors an opinion of Bond Counsel to the effect that the setting of an alternative schedule of principal payments will not adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

With respect to those Bonds, if any, that mature on or after the October 1 occurring after the Fixed Rate Conversion Date therefor, if, after establishing the interest rates and the schedule of principal payments for the Bonds then being converted in accordance with the above guidelines, Bonds maturing in three or more consecutive years bear interest at the same per annum interest rate, such Bonds shall no longer be deemed to mature serially but shall be deemed to mature on the October 1 of the last consecutive year that Bonds bearing such interest rate were to have matured serially and shall be subject to mandatory sinking fund redemption prior to maturity on October 1 in accordance with the principal payment schedule established therefor in accordance with the above guidelines.

If the designation referred to above cannot be made and the opinion of Bond Counsel described in the immediately succeeding paragraph has not otherwise been delivered to the Trustee and the Issuer by the Borrower, then no conversion shall be effected.

The foregoing notwithstanding, another method of providing for payment of principal on the Bonds after the Fixed Rate Conversion Date may be established by the firm of bond underwriters or institutional investors underwriting or purchasing such Bonds if there is delivered to the Trustee and the Issuer by the Borrower an opinion of Bond Counsel to the effect that utilization of such other method will not adversely affect the validity or enforceability in accordance with their terms of any Bonds or any exemption from federal income taxation to which interest on the Bonds would otherwise be entitled.

While in the Fixed Rate Mode, interest on such Bonds shall be paid on each April 1 and October 1 (each, a "Fixed Rate Interest Payment Date"), commencing on the April 1 or October 1 next succeeding the Fixed Rate Conversion Date, and shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

During the Fixed Rate Period, no Bondholder shall have the right to tender its Bond for optional purchase pursuant to Article III of the Indenture.

During the Fixed Rate Period, such Bond shall be subject to redemption by the Issuer prior to maturity only as follows:

(i) The Bonds are subject to extraordinary redemption in whole on any date selected by the Borrower, at a redemption price equal to the aggregate principal amount of the Bonds plus accrued interest thereon to the redemption date, without premium, upon the occurrence of certain events described in Section 9.4 of the Loan Agreement if the Borrower elects to prepay a like amount under the Loan Agreement.

(ii) Each Bond is subject to optional redemption in whole or in part (and if in part in Authorized Denominations; provided that no Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination) on any date selected by the Borrower, at the direction of the Borrower upon 35 days' prior written notice to the Trustee and the Issuer, as set forth below, to the extent of optional prepayments of the Loan in accordance with the Loan Agreement, at the applicable redemption price (expressed as a percentage of the principal

amount to be redeemed) relating to the length of the Fixed Rate Period set forth below, plus accrued interest thereon to the date of redemption:

<u>Length of Period (Expressed in Whole Years)*</u>	<u>Dates on Which Redemption is Allowed and Redemption Prices**</u>
greater than 12	after 10 years at 102%, declining by 1% annually to 100%
less than or equal to 12 and greater than 4	noncallable until two years prior to maturity, then 102%, declining by 1% annually to 100%
Less than or equal to 4	NOT SUBJECT TO OPTIONAL REDEMPTION

\*The Fixed Rate Period shall be rounded up to the next whole year if otherwise a partial year.

\*\*Measured from the first day of the Fixed Rate Period.

Notwithstanding the schedule shown above, the Borrower may direct the Issuer to redeem Bonds prior to maturity, and the Issuer shall redeem such Bonds according to another schedule, if, with the notice of redemption, the Borrower also delivers to the Issuer and the Trustee an opinion of Bond Counsel to the effect that the new schedule of redemption will not adversely affect the validity or enforceability of the Bonds in accordance with their terms, and will not have an adverse effect on any exemption from federal income taxation to which the interest on the Bonds would otherwise be entitled.

(c) Bonds in the Fixed Rate Mode that are subject to mandatory sinking fund redemption prior to maturity as described above shall be selected for redemption by the Trustee by lot within the maturity to be so redeemed, and shall be redeemed at a redemption price equal to the aggregate principal amount of such Bonds being redeemed plus accrued interest thereon to the redemption date, without premium.

#### *Part V – Flex Private Placement Rate Provisions*

Each Bond in the Flex Private Placement Rate Mode shall bear interest at the Flex Private Placement Rate from the Closing Date to the earlier of its redemption, a Conversion Date or its maturity date and as set forth in the firm underwriting or purchase contract. The initial Flex Private Placement Rate so established shall not be set at a rate greater than the Maximum Rate and shall equal 65.94% of the total calculated by adding together the One-Month LIBOR, a three-year liquidity add-on of .43%, and a credit spread of .87% (the aggregate total of the liquidity add-on and the credit spread is 1.30%) (the “Initial Flex Private Placement Rate”). The determination of the Flex Private Placement Rate for each Bond shall be determined by the Initial Purchaser as set forth in the firm underwriting or purchase contract described herein shall be conclusive and binding upon the Issuer, the Borrower, the Trustee, the Tender Agent and the Bondholders.

On Wednesday (unless Wednesday is not a Business Day, then the next preceding Business Day) of each calendar week during a Flex Private Placement Rate Period, the Initial Purchaser shall determine and furnish to the Trustee, by facsimile transmission, the Flex Private Placement Rate for the period from and including Thursday of each week through and including the following Wednesday or the day preceding a Conversion Date (if earlier), whether or not such days are Business Days, and the Trustee shall furnish the same to the Borrower by close of business on the following Business Day.

Each Bond in the Flex Private Placement Rate Mode shall be issued only in registered form in the denomination of \$100,000 or any integral multiple thereof within a single maturity, shall be dated as of the Closing Date, and shall be numbered consecutively from R-1 upward. So long as any of the Bonds bear interest in the Flex Private Placement Rate Mode, the Bond Registrar shall keep at its principal office the Registration Books showing and recording a register of the Owners of the Bonds and shall provide for the registration and transfer of Bonds in accordance with the terms of the Indenture, subject to such reasonable regulations as the Bond Registrar may prescribe.

The person in whose name any Bond is registered on the Registration Books maintained by the Bond Registrar, at the Record Date with respect to an Interest Payment Date shall be entitled to receive the interest payable on such Interest Payment Date (unless such Bond shall have been called for redemption on a redemption date which is prior to such Interest Payment Date) notwithstanding the cancellation of such Bond upon any registration of transfer or exchange thereof subsequent to such Record Date and prior to such Interest Payment Date.

During a Flex Private Placement Rate Period, a Bond bearing interest at a Flex Private Placement Rate shall be subject to optional redemption by the Issuer prior to maturity in whole or in part (and if in part in an amount of at least \$100,000 or integral multiples of \$5,000 in excess thereof; provided that no Bond may be redeemed in part if the principal amount to be outstanding following such partial redemption is not an Authorized Denomination of at least \$100,000) on any date selected by the Borrower, at the direction of the Borrower upon 35 days' prior written notice to the Trustee, the Issuer and the Initial Purchaser, at a redemption price equal to the aggregate principal amount of the Bonds to be redeemed plus accrued interest thereon to the redemption date, without premium, to the extent of optional prepayments of the Loan in accordance with the Loan Agreement.

#### *Part VI – Conversion Provisions*

The provisions of this Part VI shall apply to each Bond with respect to (a) conversion from the Daily Rate Mode to the Adjustable Rate Mode, the Weekly Rate Mode, the Flex Private Placement Rate Mode or the Fixed Rate Mode, (b) conversion from the Weekly Rate Mode to the Daily Rate Mode, the Adjustable Rate Mode, the Flex Private Placement Rate Mode or the Fixed Rate Mode, (c) conversion from the Adjustable Rate Mode to the Daily Rate Mode, the Weekly Rate Mode, the Flex Private Placement Rate Mode or the Fixed Rate Mode, (d) conversion from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration within the Adjustable Rate Mode or (e) conversion from the Flex Private Placement Rate Mode to the Daily Rate Mode, the Weekly Rate Mode, the Adjustable Rate Mode or the Fixed Rate Mode. No Bond shall be converted from one Mode to another Mode, or

from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration if an Event of Default shall have occurred and be continuing under the Indenture.

The interest rate on a Bond shall be converted from one Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration within the Adjustable Rate Mode, if the Borrower shall notify the Trustee of its irrevocable election to effect such conversion, and together with such notice specifies, the identification of the Bonds to be converted, the Interest Payment Date on which such conversion is to take place, and, if such conversion is to or within the Adjustable Rate Mode, the Adjustable Rate Interest Payment Date upon which such Adjustable Rate Period is to terminate (which Adjustable Rate Period shall be of at least 30 days duration). Upon receipt by the Trustee of such notice from the Borrower, the Trustee shall immediately cause the same information contained in such notice to be delivered to the Tender Agent, the Remarketing Agent if any, the Issuer and the Credit Provider. An opinion of Bond Counsel (which opinion shall be confirmed on the Conversion Date or Adjustable Rate Reset Date, as appropriate) stating that such conversion is authorized or permitted by the Indenture, the Loan Agreement and the Act, and will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bonds shall be delivered with such notice when the conversion is: (a) from a Daily Rate Mode, a Weekly Rate Mode, a Flex Private Placement Rate Mode or an Adjustable Rate Mode with an Adjustable Rate Period of 365 days or less in duration to an Adjustable Rate

Mode with an Adjustable Rate Period in excess of 365 days in duration; or (b) from an Adjustable Rate Mode with an Adjustable Rate Period in excess of 365 days in duration to an Adjustable Rate Mode with an Adjustable Rate Period of 365 days or less in duration, a Daily Rate Mode or a Weekly Rate Mode; or (c) from a Daily Rate Mode, a Weekly Rate Mode, a Flex Private Placement Rate Mode or an Adjustable Rate Mode to a Fixed Rate Mode. If the conversion is to a Fixed Rate Mode from any other Mode, a firm underwriting or purchase contract from a recognized firm of bond underwriters or recognized institutional investors to underwrite or purchase all Bonds that are to be converted to a Fixed Rate Mode at a price of 100% of the principal amount thereof at an agreed upon interest rate (not in excess of 10.0% per annum) for each Bond to be so converted, which such underwriter or institutional investor certifies is the lowest rate that will permit such Bond to be sold at par on the first day of the Fixed Rate Period and which contract shall contain the maturity schedule, and, if applicable, the mandatory sinking fund redemption schedule, prepared in accordance with Section 2.02(E) of the Indenture, shall also be delivered with such notice. The conversion date for any Bond to be converted from one Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration, will be the Interest Payment Date specified by the Borrower in its notice of election to effect such conversion, which date will be not less than 30 days succeeding receipt by the Trustee, the Tender Agent, the Credit Provider and the Remarketing Agent of such notice from the Borrower of such conversion. Each Bond (other than a Pledged Bond or a Borrower Bond) shall be subject to mandatory tender and purchase on each Conversion Date or Adjustable Rate Reset Date, as appropriate.

In the event, with respect to any Bond, any condition precedent to the conversion from one Mode to another Mode, or from an Adjustable Rate Period of one duration to an Adjustable Rate Period of another duration, is not fulfilled (including, but not limited to, the establishment of the appropriate interest rate for such Mode or Adjustable Rate Period), the mandatory tender



shall nonetheless be effectuated. After the mandatory tender date, such Bond shall continue in its then current Mode for the same period and bear the same interest rate as was last borne by such Bond in such Mode; provided, however, in the case when the then current Mode is the Adjustable Rate Mode, such Bond shall be in the Mode and at the interest rate established pursuant to Section 2.02(D) of the Indenture. In the event any Bond is not remarketed on the mandatory tender date and becomes a Pledged Bond or a Borrower Bond, the Remarketing Agent shall be entitled to determine a new Daily Rate, Weekly Rate or Adjustable Rate relating to such Bond, as appropriate (under the conditions and subject to the limitations provided above), effective on such date as the Remarketing Agent is able to remarket such Pledged Bond or Borrower Bond then in such Mode at a price of par plus accrued interest to such delivery date; but in any event such new rate shall not be set at a rate in excess of the Maximum Rate. The determination of the new Daily Rate, Weekly Rate or Adjustable Rate, as appropriate, by the Remarketing Agent shall be conclusive and binding on the Issuer, the Borrower, the Trustee, the Credit Provider, the Tender Agent and the Bondholders.

The Borrower shall cause to be on deposit with the Trustee, prior to each Conversion Date (other than a Fixed Rate Conversion Date) or Adjustable Rate Reset Date, as appropriate, a Credit Facility that complies with the provisions of Section 4.3(b) of the Loan Agreement. Each Credit Facility shall require the issuer thereof to pay, upon presentation of drafts and certificates required therein, to the Trustee, in accordance with the terms thereof, up to (a) an amount equal to the aggregate principal amount of Bonds then outstanding supported by such Credit Facility, whether at maturity, upon redemption, upon purchase or otherwise, plus (b) an amount equal to at least 51 days' accrued and unpaid interest on all outstanding Bonds supported by such Credit Facility during the Daily Rate Period, Weekly Rate Period or Adjustable Rate Period, as applicable, at an assumed rate per annum established in such Credit Facility and no greater than 10.0% per annum. At the request of the Borrower, such Credit Facility may also require the issuer thereof to pay an amount equal to the maximum optional redemption premium payable on the Bonds supported by such Credit Facility subsequent to the Adjustable Rate Conversion Date or Adjustable Rate Reset Date. All references to "Alternate Credit Facility," "Credit Provider," "Credit Facility" and "Reimbursement Agreement" shall be of no effect at any time that no Credit Facility is outstanding and no obligations of the Borrower to the Credit Provider remain outstanding under the Reimbursement Agreement. At all times while a Bond is in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode, such Bond shall be entitled to both credit support and liquidity support. A Credit Facility may be issued to provide credit support, liquidity support or both to one, some or all of the Bonds.

At least 30 days prior to each Conversion Date (other than a Flex Private Placement Conversion Date) or Adjustable Rate Reset Date, as appropriate, the Trustee shall give to each affected Bondholder notice by facsimile, first class or certified mail stating: (a) the Conversion Date or Adjustable Rate Reset Date, as appropriate; and (b) that on the Conversion Date or Adjustable Rate Reset Date, as appropriate, such Bond is subject to mandatory tender and purchase (or, if the Bonds are held in a book-entry only system, that the beneficial interests in the affected Bonds are subject to mandatory tender for purchase). In addition, if a book-entry only system is not in effect, the notice shall further state: (a) that any affected owner who has not tendered Bonds for purchase on the mandatory tender date will be deemed to have tendered its Bonds for purchase on such date; and (b) that any Bond not delivered to the Tender Agent on or prior to the mandatory tender date (an "Undelivered Bond"), for which there has been

irrevocably deposited in trust with the Trustee or the Tender Agent on or prior to the mandatory tender date an amount of money sufficient to pay the purchase price of such Undelivered Bond on the mandatory tender date, shall be deemed to have been so purchased at the price of par plus accrued interest as of such date, and such Bond shall no longer be considered to be outstanding for purposes of the Indenture and shall no longer be entitled to the benefits of the Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date). IN THE EVENT OF A FAILURE BY AN OWNER OF BONDS TO DELIVER ITS BONDS ON OR PRIOR TO THE CONVERSION DATE OR ADJUSTABLE RATE RESET DATE, AS APPROPRIATE, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO THE CONVERSION DATE OR ADJUSTABLE RATE RESET DATE, AS APPROPRIATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BONDS, AND ANY UNDELIVERED BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFIT AND SECURITY OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF THE PAYMENT OF THE PURCHASE PRICE THEREOF; AND THE TRUSTEE WILL NOT REGISTER ANY FURTHER TRANSFERS OF SUCH UNDELIVERED BONDS.

Notwithstanding anything in the Indenture to the contrary and with the prior written consent of the Initial Purchaser (which consent constitutes a waiver of any applicable non-tender notice), the interest rate on the Bonds may be converted from the Flex Private Placement Rate Mode to the Daily Rate Mode, the Weekly Rate Mode, the Fixed Rate Mode or the Adjustable Rate Mode prior to the end of the then applicable Flex Private Placement Rate Period, if the Borrower shall notify the Trustee in writing at least 180 days prior to the Conversion Date of its irrevocable election to effect such a conversion, specifying in the notice the identification of the Bond(s) to be converted, the Conversion Date on which the Daily Rate Mode, the Weekly Rate Mode, the Fixed Rate Mode or the Adjustable Rate Mode is to commence (such date to be a Thursday), and, delivering with such notice: (i) an opinion of Bond Counsel (which opinion shall be confirmed on the Conversion Date) stating that such conversion to the Daily Rate Mode, the Weekly Rate Mode, the Fixed Rate Mode or the Adjustable Rate Mode is authorized or permitted by the Indenture, the Loan Agreement and the Act, and that conversion is in accordance with the provisions of the Indenture and will not adversely affect the exclusion from gross income for purposes of federal income taxation of interest on the Bonds, (ii) a firm underwriting or purchase contract from a recognized firm of bond underwriters or recognized institutional investors, which can be the Remarketing Agent, to underwrite or purchase all Bonds that are to be converted to the Fixed Rate Mode at a price of 100% of the principal amount thereof to the date of delivery thereof at an agreed upon interest rate (not in excess of the Maximum Rate) for each Bond to be so converted which such underwriter or institutional investor certifies is the lowest rate that will permit such Bond to be sold at par on the first day of the Fixed Rate Period and containing a maturity schedule, and if applicable a mandatory sinking fund redemption schedule, prepared in accordance with Section 2.02(E) of the Indenture, and (iii) the name of the Remarketing Agent appointed with respect to the Bonds and a commitment by any Credit Provider to provide a Credit Facility in a stated amount equal to the then outstanding principal amount of the Bonds to be converted to the Daily Rate Mode, the Weekly Rate Mode or the Adjustable Rate Mode, plus interest thereon for such period of days as required in the Indenture.

If such Bond is not then held under the Issuer's book-entry only system, further notice shall be given to the Trustee including the following information: the CUSIP number and Bond number of any Bond being converted. Upon receipt by the Trustee of such notice from the Borrower, the Trustee shall immediately cause the same information contained in such notice to be delivered to the Tender Agent, the Remarketing Agent, the Issuer and the Credit Provider.

In the event any applicable condition precedent to conversion described above is not fulfilled, such Bond shall continue in the current Flex Private Placement Rate Mode, for the same period and bear the same interest rate as was last borne by such Bonds in such Mode.

#### *Part VII – Optional and Mandatory Tender for Purchase*

The provisions of this Part VII shall apply with respect to each Bond which is subject to optional and mandatory tender for purchase. Bonds in a Daily Rate Mode or a Weekly Rate Mode may be optionally tendered for purchase as described above. The Bonds in an Adjustable Rate Mode, the Flex Private Placement Rate Mode or the Fixed Rate Mode are not subject to optional tender for purchase. The Bonds in a Daily Rate Mode, a Weekly Rate Mode, a Flex Private Placement Rate Mode and an Adjustable Rate Mode are subject to mandatory tender for purchase on each Conversion Date and each Adjustable Rate Reset Date as described in Part VI above, and also on the date of delivery of an Alternate Credit Facility, as applicable. The Bonds in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode (other than Pledged Bonds and Borrower Bonds) are also subject to mandatory tender for purchase on the last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, prior to the Expiration of the Term of the Credit Facility (but in no event less than two (2) Business Days prior to the Expiration of the Term of the Credit Facility). The Bonds optionally or mandatorily tendered for purchase shall be purchased at the price of 100% of the principal amount thereof, plus accrued and unpaid interest thereon to the date of purchase.

At least 30 days prior to each Conversion Date (except with respect to a Conversion Date from a Flex Private Placement Rate Mode), Adjustable Rate Reset Date, and date of delivery of an Alternate Credit Facility, the Trustee shall give notice as required by the Indenture. At least 30 days prior to the last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, prior to the Expiration of the Term of the Credit Facility, the Trustee shall give to each affected Bondholder notice by facsimile, first class or certified mail stating: (a) the last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate, prior to either the Expiration of the Term of the Credit Facility; (b) that on such last Daily Rate Interest Payment Date, Weekly Rate Interest Payment Date or Adjustable Rate Interest Payment Date, as appropriate (but in no event less than two (2) Business Days prior to the Expiration of the Term of the Credit Facility), such Bond is subject to mandatory tender and purchase (or, if the Bonds are held in a book-entry only system, that the beneficial interests in the affected Bonds are subject to mandatory tender for purchase); and (c) the rating, if any, applicable to the Bonds after delivery of any Alternate Credit Facility. In addition, if a book-entry only system is not in effect, the notice shall further state: (a) that any affected owner who has not tendered Bonds for purchase on the mandatory tender date will be deemed to have tendered its Bonds for purchase on such date; and (b) that any Bond not delivered to the Tender Agent on or prior to the

mandatory tender date (an “Undelivered Bond”), for which there has been irrevocably deposited in trust with the Trustee or the Tender Agent on or prior to the mandatory tender date an amount of money sufficient to pay the purchase price of such Undelivered Bond on the mandatory tender date, shall be deemed to have been so purchased at the price of par plus accrued interest as of such date, and such Bond shall no longer be considered to be outstanding for purposes of the Indenture and shall no longer be entitled to the benefits of the Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date). IN THE EVENT OF A FAILURE BY AN OWNER OF BONDS TO DELIVER ITS BONDS ON OR PRIOR TO THE CONVERSION DATE, ADJUSTABLE RATE RESET DATE, OR DATE OF DELIVERY OF AN ALTERNATE CREDIT FACILITY, OR ON OR PRIOR TO THE LAST DAILY RATE INTEREST PAYMENT DATE, WEEKLY RATE INTEREST PAYMENT DATE OR ADJUSTABLE RATE INTEREST PAYMENT DATE, AS APPROPRIATE, PRIOR TO THE EXPIRATION OF THE TERM OF THE CREDIT FACILITY, SAID OWNER SHALL NOT BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST TO ACCRUE SUBSEQUENT TO SUCH CONVERSION DATE, ADJUSTABLE RATE RESET DATE OR DATE OF DELIVERY OF AN ALTERNATE CREDIT FACILITY, OR SUBSEQUENT TO SUCH LAST DAILY RATE INTEREST PAYMENT DATE, WEEKLY RATE INTEREST PAYMENT DATE OR ADJUSTABLE RATE INTEREST PAYMENT DATE, AS APPROPRIATE) OTHER THAN THE PURCHASE PRICE FOR SUCH UNDELIVERED BONDS, AND ANY UNDELIVERED BONDS SHALL NO LONGER BE ENTITLED TO THE BENEFIT AND SECURITY OF THE INDENTURE, EXCEPT FOR THE PURPOSE OF THE PAYMENT OF THE PURCHASE PRICE THEREOF; AND THE TRUSTEE WILL NOT REGISTER ANY FURTHER TRANSFERS OF SUCH UNDELIVERED BONDS.

Bonds in the Flex Private Placement Rate Mode shall be subject to mandatory tender and purchase on each Conversion Date. At least 180 days prior to the end of each Flex Private Placement Rate Period, each a Conversion Date, the Trustee shall give to each affected Bondholder notice by facsimile, first class or certified mail stating: (i) the Conversion Date; and (ii) that on the Conversion Date such Bond is subject to mandatory tender and purchase (or, if such Bond is held in a book-entry only system, that the beneficial interests in such Bond are subject to mandatory tender for purchase). A Bondholder may elect not to tender or sell the Bondholder’s Bond or Bonds on the Conversion Date by delivering a non-tender notice to the Trustee at its designated corporate trust office on or before the 90 days prior to the Conversion Date. In addition, if a book-entry only system is not in effect, the notice shall further state: (i) that any affected owner who has not tendered its Bond for purchase on the mandatory tender date or who has failed to timely elect to retain its Bonds will be deemed to have tendered its Bond for purchase on such date; and (ii) that any Undelivered Bond, for which there has been irrevocably deposited in trust with the Trustee or the Tender Agent on or prior to the mandatory tender date an amount of money sufficient to pay the purchase price of such Undelivered Bond on the mandatory tender date, shall be deemed to have been so purchased at the price of par plus accrued interest as of such date, and such Bond shall no longer be considered to be outstanding for purposes of this Indenture and shall no longer be entitled to the benefits of this Indenture, except for the payment of the purchase price thereof (and no interest shall accrue thereon subsequent to the mandatory tender date). The failure by the Trustee to give any such notice of mandatory tender for purchase, or any defect therein, shall not in any way change the rights of the Bondholders to have their Bonds purchased on any such mandatory tender date or extend the

period during which Bonds may be mandatorily tendered for purchase. Any mandatory tender notice mailed as provided for herein shall be conclusively presumed to have been given, whether or not the Bondholder receives such notice.

Bonds may be redeemed in whole or in part on any mandatory tender date.

#### *Part VIII – General Provisions*

The provisions of this Part VIII shall apply at all times from and after the date of issuance of this Bond.

Except during such period of time as the Bonds are held under the Issuer's book-entry only system, or as described above with respect to demands for purchase during a Daily Rate Period or a Weekly Rate Period, the ownership of this Bond may be transferred (in an amount which is an Authorized Denomination; provided that the portion thereof retained is itself an Authorized Denomination) only upon presentation and surrender of this Bond at the designated corporate trust operations office of the Trustee as Bond Registrar, together with an assignment duly executed by the Registered Owner hereof or its duly authorized attorney-in-fact in such form as shall be satisfactory to the Trustee, and subject to the provisions made therefor in the Indenture. The Bonds may be exchanged at the designated corporate trust operations office of the Trustee for a like aggregate principal amount of Bonds of Authorized Denominations. The Trustee shall not be required to make any such transfer or exchange of any Bond during the three Business Days immediately preceding the selection of Bonds for redemption or, with respect to a Bond, after such Bond or any portion thereof has been selected for redemption.

Authorized Denomination shall mean: (a) for any Bond in the Daily Rate Mode, the Weekly Rate Mode, Flex Private Placement Rate Mode or the Adjustable Rate Mode with an Adjustable Rate Period of 365 days or less, the denomination of \$100,000 or any integral multiple of \$5,000 in excess thereof; and (b) for any Bond in the Adjustable Rate Mode with an Adjustable Rate Period of more than 365 days, or the Fixed Rate Mode, the denomination of \$5,000 or any integral multiple thereof.

Not less than 30 nor more than 45 days prior to any redemption date, the Trustee shall cause notice of the call for redemption, identifying each Bond or portion thereof to be redeemed, given in the name of the Issuer, to be sent by first class certified mail, postage prepaid, to the registered owner of each Bond to be redeemed at the address of such registered owner shown on the books kept by the Trustee as Bond Registrar. Failure to give such notice or any defect therein with respect to a Bond shall not affect the validity of any proceedings for the redemption of the other Bonds. By the date fixed for any such redemption, due provision shall be made with the Trustee for the payment of the principal of, premium, if any, and interest on the Bonds to be redeemed on the date of redemption. If notice of redemption is given and if due provision for payment of the redemption price is made, all as provided in the Indenture (including under the Credit Facility), the Bonds or portions thereof which are to be redeemed shall not bear interest after the date fixed for redemption, and shall not be entitled to any benefit or security under the Indenture, except for the right of the registered owner to receive the principal thereof, and premium and accrued interest thereon, out of the funds provided for such payment.

Upon the occurrence of a Determination of Taxability, as defined in the Indenture, the Bonds are subject to mandatory redemption in whole at a redemption price equal to 100% of the outstanding principal amount thereof, plus interest accrued to the redemption date, at the earliest practicable date selected by the Trustee, after consultation with the Borrower, but in no event later than 45 days following the Trustee's notification of the Determination of Taxability. The occurrence of a Determination of Taxability with respect to the Bonds will not constitute an Event of Default under the Indenture.

Provisions may be made for the payment of amounts represented by the Bonds as provided in the Indenture, in which event all liability of the Issuer to the registered owners of the applicable Bonds for the payment of such Bonds shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Trustee to hold such funds (but only for the period specified and as provided in the Indenture), without liability for interest thereon, for the benefit of the registered owners of such Bonds, who shall thereafter be restricted exclusively to such funds for any claims of whatever nature under the Indenture or on, or with respect to, said Bonds.

It is hereby certified and covenanted that this Bond has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, done and have existed in accordance with law; that the Bonds are special, limited obligations of the Issuer; and that the principal of, premium, if any, and interest on the Bonds are payable from and secured by the properties, revenues and income that constitute a part of the Trust Estate and, in the case of principal and interest (but not premium payable upon the optional redemption of Bonds unless the Credit Facility provides for such), the Credit Facility; provided, however, that Pledged Bonds and Borrower Bonds shall not be payable from or secured by the Credit Facility.

The Bonds are secured by the Indenture, whereunder the Trustee undertakes to enforce the rights of the owners of the Bonds and to perform other duties to the extent and under the conditions stated in the Indenture. In case an Event of Default shall occur, the principal of and interest on the Bonds then outstanding may, and, under certain circumstances, shall, be declared to be due and payable immediately upon the conditions and in the manner provided in the Indenture. Under the circumstances provided in the Indenture, the Trustee may in its discretion, with the consent of the Credit Provider (if the Credit Provider has not failed to honor a properly presented and conforming drawing under the Credit Facility), and upon written direction of the Credit Provider (if the Credit Provider has not failed to honor a properly presented and conforming drawing under the Credit Facility) shall, and upon written request of the registered owners of a majority in aggregate principal amount of the Bonds then outstanding, with the written consent of the Credit Provider (if the Credit Provider has not failed to honor a properly presented and conforming drawing under the Credit Facility) shall, waive any Event of Default and its consequences; provided, however, that an Event of Default arising from (a) a default in the payment of the principal or purchase price of, premium, if any, or interest on the Bonds, (b) notice by the Credit Provider to the Trustee that an event of default under the Reimbursement Agreement and the Credit Provider is terminating its Credit Facility or (c) the failure to pay principal or purchase price of or interest on Bonds in a Daily Rate Mode, a Weekly Rate Mode or an Adjustable Rate Mode with moneys drawn under the Credit Facility or Seasoned Funds

may not be so waived by the Trustee without the written consent of the registered owners of all of the Bonds then outstanding, and the prior full reinstatement of amounts available to be drawn under the Credit Facility. The registered owners of the Bonds shall have no right to institute any action, suit or proceeding at law or in equity to enforce the Indenture, except as provided in the Indenture; provided, however, that nothing in the Indenture shall affect or impair the right of the registered owner of any Bond to enforce the payment of the principal of, premium, if any, and interest on such Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of, premium, if any, and interest on any Bond to the registered owner thereof at the time and place, from the source and in the manner herein expressed.

The Issuer has reserved the right to amend the Indenture, with the consent of the Credit Provider and the Borrower, as provided therein. Under some (but not all) circumstances amendments thereto must also be approved by the owners of at least a majority in aggregate principal amount of the Outstanding Bonds.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indenture until the Certificate of Authentication hereon shall have been signed by the Trustee as Bond Registrar or the Tender Agent, if one has been appointed, or any successor to either.

**[Signature Page to Follow]**

IN WITNESS WHEREOF, the Issuer has caused this Bond to be executed in its name by the manual or facsimile signature of the Mayor and attested with the manual or facsimile signature of the Clerk of the Metro Council, all as of the date first above written.

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: \_\_\_\_\_  
Mayor

Attest:

By: \_\_\_\_\_  
Metro Council Clerk

**APPROVED AS TO FORM AND LEGALITY:**

Mike O'Connell  
Jefferson County Attorney

By: \_\_\_\_\_  
Nicholas Lococo, Assistant County Attorney



**CERTIFICATE OF AUTHENTICATION**

This Bond is hereby authenticated as required by Section 2.05 of the within-referenced Indenture of Trust, dated as of October 1, 2008, as amended by the First Supplement to the Indenture dated as of June 1, 2010, as further amended by the Second Supplement to the Indenture, dated as of October 1, 2015, and as may be further amended and supplemented.

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Date of Authentication \_\_\_\_\_, 20\_\_

**REGISTRATION INFORMATION**

Under the terms of the Indenture, the Trustee will register a Bond in the name of a transferee only if the owner of such Bond (or its duly authorized representative) provides as much of the information requested below as is applicable to such owner prior to submitting this Bond for transfer.

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Social Security or Employer Identification Number: \_\_\_\_\_

If a Trust, Name and Address of Trustee(s) and Date of Trust: \_\_\_\_\_

**ASSIGNMENT**

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond, and does hereby irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer such Bond on the books kept for registration and transfer of the within Bond, with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTE: The signature to this Assignment must correspond with the name as it appears upon the face of the within Bond in every particular, without enlargement or alteration or any change whatsoever.

Signature guaranteed by:

\_\_\_\_\_  
NOTE: Signature must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.