

---

TRUST INDENTURE

between

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
as Issuer

and

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

Dated as of September 1, 2015

[\$\_\_\_,000,000]

Louisville/Jefferson County Metro Government  
College Improvement Revenue and Revenue Refunding Bonds, Series 2015  
(Bellarmine University Project)

---

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1. DEFINITIONS AND INTERPRETATION .....	2
Section 1.1. Definitions.....	2
Section 1.2. Interpretation.....	13
Section 1.3. Captions and Headings .....	14
ARTICLE 2. THE BONDS .....	14
Section 2.1. Amounts and Terms of Bonds .....	14
Section 2.2. Execution .....	14
Section 2.3. Authentication.....	14
Section 2.4. Registration, Transfer and Exchange of Bonds, Persons Treated as Holders .....	15
Section 2.5. Mutilated, Destroyed, Lost or Stolen Bonds.....	16
Section 2.6. Temporary Bonds.....	16
Section 2.7. Cancellation and Destruction of Surrendered Bonds.....	16
Section 2.8. Payment and Ownership of Bonds .....	16
Section 2.9. Additional Bonds .....	17
Section 2.10. Global Book-Entry Form; Securities Depository .....	17
Section 2.11. BONDS ARE NOT INDEBTEDNESS OF THE ISSUER .....	19
ARTICLE 3. ISSUANCE OF BONDS .....	19
Section 3.1. Issuance of Bonds; Application of Proceeds .....	19
Section 3.2. Closing Statement; Payment by Trustee.....	20
Section 3.3. Reserve Fund .....	20
ARTICLE 4. PROJECT.....	20
Section 4.1. Establishment of Construction Fund.....	20
Section 4.2. Payments from Construction Fund .....	20
Section 4.3. Procedure Upon Completion of Project.....	20
Section 4.4. Procedures in the Event Project Not Completed.....	21
ARTICLE 5. REVENUES OF THE ISSUER, RECEIPTS AND GROSS REVENUES OF THE UNIVERSITY, AND APPLICATION THEREOF TO FUNDS .....	21
Section 5.1. Payments to Be Sufficient.....	21
Section 5.2. Pledge of Trust Estate .....	21
Section 5.3. Bond Fund.....	21
Section 5.4. Rebate Fund .....	22
Section 5.5. Sinking Fund.....	22
Section 5.6. Reserve Fund and Operation Thereof.....	22
Section 5.7. Procedure When Funds Are Sufficient to Pay All Bonds.....	22
Section 5.8. Moneys to Be Held for All Bondholders, With Certain Exceptions.....	23
ARTICLE 6. SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS.....	23
Section 6.1. Deposits and Security Therefor .....	23
Section 6.2. Investment or Deposit of Funds.....	23
Section 6.3. Valuation of Funds.....	24
Section 6.4. Investment Restrictions.....	24
Section 6.5. Investment at Discretion of Trustee .....	24

ARTICLE 7. REDEMPTION OF BONDS .....	24
Section 7.1. Bonds Subject to Redemption; Selection of Bonds to Be Called for Redemption .....	24
Section 7.2. Notice of Redemption .....	26
Section 7.3. Payment of Redemption Price .....	27
ARTICLE 8. COVENANTS OF ISSUER .....	27
Section 8.1. Payment of Principal and Interest on Bonds .....	27
Section 8.2. Issuer's Existence .....	27
Section 8.3. Enforcement .....	27
Section 8.4. Extension of Time for Payment of Interest Prohibited .....	27
Section 8.5. Financing Statements and Other Action to Protect Security Interests .....	28
Section 8.6. Further Assurances; Additional Revenues .....	28
ARTICLE 9. EVENTS OF DEFAULT AND REMEDIES .....	28
Section 9.1. Events of Default Defined .....	28
Section 9.2. Acceleration and Annulment Thereof .....	29
Section 9.3. Environmental Liability .....	30
Section 9.4. Legal Proceedings by Trustee .....	30
Section 9.5. Discontinuance of Proceedings by Trustee .....	31
Section 9.6. Limitations on Actions by Bondholders .....	31
Section 9.7. Trustee May Enforce Rights without Possession of Bonds .....	31
Section 9.8. Remedies Not Exclusive .....	31
Section 9.9. Delays and Omissions Not to Impair Rights; Effect of Waivers .....	31
Section 9.10. Application of Moneys in Event of Default .....	31
Section 9.11. Trustee's Right to Receiver; Compliance with Act .....	33
Section 9.12. Rights and Remedies of Bondholders .....	33
ARTICLE 10. THE TRUSTEE .....	33
Section 10.1. Acceptance of Trust; Duties .....	33
Section 10.2. No Responsibility for Recitals. etc .....	34
Section 10.3. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence .....	34
Section 10.4. Compensation and Indemnity .....	34
Section 10.5. No Duty to Renew Insurance .....	34
Section 10.6. Notice of Default; Right to Investigation .....	34
Section 10.7. Obligations to Act on Defaults .....	35
Section 10.8. Reliance on Requisitions, etc .....	35
Section 10.9. Trustee May Deal in Bonds .....	35
Section 10.10. Allowance of Interest .....	35
Section 10.11. Resignation of Trustee .....	35
Section 10.12. Removal of Trustee .....	35
Section 10.13. Appointment of Successor Trustee .....	36
Section 10.14. Qualification of Successor .....	36
Section 10.15. Instruments of Succession .....	36
Section 10.16. Merger of Trustee .....	36
Section 10.17. Reports of Trustee .....	36
Section 10.18. No Obligation to Review University or Issuer Reports .....	37
ARTICLE 11. ACTS OF BONDHOLDERS .....	37

Section 11.1. Acts of Bondholders .....	37
ARTICLE 12. AMENDMENTS AND SUPPLEMENTS.....	37
Section 12.1. Amendments and Supplements without Consent of Bondholders.....	37
Section 12.2. Amendments with Consent of Bondholders .....	38
Section 12.3. Consent of Bondholders.....	38
Section 12.4. Amendment by Unanimous Consent .....	39
Section 12.5. Exclusion of Bonds .....	39
Section 12.6. Notation on Bonds .....	39
Section 12.7. Trustee Authorized to Join in Amendments and Supplements:	
Reliance on Counsel.....	40
Section 12.8. Amendment of Loan Agreement without Consent of Bondholders .....	40
Section 12.9. Amendment of Loan Agreement with Consent of Bondholders .....	40
Section 12.10. Consents by Trustee and University to Amendments or	
Supplements .....	40
ARTICLE 13. DEFEASANCE.....	40
Section 13.1. Defeasance .....	40
Section 13.2. Deposit of Funds for Payment of Bonds.....	41
ARTICLE 14. MISCELLANEOUS PROVISIONS.....	42
Section 14.1. No Personal Recourse .....	42
Section 14.2. No Rights Conferred on Others .....	42
Section 14.3. Illegal Provisions Disregarded.....	42
Section 14.4. Notices to Trustee and Issuer.....	42
Section 14.5. Governing Law .....	43
Section 14.6. Successors and Assigns.....	43
Section 14.7. Counterparts.....	43

EXHIBIT A Form of Bond

A-1

EXHIBIT B Form of Disbursement Request

B-1

THIS TRUST INDENTURE dated as of September 1, 2015 (the "Indenture") is by and between LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (the "Issuer"), a consolidated local government of the Commonwealth of Kentucky, and U.S. BANK NATIONAL ASSOCIATION, a national banking association, as trustee (the "Trustee").

#### Recitals

A. The Issuer is authorized by the Industrial Buildings for Cities and Counties Act, as amended, Kentucky Revised Statutes ("KRS") 103.200 to 103.285 (the "Act"), to issue industrial building revenue and revenue refunding bonds and to loan the proceeds thereof to any person to defray or refinance the cost of any "industrial building" (as defined in the Act), including specifically land, buildings, improvements, equipment, machinery, and other facilities suitable for any nonprofit educational institution in any manner related to or in furtherance of the educational purposes of such institution, including but not limited to classroom, laboratory, housing, administrative, physical educational and medical research and treatment facilities, in order to accomplish the public purposes of promoting the economic development of the Commonwealth of Kentucky (the "Commonwealth"), relieving conditions of unemployment, and encouraging the increase of industry therein.

B. The Act further authorizes the Issuer to issue its bonds under the provisions of the Act, together with any unpaid interest thereon, to create any necessary debt service reserve fund, and to pay the cost of any improvements or additions to the project financed from the proceeds of the bonds, and of any premiums, expenses, and commissions required to be paid in connection therewith, which bonds shall be payable from the revenues out of which the bonds were payable.

C. Bellarmine University Incorporated (the "University"), formerly named Bellarmine College, a Kentucky nonprofit corporation and institution of higher education, has applied to the Issuer for the issuance of industrial building revenue and revenue refunding bonds of the Issuer and the loan of the proceeds thereof to the University for the following purposes: (i) to defray a portion of the costs of the following projects, including (a) the first phase of construction of Centro Building, a three-story structure approximately 46,265 square feet in size, located in front of existing Horrigan Hall, (b) a major renovation of Horrigan Hall, involving the complete gutting and renovating of the ground floor, improvements to the existing lobby on all three floors, the addition of a new elevator and sprinkler system and the upgrading of the electric service & HVAC system on all three floors, (c) the renovation of the first floor of the W.L. Lyons Brown Library, including lighting, technology, flooring, and furnishing upgrades and (d) the acquisition of other major educational equipment, all of the foregoing being located at Bellarmine University, 2001 Newburg Road, Louisville, Kentucky 40205 (collectively, the "Project"); (ii) to currently refund a portion or all of (a) the City of Audubon Park, Kentucky College Improvement Revenue Bonds, Series 2011 (Bellarmine University Project), issued in the amount of \$6,000,000, (b) the City of Shively, Kentucky College Improvement Revenue Bonds, Series 2011 (Bellarmine University Project), issued in the amount of \$7,100,000 (collectively, the "Series 2011 Bonds"), (c) the City of Audubon Park, Kentucky College Revenue Refunding Bonds, Series 2012 (Bellarmine University Project), issued in the amount of \$7,910,000, and (d) the City of Shively, Kentucky College Revenue Refunding Bonds, Series 2012 (Bellarmine University Project), issued in the amount of \$5,160,000 (collectively, the "Series 2012 Bonds")

and, with the Series 2011 Bonds, the "Prior Bonds"; and (iii) pay costs of issuance of the referenced bonds.

D. The Issuer has determined to issue [\$\_\_\_\_,000,000] aggregate principal amount of its College Improvement Revenue and Revenue Refunding Bonds, Series 2015 (Bellarmine University Project) (the "Bonds") pursuant to this Indenture and loan the proceeds thereof to the University pursuant to a Loan Agreement of even date herewith (the "Loan Agreement") between the Issuer and the University to finance the costs of the Project.

E. The obligations of the University under the Loan Agreement (except for Unassigned Rights) are assigned to the Trustee as security under this Indenture for the Bondholders.

F. The Issuer has determined that the Bonds and the Trustee's certificate of authentication and the form of assignment to be endorsed on the Bonds as provided herein shall be substantially in the forms set forth in Exhibit A hereto, with such variations, omissions and insertions as are required or permitted by this Indenture.

G. The execution and delivery of the Bonds and this Indenture have been duly authorized and all things necessary to make the Bonds, when executed by the Issuer and authenticated by the Trustee, valid and binding legal obligations of the Issuer and to make this Indenture a valid and binding agreement have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that to secure all Bonds issued and Outstanding under this Indenture and any additional indebtedness issued in accordance with Section 8.16 of the Loan Agreement, the payment of the principal or Redemption Price (as the case may be) thereof and interest thereon, the respective rights of the Bondholders, and the performance of the covenants contained in said Bonds and herein, the Issuer does hereby sell, assign, transfer, set over and pledge unto the Trustee, its successors in the trust and its assigns forever, all of the right, title and interest of the Issuer in and to the Trust Estate, including the Mortgage.

TO HAVE AND TO HOLD the same and any other revenues, property, contracts or contract rights which may, by delivery, assignment or otherwise, be subject to the lien and security interest created by this Indenture.

IN TRUST NEVERTHELESS, for the equal and ratable benefit and security of all present and future holders of the Bonds issued and to be issued under this Indenture, except as otherwise expressly provided herein, without preference, priority or distinction as to lien or otherwise of any one Bond over any other Bond.

## ARTICLE 1. DEFINITIONS AND INTERPRETATION

Section 1.1. Definitions. In this Indenture and any Supplemental Indenture (except as otherwise expressly provided or unless the context otherwise requires) terms used as defined terms in the recitals shall have the same meanings throughout the Indenture, and in

addition the following terms shall have the meanings specified below. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.

"Act" shall mean the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 of the Kentucky Revised Statutes.

"Additional Bonds" means the Additional Bonds which are authorized to be issued in one or more series from time to time under the Indenture.

"Administrative Expenses" shall mean all expenses of the Issuer which are properly chargeable as administrative expenses with respect to this Indenture, the Loan Agreement, the Tax Compliance Agreement, and the Project, including reasonable fees and expenses of the Issuer's attorneys and other professional advisers as may be required by or in connection with the Loan Agreement and the Indenture and the enforcement thereof.

"Affiliate" shall mean, with respect to any Person, any Person which controls, is controlled by, or is under common control with such Person. For the purposes of the foregoing, one Person shall be deemed to control another if it owns more than 50% of the voting stock or other equity interest in the other Person or possesses the power (through membership or otherwise) to elect more than 50% of the other Person's governing body.

"Agent Member" shall mean the agent members of the Securities Depository.

"Beneficial Owner" means an actual purchaser of a Bond.

"Bond Counsel" shall mean an attorney or firm of attorneys, nationally recognized as experienced in matters pertaining to the validity of obligations of governmental issuers and the exclusion from Federal income taxation of the interest on such obligations, which attorney or firm of attorneys may be counsel to the Issuer, the Trustee or the University or any Affiliate thereof.

"Bond Fund" shall mean the fund so designated established pursuant to Section 5.3 of this Indenture.

"Bondholder" or "holder" shall mean each Person in whose name a Bond is registered on the Bond Register in accordance with the Indenture and the Bonds.

"Bond Register" shall mean the books of the Issuer for registration and transfer of Bonds.

"Bond Year" shall mean the twelve-month period ending each April 30.

"Bonds" means the Louisville/Jefferson County Metro Government College Improvement Revenue and Revenue Refunding Bonds, Series 2015 (Bellarmine University Project), issued in the original principal amount of [\$\_\_\_\_\_,] and any Additional Bonds issued under this Indenture.

"Business Day" shall mean any day other than (i) a Saturday or Sunday or legal holiday or a day on which banking institutions in the Commonwealth or the city in which the Designated Office of the Trustee is located are authorized by law to close, or (ii) a day on which the New York Stock Exchange is closed.

"Certified Resolution of the Issuer" shall mean a copy of a Resolution certified by the Metro Council Clerk of the Issuer to have been duly adopted by the Issuer and to be in full force and effect on the date of such certification.

"Certified Resolution of the University" shall mean a copy of a resolution of the University Board, the Executive Committee of the University or of another duly authorized committee thereof, certified by the Secretary or Assistant Secretary of the University to have been duly adopted and to be in full force and effect on the date of such certification.

"Clearing Fund" shall mean the fund so designated established pursuant to Section 3.1 of this Indenture.

"Closing Receipt," means the Closing Receipt, dated the date of issuance of the Bonds, by and among the Issuer, the University, the Trustee, and the original purchaser of the Bonds.

"Closing Statement," means the Closing Statement, dated the date of issuance of the Bonds, approved by the University, and addressed to the Trustee.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and the regulations in effect thereunder from time to time.

"Construction Fund" shall mean the fund or funds, including the separate accounts therein, to be established by the Trustee pursuant to Section 4.1 of this Indenture.

"Contractor" shall mean a Person appointed by the University to serve as general contractor or construction manager for any portion of the Project.

"Cost" or "Costs" shall mean all costs properly chargeable to the capital account of the Project or which are incidental to the financing, refinancing, acquisition, construction, or installation of the Project and payable from the proceeds of the Bonds pursuant to the Act.

"Counsel" shall mean a duly licensed attorney-at-law or law firm who has reasonable experience in dealing with tax exempt obligations (who or which may be Bond Counsel or counsel for the University, the Trustee, or the Issuer) acceptable to the Trustee.

"Designated Office of the Trustee" means the corporate trust office of the Trustee in Louisville, Kentucky or such other corporate trust office of the Trustee as the Trustee shall designate by notice to the Issuer, the University and the Bondholders as the office of the Trustee for the registration, transfer and payment of the Bonds.

"Direct Participant" means securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations that are direct Participants.



"Eligible Investments" means, to the extent permitted by law:

(i) Certificates or interest-bearing notes or obligations of the United States, or those for which the full faith and credit of the United States are pledged for the payment of principal and interest.

(ii) Investments in any of the following obligations provided such obligations are backed by the full faith and credit of the United States (a) the Export-Import Bank of the United States, (b) the Federal Housing Administration, (c) the Government National Mortgage Association ("GNMA"), (d) the Rural Economic Community Development Administration (formerly known as the Farmers Home Administration), (e) the Federal Financing Bank, (f) the Department of Housing and Urban Development, (g) the General Services Administration, (h) the U.S. Maritime Administration or (i) the Small Business Administration.

(iii) Investments in direct obligations in any of the following agencies which obligations are not fully guaranteed by the full faith and credit of the United States (a) senior obligations by the Federal Home Loan Bank System, (b) senior debt obligations and participation certificates (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) issued by the Federal Home Loan Mortgage Corporation ("FHLMC") or senior debt obligations and mortgage-backed securities (excluding stripped mortgage securities which are purchased at prices exceeding their principal amounts) of the Federal National Mortgage Association ("FNMA") (c) obligations of the Resolution Funding Corporation ("REFCORP") or (d) senior debt obligations of the Student Loan Marketing Association ("SLMA") (excluding securities that do not have a fixed par value/or whose terms do not promise a fixed dollar amount at maturity or call date).

(iv) Investments in (a) U.S. dollar denominated deposit accounts, federal funds, bankers acceptances, and certificates of deposit of any bank whose short term debt obligations are rated "A-1" by S&P and "P-1" by Moody's and maturing no more than 360 calendar days after the date of purchase (holding company ratings are not considered as ratings of a bank) or (b) Certificates of deposit of any bank, which certificates are fully insured by the Federal Deposit Insurance Corporation ("FDIC").

(v) Investments in money market funds rated "AAAm" or "AAAm-G" by S&P.

(vi) Commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's, Inc. and "A-1" by S&P and which matures not more than 270 calendar days after the date of purchase.

(vii) Pre-refunded municipal obligations defined as follows: any bonds or other obligations rated "AAA" by S&P and "Aaa" by Moody's (based on an irrevocable escrow account or fund) of any state of the United States of America or any agency, instrumentality or local governmental unit of any such state which are not callable at the

option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice.

(viii) Municipal obligations rated "Aaa/AAA" or general obligations of States with a rating of "A1/A+" or higher by both Moody's and S&P.

The value of the above investments (paragraphs i-viii) shall be determined as follows:

"Value", which shall be determined as of the end of each quarter, means that the value of any investments shall be calculated as follows:

(a) for securities:

- (1) computed on the basis of the bid price last quoted by the Federal Reserve Bank of New York on the valuation date and printed in the Wall Street Journal or The New York Times; or
- (2) a valuation performed by a nationally recognized and accepted pricing service whose valuation method consists of the composite average of various bid price quotes on the valuation date; or
- (3) the lower of two dealer bids on the valuation date. The dealer or their parent holding companies must be rated at least investment grade by S&P and Moody's and must be market makers in the securities being valued.

(b) as to certificates of deposit and banker's acceptances: the face amount thereof, plus accrued interest.

(ix) Repurchase agreements with (a) any domestic bank, domestic branch of a foreign bank or any banking affiliate which guarantees the provider and maintains at least two of the following: a financial strength rating of at least "A" by S&P, a financial strength rating of at least "A2" by Moody's or a financial strength rating of at least "A" by Fitch (but in no event rated less than "A-" by S&P, "A3" by Moody's or "A-" by Fitch); or (b) any broker-dealer with "retail customers" or a related affiliate thereof which broker dealer has, or the parent company, which guarantees the provider and maintains at least two of the following: a financial strength rating of at least "A" by S&P, a financial strength rating of at least "A2" by Moody's or a financial strength rating of at least "A" by Fitch (but in no event rated less than "A-" by S&P, "A3" by Moody's or "A-" by Fitch), which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (c) any other entity which maintains at least two of the following: a financial strength rating of at least "A" by S&P, a financial strength rating of at least "A2" by Moody's or a financial strength rating of at least "A" by Fitch (but in no event less than "A-" by S&P, "A3" by Moody's or "A-" by Fitch), provided that:

- a) the repurchase agreement is collateralized with the obligations described in paragraphs (i) or (ii) above; or with obligations described in paragraph (iii) (a) and (b) above.

- b) the Third Party Agent will value the collateral securities at least weekly and will liquidate the collateral securities if any deficiency in the required collateral percentage is not restored within (2) business days and notify the Trustee.
- c) the market value of the collateral must be maintained at: 104% of the total principal of the repurchase agreement for obligations described in paragraphs (i) and (ii); 105% of the total principal of the repurchase agreement for obligations described in paragraph (iii) (a) and (b) above.
- d) the third party acting solely as agent for the issuer (the "Holder of the Collateral") has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books).
- e) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected security interest in the collateral which is not subject to any prior liens, and substituted collateral and all proceeds thereof.

(x) Investment agreements with (a) a domestic or foreign bank or corporation (other than a life or property casualty insurance company), or any banking affiliate which guarantees the provider and maintains at least two of the following: a financial strength rating of at least "AA-" by S&P, a financial strength rating of at least "Aa3" by Moody's or a financial strength rating of at least "AA-" by Fitch (but in no event rated less than "A-" by S&P, "A3" by Moody's or "A-" by Fitch); or (b) a monoline municipal bond insurance company or a subsidiary thereof and maintains at least two of the following: a financial strength rating of at least "AA-" by S&P, a financial strength rating of at least "Aa3" by Moody's or a financial strength rating of at least "AA-" by Fitch (but in no event rated less than "A-" by S&P, "A3" by Moody's or "A-" by Fitch); provided, that in all cases, by the terms of the investment agreement:

- a) interest payments are to be made to the Trustee at least one business day prior to debt service payment dates on the Bonds and in such amounts as are necessary to pay debt service (or, if the investment agreement is for the construction fund, construction draws) on the Bonds;
- b) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof;
- c) a fixed guaranteed rate of interest is to be paid on invested funds and all future deposits, if any, required to be made to restore the amount of such funds to the level specified under this Indenture;

- d) the Issuer or the Trustee receives the opinion of domestic counsel (which opinion shall be addressed to the Issuer) that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable);
- e) the investment agreement shall provide that if during its term:
  - (1) the provider's rating by any of S&P, Moody's or Fitch falls below 'AA-', 'Aa3' or 'AA-', respectively, the provider shall (i) notify the Issuer and the Trustee of such downgrade within 5 days of the date of the ratings downgrade taken by S&P, Moody's or Fitch, as applicable, and (ii) at the direction of the Issuer or the Trustee, within 10 days of receipt of such direction, either (a) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Issuer, the Trustee or the Holder of the Collateral Permitted Collateral (as defined below) which are free and clear of any third-party liens or claims at the Collateral Levels set forth below; or (b) repay the principal of and accrued but unpaid interest on the investment, and (iii) terminate the investment agreement; and
  - (2) the provider's rating by any of S&P, Moody's or Fitch is withdrawn or suspended or falls below "A-", "A3" or "A-", respectively, the provider shall (i) notify the Issuer and the Trustee within 5 days of the date of the ratings action taken by S&P, Moody's or Fitch, as applicable, and (ii) at the direction of the Issuer or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment in either case with no penalty or premium to the Issuer or Trustee;
- f) the investment agreement must provide that if during its term
  - (1) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Issuer or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate;
  - (2) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Issuer or Trustee, as appropriate;

- (3) the provider fails to perform any of its obligations under the Investment Agreement (other than obligations related to payment or rating) and such breach continues for ten (10) days or more after written notice thereof is given by the Trustee to the provider, it shall be an event of default under the Investment Agreement; or
- (4) a representation or warranty made by the provider proves to have been incorrect or misleading in any material respect when made, it shall be an event of default under the Investment Agreement.

Permitted Collateral for Investment Agreements ("Permitted Collateral"):

- A. U.S. direct Treasury obligations,
- B. Senior debt and/or mortgage backed obligations of GNMA, FNMA or FHLMC and other government sponsored agencies backed by the full faith and credit of the U.S. government.
- C. Collateral levels must be 104% of the total principal deposited under the investment agreement for U.S. direct Treasury obligations, GNMA obligations and full faith and credit U.S. government obligations and 105% of the total principal deposited under the investment agreement for FNMA and FHLMC.
- D. The collateral must be held by a third party, segregated and marked to market at least weekly.

"EMMA" shall mean Electronic Municipal Market Access, a service of the Municipal Securities Rulemaking Board.

"Favorable Opinion" shall mean an opinion of Bond Counsel addressed to the Issuer and the Trustee to the effect that: (i) the action proposed to be taken is authorized or permitted by the Act and the Indenture and complies with their respective terms; and (ii) such will not adversely affect (A) the exclusion from gross income of the interest on the Bonds for purposes of Federal income taxation, or (B) any applicable tax exemption with respect to the Bonds provided under the laws of the Commonwealth.

"Fund" means each of the funds established under the Indenture.

"Government Obligations" means (i) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged or (ii) obligations issued by a Person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (i) or (ii) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or any Federal Reserve Bank).

"Indenture" shall mean this Trust Indenture between the Issuer and the Trustee as originally executed, or if amended or supplemented as herein provided, as so amended or supplemented.

"Indirect Participant" means banks, securities brokers and dealers and trust companies that are Participants and that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly.

"Interest Payment Date" shall mean May 1 and November 1 of each year, commencing May 1, 2016.

"Mortgage" shall mean that certain Open-End Mortgage of Real Property and Assignment of Rents and Profits dated as of December 16, 2009, between the University and the Trustee, as amended by the First Amendment to Open-End Mortgage of Real Property and Assignment of Rents and Profits dated as of April 1, 2011 between the University and [the Trustee], as further amended by the Second Amendment to Open-End Mortgage of Real Property and Assignment of Rents and Profits dated as of November 8, 2012 between the University and Fifth Third Bank, as further amended by the Third Amendment to Open-End Mortgage of Real Property and Assignment of Rents and Profits dated as of September 1, 2015 between the University and the Trustee. The Mortgage secures obligations of the University with respect to the following:

(a) the Louisville/Jefferson County Metro Government College Refunding and Improvement Revenue Bonds, Series 2008A (Bellarmine University Project) issued in the original principal amount of \$27,230,000 dated as of June 1, 2008;

(b) the Louisville/Jefferson County Metro Government College Revenue Refunding Bonds, Series 2009 (Bellarmine University Project) in the original principal amount of \$18,500,000 dated as of October 1, 2009; and

(c) the Bonds.

"Officers' Certificate" shall mean, in the case of the University, a certificate, executed by the President or Vice President and Secretary or Assistant Secretary of the University, and in the case of the Issuer, the Mayor and Metro Council Clerk of the Issuer.

"Outstanding Bonds" or "Bonds outstanding" or "Outstanding" with respect to the Bonds, means, as of the applicable date, all Bonds which have been authenticated and delivered under the Indenture, except:

(a) Bonds canceled upon surrender, exchange or transfer, or canceled because of payment or redemption on or prior to that date;

(b) To the extent permitted hereby, Bonds, or the portion thereof, the payment, redemption or purchase for cancellation of which sufficient money has been deposited and credited with the Trustee pursuant to the Indenture on or prior to that date for that purpose (whether upon or prior to the maturity or redemption date of those Bonds); provided, that if any

of those Bonds are to be redeemed prior to their maturity, notice of that redemption shall have been given or arrangements satisfactory to the Trustee shall have been made for giving notice of that redemption, or waiver by the affected holders of that notice satisfactory in form to the Trustee shall have been filed with the Trustee;

(c) Bonds, or the portion thereof, which are deemed to have been paid and discharged or caused to have been paid and discharged pursuant to the provisions of this Indenture; and

(d) Bonds in lieu of which others have been authenticated under Section 2.5 of this Indenture;

provided that, in determining whether the holders of the requisite percentage of Bonds have concurred in any demand, direction, request, notice, consent, waiver or other action under the Indenture, Bonds that are owned by the University or an Affiliate of the University shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for such purpose, if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not the University or an Affiliate of the University. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of Counsel shall be full protection to the Trustee.

"Person" shall mean an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any other unincorporated organization, a governmental body or any other political subdivision, a municipality, a municipal authority or any other group or entity.

"Pledged Revenues" shall mean the amounts payable to or received by the Issuer pursuant to, in accordance with, under or on account of the Loan Agreement and the Mortgage, and/or any other University Agreement.

"Prior Bonds" shall mean the bonds which are being currently refunded with a portion of the proceeds of the Bonds: [(i) the City of Audubon Park, Kentucky College Improvement Revenue Bonds, Series 2011 (Bellarmine University Project) dated as of May 11, 2011, issued in the original principal amount of \$6,000,000; (ii) the City of Audubon Park, Kentucky College Improvement Revenue Bonds, Series 2011 (Bellarmine University Project) dated April 20, 2011, issued in the original principal amount of \$7,100,000; (iii) the City of Audubon Park, Kentucky College Revenue Refunding Bonds, Series 2012 (Bellarmine University Project) dated November 8, 2012, issued in the original principal amount of \$7,910,000; and (iv) the City of Shively, Kentucky College Revenue Refunding Bonds, Series 2012 (Bellarmine University Project) dated November 27, 2012, issued in the original principal amount of \$5,160,000.]

"Rating Services" shall mean Moody's Investors Service, Inc., Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and Fitch Ratings, and their respective successors.

**"Rebate Fund"** means the fund so designated which is established pursuant to Section 5.4 hereof.

**"Redemption Price"**, when used with respect to a Bond, shall mean the principal amount of such Bond plus the applicable premium, if any, payable upon redemption thereof pursuant to the Indenture.

**"Regular Record Date"** means with respect to an Interest Payment Date, the fifteenth (15<sup>th</sup>) day (whether or not a Business Day) of the calendar month next preceding the Interest Payment Date.

**"Regulatory Body"** shall mean and include (a) the United States of America and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the United States of America and in which no equity interest or voting rights are owned or held by any Person other than the United States of America or a division, department or agency thereof (b) the Commonwealth, any political subdivision thereof, and any department of or corporation, agency or instrumentality heretofore or hereafter created, designated or established by the Commonwealth, and (c) any other public or governmental entity having or exercising regulatory jurisdiction and authority over the University, and in or with respect to which no equity interest or voting rights are owned or held by any Person other than the United States of America or the Commonwealth or any County or municipality of the Commonwealth, or any division, department or agency of any of the foregoing, but shall not include the Issuer.

**"Reserve Fund"** shall mean the fund created in Section 3.3 hereof.

**"Reserve Fund Requirement"** shall mean the lesser of (i) the maximum annual debt service on the Bonds; (ii) 125% of the average annual debt service on the Bonds, or (iii) ten percent (10%) of the proceeds of the Bonds and shall be fully funded upon the issuance of the Bonds.

**"Securities Depository"** means The Depository Trust Company, New York, New York, or other recognized securities depository selected by the Issuer, which securities depository maintains a book-entry system in respect of the Bonds, and shall include any substitute for or successor to the securities depository initially acting as Securities Depository.

**"Securities Depository Nominee"** means, as to any Securities Depository, such Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration books maintained by the Trustee the Bond certificates to be delivered to and immobilized at such Securities Depository during the continuation with such Securities Depository of participation in its book entry system. The Securities Depository Nominee, as of the date of issuance of the Bonds, is Cede & Co.

**"Sinking Fund"** shall mean the fund so designated which is established pursuant to Section 5.5 of this Indenture.



"Supplemental Indenture" or "indenture supplemental thereto" shall mean any indenture amending or supplementing the Indenture which may be entered into in accordance with the provisions of this Indenture.

"Supplemental Loan Agreement" shall mean any agreement amending or supplementing the Loan Agreement which may be entered into by the Issuer and the University in accordance with the provisions of the Indenture and the Loan Agreement.

"Tax Compliance Agreement" means the Tax Compliance Agreement, dated the date of issuance of the Bonds, among the Issuer, the University, and the Trustee.

"Trustee" shall mean the Trustee named above, and its successor trustee or trustees under the Indenture.

"Trust Estate" shall mean all of the Issuer's right, title and interest in and to (i) the Loan Agreement (except Unassigned Rights), the Gross Revenues and any other collateral from time to time securing the University's obligations under the Loan Agreement; (ii) all moneys and securities held from time to time in the funds pledged under the Indenture for the benefit of the holders of the Bonds; and (iii) all other property held by the Trustee and pledged under the Indenture for the benefit of the holders of the Bonds.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the Commonwealth.

"University" shall mean Bellarmine University Incorporated, a Kentucky nonprofit corporation, and its successors and assigns.

"University Board" shall mean the Board of Trustees or other legally governing body vested with the power of management of the University.

"University Premises" shall mean all real property owned by the University located in Louisville, Kentucky, together with all buildings and improvements thereon and all furniture and equipment located on or in any such buildings or improvements, including the Project Facilities (as defined in the Loan Agreement).

Section 1.2. Interpretation. Any reference herein or in the Loan Agreement to the Issuer or to any elected official, officer or employee thereof includes entities, elected officials, officers, or employees succeeding to their respective functions, duties, or responsibilities pursuant to or by operation of law or who are lawfully performing their functions.

Any reference herein or in the Loan Agreement to a section or provision of the Act or to a section, provision, or chapter of the Kentucky Revised Statutes, or to any statute of the United States of America, includes that section, provision, or chapter as amended, modified, revised, supplemented, or superseded from time to time; provided, that no amendment, modification, revision, supplement, or superseding section, provision, or chapter shall be applicable solely by reason of this paragraph, if it constitutes in any way an impairment of rights or obligations of the Issuer, the University, the Trustee or the Bondholders under the Indenture, the Loan Agreement, or any other instrument or document entered into in connection with any of

the foregoing, including without limitation any alteration of the obligation to pay the principal or Redemption Price of and the interest on the Bonds in the amounts and manner, at the times, and from the sources provided in the Indenture and the Loan Agreement, except as permitted herein.

The use herein of the terms "redeem" and "redemption" shall include "prepay" and "prepayment".

In the Indenture and the Loan Agreement, unless the context requires otherwise, words importing the singular number include the plural number and vice versa; the terms "hereof", "hereby", "herein", "hereto", "hereunder", "hereinafter" and similar terms refer to this Indenture or the Loan Agreement, respectively; the term "hereafter" means after, and the term "heretofore" means before, the date of delivery of this Indenture or the Loan Agreement, respectively; and words of any gender include the correlative words of the other genders.

Section 1.3. Captions and Headings. The captions and headings in this Indenture and the Loan Agreement are solely for convenience of reference and in no way define, limit or describe the scope or intent of any Articles, Sections, subsections, paragraphs, subparagraphs, or clauses hereof or thereof.

## ARTICLE 2. THE BONDS

Section 2.1. Amounts and Terms of Bonds. The Bonds shall be limited to [\$\_\_\_\_,000,000] in aggregate principal amount, shall be numbered from R-1 upwards, shall be in the authorized denomination of \$5,000 or any whole multiple thereof, shall be substantially in the form set forth in Exhibit A attached hereto, shall be dated as of the date of their initial delivery and shall be in book-entry-only form, registered in the name of the Securities Depository, as further described in Section 2.10 hereof. The maximum rate of the Bonds is six percent (6.00%). All Bonds shall provide that principal or Redemption Price thereof and interest in respect thereto shall be payable only out of the Trust Estate, but the Issuer, upon deposit with the Trustee by the University of the moneys required for such payment, shall make such other moneys available for that purpose. All payments of principal or Redemption Price and interest shall be made at the times and places and in the manner set forth in the respective forms of the Bonds. The Bonds shall be dated and mature, shall bear interest, and shall be subject to redemption as set forth in the form thereof attached as Exhibit A.

Section 2.2. Execution. The Bonds shall be executed by the manual or facsimile signature of the Mayor or Mayor *Pro Tem* of the Issuer, and its official seal thereon affixed (which may be in facsimile if permitted by law) and shall be attested by the manual or facsimile signature of the Clerk or Deputy Clerk of the Metro Council of the Issuer. Bonds executed as above provided may be issued and shall, upon request of the Issuer, be authenticated by the Trustee.

Section 2.3. Authentication. No Bond shall be valid until the certificate of authentication shall have been duly executed by the Trustee, and such authentication shall be proof that the Bondholder is entitled to the benefit of the trust hereby created.

Section 2.4. Registration, Transfer and Exchange of Bonds, Persons Treated as Holders. The Bonds shall be issuable as fully registered bonds without coupons. The Trustee shall keep the Bond Register at the Designated Office of the Trustee. The Issuer hereby appoints the Trustee its registrar and transfer agent to keep the Bond Register and to effect such registrations and transfers of Bonds on behalf of the Issuer, subject to the provisions set forth in this Section 2.4 regarding the registration and transfer of the Bonds. Bonds may be transferred upon the Bond Register upon delivery to the Trustee of such Bonds, accompanied by a written instrument or instruments of transfer in form and with guaranty of signature satisfactory to the Trustee, duly executed by the holder of the Bonds to be transferred or his attorney-in-fact or legal representative, containing written instructions as to the details of the transfer of such Bonds. No transfer of any Bond shall be effective until entered on the Bond Register. In like manner Bonds may be exchanged by the holders thereof or by their attorneys for Bonds of the same series and maturity and of authorized denomination or denominations, in the same aggregate principal amount and bearing the same rate or rates of interest.

In all cases of the transfer of a Bond, the Trustee shall enter the transfer of ownership in the Bond Register and shall authenticate and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of authorized denominations of the same series and maturity and interest rate for the aggregate principal amount which the holder is entitled to receive at the earliest practicable time in accordance with the provisions of the Indenture. Any such transfer or any exchange as described herein will be made without charge to the Bondholder, except for the payment of any taxes or other governmental charges relating to such transfer or exchange. The Trustee shall not be required to issue, exchange, or transfer any Bonds of a series during a period beginning at the opening of business fifteen (15) days before the date of mailing a notice of redemption of Bonds of such series selected for redemption and ending at the close of business on the day of such mailing or for any Bond so selected for redemption in whole or in part.

New Bonds delivered upon any transfer or exchange shall be valid limited obligations of the Issuer, evidencing the same debt as the Bonds surrendered, shall be secured by the Indenture and shall be entitled to all of the security and benefits hereof to the same extent as the Bonds surrendered.

The Issuer, the Trustee, and any additional paying agent may treat the holder of any Bond as registered on the Bond Register maintained by the Trustee as the absolute holder thereof for all purposes, whether or not such Bond shall be overdue, and any notice to the contrary shall not be binding upon the Issuer, the Trustee, or any such paying agent.

Notwithstanding any other provisions of this Section, Bonds shall be transferable on the Bond Register only upon presentation thereof to the Trustee accompanied by a written instrument of assignment substantially in the form thereof set forth in the form of the Bonds attached hereto as Exhibit A, duly executed by the registered owner thereof or such owner's attorney or legal representative, for notation by the Trustee on the Registration Schedule attached to the Bonds indicating the name of the new registered owner, the date of transfer, the balance of principal due on the Bonds, and the date to which interest has been paid.

Section 2.5. Mutilated, Destroyed, Lost or Stolen Bonds. If any Bond shall become mutilated, the Issuer shall execute and the Trustee shall thereupon authenticate and deliver a new Bond of like tenor and denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of such mutilated Bond for cancellation, and the Issuer and the Trustee may require reasonable indemnity therefor. If any Bond shall be reported lost, stolen or destroyed, evidence as to the ownership and the loss, theft or destruction thereof shall be submitted to the Issuer and the Trustee; and if such evidence shall be satisfactory to both and indemnity satisfactory to both shall be given, the Issuer shall execute, and thereupon the Trustee shall authenticate and deliver, a new Bond of like tenor and denomination. The cost of providing any substitute Bond under the provisions of this Section shall be borne by the Bondholder for whose benefit such substitute Bond is provided. If any such mutilated, lost, stolen, or destroyed Bond shall have matured or be about to mature, the Trustee may pay to the holder the principal amount of, and accrued interest on, such Bond upon the maturity thereof and the compliance with the aforesaid conditions by such holder, without the issuance of a substitute Bond therefor.

Every substituted Bond issued pursuant to this Section 2.5 shall constitute an additional contractual obligation of the Issuer, whether or not the Bond alleged to have been destroyed, lost or stolen shall be at any time enforceable by anyone, and shall be entitled to all the benefits of the Indenture equally and proportionately with any and all other Bonds duly issued hereunder. All Bonds shall be held and owned upon the express condition that the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Bonds, and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments, investments or other securities without their surrender.

Section 2.6. Temporary Bonds. Pending preparation of definitive Bonds, or by agreement with the purchasers of all Bonds, the Issuer may issue and, upon its request, the Trustee shall authenticate in lieu of definitive Bonds one or more temporary printed or typewritten Bonds in authorized denominations, substantially of the tenor recited above. Upon request of the Issuer, the Trustee shall authenticate definitive Bonds in exchange for and upon surrender of an equal principal amount of temporary Bonds. Until so exchanged, temporary Bonds shall have the same rights, remedies, and security hereunder as definitive Bonds.

Section 2.7. Cancellation and Destruction of Surrendered Bonds. All Bonds surrendered for payment or redemption, including any Bonds purchased by the University and surrendered to the Trustee for redemption, and all Bonds purchased with moneys available for that purpose in any fund established under the Indenture at the time of such payment or redemption shall be canceled and destroyed by the Trustee. The Trustee shall annually deliver to the Issuer and the University a certificate of destruction in respect of all Bonds destroyed in accordance with this Section 2.7.

Section 2.8. Payment and Ownership of Bonds. The principal of and any premium on any Bond shall be payable when due to a holder upon presentation and surrender of such Bond at the designated corporate trust office of the Trustee or at the office, designated by the Trustee, of any paying agent. Interest on any Bond shall be paid on each Interest Payment

Date by check which the Trustee shall cause to be mailed on that date to the person in whose name the Bond is registered at the close of business on the Regular Record Date applicable to that Interest Payment Date on the Register at the address appearing therein. Notwithstanding the foregoing and while the Bonds are held by a Securities Depository interest on any Bond shall be paid by wire transfer in immediately available funds to the bank account number and address filed with the Trustee by such Securities Depository.

#### Section 2.9 Additional Bonds.

A. Provided that no Event of Default hereunder has occurred and is continuing, and if and to the extent then permitted by law, the Issuer reserves the right, at the request of the University, and subject to the University's compliance with all of its financial covenants set forth in Article 8 of the Loan Agreement while any of the Bonds are Outstanding, to issue Additional Bonds for any purpose permitted by the Act. Except as otherwise provided in the supplement to this Indenture pursuant to which such Additional Bonds may be issued, all Bonds issued under the Indenture shall be equally and ratably payable from and secured by the Trust Estate, and shall bear such dates and interest rates, have such maturity dates and redemption dates and Redemption Prices, and be issued at such prices as shall be approved in writing by the Issuer and the University.

B. Upon execution and delivery of appropriate supplements to the Indenture and the Loan Agreement, and delivery to the Trustee by the Issuer of the Additional Bonds as executed by the Issuer and an order of the Issuer to authenticate and deliver such Bonds, the Trustee shall authenticate and deliver the Additional Bonds to the purchasers thereof and deposit or transfer the proceeds thereof as directed in the order to authenticate.

#### Section 2.10 Global Book-Entry Form; Securities Depository

A. Except as otherwise provided in this Section 2.10, the Bonds, in the form of one or more global Bonds of such series, shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in book-entry form by the Securities Depository for the account of the Agent Members thereof. Initially, the Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Except as provided in subsection C. of this Section 2.10, the Bonds may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the Issuer or to a nominee of such successor Securities Depository.

B. Neither the Issuer, the Borrower nor the Trustee shall have any responsibility or liability with respect to:

- (1) the accuracy of the records of the Securities Depository or any Agent Member with respect to any beneficial ownership interest in the Bonds;
- (2) the delivery to any Agent Member, any beneficial owner of the Bonds or any other person, other than the Securities Depository, of any notice with respect to the Bonds; or

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

So long as the certificates for the Bonds issued under this Trust Indenture are not issued pursuant to subsection C. of this Section 2.10, the Issuer, the Borrower and the Trustee may treat the Securities Depository as, and deem the Securities Depository to be, the absolute owner of the Bonds for all purposes whatsoever, including without limitation:

- (a) the payment of principal, premium, if any, and interest on such Bonds;
- (b) giving notices of redemption and other matters with respect to such Bonds;
- (c) registering transfers with respect to such Bonds; and
- (d) the selection of Bonds for redemption.

C. If at any time the Securities Depository notifies the Issuer that it is unwilling or unable to continue as Securities Depository with respect to Bonds, or if at any time the Securities Depository shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor Securities Depository is not appointed by the Issuer within 90 days after the Issuer receives notice or becomes aware of such condition, as the case may be, then subsections A. and B. of this Section 2.10 shall no longer be applicable and the Issuer at the sole cost of the Borrower shall execute and the Trustee shall authenticate and deliver certificates representing the Bonds as provided below and the following shall apply:

(1) Certificates for the Bonds issued in exchange for a global certificate pursuant to this subsection (c) shall be delivered to and registered in the names of Direct Participants, or such other persons as such Direct Participants may specify which may be Indirect Participants or Beneficial Owners, in authorized denominations of \$5,000 or integral multiples thereof with respect to Bonds. The ownership of the Bonds so delivered (and any Bonds thereafter delivered upon an exchange or transfer) shall be registered in registration books to be kept by the Trustee.

(2) The Issuer may charge the Borrower a sum not exceeding the actual cost of printing such Bond for each new Bond issued upon any exchange or transfer. In each case the Trustee shall require the payment by the Bondholder of any tax, fee or other governmental charge required to be paid with respect to such exchange or transfer provided that the Trustee may not exchange or register the transfer of any Bond being called for redemption after the Regular Record Date with respect to the redemption of such Bond. Any fees of the Trustee incurred through such exchange shall be ordinary expenses of the Trustee payable under Section \_\_\_ of this Indenture.

D. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of Cede & Co., as Securities Depository Nominee, all payments with respect to the principal of, premium, if any, and interest on such Bonds and all notices, with respect to such Bonds, including notices of redemption, shall be made and given, respectively, to Cede & Co., New York, New York, as provided in the Letter of Representations from the Issuer to the Securities Depository.

In connection with any notice or other communication to be provided to the registered owners by the Issuer or the Trustee with respect to any consent or other action to be taken by the registered owners, the Issuer or the Trustee, as the case may be, shall establish a record date for such consent or other action and give the Securities Depository notice of such record date not less than fifteen (15) days in advance of such record date to the extent possible.

Section 2.11 BONDS ARE NOT INDEBTEDNESS OF THE ISSUER  
NEITHER THE CREDIT NOR THE TAXING POWER OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR OF ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS NOR SHALL THE BONDS BE DEEMED TO BE AN OBLIGATION OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION TO WHICH THE FAITH AND CREDIT OF THE ISSUER ARE PLEDGED BUT ARE SPECIAL LIMITED OBLIGATION OF THE ISSUER, WHICH IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS SOLELY AND EXCLUSIVELY OUT OF THE REVENUES DESCRIBED IN THE LOAN AGREEMENT. NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS, THE INDENTURE OR THE LOAN AGREEMENT SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE ISSUER OR OF ANY OFFICER OR OF ANY OFFICIAL OR EMPLOYEE OF THE ISSUER IN HIS OR HER INDIVIDUAL CAPACITY, AND NEITHER THE MEMBERS OF THE ISSUER NOR ANY OFFICER OR EMPLOYEE OF THE ISSUER EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS.

### **ARTICLE 3. ISSUANCE OF BONDS**

Section 3.1. Issuance of Bonds; Application of Proceeds. The Issuer shall issue the Bonds upon execution of this Indenture; and the Trustee shall, at the Issuer's request, authenticate such Bonds and deliver them as specified in the request. Immediately upon receipt by the Issuer of the proceeds of the sale of the Bonds, the Issuer shall transfer all such proceeds to the Trustee. The Trustee shall thereupon deposit such proceeds into the Clearing Fund, which is hereby created. The Trustee shall make transfers from the Clearing Fund to (i) the Reserve Fund, (ii) the Construction Fund, (iii) the holders of the Prior Bonds and (iv) the Persons entitled thereto to pay the costs of issuance of the Bonds, all as set forth in the Closing Statement.

Section 3.2. Closing Statement; Payment by Trustee. The Trustee is authorized to pay or to reimburse the University for the payment of the costs of issuance of the Bonds in the amounts set forth in the Closing Statement and to make the deposits to the Funds established hereunder as directed in the Closing Receipt, and to make the payment to the holders of the Prior Bonds, all as set forth in the Closing Statement. Any balance remaining in the Clearing Fund after payment of all costs of issuance of the Bonds shall be transferred to the Construction Fund.

Section 3.3 Reserve Fund. The Trustee shall deposit into the Reserve Fund hereby created the Reserve Fund Requirement.

#### **ARTICLE 4. PROJECT**

Section 4.1. Establishment of Construction Fund. The Trustee shall establish a Construction Fund for the payment of Costs of the Project.

The Construction Fund shall consist of the amounts deposited therein pursuant hereto. The amounts in the Construction Fund, until applied as hereinafter provided, shall be held for the security of all Bonds Outstanding hereunder. Separate additional accounts within the Construction Fund not inconsistent with the accounts created hereunder shall be maintained by the Trustee upon request of the Issuer or the University whenever, in the opinion of the Issuer or the University, it is appropriate to have a separate accounting in respect of amounts deposited in or disbursed from the Construction Fund. Payments shall be made initially from the Construction Fund to pay any unpaid costs of issuance of the Bonds as and to the extent provided in the Closing Statement, including, without limitation, legal, engineering and consultant's fees, including amounts to be reimbursed to the University for Costs advanced, and thereafter to pay Costs of the Project.

Section 4.2. Payments from Construction Fund. The Trustee shall make payments from the Construction Fund only upon receipt of a requisition, in the form of Exhibit B attached hereto, signed by an authorized officer of the University, identifying the Costs to be paid or reimbursed and stating (1) the name and address of the Person to whom the payment is to be made (which may be the University if the University is to be reimbursed for advances made or work done by it and properly chargeable against the Construction Fund); (2) the amount to be paid or reimbursed; (3) that the Cost was properly incurred by the University and is a proper charge against the Construction Fund; and (4) that the amount requisitioned is due and unpaid, and (5) that the funds in the Construction Fund are sufficient to complete construction and installation of the Project in accordance with the construction contract(s), plans and specifications for the Project and all applicable laws, ordinances and regulations, free and clear of all liens, claims and encumbrances.

Section 4.3. Procedure Upon Completion of Project. To the extent any amount remains unexpended in the Construction Fund after receipt of the certificate required by Section 3.2 of the Loan Agreement, the Trustee shall transfer such amount to the Bond Fund. The amount transferred to the Bond Fund shall be invested at a yield not in excess of the yield on the Bonds and applied to the payment of principal of the Bonds (upon any date specified for the payment of principal on the Bonds, whether at maturity, upon redemption, or otherwise) at the



earliest practicable date (but the earliest practicable date shall not include any date upon which the Bonds are redeemable only at a premium).

Section 4.4. Procedures in the Event Project Not Completed. In the event the Project or any portion thereof shall not have been completed by the date that is three years after the date of issuance of the Bonds or by such later date, as in the opinion of Bond Counsel, is permitted under the Code, then the proceeds of the Bonds shall be, at the election of the University, (i) retained in the Construction Fund and invested at a yield not in excess of the yield of the Bonds and applied to remaining Costs of the Project, or (ii) shall be transferred to the Bond Fund and shall be invested at a yield not in excess of the yield on the Bonds and applied to the payment of principal of the Bonds (upon any date specified for the payment of principal on the Bonds, whether at maturity, upon redemption, or otherwise) at the earliest practicable date (but the earliest practicable date shall not include any date upon which the Bonds are redeemable only at a premium).

**ARTICLE 5.**  
**REVENUES OF THE ISSUER, RECEIPTS AND GROSS REVENUES OF THE**  
**UNIVERSITY, AND APPLICATION THEREOF TO FUNDS**

Section 5.1. Payments to Be Sufficient. The Issuer shall require that the University shall make payments under the Loan Agreement so that the Pledged Revenues in any Bond Year are sufficient:

- A. To pay the Administrative Expenses of the Issuer during such Bond Year;
- and
- B. To pay the principal and interest payable on the Bonds during such Bond Year.

Section 5.2. Pledge of Trust Estate. The Issuer hereby pledges to the Trustee the Trust Estate as security for the performance of the obligations of the Issuer under the Indenture, and grants to the Trustee a security interest in the Trust Estate for such purposes. The pledge made herein shall be valid and binding from the time such pledge is made, and the covenants and agreements set forth herein to be performed by or on behalf of the Issuer shall be for the equal and ratable benefit, protection and security of the holders of the Bonds, all of which, regardless of their times of issue and maturity, shall be of equal rank, without preference, priority or distinction over any other Bond except as expressly provided therein or permitted by the Indenture. The Trust Estate held by or deposited with the Trustee shall immediately be subject to the lien of the pledge and security interest granted hereby without any physical delivery thereof or further act. Pursuant to the assignment of the Issuer's rights under the Loan Agreement, the Pledged Revenues shall be paid directly to the Trustee by the University. Upon receipt of any Pledged Revenues or other payments hereunder, the Trustee shall deposit the same in the Bond Fund.

Section 5.3. Bond Fund. The Trustee shall establish a Bond Fund and shall deposit the Pledged Revenues (following payment therefrom for any administrative expenses)

therein upon receipt and apply the same to the payment of the principal of and interest on the Bonds.

Section 5.4 Rebate Fund. The Trustee shall make deposits into the Rebate Fund when and if required as provided in the Tax Compliance Agreement entered into by and among the Issuer, the Trustee and the University dated as of September 1, 2015.

Section 5.5 Sinking Fund. The Trustee shall establish a Sinking Fund. The Trustee shall use the Sinking Fund to purchase or redeem Bonds at the times and in the amounts required in Article VII hereof.

Section 5.6. Reserve Fund and Operation Thereof. The Trustee shall establish a Reserve Fund which shall be maintained so long as any of the Bonds are outstanding. From the proceeds of the sale of the Bonds and from any additional monies of the University there shall be immediately deposited as of the date of the funding of the Bonds, the Reserve Fund Requirement. From the proceeds of the sale of any Additional Bonds and any additional monies of the University there shall be immediately deposited as of the date of such issuance of such Additional Bonds, in amounts sufficient to make the monies in the Reserve Fund equal to the Reserve Fund Requirement. Upon the issuance of the Bonds and any subsequent Additional Bonds, Bond proceeds and Additional Bond proceeds and other monies deposited to the Reserve Fund shall be maintained in a separate account established within the Reserve Fund for each such series of Bonds.

From and after issuance of the Bonds under this Indenture, on or before the first day of each calendar month, to the extent necessary, the Trustee shall deposit in the Reserve Fund from the monies in the Bond Fund such sum as is required to maintain not less than the Reserve Fund Requirement in the Reserve Fund as follows: deficiencies in the Reserve Fund as a result of a draw upon the Reserve Fund shall be made up in equal monthly installments within twelve (12) months. Monies in the Reserve Fund shall be used by the Trustee for the purpose of paying principal (whether at maturity or by sinking fund redemption or acceleration) and interest to the extent that monies in the Bond Fund and the Bond Sinking Fund are insufficient for such purposes. Except as provided herein, funds in the Reserve Fund in excess of the Reserve Fund Requirement shall be transferred to the Construction Fund during the construction of the Project and, after the completion date of such Project, to the Bond Fund, provided that if funds are required to be deposited to the Rebate Fund, such funds shall be deposited first to the Rebate Fund to fully fund it, then any excess to the Bond Fund.

Whenever the amount of the Reserve Fund, together with other available monies is sufficient to redeem all of the Outstanding Bonds hereunder and to pay premium, if any, and interest to accrue thereon to such redemption date, the Trustee at the request of the University shall transfer the monies in the Reserve Fund to the Sinking Fund and use such monies to redeem all of the Outstanding Bonds on the next succeeding redemption date for which the required redemption notice may be given pursuant to the Indenture.

Section 5.7. Procedure When Funds Are Sufficient to Pay All Bonds. If at any time the amounts held by the Trustee in the Funds established under this Article 5 are sufficient to pay the Redemption Price of and interest on all Bonds then Outstanding to maturity or prior

redemption, together with any amounts due the Trustee, and redemption is then permitted hereunder and under the Bonds, the Trustee, at the written request of the Issuer, as directed by the University, shall apply the amounts in the Funds to the payment of such principal or Redemption Price and interest and the Issuer shall not be required to pay over any further revenues unless and until it shall appear that there is a deficiency in the Funds or Accounts held by the Trustee.

**Section 5.8. Moneys to Be Held for All Bondholders, With Certain Exceptions.**

Moneys and investments in the various Funds created under or pursuant to this Article 5 shall, until applied as provided with respect to the Fund, be held in trust by the Trustee for the benefit of the holders of all Outstanding Bonds, except that the Sinking Fund shall be held and is pledged specifically for the benefit of the holders of the Bonds entitled thereto.

**ARTICLE 6.**

**SECURITY FOR AND INVESTMENT OR DEPOSIT OF FUNDS**

**Section 6.1. Deposits and Security Therefor.** All moneys received by the Trustee under the Indenture for deposit in any Fund established hereunder shall be considered trust funds, shall not be subject to lien or attachment and shall, except as hereinafter provided, be held by the Trustee, until or unless invested or deposited as provided in Section 6.2. All deposits of the Trustee (whether original deposits under this Section 6.1 or deposits or redeposits in time accounts under Section 6.2) shall, to the extent not insured, be fully secured as to principal and interest by Government Obligations. If at any time the Trustee is unwilling to accept such deposits or unable to secure them as provided above, the Trustee may deposit such moneys with any other depository which is authorized to receive them and the deposits of which are insured by the Federal Deposit Insurance Corporation. All deposits in any other depository in excess of the amount covered by insurance (whether under this Section or Section 6.2 as aforesaid) shall, to the extent permitted by law, be fully secured as to both principal and interest by Government Obligations. Such security shall be deposited with a Federal Reserve Bank, with the trust department of the Trustee as authorized by law with respect to trust funds in the Commonwealth, or with a bank or trust company having a combined net capital and surplus of not less than \$50,000,000.

**Section 6.2. Investment or Deposit of Funds.** The Trustee shall, as directed by the University and subject to the provisions hereof, invest moneys held in any of the Funds established hereunder only in Eligible Investments. All investments made pursuant to this Section 6.2 shall mature or be subject to redemption by the holder at not less than the principal amount thereof or the cost of acquisition, whichever is less, and all such investments shall mature or be subject to withdrawal without penalty not later than the date when the amounts will foreseeably be needed for purposes of the Indenture. All securities securing investments under this Section 6.2 shall be (i) (A) in the case of Government Obligations which can be pledged by a book entry notation under regulations of the U.S. Department of the Treasury, appropriately entered on the records of a Federal Reserve Bank, or (B) in the case of other investments, either (1) deposited with the Trustee, with a Federal Reserve Bank, or with a bank or trust company which is acting solely as agent for the Trustee and has a combined net capital and surplus of at

least \$250,000,000, or (2) if the investment is shown on the account of the pledgor on the books of a clearing corporation as defined in Section 8-102(a) of the Uniform Commercial Code as in effect in the Commonwealth, perfected by "control" as defined in Section 9115 therein, (ii) subject to a perfected first lien security interest in favor of the Trustee, and (iii) free and clear of any and all liens, security interests, pledges, encumbrances or other claims of any other Person. The interest and income received upon investments and any interest paid by the Trustee or any other depository with respect to moneys in any Fund established hereunder and any profit (or loss) resulting from the sale of securities shall be credited (or debited, in the case of any such loss) to and retained in each such respective Fund in which such investment was held and credited to be held and disbursed for the purposes of each such Fund. Upon request of the University, or on its own initiative whenever payment is to be made out of any Fund, the Trustee shall sell such securities as may be requested or required to make the payment and deposit the proceeds thereof in and to the Fund in which such securities were held. Neither the Trustee nor the Issuer shall be accountable for any depreciation in the value of any such security or for any loss resulting from the sale thereof. Any investment made in accordance with this Indenture may (i) be executed by the Trustee by or through its Affiliates, and (ii) be made in securities of any entity for which the Trustee or any of its Affiliates serves as distributor, advisor, or other service provider.

Section 6.3. Valuation of Funds. In computing the assets of any Fund, investments and accrued interest thereon shall be deemed a part thereof, subject to Section 6.2 hereof. The Trustee shall value such investments as of each May 1, August 1, November 1 and February 1, at the face value or the current market value thereof, whichever is the less, or at the redemption price thereof, if then redeemable at the option of the holder.

Section 6.4. Investment Restrictions. Notwithstanding anything to the contrary contained in Sections 6.1 and 6.2 hereof, moneys held in any Fund under this Indenture shall be invested in Eligible Investments only if the interest rate on such Eligible Investments is a market rate as determined in accordance with any regulations promulgated or proposed pursuant to the Code.

Section 6.5. Investment at Discretion of Trustee. If the University shall not give directions as to investment of money held by the Trustee, or if an Event of Default has occurred and is continuing hereunder, the Trustee shall make such investments in Eligible Investments as are permitted under applicable law and this Indenture. The Trustee shall be permitted to charge to the University its standard fees and all expenses in connection with any services performed in accordance with this Section 6.5.

## **ARTICLE 7. REDEMPTION OF BONDS**

Section 7.1. Bonds Subject to Redemption; Selection of Bonds to Be Called for Redemption.

A. Optional Redemption. The Bonds maturing on or after May 1, 2026 are subject to optional redemption at the direction of the University, on and after November 1, 2025,

in whole or in part on any date, at the redemption price of 100% of the principal amount thereof, together with accrued interest, if any, to the date fixed for redemption.

B. Mandatory Sinking Fund Redemption. The Term Bonds maturing on May 1, 20\_\_, and May 1, 20\_\_ are subject to mandatory sinking fund redemption on each May 1 in the years and amounts set forth below at a redemption price equal to 100% of the principal amount of the Bonds to be so redeemed plus accrued interest thereon to the redemption date and without premium:

	<u>Bonds maturing May 1, 20__</u>	
Date (May 1)		Amount of Bond Sinking Fund Requirement
20__		\$
20__		
20__		
20__*		
<hr/>		
*Final Maturity		

	<u>Bonds maturing May 1, 20__</u>	
Date (May 1)		Amount of Bond Sinking Fund Requirement
20__		\$
20__		
20__		
20__*		
<hr/>		
*Final Maturity		

C. General. If less than all the Bonds of a series and maturity are to be redeemed, the particular Bonds or portions of Bonds of such series and maturity to be called for redemption shall be selected by lot by the Trustee. If less than all Bonds of a series are to be called for redemption the particular maturities to be redeemed shall be selected by the Trustee, as directed by the University, upon written direction to the Trustee, except that mandatory sinking fund redemptions shall be made in direct order of maturity. The selection of the book entry interests in the Bonds to be redeemed, and notice of call to the owners of those interests called, is the responsibility of the Securities Depository, Direct Participants and Indirect Participants.

Redemption of the Bonds shall be permitted at any time so long as funds for such redemption are irrevocably deposited with the Trustee prior to rendering notice of redemption to the Bondholders, or in the alternative, the notice expressly states that such redemption is subject to the deposit of funds by the Issuer.

Section 7.2. Notice of Redemption. When required to redeem Bonds under any provision of the Indenture or directed to do so by the University, on and subject to the terms and conditions hereof and of the Bonds, the Trustee shall cause notice of the redemption to be mailed to the holders of all Bonds to be redeemed at the addresses appearing in the Bond Register. Each such notice shall (i) identify the Bonds to be redeemed, (ii) specify the redemption date and the Redemption Price, (iii) be mailed not less than 30 days and not more than 60 days prior to the redemption date by first class mail, postage prepaid, and (iv) state that on the redemption date the Bonds called for redemption will be payable at the Designated Office of the Trustee and from that date interest thereon will cease to accrue.

If at the time of mailing of notice of redemption the Issuer or the University shall not have deposited with the Trustee moneys sufficient to redeem all the Bonds called for redemption (except in the case of a sinking fund redemption), such notice shall state that it is conditional, that is, subject to the deposit of the redemption moneys with the Trustee not later than the opening of business on the redemption date, and such notice shall be of no effect unless such moneys are so deposited.

No defect affecting any Bond, whether in the notice of redemption or mailing thereof (including any failure to mail such notice), shall affect the validity of the redemption proceedings for any other Bonds.

In addition to the notice described in the preceding paragraph and only if applicable, further notice shall be given by the Trustee as set out below, but no defect in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is given as prescribed above:

A. Each further notice of redemption given hereunder shall contain the information required above for an official notice of redemption, plus (i) the date of issue of the Bonds as originally issued; (ii) the rate of interest borne by each Bond being redeemed; (iii) the maturity date of each Bond being redeemed; and (iv) any other descriptive information needed to identify accurately the Bonds being redeemed.

B. Each further notice of redemption shall be sent at least twenty-five (25) days before the redemption date by registered or certified mail, overnight delivery service, or electronic notification to all registered securities depositories then in the business of holding substantial amounts of obligations similar to the Bonds (such depository being on the date of execution and delivery hereof The Depository Trust Company of New York, New York), to EMMA and to the Rating Services.

C. Upon the payment of the Redemption Price of Bonds being redeemed, each check or other transfer of funds issued for such purpose shall bear the CUSIP number identifying, by series and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

The notices required to be given by this Section shall state that no representation is made as to the correctness or accuracy of CUSIP numbers listed in such notice or stated on the Bonds, if CUSIP numbers are printed on the Bonds.

Section 7.3. Payment of Redemption Price. If redemption of the Bonds is permitted hereby and by the Bonds, and (a) unconditional notice of redemption has been duly given or duly waived by the holders of all Bonds called for redemption or (b) conditional notice of redemption has been so given or waived and sufficient moneys for the redemption of all Bonds subject to such notice have been duly deposited with the Trustee, then in either case the Bonds or portion thereof called for redemption shall be payable on the redemption date at the applicable Redemption Price plus accrued interest, if any, to the redemption date. Payment of the Redemption Price together with accrued interest shall be made by the Trustee to or upon the order of the holders of the Bonds called for redemption upon surrender of such Bonds. The Redemption Price, including accrued interest, the expenses of giving notice, and any other expense of redemption shall be paid out of the Sinking Fund or by the Issuer from moneys provided to it by the University.

## ARTICLE 8. COVENANTS OF ISSUER

Section 8.1. Payment of Principal and Interest on Bonds. The Issuer shall promptly pay the interest and premium, if any, on and the principal of every Bond issued hereunder according to the terms hereof, but shall be required to make such payment only out of the Trust Estate; **provided that such Bonds are payable solely from the loan repayments and other revenues derived in respect of the loan pursuant to the Trust Estate and do not constitute an indebtedness of the Issuer within the meaning of the Constitution and laws of the Commonwealth.** The Issuer shall appoint solely at the direction of the University one or more paying agents for such purpose, each such agent to be a bank and trust company or a trust company or national banking association having trust powers. At the direction of the University, the Issuer hereby appoints the Trustee to act as paying agent and designates the Designated Office of the Trustee as the place of payment, such appointment and designation to remain in effect until notice of change is filed with the Trustee.

Section 8.2. Issuer's Existence. To the extent permitted by applicable law, the Issuer shall maintain its existence so long as the Bonds are Outstanding.

Section 8.3. Enforcement. The Trustee, as assignee of the Issuer hereunder, shall enforce payment of amounts payable under the Loan Agreement, and or supplements or amendments thereto or otherwise made subject to the lien and security interest created by the Indenture, and shall otherwise enforce all of its rights and privileges, and honor all of its obligations, thereunder and hereunder.

Section 8.4. Extension of Time for Payment of Interest Prohibited. The Issuer shall not extend, or consent to the extension of, the time for payment of any claim for interest, principal or premium on any of the Bonds and shall not be a party to or approve any arrangement therefor by purchasing or funding or in any manner keeping alive any such claim for interest. The Issuer may not waive, modify or amend, or cause or permit any act or omission, that would prejudice or impair, any right, claim or remedy of the Trustee or the Bondholders with respect to the Bonds.

**Section 8.5. Financing Statements and Other Action to Protect Security Interests.**

The Issuer (at the direction and sole cost of the University) shall cause the Indenture or a financing statement or memorandum relating thereto to be filed, registered and recorded in such manner and at such places as may be required by law fully to protect the security of the holders of the Bonds and the right, title and interest of the Trustee in and to the Trust Estate or any part thereof. Every five (5) years commencing September 1, 2020, the Issuer (at the direction and sole cost of the University) shall obtain an opinion of Counsel and furnish a signed copy thereof to the Trustee, setting forth what, if any, actions by the Issuer or the Trustee are required or advisable to be taken to preserve such security. The Issuer (at the direction and sole cost of the University) shall perform or shall cause to be performed any such acts, and execute and cause to be executed any and all further instruments as may be required by law or as shall reasonably be requested by the Trustee for such protection of the interests of the Trustee and the Bondholders, and the University shall furnish satisfactory evidence to the Trustee of recording, registering, filing and refiling of each such instrument and of every additional instrument which shall be necessary to preserve the lien of the Indenture upon the Trust Estate or any part thereof until the principal of and interest on the Bonds and all other amounts secured hereby shall have been paid in full. The Trustee shall execute or join in the execution of any such further or additional instrument and file or join in the filing thereof at such time or times and in such place or places as it may be advised by an opinion of Counsel will preserve the lien of the Indenture upon the Trust Estate or any part thereof until the aforesaid principal and other amounts shall have been paid in full.

**Section 8.6. Further Assurances; Additional Revenues.** The Issuer shall not enter into any contract or take any action by which the rights of the Trustee or the Bondholders may be impaired and shall, from time to time, execute and deliver such further instruments and take such further action as may be required to carry out the purposes of the Indenture. If at any time the Issuer receives any income or payment from or in respect of the Trust Estate or University Premises which is not assigned to the Trustee, it shall promptly pay the same to the Trustee for deposit into the Bond Fund and, at the request of the Trustee, shall execute and deliver an assignment of its right, title and interest in and to future income or payments of the same type to the Trustee to be held as part of Trust Estate and file or record such assignment, financing statement or other instrument or document as may be appropriate to perfect the security interest created thereby, provided that this sentence shall not apply to payments received for Administrative Expenses of the Issuer.

**ARTICLE 9.  
EVENTS OF DEFAULT AND REMEDIES**

**Section 9.1. Events of Default Defined.** Each of the following shall be an "Event of Default" hereunder:

A. payment of any installment of interest on the Bonds is not made when it becomes due and payable; or

B. payment of the principal or Redemption Price of any Bonds is not made when it becomes due and payable at maturity or upon call for redemption or if any required



transfer is not made into the Sinking Fund established under the Indenture at the time and in the amount required; or

C. any other Event of Default as defined in the Loan Agreement occurs;

D. if the Issuer defaults in the due and punctual performance of any other covenant in the Bonds, the Indenture, the Loan Agreement, and such default continues for 30 days after written notice requiring the same to be remedied shall have been given to the Issuer and the University by the Trustee, which may give such notice in its discretion and shall give such notice at the written request of the holders of not less than 25% in principal amount of Bonds then Outstanding; or

E. if an event of default occurs under (a) the Trust Indenture dated as of June 1, 2008, between the Issuer and U. S. Bank National Association, as Trustee, with respect to the Louisville/Jefferson County Metro Government College Refunding and Improvement Revenue and Revenue Refunding Bonds, Series 2008A (Bellarmine University Project), (b) the Trust Indenture dated as of June 1, 2008, between the Issuer and U. S. Bank National Association, as Trustee, with respect to the Louisville/Jefferson County Metro Government College Refunding and Improvement Revenue and Revenue Refunding Bonds, Series 2008B (Bellarmine University Project), (c) the Loan Agreement between the Issuer and the University and assignment of Issuer's interest to U.S. Bank National Association, as Trustee, with respect to the Louisville/Jefferson County Metro Government College Refunding and Improvement Revenue and Revenue Refunding Bonds, Series 2008A (Bellarmine University Project), (d) the Loan Agreement between the Issuer and the University, with respect to the Louisville/Jefferson County Metro Government College Refunding and Improvement Revenue and Revenue Refunding Bonds, Series 2008B (Bellarmine University Project), (e) the Trust Indenture dated as of December 1, 2009, between the Issuer and U.S. Bank National Association, as Trustee, with respect to the Louisville/Jefferson County Metro Government College Improvement Revenue Bonds, Series 2009 (Bellarmine University Project) and (f) the Loan Agreement between the Issuer and the University, with respect to the Louisville/Jefferson County Metro Government College Improvement Revenue Bonds, Series 2009 (Bellarmine University Project).

Section 9.2. Acceleration and Annulment Thereof. If any Event of Default has occurred and is continuing the Trustee may and shall upon written request of the holders of (i) in the case of an Event of Default described in subsection A, B, C or E of Section 9.1 hereof, 25% in principal amount of the Bonds then Outstanding or (ii) in the case of an Event of Default described in subsection D. of Section 9.1 hereof, a majority in principal amount of the Bonds then outstanding, shall, upon being indemnified to its satisfaction, by notice in writing to the Issuer, declare the principal of all Bonds then Outstanding to be immediately due and payable, and upon such declaration the said principal, together with interest accrued thereon, and any applicable redemption premium shall become due and payable immediately at the place of payment provided therein, anything in the Indenture or in the Bonds to the contrary notwithstanding.

If after the principal of the Bonds has been so declared to be due and payable, all arrears of interest upon the Bonds are paid by the University, and the University also performs all other things in respect to which it may have been in default hereunder and pays the charges of

the Trustee and the Bondholders, including attorneys' fees, then, and in every such case, the holders of a majority in principal amount of the Bonds then Outstanding, by written notice to the Issuer, the Trustee and the University, may annul such declaration and its consequences and such annulment shall be binding upon the Trustee and upon all holders of Bonds issued hereunder; but no such annulment shall extend to or affect any subsequent default or impair any right or remedy consequent thereon.

Section 9.3. Environmental Liability. Before taking any foreclosure action or any action which may subject the Trustee to liability under any Environmental Law, the Trustee may require that a satisfactory indemnity bond, indemnity, or environmental impairment insurance be furnished for the payment or reimbursement of all expenses to which it may be put and to protect it against any environmental liability which may result from such foreclosure or other action.

The Trustee may use funds in the Trust Estate to pay expenses or obligations resulting from environmental liability and remediation that become due and owing during the administration of the trusts created hereby, unless such liability was caused by the act or omission of the Trustee or any officer or employee of the Trustee.

Section 9.4. Legal Proceedings by Trustee. If any Event of Default has occurred and is continuing, the Trustee in its discretion may, and upon the written request of the holders of, (i) in the case of an Event of Default described in subsection A., B., or C. of Section 9.1 hereof, 25% in principal amount of the Bonds then Outstanding or (ii) in the case of an Event of Default described in subsection D. of Section 9.1 hereof, a majority in principal amount of the Bonds then Outstanding, and receipt of indemnity to its satisfaction shall, in its own name:

A. by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Bondholders, and require the University to carry out any other agreements with, or for the benefit of, the Bondholders and to perform its duties under the Act;

B. bring suit upon the Bonds for the payment and enforcement of all amounts due pursuant thereto;

C. by action or suit in equity require the University to account as if it were the Trustee of an express trust for the Bondholders;

D. by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Bondholders;

E. exercise any or all other rights and remedies provided for by the Act or by any other law relating to the Bonds or any agreement to which it is a party or which has been assigned to it; and/or

F. by any suit, action, or special proceeding in equity or at law, compel either the specific performance of any covenant or agreement contained herein or in aid or execution of any power granted herein.

Section 9.5. Discontinuance of Proceedings by Trustee. If any proceeding taken by the Trustee on account of any default is discontinued or is determined adversely to the Trustee, the Issuer, the Trustee and the Bondholders shall be restored to their former positions and rights hereunder as though no such proceeding had been taken.

Section 9.6. Limitations on Actions by Bondholders. No Bondholder shall have any right to pursue any remedy hereunder unless (a) the Trustee shall have been given written notice of an Event of Default, (b) the holders of a majority in principal amount of the Bonds then Outstanding shall have requested the Trustee, in writing, to exercise the powers hereinabove granted or to pursue such remedy in its or their name or names, (c) the Trustee shall have been offered indemnity satisfactory to it against costs, expenses and liabilities, including attorneys' fees, and (d) the Trustee shall have failed to comply with such request within a reasonable time, not to exceed 30 days.

Section 9.7. Trustee May Enforce Rights without Possession of Bonds. All rights under the Indenture and the Bonds may be enforced by the Trustee without the possession of any Bonds or the production thereof at the trial or other proceedings relative thereto, and any proceeding instituted by the Trustee shall be brought in its name for the ratable benefit of the holders of the Bonds.

Section 9.8. Remedies Not Exclusive. No remedy herein conferred is intended to be exclusive of any other remedy or remedies, and each remedy is in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute, and may be exercised concurrently or in such order and from time to time as the Trustee may elect in its discretion, subject to the direction of the Bondholders as provided herein.

Section 9.9. Delays and Omissions Not to Impair Rights; Effect of Waivers.

A. No delay or omission in the exercise of any right, power or remedy accruing upon any default shall impair such right, power or remedy or be a waiver of such default, and every right, power and remedy given by this Indenture or available at law or equity may be exercised from time to time and as often may be deemed expedient.

B. No waiver of any default or Event of Default hereunder shall extend to or affect any subsequent default or Event of Default or impair any rights or remedies consequent thereon.

Section 9.10. Application of Moneys in Event of Default.

After payment of any costs, expenses, liabilities and advances paid, incurred or made by the Trustee in the collection of moneys pursuant to any right given or action taken under the provisions of this Article or the provision of the Agreement (including without limitation, attorneys' fees and expenses, except as limited by law or judicial order or decision entered in any action taken under this Article VII) and all fees owing to the Trustee for Ordinary or Extraordinary Services and Expenses, and all amounts owed to the Issuer pursuant to the Unassigned Rights, all moneys received by the Trustee, shall be applied as follows, subject to any provision made pursuant to Sections 4.4, 5.6 or 5.7 hereof:

(a) Unless the principal of all of the Bonds shall have become, or shall have been declared to be, due and payable, all of those moneys shall be deposited in the Bond Fund and shall be applied;

First -- To the payment to the Holders entitled thereto of all installments of interest then due on the Bonds, in the order of the dates of maturity of the installments of that interest, beginning with the earliest date of maturity and if the amount available is not sufficient to pay in full any particular installment, then to the payment thereof ratably, according to the amounts due on that installment, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds; and

Second -- To the payment to the Holders entitled thereto of the unpaid principal of any of the Bonds which shall have become due (other than Bonds previously called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), whether pursuant to any mandatory sinking fund requirements, in the order of their due dates, beginning with the earliest due date, with interest on those Bonds from the respective dates upon which they become due at the rates specified in those Bonds, and if the amount available is not sufficient to pay in full all Bonds due on any particular date, together with that interest, then to the payment thereof ratably, according to the amounts of principal due on that date, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(b) If the principal of all of the Bonds shall have become due or shall have been declared to be due and payable pursuant to this Article, all of those moneys shall be deposited into the Bond Fund and shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds, without preference or priority of principal over interest, of interest over principal, of any installment of interest over any other installment of interest, or of any Bond over any other Bond, ratably, according to the amounts due respectively for principal and interest, to the Holders entitled thereto, without any discrimination or privilege, except as to any difference in the respective rates of interest specified in the Bonds.

(c) If the principal of all of the Bonds shall have been declared to be due and payable pursuant to this Article, and if that declaration thereafter shall have been rescinded and annulled under the provisions of hereof, subject to the provisions of paragraph (b) of this Section in the event that the principal of all of the Bonds shall become due and payable later, the moneys shall be deposited in the Bond Fund and shall be applied in accordance with the provisions of Article V hereof.

(d) Whenever moneys are to be applied pursuant to the provisions of this Section, those moneys shall be applied at such times, and from time to time, as the Trustee shall determine, having due regard to the amount of moneys available for application and the likelihood of additional moneys becoming available for application in the future. Whenever the Trustee shall direct the application of those moneys, it shall fix the date upon which the application is to be made, and upon that date, interest shall cease to accrue on the amounts of principal, if any, to be paid on that date, provided the moneys are available therefor. The Trustee shall give notice of the deposit with it of any moneys and of the fixing of that date, all consistent

with the requirements hereof for the establishment of, and for giving notice with respect to, a special record date for the payment of overdue interest. The Trustee shall not be required to make payment of principal of and any premium on a Bond to the Holder thereof, until the Bond shall be presented to the Trustee for appropriate endorsement or for cancellation if it is paid fully, subject to the provisions hereof.

Section 9.11. Trustee's Right to Receiver; Compliance with Act. Upon the occurrence of an Event of Default, the Trustee shall be entitled as a matter of right to the immediate appointment of a receiver to enforce its rights and remedies hereunder or to protect all or any part of the Trust Estate, regardless of the adequacy of any security for the Bonds, and without notice to the University; and the Trustee, the Bondholders and any receiver so appointed shall have such rights and powers and be subject to such limitations and restrictions as are contained in the Act.

Section 9.12. Rights and Remedies of Bondholders. No holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of this Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder or under the Bonds unless a default shall have become an Event of Default, such holder previously shall have given to the Trustee written notice of the Event of Default and the holders of a majority in principal amount of the Bonds then Outstanding shall have made written request to the Trustee and shall have offered it reasonable opportunity either to proceed to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name, nor unless also they have offered to the Trustee indemnity as provided in Section 9.3, nor unless the Trustee shall for a period of 30 days thereafter fail or refuse to exercise the power hereinbefore granted, or to institute such action, suit, or proceeding in its own name; and such notification, request, and offer of indemnity are hereby declared in every case at the option of the Trustee to be conditions precedent to the execution of the powers and trusts of this Indenture, and to any action or cause of action for the enforcement of this Indenture or for the appointment of a receiver or for any other remedy hereunder; it being understood and intended that no one or more holders of the Bonds shall have any right in any manner whatsoever to affect, disturb, or prejudice the security of this Indenture by its, his, or their action or to enforce any right hereunder except in the manner herein provided, and that all proceedings at law or in equity shall be instituted, had, and maintained in the manner herein provided and for the equal and ratable benefit of the holders of all Bonds. Nothing in this Indenture shall, however, affect or impair the right of any holder to enforce the payment of the principal of and premium, if any, and interest on any Bond at and after the maturity thereof, or the obligation of the Issuer to pay the principal of and premium, if any, and interest on each of the Bonds to the respective holders thereof at the time and place from the sources and in the manner set forth in the Bond.

## **ARTICLE 10. THE TRUSTEE**

Section 10.1. Acceptance of Trust; Duties. The Trustee accepts and agrees to execute the trusts imposed upon it by this Indenture and the Loan Agreement and is expressly authorized and directed to exercise the rights under the Loan Agreement granted to it hereunder and thereunder upon the terms and conditions set forth herein and therein. The Trustee, prior to

the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture and no implied duties, covenants or obligations shall be read into this Indenture against the Trustee. In case an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such rights and powers vested in it by this Indenture and the Loan Agreement and shall use the same degree of care as a prudent Person in such capacity would exercise or use in similar circumstances in the conduct of his own affairs.

Section 10.2. No Responsibility for Recitals, etc. The recitals, statements, and representations in the Indenture or in the Bonds, save only the Trustee's certificate of authentication upon the Bonds, have been made by the Issuer and not by the Trustee; and the Trustee shall be under no responsibility for the correctness thereof.

Section 10.3. Trustee May Act Through Agents; Answerable Only for Willful Misconduct or Negligence. The Trustee may execute any powers hereunder and perform any duties required of it through attorneys or agents, and shall be entitled to advice of Counsel concerning all questions hereunder; and the Trustee shall not be answerable for the default or misconduct of any attorney or agent selected by it with reasonable care. The Trustee shall not be answerable for the exercise of any discretion or power under the Indenture nor for anything whatever in connection with the trust hereunder, except only its own willful misconduct or negligence.

Section 10.4. Compensation and Indemnity. The University shall pay the Trustee pursuant to the Loan Agreement reasonable fees for its services and reimbursement of advances, Counsel fees and other expenses reasonably and necessarily made or incurred by the Trustee in connection with its services under the Indenture and the Loan Agreement.

To secure the payment or reimbursement to the Trustee provided for in this Section, the Trustee shall have a senior claim, to which the Bonds are made subordinate, on all money or property held or collected by the Trustee, except money or property held under Article 13 or otherwise held in trust to pay principal of and interest on particular Bonds.

Section 10.5. No Duty to Renew Insurance. The Trustee shall be under no duty to effect or to renew any insurance policy nor shall it incur any liability for the failure of the University to effect or renew insurance or to report or file claims of loss thereunder. To the extent the Trustee receives proceeds of insurance or condemnation proceeds relating to the University Premises, it will apply such proceeds in accordance with Article 6 of the Loan Agreement.

Section 10.6. Notice of Default; Right to Investigation. The Trustee shall, within 30 days after the occurrence thereof, give written notice by first class mail to holders of Bonds of all Events of Default known to the Trustee, unless such Events of Default have been remedied. In the case of a default in payment of principal or interest or premium or sinking fund requirements, the Trustee shall give notice thereof within five Business Days by first class mail to the Issuer, the University and the holders of the Bonds. The Trustee may (but shall be under no duty to), however, at any time require of the University full information as to the performance of any of its obligation hereunder or under the Loan Agreement, and if information satisfactory to it is not

forthcoming, the Trustee may make or cause to be made, at the expense of the University, an investigation into the affairs of the Issuer or the University related to the Indenture, the Loan Agreement, the Project and/or the University Premises.

Section 10.7. Obligations to Act on Defaults. The Trustee shall be under no obligation to take any action in respect of any default or otherwise, or toward the execution or enforcement of any of the trusts hereby created, or to institute, appear in or defend any suit or other proceeding in connection therewith, unless requested in writing so to do by the holders of at least twenty-five percent (25%) in principal amount of the Bonds then Outstanding, and, if in its opinion such action may tend to involve it in expense or liability unless furnished, from time to time as often as it may require, with security and indemnity satisfactory to it; but the foregoing provisions are intended only for the protection of the Trustee, and shall not affect any discretion or power given by any provision of the Indenture to the Trustee to take action in respect to any default without such notice or request from the Bondholders, or without such security or indemnity.

Section 10.8. Reliance on Requisitions, etc. The Trustee may act on any requisition, resolution, notice, telegram, request, consent, waiver, certificate, statement, affidavit, voucher, bond, or other paper or document which it in good faith believes to be genuine and to have been passed or signed by the proper persons or to have been prepared and furnished pursuant to any of the provisions of the Indenture; and the Trustee shall be under no duty to make any investigation as to any statement contained in any such instrument, but may accept the same as conclusive evidence of the accuracy of such statement in the absence of actual notice to the contrary.

Section 10.9. Trustee May Deal in Bonds. The Trustee may in good faith buy, sell, own, hold and deal in any of the Bonds and may join in any action which any Bondholders may be entitled to take with like effect as if the Trustee were not a party to the Indenture. The Trustee may also engage in or be interested in any financial or other transaction with the University or the Issuer, provided that if the Trustee determines that any such relation is in conflict with its duties under the Indenture, it shall eliminate the conflict or resign as Trustee.

Section 10.10. Allowance of Interest. Upon request of the Issuer the Trustee may, to the extent permitted by law, allow interest upon any moneys which it receives under the Indenture at such rate as it customarily allows upon funds deposited under similar conditions (except as provided in Section 13.2 hereof).

Section 10.11. Resignation of Trustee. The Trustee may resign and be discharged of the trusts created by the Indenture by written resignation sent to the Issuer, the University and the Bondholders at least thirty days prior to such resignation. Such resignation shall take effect only upon the appointment of a successor Trustee.

Section 10.12. Removal of Trustee. Any Trustee hereunder may be removed at any time by an instrument appointing a successor to the Trustee so removed, executed by the holders of a majority in principal amount of the Bonds then Outstanding and filed with the Trustee, the Issuer and the University. So long as no Event of Default has occurred and is

continuing, the University shall have the right to remove the Trustee by providing a written statement to the Issuer and the Trustee appointing a successor Trustee.

Section 10.13. Appointment of Successor Trustee. If the Trustee or any successor Trustee resigns or is removed or dissolved, or if its property or business is taken under the control of any state or federal court or Regulatory Body, a vacancy shall forthwith exist in the office of the Trustee, the Issuer shall appoint a successor, which successor Trustee must be reasonably acceptable to the University if no Event of Default, or event which with notice or lapse of time or both would constitute an Event of Default, has occurred and is continuing, and such successor Trustee shall promptly give written notice of such appointment by first-class mail to the holders of all Outstanding Bonds. If the Issuer fails to make such appointment within 30 days, the holders of a majority in principal amount of the Bonds then Outstanding may do so. If a successor Trustee shall not have been appointed within 30 days after such resignation or removal, the Trustee, the University or any Bondholder may apply to any court of competent jurisdiction to appoint a successor to act until such time, if any, as a successor shall have been appointed as above provided. The successor so appointed by such court shall immediately and without further act be superseded by any successor appointed as above provided.

Section 10.14. Qualification of Successor. A successor trustee shall be a national bank with trust powers or a commercial bank and trust company having capital and surplus of at least \$50,000,000.

Section 10.15. Instruments of Succession. Any successor trustee shall execute, acknowledge and deliver to the Issuer and the University an instrument accepting such appointment hereunder; and thereupon such successor Trustee, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessor in the trust hereunder, with like effect as if originally named Trustee herein. The Trustee ceasing to act hereunder shall pay over to the successor trustee all moneys held by it hereunder; and, upon request of the successor Trustee, the Trustee ceasing to act and the Issuer shall execute and deliver any and all instruments transferring to the successor trustee all the estate, properties, rights, powers and trusts hereunder of the Trustee ceasing to act.

Section 10.16. Merger of Trustee. Any corporation or association into which the Trustee hereunder may be merged or with which it may be consolidated, or any corporation or association resulting from any merger or consolidation to which any Trustee hereunder shall be a party, shall be the successor trustee under the Indenture, without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding, provided, however, that such successor corporation continuing to act as Trustee shall meet the requirements of Section 10.14 hereof, and if such corporation does not meet the aforesaid requirements, a successor Trustee shall be appointed pursuant to this Article 10.

Section 10.17. Reports of Trustee. The Trustee shall provide monthly transaction statements and such other reports as may be reasonably required by the University, including satisfactory evidence of the collateralization of any certificates of deposit issued by its commercial department.



Section 10.18. No Obligation to Review University or Issuer Reports. The Trustee shall not have any obligation to review any financial statement or report provided to the Trustee by the University or the Issuer pursuant to this Indenture or the Loan Agreement, nor shall the Trustee be deemed to have notice of any item contained therein or Event of Default which may be disclosed therein in any manner. The Trustee's sole responsibility with respect to such reports shall be to act as the depository for such reports for the Bondholders and to make such reports available for review by the Bondholders in accordance with this Indenture.

## **ARTICLE 11. ACTS OF BONDHOLDERS**

Section 11.1. Acts of Bondholders. Any action to be taken by Bondholders may be evidenced by one or more reasonably concurrent written instruments of similar tenor signed or executed by such Bondholders in person or by agent appointed in writing. The fact and date of the execution by any person of any such instrument may be proved by a guarantee of the signature thereon by a bank or trust company or by the certificate of any notary public or other officer authorized to take acknowledgments of deeds, that the person signing such request or other instrument acknowledged to him the execution thereof or by an affidavit of a witness to such execution, duly sworn to before such notary public or other officer. Where such execution is by an officer of a corporation or a member of a partnership, on behalf of such corporation or partnership, such signature guarantee, certificate, or affidavit shall also constitute sufficient proof of his authority. The fact and date of the execution of any such instrument or writing, or the authority of the person executing the same, may also be proved in any other manner which the Trustee deems sufficient. The ownership of Bonds and the amount, numbers and other identification, and the date of holding the same shall be proved by the Bond Register. Any action by the holder of any Bond shall bind all future holders of the same Bond in respect of anything done or suffered by the Issuer or the Trustee in pursuance thereof.

## **ARTICLE 12. AMENDMENTS AND SUPPLEMENTS**

Section 12.1. Amendments and Supplements without Consent of Bondholders. The Indenture may be amended or supplemented from time to time, without the consent of, or notice to the Bondholders, by a Supplemental Indenture authorized by a Certified Resolution of the Issuer filed with the Trustee, for one or more of the following purposes:

A. to add additional covenants of the Issuer or to surrender any right or power herein conferred upon the Issuer;

B. to cure any obvious ambiguity, supply any obvious omission or to cure, correct or supplement any obviously defective (whether because of any inconsistency with any other provisions hereof or otherwise) provision of the Indenture in such manner as shall not be inconsistent with the Indenture and shall not impair the security hereof or adversely affect the Bondholders or the exemption of interest on the Bonds from Federal income taxation;

C. to amend or supplement the Indenture or any indenture supplemental hereto in such manner as Bond Counsel may request in order to give an opinion that the interest

on the Bonds will not be included in the gross income of the holders of the Bonds for federal income tax purposes so long as such amendments or supplements do not adversely affect any rights of any Bondholder hereunder;

D. to amend or supplement the Indenture or the Bonds to permit qualification under the Trust Indenture Act of 1939 or any similar federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of the United States or any state of the United States;

E. to preserve the exclusion from gross income of interest on the Bonds for federal income tax purposes, so long as no such amendment or supplement adversely affects any right of any Bondholder;

F. To make necessary or advisable amendments or additions in connection with the issuance of Additional Bonds in accordance with Section 2.9 hereof as do not adversely affect the Holders of Outstanding Bonds; and/or

G. to modify any of the provisions of the Indenture in any other respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds Outstanding at the date of the adoption of such Supplemental Indenture shall cease to be Outstanding, and (ii) such Supplemental Indenture shall be specifically referred to in the text of all Bonds issued after the date of the adoption of such supplemental Indenture and of Bonds issued in exchange therefor or in place thereof.

Section 12.2. Amendments with Consent of Bondholders. Any amendment or supplement of the Indenture and of the rights and obligations of the Issuer and of the holders of the Bonds thereunder, in any particular, may be made by a Supplemental Indenture, with the written consent of the University and the holders of a majority in principal amount of the Bonds Outstanding at the time such consent is given and with the prior written consent of the University. No such amendment or supplement shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price, if any, thereof, or in the rate of interest thereon or the security provisions hereof without the consent of the holders of such Bond, or shall reduce the percentage of Bonds the consent of the holders of which is required to effect any such amendment or supplement, or shall change or modify any of the rights or obligations of the Trustee without the written assent thereto of the Trustee in addition to the consent of and the Bondholders.

Section 12.3. Consent of Bondholders. The Issuer may at any time adopt a Supplemental Indenture making a supplement or amendment permitted by the provisions of Section 12.2, to take effect when and as provided in this Section. A copy of such Supplemental Indenture, together with a request to the Bondholders for their consent thereto in form satisfactory to the Trustee, shall be mailed by the Trustee to the Bondholders (but failure to mail such copy and request shall not affect the validity of the Supplemental Indenture when consented to as in this Section provided). Such Supplemental Indenture shall not be effective unless and until (i) there shall have been filed with the Trustee (a) the written consents of the holders of a majority in principal amount of the Outstanding Bonds, (b) a Favorable Opinion stating that such

Supplemental Indenture has been duly and lawfully adopted by the Issuer in accordance with the provisions of the Indenture, is authorized or permitted by the Indenture, and is valid and binding upon the Issuer and enforceable in accordance with its terms, and (c) an opinion of Bond Counsel that such Supplemental Indenture will not cause any interest on the Bonds to be included in the income of the Bondholders for purposes of Federal income taxation, and (ii) a notice shall have been given as hereinafter in this Section 12.3 provided. Each such consent of a Bondholder shall be effective only if it complies with Section 12.1. Any such consent shall be irrevocable and binding upon the holder of the Bonds giving such consent and upon any subsequent holder of such Bonds and of any Bonds issued in exchange therefor (whether or not such subsequent holder thereof has notice thereof). Any time after the holders of a majority in principal amount of the Outstanding Bonds shall have filed their consents to the Supplemental Indenture, the Trustee shall make and file with the Issuer a written statement that such consents have been filed. Such written statement shall be conclusive that such consents have been so filed. At any time thereafter, notice, stating in substance that the Supplemental Indenture (which may be referred to as a Supplemental Indenture adopted by the Issuer on a stated date, a copy of which is on file with the Trustee) has been consented to by the holders of a majority in principal amount of the Bonds and will be effective as provided in this Section 12.3, may be given to the Bondholders by the Trustee by mailing such notice to the Bondholders (but failure to mail such notice shall not prevent such Supplemental Indenture from becoming effective and binding as in this Section 12.3 provided).

Section 12.4. Amendment by Unanimous Consent. The terms and provisions of the Indenture and the rights and obligations of the Issuer and of the holders of the Bonds thereunder may be supplemented or amended in any respect upon the execution and delivery and filing by the Issuer of a Supplemental Indenture and the written consents of the holders of all the Bonds then Outstanding, such consent to be given as provided in Section 12.3 except that no notice to the Bondholders shall be required; provided, however, that no such supplement or amendment shall change or modify any of the rights or obligations of the Trustee without the written assent thereto of the Trustee in addition to the consent of the Bondholders.

Section 12.5. Exclusion of Bonds. Bonds owned or held by or for the account of the Issuer or the University shall not be deemed Outstanding for the purpose of consent or other action or any calculation of Outstanding Bonds provided for in this Article 12, and the Issuer shall not be entitled with respect to such Bonds to give any consent or take any other action provided for in this Article 12. At the time of any consent or other action taken under this Article 12, the Issuer and/or the University shall furnish the Trustee with an Officers' Certificate, upon which the Trustee may rely, describing all Bonds so to be excluded.

Section 12.6. Notation on Bonds. Bonds authenticated and delivered after the effective date of any action taken as in this Article 12 provided may, and, if the Trustee so determines, shall bear a notation by endorsement or otherwise in form approved by the Issuer and the Trustee as to such action, and in that case upon demand of the holder of any Bond Outstanding at such effective date and presentation of his Bond for the purpose at the Designated Office of the Trustee or upon any transfer or exchange of any Bond Outstanding at such effective date, suitable notation shall be made on such Bond or upon any Bond issued upon any such transfer or exchange by the Trustee as to any such action. If the Issuer or the Trustee shall so determine, new Bonds so modified as in the determination of the Trustee and the Issuer to

conform to such action shall be prepared, authenticated and delivered, and upon demand of the holder of any Bond then Outstanding shall be exchanged, without cost to such Bondholder, for Bonds of the same series and maturity then Outstanding, upon surrender of such Bonds.

Section 12.7. Trustee Authorized to Join in Amendments and Supplements: Reliance on Counsel. The Trustee is authorized to join with the Issuer in the execution and delivery of any Supplemental Indenture permitted by this Article 12 and in so doing shall be fully protected by an opinion of Counsel that such Supplemental Indenture is so permitted and has been duly authorized by the Issuer and that all things necessary to make it a valid and binding agreement have been done.

Section 12.8. Amendment of Loan Agreement without Consent of Bondholders. The Issuer may enter into, and the Trustee may consent to, any amendment of or supplement to the Loan Agreement without notice to or consent of any Bondholders, if the amendment or supplement complies with Sections 12.1 and 12.2 hereof and is required (a) by the provisions of the Loan Agreement or the Indenture, (b) to cure any obvious ambiguity, inconsistency, defect or omission in the Loan Agreement, (c) to identify more precisely the Project, (d) in connection with the issuance of any Additional Bonds under this Indenture, (e) in connection with any authorized amendment of or supplement to the Indenture or (f) to make any change that does not adversely affect the rights of any Bondholder.

Section 12.9. Amendment of Loan Agreement with Consent of Bondholders. If an amendment of or supplement to the Loan Agreement without any consent of the Bondholders is not permitted by the foregoing Section, the Issuer may enter into, and the Trustee may consent to such amendment or supplement of the Loan Agreement with 30 days prior written notice to the Bondholders and with the consent of the holders of a majority in principal amount of the Bonds then Outstanding. However, without the consent of each Bondholder affected, no amendment or supplement may (1) decrease any amount payable under the Loan Agreement, (2) change any date of payment under the Loan Agreement, (3) change any provision of the Loan Agreement with respect to amendment thereof, or release, subordinate or waive any security for payment of any Bond or any other obligation of the University or Issuer pursuant to the Indenture, Loan Agreement.

Section 12.10. Consents by Trustee and University to Amendments or Supplements. The Trustee and the University shall consent to any amendment or supplement to the Loan Agreement authorized by this Article if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee or the University. Otherwise, the Trustee or the University may, but need not, consent to such amendment. In consenting to an amendment of or supplement to the Loan Agreement, the Trustee and the University shall be entitled to receive and shall be fully protected in relying on an opinion of Counsel stating that such amendment or supplement is authorized by the Indenture.

### **ARTICLE 13. DEFEASANCE**

Section 13.1. Defeasance. On and subject to the terms and conditions hereof and of the Bonds, when the interest on, and principal or Redemption Price (as the case may be) of, all

Bonds issued hereunder have been paid, or there shall have been deposited (in accordance with the provisions and in the manner set forth in Section 13.2 hereof) with the Trustee an amount comprised of moneys or Government Obligations, and the principal of and interest on such securities, when due, without reinvestment, will provide sufficient moneys to fully pay the principal or Redemption Price of and interest on the Bonds, when due, as well as all other sums payable hereunder by the Issuer, and all amounts payable by the University, all right, title and interest of the Trustee to the Trust Estate shall thereupon cease and the Trustee, on demand of the Issuer or the University, shall release the Indenture and shall execute such documents to evidence such release as may be reasonably required by the Issuer or the University and shall turn over to the University or to such Persons may be entitled to receive the same all balances remaining in any Funds hereunder, except the amount deposited for the payment of debt service on the Bonds. Notwithstanding the foregoing, the rights of the Trustee to indemnification hereunder shall survive the termination of this Indenture.

Section 13.2. Deposit of Funds for Payment of Bonds. On and subject to the terms and conditions hereof and of the Bonds, if the University deposits with the Trustee funds sufficient to pay the principal or Redemption Price of any Bonds becoming due, either at maturity or by call for redemption or otherwise, together with all interest accruing thereon to the due date, then interest on the Bonds shall cease to accrue on the due date and all liability of the Issuer and the University with respect to such Bonds shall likewise cease, except as otherwise provided herein; provided, however, that if such Bonds are to be redeemed prior to maturity thereof, there shall have been taken all action necessary to call such Bonds for redemption and notice of such redemption shall have been duly given or provision satisfactory to the Trustee shall have been made for the giving of such notice. Thereafter such Bonds shall be deemed not to be Outstanding hereunder and the holders of such Bonds shall be restricted exclusively to the fund so deposited for any claim of whatsoever nature with respect to such Bonds, and the Trustee shall hold such funds in trust for such holders.

Whenever moneys or obligations shall be deposited with the Trustee for the payment or redemption of Bonds more than 60 days prior to the date that such Bonds are to mature or be redeemed, the Trustee shall mail, by first class mail, postage prepaid, a notice to the holders of Bonds for the payment of which such moneys or obligations are being held at their registered addresses stating that such moneys or obligations have been deposited.

Moneys so deposited with the Trustee which remain unclaimed five (5) years after the date payment thereof becomes due shall, upon request of the University, if the University is not at the time to the knowledge of the Trustee in default with respect to any covenant contained in the Indenture, the Loan Agreement or the Bonds, be paid to the University; and the holders of the Bonds for which the deposit was made shall thereafter be limited to a claim against the University.

**ARTICLE 14.**  
**MISCELLANEOUS PROVISIONS**

Section 14.1. No Personal Recourse. No personal recourse shall be had for any claim based on the Indenture or the Bonds against any elected official, officer or employee, past, present or future, of the Issuer or of any successor body as such, either directly or through the Issuer or any such. successor body, under any constitutional provision, statute or rule of law or by the enforcement of any assessment or penalty or otherwise.

The Bonds are payable solely from the Trust Estate and any other moneys held by the Trustee hereunder for such purpose. There shall be no other recourse under the Bonds, the Indenture, the Loan Agreement, or otherwise against the Issuer or any other property now or hereafter owned by it. The Issuer shall be conclusively deemed to have complied with all of its covenants and other obligations hereunder, upon requiring the University in the Loan Agreement to agree to perform such Issuer covenants and other obligations (excepting only any approvals or consents permitted or required to be given by the Issuer hereunder, and any exceptions to the performance by the University of the Issuer's covenants and other obligations hereunder, as provided herein or in the Loan Agreement). However, nothing contained in the Loan Agreement shall prevent the Issuer from time to time, in its discretion, from performing any such covenants or other obligations. The Issuer and its elected officials, officers and employees shall have no liability for any failure to fulfill, or breach by the University of, the University's obligations under the Bonds, the Indenture, including without limitation the University's obligation to fulfill the Issuer's covenants and other obligations under the Indenture.

Section 14.2. No Rights Conferred on Others. Nothing herein contained shall confer any right upon any Person other than the parties hereto, the University, and the holders of the Bonds.

Section 14.3. Illegal Provisions Disregarded. If any term or provision of the Indenture or the Bonds or the application thereof for any reason or circumstances shall to any extent be held to be invalid or unenforceable, the remaining provisions or the application of such term or provision to persons and situations other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision hereof and thereof shall be valid and enforceable to the fullest extent permitted by law.

Section 14.4. Notices to Trustee and Issuer. Any notice to or demand upon the Trustee shall be in writing and shall be served, presented or made at the Designated Office of the Trustee, presently U.S. Bank National Association, One Financial Square, Louisville, Kentucky 40202, Attention: Corporate Trust Services. Any notice to or demand upon the Issuer shall be in writing and shall be deemed to have been sufficiently given or served by the Trustee for all purposes by being sent by United States mail, postage prepaid, to Louisville/Jefferson County Metro Government, 527 W. Jefferson Street, Louisville, Kentucky 40202, Attention: Mayor, or such other address as may be filed by the Issuer with the Trustee. Each such notice shall be effective (i) at 5:00 P.M. (Eastern Time) on the second business day after deposit in the U.S. certified or registered mail, (ii) 3 hours after transmittal by telecopy with evidence of transmission, or (iii) at 2:00 P.M. (Eastern Time) on the next business day after deposit with a reputable overnight courier service for next day delivery.

Section 14.5. Governing Law. The laws of the Commonwealth shall govern the construction of the Indenture.

Section 14.6. Successors and Assigns. All the covenants, promises and agreements in the Indenture contained by or on behalf of the Issuer or by or on behalf of the Trustee shall bind and inure to the benefit of their respective permitted successors and assigns, whether so expressed or not, but the rights and obligations herein may not otherwise be assigned or transferred except as expressly provided herein..

Section 14.7. Counterparts. The Indenture may be executed in any number of counterparts, each of which when so executed and delivered shall be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the Louisville/Jefferson County Metro Government has caused this Trust Indenture to be executed by its Mayor and Metro Council Clerk, and the Trustee has caused this Trust Indenture to be executed by its duly authorized officer, all as of the day and year first above written.

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: \_\_\_\_\_  
Greg Fischer, Mayor

Attest:

By: \_\_\_\_\_  
H. Stephen Ott, Clerk of the Metro Council

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

By: \_\_\_\_\_  
Nicholas Lococo, an Assistant County Attorney  
And Attorney for Louisville/Jefferson County  
Metropolitan Government



U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

EXHIBIT A  
[FORM OF BOND]

Unless this bond is presented by an authorized representative of The Depository Trust Company ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

No. R-\_\_\_\_\_

CUSIP: \_\_\_\_\_

UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
COLLEGE IMPROVEMENT REVENUE AND REVENUE REFUNDING BOND,  
SERIES 2015  
(BELLARMINE UNIVERSITY PROJECT)

Date of Bond: September \_\_, 2015

Maturity Date: May 1, 20\_\_

Interest Rate: \_\_\_\_\_

Registered Owner: CEDE & CO.

Principal Amount: \_\_\_\_\_ Dollars (\$\_\_\_\_\_)

NEITHER THE CREDIT NOR THE TAXING POWER OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR OF ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THIS BOND NOR SHALL THIS BOND BE DEEMED TO BE AN OBLIGATION OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THIS BOND DOES NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION TO WHICH THE FAITH AND CREDIT OF THE ISSUER ARE PLEDGED BUT IS A SPECIAL LIMITED OBLIGATION OF THE ISSUER, WHICH IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THIS BOND SOLELY AND EXCLUSIVELY OUT OF THE REVENUES DESCRIBED IN THE LOAN AGREEMENT. NO COVENANT OR AGREEMENT CONTAINED IN THIS BOND OR THE LOAN AGREEMENT SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE ISSUER OR OF ANY OFFICER OF ANY OFFICIAL OR EMPLOYEE OF THE ISSUER IN HIS OR HER INDIVIDUAL CAPACITY, AND NEITHER THE MEMBERS OF THE ISSUER NOR ANY OFFICER OR EMPLOYEE OF THE ISSUER EXECUTING THIS BOND SHALL BE LIABLE PERSONALLY ON THIS BOND OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THIS BOND.

Louisville/Jefferson County Metro Government ("the Issuer"), a consolidated local government of the Commonwealth of Kentucky (the "State"), for value received, hereby promises to pay, solely from the funds provided as hereinafter set forth, to the Registered Owner set forth above, upon presentation and surrender of this Bond on the maturity date specified above (unless redeemed prior thereto as hereinafter provided), the principal amount set forth above, and to pay, solely from said funds, interest hereon from the most recent interest payment date to which interest has been paid, or, if no interest has been paid, from the date hereof, until the maturity or earlier redemption of this Bond, at the interest rate per annum specified above, payable on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing May 1, 2016.

Principal and interest on this Bond is payable by check or draft at the Designated Office of U.S. Bank National Association, as trustee (the "Trustee"), or any successor trustee appointed under the Indenture. Notwithstanding the foregoing, interest on any Bonds held by the Depository Trust Company ("DTC") shall be paid by wire transfer in immediately available funds to the bank account number and address filed by the Trustee for DTC. The Designated Office of the Trustee means the corporate trust office of the Trustee in Louisville, Kentucky, or such other corporate trust office of the Trustee as the Trustee shall designate by written notice to the Issuer, the University and the Bondholders as the Trustee's office for the registration, transfer, and payment of Bonds. This Bond shall be surrendered to the Trustee for cancellation upon payment in full.

This Bond is issued pursuant to and in full compliance with the Constitution and laws of the Commonwealth, particularly the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 of the Kentucky Revised Statutes (the "Act"), a Resolution of the Issuer duly adopted on August \_\_, 2015 (the "Bond Resolution"), and a Trust Indenture dated as of September 1, 2015 (as the same may be amended or modified, the "Indenture") by and between the Issuer and the Trustee, and is subject to the terms and provisions of such Indenture. The Bond Resolution authorizes the execution and delivery on behalf of the Issuer of the Indenture and a Loan Agreement dated as of September 1, 2015 (as the same may be amended or modified, the "Loan Agreement") by and between the Issuer and Bellarmine University Incorporated, a Kentucky nonprofit corporation and institution of higher education (the "University"); the issuance under the Indenture of the series of bonds designated as above and initially issued as a single fully registered bond (the "Bonds"); and the loan of the proceeds of the Bonds to the University pursuant to the Loan Agreement to finance and refinance capital improvements on the campus of the University within the boundaries of the Issuer for use by the University in furtherance of its nonprofit educational purposes; all for the public purposes declared in the Act of promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein.

The Loan Agreement requires the University to make Loan Payments to the Trustee for the account of the Issuer sufficient for the prompt payment when due of the principal of and interest on the Bonds and any other amounts due under the terms of the Indenture, Bonds. The Loan Payments are to be paid directly to the Trustee and have been duly pledged by the Issuer for that purpose. The Bonds are secured under and entitled to the benefit and protection of the Indenture. Reference is hereby made to the Indenture and the Loan Agreement for a

description of the security for and source of payment of the Bonds, the rights, duties, and obligations of the Issuer, the University, the Trustee, and the Bondholder, and the terms upon which the Bonds are issued and secured. Acceptance of the terms and conditions of the Indenture and the Loan Agreement is a material part of the consideration for the issuance of this Bond, and each holder hereof by acceptance of this Bond hereby assents to all of said terms and conditions.

This Bond is transferable on the records for the registration of the ownership of the Bonds (the "Bond Register") maintained by the Trustee as bond registrar upon presentation of this Bond to the Trustee accompanied by a written instrument of assignment substantially in the form attached to this Bond, duly executed by the registered owner hereof or such owner's attorney or legal representative, for notation by the Trustee on the Registration Schedule attached to this Bond indicating the name of the new registered owner, the date of transfer, the balance of principal due on this Bond, and the date to which interest has been paid. The Trustee may treat the Person in whose name this Bond is registered as the absolute owner hereof for all purposes and shall not be affected by any other notice to the contrary.

The Bonds maturing on May 1, 20\_\_ , and May 1, 20\_\_ are subject to mandatory sinking fund redemption on each May 1 in the years and amounts set forth below at a redemption price equal to 100% of the principal amount of the Bonds to be so redeemed plus accrued interest thereon to the redemption date and without premium:

	<u>Bonds maturing May 1, 20__</u>	
Date (May 1)		Amount of Bond Sinking Fund Requirement
20__		\$
20__		
20__		
20__*		
<hr/>		
*Final Maturity		

	<u>Bonds maturing May 1, 20__</u>	
Date (May 1)		Amount of Bond Sinking Fund Requirement
20__		\$
20__		
20__		
20__*		
<hr/>		
*Final Maturity		

Unless previously redeemed, this Bond is subject to optional redemption prior to maturity, at the option of the Issuer, as directed by the University, on or after November 1, 2025, in whole or in part on any date, at 100% of the outstanding principal amount hereof, together with accrued interest thereon to the date of redemption.

The Issuer, or the University on behalf of the Issuer, shall have the option to deliver to the Trustee for cancellation Bonds in any aggregate principal amount and to receive a credit against the then current mandatory sinking fund requirement (and corresponding mandatory redemption obligation) of the Issuer. That option shall be exercised by the Issuer, or the University on behalf of the Issuer, on or before the 45th day preceding the applicable mandatory sinking fund redemption date, by furnishing the Trustee a certificate, executed by the Issuer, or the University on behalf of the Issuer, setting forth the extent of the credit to be applied with respect to the then current mandatory sinking fund requirements, and the Bonds to be so credited. If the certificate and the Bonds to be credited are not timely furnished to the Trustee, the mandatory sinking fund requirement (and corresponding mandatory redemption obligation) shall not be reduced.

Except as otherwise provided in the preceding paragraph, each Bond previously redeemed, or purchased and canceled, shall be credited by the Trustee at 100% of the principal amount thereof against the mandatory sinking fund requirements (and corresponding mandatory redemption obligations) in inverse order of the maturity of the mandatory sinking fund requirements.

Any redemption of the Bonds shall be upon not less than 30 days and not more than 60 days prior notice by mailing a copy of the redemption notice by first class mail, postage prepaid, to the holders of Bonds at their addresses as shown on the Bond Register, and shall be in the manner and under the terms and conditions and with the effect provided in the Indenture. The failure to mail any such notice or any defect therein or in the mailing thereof as it affects any Bond shall not affect the validity of the redemption of any other Bond.

Upon the occurrence of an Event of Default under the Indenture, the Trustee may declare the outstanding principal of the Bonds due and payable before its stated maturity, together with the interest accrued thereon to the date of payment.

Unless otherwise provided herein, capitalized and other terms used herein are used as defined in the Indenture.

No recourse shall be had for the payment of the principal or interest or any other amount due on this Bond, or for any claim based hereon or on the Indenture or the Loan Agreement, against any elected official, officer, employee, or agent, past, present, or future, of the Issuer or of any successor body, as such, either directly or through the Issuer or any such successor body, under any constitutional provision, statute, or rule of law, or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability of such elected officials, officers, employees, and agents being released as a condition of and as an explicit and material part of the consideration for the execution of the Indenture and the Loan Agreement and the issuance of this Bond.

This Bond and the interest and any other amounts due hereunder do not constitute a general obligation or indebtedness of the Issuer within the meaning of the Constitution and laws of the Commonwealth and are not a charge against the general credit or taxing power of the Issuer but are a limited obligation of the Issuer payable solely from and secured solely by the Pledged Receipts as defined in the Indenture.

This Bond is exempt from taxation by the Commonwealth and all of its political subdivisions and taxing authorities.

This Bond shall not be entitled to any benefit under the Indenture or be valid or become obligatory for any purpose unless the Trustee's Authentication Certificate attached hereto is duly executed.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed in its name by its Mayor and attested by the Clerk of the Metro Council under the official seal of the Issuer, all on the date first above written.

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: \_\_\_\_\_  
Greg Fischer, Mayor

Attest:

\_\_\_\_\_  
H. Stephen Ott, Metro Council Clerk

(SEAL)

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

By: \_\_\_\_\_  
Nicholas Lococo, an Assistant County Attorney  
And Attorney for Louisville/Jefferson County  
Metropolitan Government

TRUSTEE'S AUTHENTICATION CERTIFICATE

This bond is one of the bonds, of the series designated therein, described in the within mentioned Indenture. Attached hereto is a complete text of the opinion of Frost Brown Todd LLC, Louisville, Kentucky, Bond Counsel, a signed original of which is on file with the undersigned Trustee, delivered and dated on the date of the original delivery of, and payment for, the bonds of said series.

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

U.S. BANK NATIONAL ASSOCIATION,  
as Trustee

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



[FORM OF ASSIGNMENT]

ASSIGNMENT

\_\_\_\_\_  
please inset tax identification  
number of assignee

For value received the undersigned hereby sells, assigns and transfers the  
within \_\_\_\_\_ Bond \_\_\_\_\_ to  
(please

print or typewrite name and address of assignee) and does hereby irrevocably constitute and  
appoint the Trustee for the holders of said Bonds as the undersigned's attorney-in-fact to transfer  
said Bond on the Bond Register maintained by such Trustee for such purposes with full power of  
substitution in the premises.

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

\_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

NOTE: The signature of the assignor must  
be guaranteed by an eligible guarantor  
institution which is a member of or  
participant in a signature guarantee program,  
pursuant to Securities and Exchange  
Commission rule 17Ad-15 or any successor  
provision.

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 alteration or enlargement  
or any change whatsoever.

[Copy of Opinion of Bond Counsel]

EXHIBIT B

STATEMENT NO. \_\_ REQUESTING DISBURSEMENT OF FUNDS  
FROM PROJECT FUND PURSUANT TO SECTION 4.2 OF THE  
TRUST INDENTURE BETWEEN  
THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT AND U.S. BANK  
NATIONAL ASSOCIATION

Pursuant to Section 4.2 of the Trust Indenture (the "Indenture") between the Louisville/Jefferson County Metro Government (the "Issuer") and U.S. Bank National Association (the "Trustee") dated as of September 1, 2015, the undersigned Authorized University Representative hereby requests and authorizes the Trustee, as Trustee of the Construction Fund created by the Indenture, to pay to the University or to the person(s) listed on the Disbursement Schedule attached hereto out of the moneys on deposit in the Construction Fund the aggregate sum of \$ \_\_\_\_\_, to pay such person(s) or to reimburse the University in full, as indicated in the Disbursement Schedule, for advances, payments and expenditures made by it in connection with the items listed in the Disbursement Schedule.

In connection with the foregoing request and authorization, the undersigned hereby certifies that:

(a) Each item for which disbursement is requested hereunder is properly payable out of the Construction Fund in accordance with the terms and conditions of the Indenture and none of those items has formed the basis for any disbursement heretofore made from the Construction Fund;

(b) Each such item is or was necessary in connection with the acquisition, construction or installation of the property comprising the Project, as defined in the Indenture;

(c) This statement and all exhibits hereto, including the Disbursement Schedule, shall be conclusive evidence of the facts and statements set forth herein and shall constitute full warrant, protection and authority to the Trustee for its actions taken pursuant hereto; and

(d) This statement constitutes the approval of the University of each disbursement hereby requested and authorized.

IN WITNESS WHEREOF, the Authorized University Representative has set his hand as  
of the \_\_\_\_ day of \_\_\_\_\_, 2015.

\_\_\_\_\_  
Authorized University Representative

BT14605.0598332 4839-5680-7205v5

---

LOAN AGREEMENT

Dated as of September 1, 2015

between

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

as Issuer

and

BELLARMINE UNIVERSITY INCORPORATED

As Borrower

relating to

[\$ \_\_,000,000]

Louisville/Jefferson County Metro Government  
College Improvement Revenue and Revenue Refunding Bonds, Series 2015  
(Bellarmine University Project)

---

## TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1. DEFINITIONS AND REPRESENTATIONS .....	2
Section 1.1. <u>Definitions</u> .....	2
Section 1.2. <u>Representations and Warranties by University</u> .....	7
Section 1.3. <u>Accounting Terms and Determinations</u> .....	10
ARTICLE 2. AGREEMENT TO LEND; USE OF BOND PROCEEDS .....	10
Section 2.1. <u>Agreement to Lend, Use of Bond Proceeds</u> .....	10
Section 2.2. <u>Reliance by Bondholders</u> .....	10
ARTICLE 3. THE PROJECT .....	11
Section 3.1. <u>Construction</u> .....	11
Section 3.2. <u>Completion</u> .....	11
ARTICLE 4. GENERAL OBLIGATION OF UNIVERSITY .....	11
Section 4.1. <u>General Obligation of University; Pledge of Gross Revenues; Mortgage</u> .....	11
Section 4.2. <u>Assignment to Trustee</u> .....	12
ARTICLE 5. PAYMENTS .....	12
Section 5.1. <u>Payment of Debt Service</u> .....	12
Section 5.2. <u>Optional Prepayment</u> .....	12
Section 5.3. <u>Notice of Prepayment</u> .....	13
Section 5.4. <u>Additional Payments</u> .....	13
Section 5.5. <u>No Abatement or Setoff</u> .....	13
Section 5.6. <u>Termination</u> .....	14
ARTICLE 6. INSURANCE, CASUALTY AND CONDEMNATION .....	15
Section 6.1. <u>Insurance to be Maintained</u> .....	15
Section 6.2. <u>Notice of Property Loss</u> .....	15
Section 6.3. <u>Proceeds of Property Damage Insurance; Condemnation</u> .....	15
Section 6.4. <u>Disposition of Liability Insurance Proceeds</u> .....	16
ARTICLE 7. [RESERVED] .....	16
ARTICLE 8. ADDITIONAL COVENANTS OF UNIVERSITY .....	16
Section 8.1. <u>Insurance Consultant</u> .....	16
Section 8.2. <u>University Books and Records; Audits</u> .....	17
Section 8.3. <u>Operation and Maintenance</u> .....	17
Section 8.4. <u>Compliance with Laws</u> .....	17
Section 8.5. <u>Preservation of Status, Licensure, and Corporate Status; Merger and Consolidation</u> .....	18
Section 8.6. <u>Tax Exemption of University and Bonds</u> .....	19
Section 8.7. <u>Inspection</u> .....	19
Section 8.8. <u>Additional Information</u> .....	19
Section 8.9. <u>Certain Notices to Be Given</u> .....	20

Section 8.10.	<u>Bonds Not to Become Arbitrage Bonds</u> .....	20
Section 8.11.	<u>Environmental Matters</u> .....	20
Section 8.12.	<u>Accreditation</u> .....	20
Section 8.13.	<u>Payment of Taxes and Other Claims</u> .....	20
Section 8.14.	<u>Change in Name or Corporate Structure; Sale of Assets</u> .....	21
Section 8.15.	<u>Rate Covenant</u> .....	21
Section 8.16.	<u>Additional Indebtedness</u> .....	21
Section 8.17.	<u>Negative Pledge</u> .....	21
ARTICLE 9. EVENTS OF DEFAULT AND REMEDIES .....		21
Section 9.1.	<u>Events of Default</u> .....	21
Section 9.2.	<u>[Reserved]</u> .....	22
Section 9.3.	<u>Appointment of Receiver</u> .....	23
Section 9.4.	<u>Additional Remedies</u> .....	23
Section 9.5.	<u>Waivers</u> .....	23
Section 9.6.	<u>Remedies Not Exclusive</u> .....	23
Section 9.7.	<u>Expenses</u> .....	23
ARTICLE 10. MISCELLANEOUS .....		23
Section 10.1.	<u>Consent to Indenture</u> .....	23
Section 10.2.	<u>Payment by Issuer of University Obligations</u> .....	24
Section 10.3.	<u>Severability</u> .....	24
Section 10.4.	<u>Bonds are Not Indebtedness of the Issuer</u> .....	24
Section 10.5.	<u>No Personal Recourse, Indemnification of Issuer and Trustee</u> .....	25
Section 10.6.	<u>Reference to Statutes or Regulations</u> .....	26
Section 10.7.	<u>Governing Law</u> .....	26
Section 10.8.	<u>Supplements and Amendments to Loan Agreement</u> .....	26
Section 10.9.	<u>Notices</u> .....	27
Section 10.10.	<u>Counterparts</u> .....	27
Section 10.11.	<u>Headings</u> .....	27
Section 10.12.	<u>Payment on Non-Business Days</u> .....	28
Section 10.13.	<u>Further Assurance and Corrective Instruments</u> .....	28
Section 10.14.	<u>Binding Effect; Time of the Essence</u> .....	28
Section 10.15.	<u>Entire Agreement</u> .....	28

THIS LOAN AGREEMENT (the "Loan Agreement"), dated as of September 1, 2015, is by and between LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, a consolidated local government of the Commonwealth of Kentucky, as issuer and lender (the "Issuer"), and BELLARMINE UNIVERSITY INCORPORATED, a Kentucky nonprofit corporation, as borrower (the "University").

#### Recitals

A. The Issuer is authorized by the Industrial Buildings for Cities and Counties Act, as amended, Kentucky Revised Statutes ("KRS") 103.200 to 103.285 (the "Act"), to issue industrial building revenue and revenue refunding bonds and to loan the proceeds thereof to any person to defray or refinance the cost of any "industrial building" (as defined in the Act), including specifically land, buildings, improvements, equipment, machinery, and other facilities suitable for any nonprofit educational institution in any manner related to or in furtherance of the educational purposes of such institution, including but not limited to classroom, laboratory, housing, administrative, physical educational and medical research and treatment facilities, in order to accomplish the public purposes of promoting the economic development of the Commonwealth of Kentucky (the "Commonwealth"), relieving conditions of unemployment, and encouraging the increase of industry therein.

B. The Act further authorizes the Issuer to issue its bonds under the provisions of the Act, to create any necessary debt service reserve fund, and to pay the cost of any improvements or additions to the project financed from the proceeds of the bonds, and of any premiums, expenses, and commissions required to be paid in connection therewith, which bonds shall be payable from the revenues out of which the bonds were payable.

C. The University, an institution of higher education located within the jurisdiction of the Issuer, has applied to the Issuer for the issuance of industrial building revenue and revenue refunding bonds of the Issuer pursuant to the Act, and the loan of the proceeds thereof to the University for the following purposes: (i) to defray a portion of the costs of the following projects, including (a) the first phase of construction of Centro Building, a three-story structure approximately 46,265 square feet in size, located in front of existing Horrigan Hall, (b) a major renovation of Horrigan Hall, involving the complete gutting and renovating of the ground floor, improvements to the existing lobby on all three floors, the addition of a new elevator and sprinkler system and the upgrading of the electric service & HVAC system on all three floors, (c) the renovation of the first floor of the W.L. Lyons Brown Library, including lighting, technology, flooring, and furnishing upgrades and (d) the acquisition of other major educational equipment, all of the foregoing being located at Bellarmine University, 2001 Newburg Road, Louisville, Kentucky 40205 (collectively, the "Project"); (ii) to currently refund a portion or all of (a) the City of Audubon Park, Kentucky College Improvement Revenue Bonds, Series 2011 (Bellarmine University Project), issued in the amount of \$6,000,000, (b) the City of Shively, Kentucky College Improvement Revenue Bonds, Series 2011 (Bellarmine University Project), issued in the amount of \$7,100,000 (collectively, the "Series 2011 Bonds"), (c) the City of Audubon Park, Kentucky College Revenue Refunding Bonds, Series 2012 (Bellarmine University Project), issued in the amount of \$7,910,000, and (d) the City of Shively, Kentucky College Revenue Refunding Bonds, Series 2012 (Bellarmine University Project), issued in the



amount of \$5,160,000 (collectively, the "Series 2012 Bonds" and, with the Series 2011 Bonds, the "Prior Bonds"; and (iii) pay costs of issuance of the referenced bonds.

D. The Issuer has determined to issue [\$\_\_\_\_,000,000] aggregate principal amount of its College Improvement Revenue and Revenue Refunding Bonds, Series 2015 (Bellarmine University Project) (the "Bonds") pursuant to the Indenture hereinafter mentioned and loan the proceeds thereof to the University pursuant to this Loan Agreement to enable the University to defray a portion of the costs of the Project and to currently refund the Prior Bonds.

E. The Bonds are secured, in part, (i) by an assignment to the Trustee of its rights under this Loan Agreement and the payments due thereunder (except Unassigned Rights) pursuant to the Assignment at the end of this Loan Agreement, (ii) by the Mortgage, and (iii) by all the moneys and securities in the funds established under the Indenture.

NOW, THEREFORE, the parties hereto, intending to be legally bound hereby and in consideration of the mutual covenants hereinafter contained, do hereby agree as follows:

## ARTICLE 1. DEFINITIONS AND REPRESENTATIONS

Section 1.1. Definitions. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture. In this Loan Agreement and any agreement supplemental hereto (except as otherwise expressly provided or unless the context otherwise requires) terms used as defined terms in the recitals hereto shall have the same meanings throughout this Loan Agreement, and in addition the following terms shall have the meanings specified below:

"Annual Debt Service" with reference to a specified period, shall mean:

(a) interest payable on long-term indebtedness during the period, excluding (i) interest funded from the proceeds thereof and (ii) interest on long-term indebtedness to be redeemed during such period through any sinking fund account which would otherwise accrue after the redemption date;

(b) amounts required to be paid into any mandatory sinking fund account for long-term indebtedness during the period;

(c) amounts required to pay the principal of long-term indebtedness maturing during the period and not to be redeemed prior to maturity through any mandatory sinking fund account; and

(d) in the case of long-term indebtedness in the form of a lease capitalized under GAAP, the lease rentals payable during the period;

provided, however, that (i) in the case of indebtedness which does not bear a fixed rate of interest through maturity, interest shall be calculated, in any projection of Annual Debt Service for a future period, (A) if the University has entered into an Interest Rate

Agreement relating to such indebtedness, at the per annum fixed rate of interest to be paid by the University under such Interest Rate Agreement, (B) if the University has not entered into an Interest Rate Agreement, at a rate equal to 120% of (1) the average Securities Industry & Financial Markets Association ("SIFMA") Municipal Swap Index for the preceding 24 months, if such indebtedness is tax-exempt indebtedness, and (2) the average rate for one-month LIBOR for the preceding 24 months, if such indebtedness is taxable indebtedness, (ii) in the case of Balloon Debt, such indebtedness shall be assumed to amortize on a level debt service basis over the actual remaining term to maturity unless a binding commitment to refinance such debt upon maturity has been provided by a financial institution rated at least "Aa" from Moody's or "AA" from S&P, in which case such indebtedness will be assumed to mature in accordance with the terms of such binding commitment, (iii) interest payable shall be reduced by the amount of any interest subsidy which a Federal, state or local government is irrevocably committed to pay for the period in question, and (iv) the Annual Debt Service on any long-term indebtedness in the form of a guaranty of the indebtedness of others shall be deemed equal to (A) 25% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service at least equal to 150% of the annual debt service on its long-term debt in its latest fiscal year, (B) 50% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service at least equal to 125% but less than 150% of the annual debt service on its long-term debt in its latest fiscal year, (C) 75% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the guaranteed entity had Net Revenues Available for Debt Service below 125% of the annual debt service on its long-term debt in its latest fiscal year, and (D) 100% of the annual principal and interest requirements on the indebtedness being guaranteed during each Fiscal Year if the University has made a payment on the guaranteed entity's debt during either of the last two Fiscal Years.

"Appraiser" shall mean an appraiser who is a member of the Appraisal Institute.

"Assignment" shall mean the Assignment of even date herewith by the Issuer of all its right, title, and interest in and to this Loan Agreement, except for Unassigned Rights, to the Trustee.

"Balloon Debt" shall mean indebtedness 25% or more of the principal amount of which comes or may come due in any one Fiscal Year by maturity, mandatory sinking fund redemption or optional or mandatory tender by the holder thereof.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated as of September \_\_\_\_, 2015, among the University, the Issuer and the Underwriters.

"Certified Public Accountant" shall mean a Person appointed by the University Board, actively engaged in the business of public accounting and duly licensed as a certified public accountant, and who is independent and not an employee of the University and who is reasonably satisfactory to the Trustee.

"Commonwealth" means the Commonwealth of Kentucky.

"Continuing Disclosure Agreement" shall mean the continuing Disclosure Agreement dated the date hereof between the University and the trustee.

"Environmental Law" shall have the meaning set forth in Section 8.11 hereof.

"Exceptions to Guaranty" shall mean that certain Exceptions to Non-Recourse Guaranty, dated December 1, 2007, between the University and the Credit Provider (as such term is defined in the Guaranty) under which the University has agreed to guaranty the security of all obligations of Highlands Court, Inc. under the Security Instrument, Mortgage Note and Reimbursement Agreement (all as such terms are defined in the Guaranty) on the terms and conditions set forth in the Exceptions to Non-Recourse Guaranty.

"Fiscal Year" shall mean the fiscal year of the University, which shall be the period commencing on the first day of June of each year and ending on the last day of May of the following year, unless the Trustee is notified by the University of a change in such fiscal year.

"Generally Accepted Accounting Principles" shall mean those accounting principles applicable in the preparation of financial statements of nonprofit institutions of higher education located in the United States, as promulgated by the Financial Accounting Standards Board or such other body recognized as authoritative by the American Institute of Certified Public Accountants or any successor body.

"Gross Revenues" shall mean, for any period, in the case of the University, (i) unrestricted and temporarily restricted operating revenues, plus (ii) revenues from unrestricted and temporarily restricted non-operating activities, as determined in accordance with Generally Accepted Accounting Principles; provided, however, that no determination thereof shall take into account (a) any gain or loss resulting from the early extinguishment of indebtedness, (b) the equity in the earnings or losses from any investments in Affiliates, or (c) permanently restricted gifts, grants, bequests, or donations.

"Guaranty" shall mean that certain Limited Guaranty, dated December 1, 2007, between the University and the Credit Provider (as such term is defined in the Guaranty) under which the University has agreed to guaranty the security of all obligations of Highlands Court, Inc. under the Security Instrument, Mortgage Note and Reimbursement Agreement (all as such terms are defined in the Guaranty) on the terms and conditions set forth in the Guaranty.

"Indemnified Party" has the meaning set forth in Section 10.5 hereof.

"Indenture" shall mean the Trust Indenture of even date herewith between the Issuer and the Trustee pursuant to which the Bonds are being issued, as originally executed, or if amended or supplemented as therein provided, as so amended or supplemented.

"Insurance Consultant" shall mean a Person who shall be appointed by the University, qualified to survey risks and to recommend insurance coverage for facilities and services and organizations engaged in like operations and having a favorable reputation for skill

and experience in such surveys and such recommendations, and who may be a broker or agent with whom the University transacts business, and who is satisfactory to the Trustee in its reasonable discretion.

"Interest Rate Agreement" means an agreement pursuant to which the University agrees with a third party to pay or deliver to such party specified amounts in respect of a mutually agreed upon notional amount in exchange for such party's agreement to pay or deliver to the University specified amounts in respect of such notional amount, all at such rates and over such periods of time as may be mutually agreed upon; provided, however, that no such agreement shall entail any exchange of principal or any assumption of liability for the payment of the principal of or interest on any particular indebtedness of the University or such third party, as the case may be.

"Loan" shall have the meaning set forth in Section 2.1 hereof.

"Maximum Annual Debt Service" shall mean the greatest amount of Annual Debt Service payable in the current or any subsequent Fiscal Year.

"Mortgage" shall mean that certain Open-End Mortgage of Real Property and Assignment of Rents and Profits dated as of December 16, 2009, between the University and the Trustee, as amended by the First Amendment to Open-End Mortgage of Real Property and Assignment of Rents and Profits dated as of April 1, 2011 between the University and [the Trustee], as further amended by the Second Amendment to Open-End Mortgage of Real Property and Assignment of Rents and Profits dated as of November 8, 2012 between the University and Fifth Third Bank, as further amended by the Third Amendment to Open-End Mortgage of Real Property and Assignment of Rents and Profits dated as of September 1, 2015 between the University and the Trustee. The Mortgage secures obligations of the University with respect to the following:

(a) the Louisville/Jefferson County Metro Government College Refunding and Improvement Revenue Bonds, Series 2008A (Bellarmine University Project) issued in the original principal amount of \$27,230,000 dated as of June 1, 2008;

(b) the Louisville/Jefferson County Metro Government College Revenue Refunding Bonds, Series 2009 (Bellarmine University Project) in the original principal amount of \$18,500,000 dated as of October 1, 2009; and

(c) the Bonds.

"Net Revenues Available for Debt Service" shall mean unrestricted revenues minus unrestricted expenses, exclusive of unrealized gains and losses on investments, and adding back in depreciation and interest on long-term debt.

"Other Bond Obligations" shall mean the following:

(a) the Louisville/Jefferson County Metro Government College Refunding and Improvement Revenue Bonds, Series 2008A (Bellarmine University Project) issued in the original principal amount of \$27,230,000 dated as of June 1, 2008; and

(b) the Louisville/Jefferson County Metro Government College Revenue Refunding Bonds, Series 2009 (Bellarmine University Project) in the original principal amount of \$18,500,000 dated as of October 1, 2009.

"Permitted Encumbrances" shall mean and include the following:

(a) Any lien or encumbrance on the Gross Revenues securing Bonds issued under the Indenture or this Loan Agreement or securing other indebtedness permitted to be incurred and secured by a lien or encumbrance as set forth in the Indenture or this Loan Agreement;

(b) Any lien or encumbrance securing indebtedness that is subordinate to the Bonds;

(c) Any lien or encumbrance arising by reason of good faith deposits by the University in connection with leases of real estate, bids or contracts (other than contracts for the payment of money), deposits by the University to secure public or statutory obligations, or to secure, or in lieu of, surety, stay or appeal bonds, and deposits as security for the payment of taxes or assessments or other similar charges;

(d) Any lien or encumbrance arising by reason of deposits with, or the giving of any form of security to, any governmental agency or any body created or approved by law or governmental regulation for any purpose as required by law or regulation (A) as a condition to the transaction of any business or the exercise of any privilege or license, or (B) to enable the University to maintain self-insurance or to participate in any funds established to cover any insurance risks or in connection with worker's compensation, unemployment insurance, or pension or profit sharing plans or other social security plans or programs, or to share in the privileges or benefits required for companies participating in such arrangements;

(e) Any judgment lien against the University, so long as the finality of such judgment is being contested and execution thereon is stayed and (A) provision for payment of the judgment has been made in accordance with applicable law or by the deposit of cash or investments with a commercial bank or trust company or (B) adequate insurance coverage is available to satisfy such judgment;

(f) Any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in good faith;

(g) Any zoning laws and similar restrictions which are not violated by the property affected thereby;

(h) Any right, title and interest of the state, municipalities and the public in and to tunnels, bridges and passageways over, under or upon a public way;

(i) Any lien or encumbrance on property received by the University through gifts, grants or bequests, such lien or encumbrance being due to restrictions on such gifts, grants or bequests or property or income thereon;

(j) Any lien or encumbrance for taxes, special assessments, or other governmental charges not then delinquent or being contested in good faith; and

[(k). Any lien or encumbrance arising under the Guaranty or Exceptions to Guaranty.]

"Person" shall mean and include an individual, a corporation, a general or limited partnership, a limited liability company, an association, a joint stock company, a trust, any other unincorporated organization, a governmental body or any political subdivision, a municipality, a municipal authority, or any other entity.

"Project" has the meaning set forth in clause C of the Recitals of this Agreement.

"Underwriters" shall mean J.J.B Hilliard, W.L. Lyons LLC and Fifth Third Securities, Inc.

"University" shall mean Bellarmine University Incorporated, formerly named Bellarmine College, a Kentucky nonprofit corporation.

"University Agreements" means collectively this Loan Agreement, the Mortgage, the Bond Purchase Agreement, the Tax Compliance Agreement and the Continuing Disclosure Agreement.

"Unassigned Rights" shall mean the right of the Issuer to be paid Administrative Expenses; the right of the Issuer to receive indemnification from the University pursuant to this Loan Agreement; the right of the Issuer to receive notices under the Loan Agreement, the Indenture, or any related document; and the obligations under the Loan Agreement to be performed only by the Issuer, which rights are not assigned to the Trustee pursuant to the Indenture.

The terms "redeemed" and "redemption" and "prepay" and "prepayment" are used interchangeably herein and in the Indenture.

Section 1.2. Representations and Warranties by University. The University makes the following representations and warranties as of the date hereof:

A. The University is a nonprofit corporation duly incorporated under the laws of the Commonwealth, validly existing and duly authorized to conduct its business in the Commonwealth, and is a "nonprofit educational institution" within the meaning of the Act. The University is organized and operated exclusively for educational and charitable purposes and not

for pecuniary profit, and no part of the net earnings of the University inures to the benefit of any person, private stockholder, or individual.

B. The University is duly authorized and licensed to operate its facilities under the laws, rulings, regulations, and ordinances of the Commonwealth and the departments, agencies, and political subdivisions thereof and under all other applicable provisions of law. The University has obtained all approvals of the Commonwealth and of federal, regional, and local governmental bodies which are necessary for the construction, installation, and operation of the Project or which are otherwise necessary to permit the Project to be financed with the proceeds of the Bonds pursuant to the provisions of the Act. The University's property is in compliance in all material respects with applicable federal, state, and local zoning, subdivision, environmental, land use and other laws, rules, regulations, codes, and ordinances, is in good condition and repair, and is not subject to any mortgages, security interests, liens or encumbrances except for Permitted Encumbrances (as defined in this Agreement), any such matters described in the audited financial statements of the University for its Fiscal Year ended May 31, 2014, utility easements, restrictions and covenants that do not materially interfere with the use of any such property for the purposes for which it is being used by the University or impair the value thereof, real estate taxes and assessments not yet due and payable, and zoning ordinances.

C. The University has full corporate power under the laws of the Commonwealth and all other applicable provisions of law and its articles of incorporation and bylaws to execute and deliver and to perform its obligations under this Loan Agreement and the other University Agreements and all corporate action on its part necessary for the valid execution and delivery of this Loan Agreement and the other University Agreements has been duly and effectively taken; and, assuming that the Loan Agreement and the other University Agreements have been duly authorized, executed and delivered by the other parties thereto, this Loan Agreement and the other University Agreements are and will be the legal, valid and binding obligations of the University, enforceable in accordance with their respective terms, subject to the qualification that the enforcement of such obligations may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting creditors' rights generally and by the availability of equitable remedies or the application of principles of equitable subordination. The execution and delivery by the University of this Loan Agreement and the other University Agreements and the approval by the University of the Indenture and compliance with the provisions thereof will not conflict with or result in a breach of any of the terms, conditions or provisions of, or constitute a default under, the articles of incorporation or bylaws of the University or any existing law, court or administrative regulation, decree, order, agreement, indenture, mortgage, lease or instrument by which the University or its property is or may be bound.

D. There does not exist any corporate restriction or any agreement or instrument to which the University is now a party or by which it or any of its property is bound, which would prevent the execution and delivery of this Loan Agreement or the other University Agreements or the performance thereof or, except for the Permitted Encumbrances, result in the creation or imposition of any lien, charge, or encumbrance of any nature upon the University Premises or any part thereof or interest therein, or permit any person to seek injunctive relief as to the execution, delivery, consummation or fulfillment of the terms of any of the foregoing, or

with respect to which the execution, delivery or performance hereof or of any other University Agreement would constitute a breach, default or violation.

E. No litigation, proceedings or investigations are pending or, to the knowledge of the University, threatened against the University seeking to restrain, enjoin or in any way limit the execution and delivery of this Loan Agreement or the other University Agreements by the University, or which would in any manner challenge or adversely affect the corporate existence or powers of the University to enter into and carry out the transactions described in or contemplated by or the execution, delivery, validity or performance by the University of the terms and provisions of this Loan Agreement or the other University Agreements.

F. None of the proceeds of the Bonds will be used, directly or indirectly, to pay, to reimburse the University for the payment of, or to refund indebtedness the proceeds of which were used to pay, for the acquisition, construction, renovation, remodeling or equipping of any of the expenses of any institution, place or building, or any portion thereof, used or to be used for sectarian instruction or study or as a place for devotional activities or religious worship or in connection with any part of the program of a school or department of divinity for any religious denomination or the training of ministers, priests, rabbis or similar persons in the field of religion.

G. The Project constitutes an "industrial building" within the meaning of the Act. The University currently intends to operate the Project as an "industrial building" within the meaning of the Act from the date hereof to the expiration or earlier termination of this Loan Agreement as provided herein.

H. All audited and unaudited financial statements which the University has heretofore furnished to Issuer or the Underwriters accurately present the financial condition of University as of the respective dates thereof and the results of its operations and cash flows for the periods then ended and were prepared in accordance with generally accepted accounting principles. Since the date of the most recent such audited financial statements, there has been no material adverse change in the business, properties or condition (financial or otherwise) of the University.

I. All financial and other information provided to the Underwriters by or on behalf of the University (whether in verbal or written form) in connection with University's request for the Loan is true and correct in all material respects and, as to projections, valuations or pro forma financial statements, present a good faith opinion as to such projections, valuations and pro forma statements and results, and the University has not made to the Underwriters any untrue statement of a material fact or omitted to state a material fact necessary to make any statement made to the Underwriters with respect to this Loan Agreement not misleading.

J. The University has paid or caused to be paid to the proper authorities when due all federal, state and local taxes required to be withheld by it. The University has filed all federal, state and local tax returns that are required to be filed, and has paid or caused to be paid to the respective taxing authorities all taxes as shown on those returns or on any assessment received by it to the extent those taxes have become due.



K. To the best of the University's knowledge, no elected official, officer or other official of the Issuer has any financial interest whatsoever in the University or in the transactions contemplated by this Loan Agreement.

L. To the best of its knowledge, no default or Event of Default exists.

M. The only trade name used by the University is Bellarmine University.

N. The University has good and marketable fee simple title to all of the University Premises, free and clear of all liens, claims and encumbrances whatsoever, except Permitted Encumbrances.

All representations of the University contained herein, in the Bond Purchase Agreement or in any certificate or other instrument delivered by the University pursuant to any of the University Agreements or the Indenture, or in connection with the transactions contemplated thereby, shall survive the execution and delivery thereof and the issuance, sale and delivery of the Bonds as representations of facts existing as of the date of execution and delivery of the instrument containing such representation.

Section 1.3. Accounting Terms and Determinations. Unless otherwise specified, all accounting terms herein or in the Indenture have the meanings assigned to them, and all computations required under any of the University Agreements or under the Indenture shall be made, in accordance with Generally Accepted Accounting Principles.

## **ARTICLE 2. AGREEMENT TO LEND; USE OF BOND PROCEEDS**

Section 2.1. Agreement to Lend, Use of Bond Proceeds. The Issuer agrees to make, solely from the proceeds of the Bonds, and the University agrees to accept, a loan of [\$\_\_\_\_,000,000] (the "Loan") to pay Costs of the Project, to currently refund the Prior Bonds and to pay costs of issuance of the Bonds. The University's obligation to repay the Loan shall be as specified in Section 5.1 hereof, together with interest due on the Loan at the interest rate for the Bonds as set forth in the Indenture and all other amounts due hereunder. The University acknowledges receipt of the proceeds of the Loan and directs the proceeds to be deposited and disbursed in the manner provided in the Indenture and in accordance with the provisions hereof and thereof and the making of all payments required hereunder as and when the same shall become due.

Section 2.2. Reliance by Bondholders. This Loan Agreement is executed in part to induce the purchase by others of Bonds and, accordingly, all representations, warranties, covenants and agreements on the part of the University and the Issuer, as set forth in this Loan Agreement, the Bond Purchase Agreement and the other University Agreements, are hereby declared to be for the benefit of the holders from time to time of the Bonds.

### **ARTICLE 3. THE PROJECT**

Section 3.1. Construction. The University shall use its best efforts to acquire and construct the improvements and to acquire and install the equipment comprising the Project with reasonable due diligence and in accordance with all construction contracts and plans and specifications therefor, and all applicable laws and regulations, free and clear of all liens, charges and encumbrances except for Permitted Encumbrances and any other rights in favor of the Trustee and the holders of the Bonds. Upon the request of the Trustee, the University shall promptly deliver to the Trustee true, correct and complete copies of all contracts and subcontracts for the construction and/or installation of all or any part of the Project, including all exhibits, schedules and attachments, and all amendments thereto and change orders, and copies of all plans and specifications therefor, including all modifications and amendments thereto. The University shall pay all such costs of construction and installation to assure that, at all times, the amount in the Construction Fund under the Indenture will be sufficient to complete such construction and installation in the manner provided above.

Section 3.2. Completion. The completion date of the Project shall be evidenced by delivery to the Trustee of an Officers' Certificate of the University stating that, except for any Costs of the Project not then due and payable, or the liability for which the University is disputing or contesting, (i) the Project have been substantially completed and, where applicable, such completion is, to the best knowledge of such officer, in accordance with the plans and specifications therefor and with all applicable laws, ordinances, rules and regulations, free and clear of any and all liens, claims and encumbrances except as expressly permitted hereby or by the Indenture; and (ii) the Project is satisfactory to the University and is suitable for use in furtherance of the nonprofit educational purposes of the University. Notwithstanding the foregoing, any such Officers' Certificate may state that it is given without prejudice to any rights against third parties which exist at the date of such certificate or which may subsequently come into being. At the time a certificate as provided in this Section 3.2 is delivered to the Trustee, moneys remaining in the Construction Fund, including any earnings resulting from the investment of such moneys, shall be transferred to the Bond Fund to be used to pay principal and interest on the Bonds as the same become due and payable.

### **ARTICLE 4. GENERAL OBLIGATION OF UNIVERSITY**

Section 4.1. General Obligation of University; Pledge of Gross Revenues; Mortgage. This Loan Agreement is a general obligation of the University. To secure the payment and performance of its obligations hereunder, the University hereby pledges and grants to the Trustee, as assignee of the Issuer hereunder (except for Unassigned Rights), a first priority lien on and security interest in the Gross Revenues of the University, securing payment of principal of and interest on the Bonds on a pro-rata *pari passu* basis with the University's obligation to make payment of principal of and interest on the Other Bond Obligations.

In the event that the Gross Revenues of the University shall be insufficient at any time to fully satisfy the obligations of the University hereunder, such Gross Revenues shall be allocated to the University's obligations hereunder on a pro rata *pari passu* basis with the Other Bond

Obligations, in accordance with the amount then due and payable (taking into consideration whether the maturity of the Bonds or the Other Bond Obligations have been and continue to be accelerated).

The University has entered into the Mortgage further securing the payments and performance of its obligations hereunder and with respect to the Other Bond Obligations.

Section 4.2. Assignment to Trustee. The Issuer, immediately following execution and delivery hereof, shall assign this Loan Agreement and all amounts payable hereunder, except Unassigned Rights, to the Trustee, in trust, to be held and applied pursuant to the provisions of the Indenture. The University (i) consents to such assignment and accepts notice thereof with the same legal effect as though such notice was embodied in a separate instrument, separately executed after execution of such assignment; (ii) agrees to pay directly to the Trustee all amounts payable hereunder, except payments as a result of Unassigned Rights, without any defense, setoff or counterclaim arising out of any default on the part of the Issuer under this Loan Agreement or any transaction between the University and the Issuer; (iii) agrees that the Trustee may exercise all rights granted the Issuer hereunder which can be performed by the Trustee; and (iv) agrees to be bound by the obligations of the University set forth in the Indenture.

## **ARTICLE 5. PAYMENTS**

Section 5.1. Payment of Debt Service. The University hereby agrees to make loan payments directly to the Trustee so as to provide for the repayment of the Loan at such times and in such amounts so as to provide for payment of the principal or Redemption Price of and interest on the Bonds Outstanding under the Indenture at least ten (10) days prior to the date when due whether upon a scheduled date for the payment of principal or interest, at maturity or by redemption of the Bonds.

In addition to any credits resulting from payment or prepayment and notwithstanding any provision contained in this Loan Agreement or in the Indenture to the contrary, the principal amount of Bonds delivered to the Trustee with instructions to cancel such Bonds, or purchased by the Trustee and canceled, shall be credited (at 100% of the principal amount of the Bonds so delivered) against the obligation of the University to pay the corresponding principal (including sinking fund installment payments corresponding to mandatory amounts to be deposited into the appropriate sinking fund for such Bonds) in the order provided in the Indenture.

Section 5.2. Optional Prepayment. The University shall be permitted to optionally prepay the Loan hereunder so as to pay, prepay or provide for payment or prepayment of the Bonds, to the extent and in the manner permitted by the Indenture. The Issuer, at the direction of the University, shall pay, redeem or provide for payment or redemption of the Bonds in accordance with the Indenture. Any prepayment shall provide for a corresponding discharge of principal of the Bonds.

Section 5.3. Notice of Prepayment. The University shall give or cause to be given to the Issuer and the Trustee not less than 45 days (or such lesser number of days as is agreed to by the Trustee) prior written notice of any optional prepayment of the Loan, which notice shall designate the date of prepayment and the amount thereof and direct the redemption of Bonds or the portion thereof and in the amounts corresponding to the amount to be prepaid. Such notice may be withdrawn by the University at any time prior to the redemption date.

Section 5.4. Additional Payments. The University agrees to pay the following items to the following persons as additional payments due under this Loan Agreement:

A. To the Trustee or any other paying agent, for the benefit of the Trustee or such paying agent, when due, all reasonable fees of the Trustee and any other paying agent for services rendered under the Indenture and all advances, reasonable attorneys' fees and other expenses reasonably and necessarily made or incurred by any of them in connection with their services under the Indenture;

B. To the Issuer, the Issuer's Administrative Expenses, if any, incurred from time to time in connection with the Bonds, as provided in the Indenture;

C. To the Trustee, the amount of all advances made by it under the provisions of the Indenture or hereof or of any University Agreement, with interest thereon at the Trustee's announced prime rate per annum then in effect from the date of each such advance until paid in full; and

D. To the Trustee, all other amounts payable pursuant hereto or to any University Agreement.

The provisions of this Section shall remain in full force and effect notwithstanding the full payment of all obligations hereunder or the termination hereof for any reason.

Section 5.5. No Abatement or Setoff. The University shall pay, or cause to be paid, all sums required hereunder without suspension or abatement of any nature, notwithstanding that all or any part of the University Premises shall have been wholly or partially destroyed, damaged or condemned and shall not have been repaired, replaced or rebuilt. So long as any of the Bonds remain Outstanding, the obligation of the University to make payments hereunder shall be absolute and unconditional and shall not be suspended, abated, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever, regardless of any rights of setoff, recoupment or counterclaim that the University might otherwise have against the Issuer or the Trustee or any other party or parties and regardless of any contingency, natural catastrophe, event or cause whatsoever and notwithstanding any circumstances or occurrence that may arise or take place after the date hereof, including but without limiting the generality of the foregoing:

A. any damage to or destruction of any part or all of the University Premises;

B. the taking or damaging of any part or all of the University Premises, by any public authority or agency in the exercise of the power of or in the nature of eminent domain or by way of a conveyance in lieu of such exercise or otherwise;

C. any assignment, novation, merger, consolidation, transfer of assets, leasing or other similar transaction of or affecting the University, whether with or without the approval of the Issuer or the Trustee;

D. the termination of this Loan Agreement pursuant to the provisions hereof;

E. any failure of the Issuer or the Trustee to perform or observe any agreement or covenant, whether express or implied, or any duty, liability or obligation arising out of or connected with this Loan Agreement, the other University Agreements, the Indenture or the Bonds;

F. any acts or circumstances that may constitute an eviction or constructive eviction;

G. failure of consideration, failure of title or commercial frustration;

H. any change in the tax laws or other laws of the United States or of any state or other governmental authority;

I. any determination that the interest payable on the Bonds is included in the gross income of the holders for federal income tax purposes; and/or

J. delinquency of any occupant of the University Premises or other Person in the payment of any fees, rentals or other charges owed to the University, whether or not any occupant receives either partial or total reimbursement as a credit against such payment.

Except to the extent provided in and subject to this Section 5.5, nothing contained herein shall be construed to prevent or restrict the University from asserting any rights which it may have under this Loan Agreement, any of the other University Agreements, or any provision of law against the Issuer or the Trustee or any other person.

Section 5.6. Termination. The University's obligations under the Loan Agreement shall terminate after payment in full of the Loan and all other amounts due under this Loan Agreement; provided, however, that the covenants and obligations provided in Sections 5.4, 10.2 and 10.5 hereof shall survive the termination of the Loan Agreement and the payment in full of the amounts due hereunder. Upon termination of this Loan Agreement the Trustee, as assignee of the Issuer hereunder, shall pay over to the University any moneys then remaining in any Funds created under the Indenture, which are not required under the Indenture. Notwithstanding any provision of this Section to the contrary, the Loan Agreement shall remain in effect until the payment and retirement of all Outstanding Bonds in accordance with their terms and the terms of the Indenture or the defeasance and discharge of the Indenture in accordance with Article 13 thereof.

**ARTICLE 6.**  
**INSURANCE, CASUALTY AND CONDEMNATION**

Section 6.1. Insurance to be Maintained. The University covenants to provide and maintain, continuously unless otherwise herein provided, insurance against risks of such types and in such amounts as are customarily insured against by similarly situated nonprofit educational institutions in the Commonwealth, paying when due all premiums in respect to such insurance, including without limitation, to the extent available:

A. public liability insurance against liability for bodily injury, including death, and for damage to the University's property, including loss of its use; and

B. workers' compensation insurance with respect to the University's employees.

Any requirement for insurance herein provided (with the exception of any insurance on the University's physical plant) may be met by a self-insurance plan approved and reviewed at least every three (3) years by the Insurance Consultant and approved by any Regulatory Body having jurisdiction thereof.

All policies of insurance shall be issued by responsible insurance companies with Best's Ratings of "A" or better, qualified to do business in the Commonwealth and qualified under the laws of the Commonwealth to assume risks covered by such policy or policies and shall be non-assessable.

In the event that any insurance required by this Section 6.1 is commercially unavailable, based on the advice of the Insurance Consultant, the University may arrange such substitute coverage as is recommended by the Insurance Consultant; provided, however, that no Event of Default shall occur if substitute coverage is unavailable and the University makes a continuing good faith effort to obtain such insurance or such substitute coverage, including self-insurance, as is recommended by the Insurance Consultant. If the insurance becomes commercially available after substitute insurance has been obtained, the University shall obtain, or cause to be obtained, such insurance upon expiration of such substitute insurance or as otherwise recommended by the Insurance Consultant.

Anything to the contrary herein notwithstanding, the University shall hold the Issuer harmless and without liability for any claim whatsoever arising as the result, directly or indirectly, of insufficient insurance under this Section 6.1.

Section 6.2. Notice of Property Loss. Immediately after the occurrence of loss or damage covered by insurance required under Section 6.1, or after notice of condemnation has been received, or the occurrence of any other injury or damage to any property or asset of the University if the reasonably estimated replacement cost thereof then exceeds \$1,000,000, the University shall promptly notify the Issuer and the Trustee.

Section 6.3. Proceeds of Property Damage Insurance; Condemnation.

If the University Premises shall be wholly or partially destroyed or damaged by fire or other casualty covered by insurance or shall be wholly or partially condemned or taken, the University may at its option retain an Appraiser who shall promptly determine and deliver to the University a certificate setting forth the fair market value of the remaining undamaged University Premises, taking into account the taking or destruction, as applicable, and if no Event of Default or event which with notice or lapse of time would be an Event of Default has occurred, and the appraisal indicates that the value of the University Premises is equal to at least 150% of the then outstanding long-term debt of the University, the University may apply the proceeds of condemnation or damage to any lawful purpose of the University including restoration of the University Premises; provided, however, in the event any Bonds remain outstanding, the proceeds of such condemnation or damage award must be used for lawful purposes of the University that, in the opinion of Bond Counsel will not adversely affect the exemption of the interest on the Bonds from federal income tax. If, however, the value of the remaining undamaged University Premises as set forth in the report is less than 150% of then outstanding long-term debt of the University or the University does not engage an Appraiser, the University shall within 120 days of the event determine whether repair, reconstruction or replacement of the affected portion of the University Premises is practicable and desirable and shall, promptly thereafter, notify the Trustee whether or not the University will undertake such repair, reconstruction or replacement. If the University determines that repair, reconstruction or replacement is practicable and desirable, the University shall promptly commence such repair, reconstruction, and replacement, shall complete the same with reasonable due diligence, and shall apply all available condemnation awards and insurance proceeds to such project.

In any instance where insurance proceeds or condemnation awards are to be applied to the repair, replacement or reconstruction of the University Premises, the proceeds shall be applied, deposited or disbursed as hereinabove set forth.

Section 6.4. Disposition of Liability Insurance Proceeds. The proceeds of all public liability and automobile liability insurance and all workers' compensation insurance required by Section 6.1 shall be applied by the University to the payment of any judgment, settlement or liability incurred for risks covered by such insurance. Any excess over the amount required for such purpose shall be retained by the University.

**ARTICLE 7.**  
**[RESERVED]**

**ARTICLE 8.**  
**ADDITIONAL COVENANTS OF UNIVERSITY**

Section 8.1. Insurance Consultant. Upon any material change in insurance coverage, but in no case no less frequently than every three (3) years, the University shall cause an independent Insurance Consultant to review the risks to which the University is exposed and the adequacy of the University's insurance coverage therefor, and the University shall file a copy of such report with the Trustee promptly upon receipt thereof.

Section 8.2. University Books and Records; Audits. The University covenants to keep accurate records and books of account with respect to its revenues and expenditures in accordance with Generally Accepted Accounting Principles and, within one hundred fifty (150) days after the end of each Fiscal Year, to have made an audit of its financial statements by a Certified Public Accountant. As soon as practicable, but in no event later than one hundred fifty (150) days after the end of each fiscal year, the authorized University representative shall file, or cause to be filed, with the Trustee, audited financial statements of the University, together with a certificate signed by the chief executive officer or the financial officer of the University to the effect that such officer is not aware of any Event of Default hereunder or under the Indenture.

The University further covenants that at any time during the term of this Loan Agreement it shall make available to the Trustee upon written request therefor such internal operating and financial reports as have been prepared, on a monthly basis or otherwise, by the University and if, applicable, any report thereon by its Certified Public Accountant.

The University shall make available to the Certified Public Accountant conducting the University's annual audit all records of the University which such Certified Public Accountant requires to complete its audit.

The Trustee shall have no duty to review or analyze such financial statements and shall hold such financial statements solely as a repository for the benefit of the bondholders; the Trustee shall not be deemed to have notice of any information contained therein or Event of Default which may be disclosed therein in any manner.

Section 8.3. Operation and Maintenance. The University covenants to maintain the University Premises in good repair and operating condition, to operate the same continuously in an economical and efficient manner and to make all repairs, renewals, replacements and improvements in order to maintain adequate service and operations for a nonprofit institution of higher education of similar size and reputation. The provisions of this Section shall not apply, however, to real estate or equipment to the extent that in the opinion of a proper officer of the University such real estate or equipment has become obsolete, unsuitable or unnecessary. The University further covenants that it will not commit or suffer any stripping or waste of the University Premises.

Section 8.4. Compliance with Laws. The University covenants that all actions heretofore and hereafter taken by the University to acquire and carry out the acquisition, construction, and installation of the Project, including the making of contracts, have been and will be in compliance in all material respects with all pertinent laws, ordinances, rules, regulations and orders applicable to the University. In connection with the operation, maintenance, repair and replacement of the University Premises, the University covenants that it shall comply in all material respects with all applicable ordinances, laws, rules, regulations and orders of the government of the United States of America, the Commonwealth, the municipalities in which the University Premises or any part thereof are located, and any requirement of any board of fire insurance underwriters having jurisdiction or of any insurance company writing insurance on the University Premises. The University further covenants and represents that to the best of its knowledge the University Premises, including the Project, are in compliance in all material respects with all applicable zoning, subdivision, building, land use,



environmental and all other laws, ordinances, rules and regulations. The University covenants that it shall not take any action or request the Trustee to execute any release which would cause the University Premises to be in material violation of any such law or ordinance or such that a conveyance of the University Premises or of any portion thereof would create a material violation of such laws and ordinances.

Section 8.5. Preservation of Status, Licensure, and Corporate Status; Merger and Consolidation. The University covenants (i) to preserve and to maintain its existence as a nonprofit corporation under the laws of the Commonwealth, and to preserve its Articles of Incorporation and its Bylaws (except that appropriate amendments may be made thereto in connection with any transactions contemplated by this Section) so that it will be, to the extent permitted by law at any given time, free from Federal taxes to the extent such action is required to preserve the tax-exempt status of the Bonds in the opinion of Bond Counsel and (ii) to preserve and maintain its authority to operate the University Premises as an institution of higher education in the Commonwealth; provided, however, that nothing herein shall preclude the University, as a nonprofit corporation, from engaging in activities unrelated to its eleemosynary purpose or from earning income from such activities so long as such activity or income does not cause interest on the Bonds to be included in the gross income of the holders for Federal income tax purposes. The University covenants that during the term of this Loan Agreement it shall not initiate any proceedings or take any action whatsoever to dissolve or liquidate or to terminate its existence as a corporation except to consolidate or to merge with another entity as provided herein. The University covenants that during the term of this Loan Agreement it shall not consolidate with, transfer all or any significant part of its assets to, or merge with or into any other entity, unless all of the following conditions shall be met:

A. The successor, transferee or surviving entity shall be a nonprofit corporation, or similar entity, organized under the laws of the United States, or any state, district or territory of the United States;

B. The successor, transferee or surviving entity (if not the University) agrees expressly, in writing, to assume the obligations of the University under this Loan Agreement and the other University Agreements to the same extent as if such successor, transferee or surviving entity had been the original borrower under this Loan Agreement;

C. Immediately after such consolidation, transfer or merger, the University, or such successor, transferee or surviving entity, shall not be in default in the performance or observance of any duties, obligations or covenants of the University under this Loan Agreement or the other University Agreements; and

D. The Trustee shall have received opinions of Bond Counsel and the University's Counsel, respectively, not unsatisfactory to the Trustee that (i) the exclusion of interest on the Bonds from the gross income of the holder for Federal income tax purposes will not be affected by such consolidation, transfer or merger; (ii) the obligations assumed by any successor transferee or surviving entity pursuant to this Section are legal, valid, binding and enforceable, subject as to enforceability to bankruptcy, insolvency, moratorium, or other laws or equitable principles affecting creditors' rights generally; and (iii) all of the conditions required for such consolidation, transfer or merger set forth in this Section 8.5 have been satisfied.

Section 8.6. Tax Exemption of University and Bonds.

A. The University represents and warrants that, as of the date of this Loan Agreement:

(1) it has received a determination of the Internal Revenue Service that it is an organization described in Section 501(c)(3) of the Code and is not a private foundation as defined in Section 509 of the Code, and such determination has not been revoked and is not subject to any challenge;

(2) it is not in violation of any conditions imposed by applicable law and regulations as a condition to its being so described; and

(3) it is exempt from Federal income tax under Section 501(a) of the Code.

B. The University covenants that, throughout the term of this Loan Agreement:

(1) it will take whatever actions are necessary to continue to be organized and operated in a manner which will preserve and maintain such Federal income tax status of the University;

(2) it will not perform any acts nor enter into any agreements which shall cause any revocation or adverse modification of such Federal income tax status of the University;

(3) it will not carry on or permit to be carried on in any property financed with proceeds of the Bonds (or with Bond proceeds or the proceeds of any loan refinanced with the Bond proceeds) any trade or business the conduct of which (a) is not substantially related (aside from the need of the University for income or funds or the use it makes of the profits derived) to the exercise or performance by the University of purposes or functions described in Section 501(c)(3) of the Code, and (b) would cause the interest on the Bonds to be includable in gross income for Federal income tax purposes; and

(4) it will not take any action or permit any action to be taken on its behalf, or cause or permit any circumstances within its control to arise or continue, if such action or circumstances would cause the interest on the Bonds to be includable in gross income for Federal income tax purposes.

Section 8.7. Inspection. The University covenants that the Trustee, by its duly authorized representatives, upon reasonable notice and at reasonable times, may inspect all or any part of the University Premises and any and all books and records of the University.

Section 8.8. Additional Information. (a) The University agrees, whenever requested by the Issuer, to provide and certify or cause to be provided and certified such information concerning the Project, the University, the University Premises, the finances of the

University, and other matters as the Trustee considers necessary or advisable; and (b) the University will promptly provide annually, upon request, its Fiscal Years unaudited financial statements to any beneficial bondholders of record.

Section 8.9. Certain Notices to Be Given. The University covenants and agrees that it will give to the Trustee, as promptly as practicable but in no event later than five (5) business days after the same shall first become known to the University, notice of the occurrence of any Event of Default or of any event which, with the passage of time or the giving of notice, or both, would constitute an Event of Default.

Section 8.10. Bonds Not to Become Arbitrage Bonds. As provided in the Indenture and the Tax Compliance Agreement, the Trustee will invest moneys held by the Trustee as directed by the University. The Issuer and the University hereby covenant with each other and with the holders of the Bonds that, notwithstanding any other provisions of this Loan Agreement or any other instrument, they will neither make nor instruct the Trustee to make any investment or other use of the proceeds of the Bonds, or take or omit to take any other action which would cause the Bonds to be arbitrage bonds under Section 148 of the Code and the regulations thereunder, and that they will comply with the requirements of the Code and applicable regulations throughout the term of the Bonds so that the interest on the Bonds shall be excluded from gross income of the holders of the Bonds for federal income tax purposes.

Section 8.11. Environmental Matters. The University covenants to comply in all material respects (and to use its best efforts to cause all occupants of the University Premises to comply) with all federal, state and local laws, ordinances, rules and regulations pertaining to the environment and human health and safety (collectively, "Environmental Law"), including, without limitation, those regulating hazardous or toxic wastes and substances, asbestos, or petroleum products or underground storage (as such phrases may be defined in any Environmental Law), and to give prompt written notice to the Trustee and the Issuer of any material violation or alleged material violation of any Environmental Law with respect to the University Premises. The University represents that it is not aware of any existing violation of any Environmental Law by the University or the University Premises, including the Project.

Section 8.12. Accreditation. At all times during the term hereof the University shall maintain its accreditation by at least one nationally recognized accreditation agency as a post-secondary liberal arts teaching institution.

Section 8.13. Payment of Taxes and Other Claims. The University will pay or discharge, when due, (a) all taxes, assessments and governmental charges levied or imposed upon it or upon its income or profits, upon any properties belonging to it (including the Project), prior to the date on which penalties attach thereto, (b) all federal, state and local taxes required to be withheld by it, and (c) all lawful claims for labor, materials and supplies which, if unpaid, might by law become a lien upon any University Premises, or any part thereof; provided that the University shall not be required to pay any tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings unless the contest would adversely affect the rights or interests of the Issuer or the Trustee. The University will pay, as the same respectively come due, all taxes and governmental charges of any kind whatsoever that may at any time be lawfully assessed or levied against or with respect to the

Project, as well as all gas, water, steam, electricity, heat, power, telephone, utility and other charges incurred in the operation, maintenance, use, occupancy and upkeep of the Project. The University shall not be required, so long as the University is contesting, in good faith, and at its cost and expense, in its own name and behalf, the amount or validity thereof, in an appropriate manner or by appropriate proceedings which shall operate during the pendency thereof.

Section 8.14. Change in Name or Corporate Structure; Sale of Assets. The University shall provide written notice to the Trustee and Issuer of any change or proposed change in its name, corporate structure, jurisdiction of organization or change or proposed change in the location of the Project. Such notice shall be provided 10 days in advance of the date that such change or proposed change is planned to take effect. The University will not sell, lease, assign, transfer or otherwise dispose of all or a substantial part of its assets or of any of the Project or any interest therein (whether in one transaction or in a series of transactions).

Section 8.15. Rate Covenant. The University will charge and maintain tuition, fees and other charges sufficient to provide Net Revenues Available for Debt Service at least equal to 1.10x Annual Debt Service on all long-term indebtedness.

Section 8.16. Additional Indebtedness. Additional long-term indebtedness, including promissory notes securing Additional Bonds, may be issued if the University can demonstrate that for the two most recent fiscal years for which an audit is available, it had Net Revenues Available for Debt Service at least equal to a ratio of 1.10x Maximum Annual Debt Service on all long-term indebtedness to be outstanding after the issuance of such additional indebtedness. Notwithstanding the foregoing, refunding bonds may be issued at any time, provided that Maximum Annual Debt Service after such refunding does not exceed 110% of Maximum Annual Debt Service prior to such refunding.

Section 8.17. Negative Pledge. Except for the Mortgage, the University will not grant any liens or mortgages on its campus located in Louisville, Kentucky and any of its other property (real and personal, including endowment funds and after acquired property) except for Permitted Encumbrances.

## **ARTICLE 9. EVENTS OF DEFAULT AND REMEDIES**

Section 9.1. Events of Default. The occurrence of any of the following events shall constitute an Event of Default hereunder:

A. the University fails to make any payment required by Article 5 hereof or by the Indenture, which payment shall be required for payment of the principal or Redemption Price of, or interest on, the Bonds, when the same shall become due and payable, with or without notice to the University;

B. any representation of the University herein or in any other University Agreement was untrue as of the effective date thereof;

C. any violation, breach, failure or default under or with respect to any financial covenant contained in Article 8 hereof which is not cured within thirty (30) days;

D. any violation, breach, failure or default under or with respect to any of the covenants or provisions of Sections 8.5, 8.6 or 8.10 hereof;

E. an Event of Default occurs under the terms of the Indenture which causes all the Bonds to be due and payable;

F. an Event of Default occurs under any University Agreement which is not cured within thirty (30) days;

G. the University proposes or makes an assignment for the benefit of creditors or a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the University or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment, foreclosure or insolvency, local, state or federal, by or against the University and if such is not commenced by the University it is not vacated, dismissed or stayed on appeal within sixty (60) days; .

H. the University fails to perform any of its other covenants herein or in any of the other University Agreements and such failure continues for thirty (30) days after the Trustee gives the University notice thereof or the University gives notice thereof under Section 8.9 hereof, whichever is earlier; provided, however, that if such performance requires work to be done, actions to be taken, or conditions to be remedied, which by their nature cannot reasonably be done, taken or remedied, as the case may be, within such 30-day period, no Event of Default shall be deemed to have occurred or to exist if, and so long as, the University shall commence such performance within such 30-day period and shall diligently and continuously prosecute the same to completion; provided that such cure period shall not be extended for more than 90 days after such notice in any event; or

I. the failure to make due and punctual payments under that certain Loan Agreement dated as of June 1, 2008, between Louisville/Jefferson County Metro Government and Bellarmine University and assignment of Issuer's interest to U.S. Bank National Association, as Trustee, with respect to the Louisville/Jefferson County Metro Government College Refunding and Improvement Revenue and Revenue Refunding Bonds, Series 2008A (Bellarmine University Project); or

J. the failure to make due and punctual payments under that certain Loan Agreement dated as of December 1, 2009, between Louisville/Jefferson County Metro Government and Bellarmine University and assignment of Issuer's interest to U.S. Bank National Association, as Trustee, with respect to the Louisville/Jefferson County Metro Government College Improvement Revenue Bonds, Series 2009 (Bellarmine University Project).

Section 9.2. [Reserved].

Section 9.3. Appointment of Receiver. In case of any proceeding of the Trustee wherein appointment of a receiver may be permissible, the Trustee, as a matter of right and immediately upon institution of each such proceeding, without notice to the University, shall be entitled to appointment of a receiver of the University Premises with such powers as the court making such appointment can confer; subject, however, to any limitations and restrictions of the Act.

Section 9.4. Additional Remedies. If any Event of Default shall happen, then and at any time thereafter while said Event of Default is continuing, the Trustee may take any action at law or in equity to collect amounts then due and thereafter to become due, or to enforce performance and observance of any obligation, agreement or covenant of the University under this Loan Agreement and/or any of the other University Agreements, or any other action provided for in the Indenture. The Trustee may exercise any one or more of the remedies available to it separately or concurrently and as often as required to enforce the University's obligations. In addition to the other remedies provided herein, the Trustee shall be entitled to the restraint by injunction of the violation, or attempted or threatened violation by the University, of any of the covenants, conditions or provisions hereof or any other University Agreement, or to a decree compelling specific performance of any of such covenants, conditions or provisions.

Section 9.5. Waivers. No failure by either party to insist upon strict performance hereof or to exercise any remedy upon the occurrence of an Event of Default shall constitute a waiver of such default, or a waiver or modification of any provision hereof.

Section 9.6. Remedies Not Exclusive. All rights and remedies herein given are in addition to any and all rights and remedies that the Issuer or the Trustee may have or be given by reason of any law, statute, ordinance or otherwise.

Section 9.7. Expenses. If the University shall default under any of the provisions of this Loan Agreement and the Issuer or the Trustee shall employ attorneys or incur other expenses for the collection of amounts payable hereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the University contained in this Loan Agreement or any of the other University Agreements, the University will on demand therefor reimburse the Issuer or the Trustee, as the case may be, for the reasonable fees of such attorneys and such other reasonable expenses so incurred, with interest thereon at the Trustee's announced prime rate per annum then in effect from the date of payment thereof by the Issuer or Trustee, as applicable, until paid in full.

## **ARTICLE 10. MISCELLANEOUS**

Section 10.1. Consent to Indenture. The University acknowledges that it has received an executed copy of the Indenture, and that it is familiar with its provisions, and agrees to be bound to the fullest extent permitted by law to all provisions thereof directly or indirectly relating to it and further agrees that it will take all such actions as are required or contemplated of it under the Indenture to preserve and protect the rights of the Trustee and of the Bondholders thereunder and that it will not take any action which would cause a default thereunder or

jeopardize such rights. It is agreed by the University and the Issuer that all redemption of Bonds prior to maturity shall be effected as provided in the Indenture.

The University hereby assumes and agrees to perform all of the covenants and other obligations of the Issuer under the Indenture, excepting only any approvals, consents or certificates permitted or required to be given by the Issuer thereunder, and those covenants or obligations the performance of which is within the power of the Issuer but not the University to perform, including but not limited to those covenants and conditions contained in Section 2.1 (relating to the application of the proceeds of the Bonds), Section 8.2 (requiring the Issuer to maintain its existence so long as permitted by applicable law), and Section 8.6 (prohibiting the Issuer from taking any action which would impair the rights of the Bondholders and requiring it to pay over to the Trustee money received by it in respect of the University Premises which are not otherwise assigned to the Trustee). However, nothing contained herein shall prevent the Issuer from choosing from time to time, in its discretion, to perform any of such covenants or other obligations.

Section 10.2. Payment by Issuer of University Obligations. If the University at any time fails to take out, pay for, maintain or deliver any of the insurance policies provided for in Article 6, or upon the occurrence of any other Event of Default, then the Trustee as assignee of the Issuer hereunder may, but shall not be obligated so to do, and without further notice to or demand upon the University and without waiving or releasing the University from any of its obligations in this Loan Agreement contained, (a) take out, pay for and maintain any of the insurance policies provided for in Article 6, or (b) make any other payment or perform any other act on the University's part to be made or performed as in this Loan Agreement provided. Any sums so paid by the Trustee shall be payable to the Trustee by the University, together with interest thereon at the prime rate of interest announced by the Trustee from time to time during the period from the date such sums are paid by the Trustee to the date of payment thereof by the University, on demand, or at the option of the Trustee may be added to any payment due or thereafter becoming due under this Loan Agreement, and the University covenants to pay any such sums.

Section 10.3. Severability. If any term or provision hereof or the application thereof for any reason or circumstances shall to any extent be held to be invalid or unenforceable, the remaining provisions or the application of such term or provision to persons other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision hereof shall be valid and enforceable to the fullest extent permitted by law.

Section 10.4. Bonds are Not Indebtedness of the Issuer. NEITHER THE CREDIT NOR THE TAXING POWER OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR OF ANY OTHER POLITICAL SUBDIVISION THEREOF, IS PLEDGED FOR THE PAYMENT OF PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS NOR SHALL THE BONDS BE DEEMED TO BE AN OBLIGATION OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY OR ANY OTHER POLITICAL SUBDIVISION THEREOF. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OR OBLIGATION TO WHICH THE FAITH AND CREDIT OF THE ISSUER ARE PLEDGED BUT ARE SPECIAL LIMITED OBLIGATION OF THE ISSUER, WHICH IS OBLIGATED TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS SOLELY AND

EXCLUSIVELY OUT OF THE REVENUES DESCRIBED IN THE LOAN AGREEMENT. NO COVENANT OR AGREEMENT CONTAINED IN THE BONDS, THE INDENTURE OR THE LOAN AGREEMENT SHALL BE DEEMED TO BE A COVENANT OR AGREEMENT OF ANY MEMBER OF THE ISSUER OR OF ANY OFFICER OR EMPLOYEE OF THE ISSUER IN HIS OR HER INDIVIDUAL CAPACITY, AND NEITHER THE MEMBERS OF THE ISSUER NOR ANY OFFICER OR EMPLOYEE OF THE ISSUER EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS OR BE SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE OF THE BONDS.

Section 10.5. No Personal Recourse, Indemnification of Issuer and Trustee. In the exercise of the power of the Issuer and its elected officials, officers, employees and agents hereunder including (without limiting the foregoing) the application of moneys and the investment of funds or in the event of default by the University, neither the Issuer, the Commonwealth or any agency or political subdivision of the Commonwealth, nor, their respective elected officials, officers, employees, and agents (each an "Indemnified Party" and collectively the "Indemnified Parties") shall be accountable to the University for any action taken or omitted by such Indemnified Party in good faith and believed by such Indemnified Party to be authorized or within the discretion of rights or powers conferred. The Indemnified Parties shall be protected in their acting upon any paper or document believed by them to be genuine, and they may conclusively rely upon the advice of Counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the University for any claims based hereon or on the Indenture against any elected official, member, director, officer, employee or agent of the Issuer or the Commonwealth or any agency or political subdivision thereof alleging personal liability on the part of such person. The University shall have no recourse against any assets of the Issuer whether now or hereafter owned by it.

The University will indemnify and hold harmless the Indemnified Parties against any and all claims, losses, damages or liabilities (including reasonable attorneys' fees), joint or several, to which any Indemnified Party may become subject, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of the Project, the Indenture, this Loan Agreement, or the University Premises or are based upon any other alleged act or omission in connection with the issuance of the Bonds by the Issuer under the Indenture unless the losses, damages or liabilities arise from an adjudication of bad faith or fraud or deceit of an Indemnified Party. In the event any claim is made or action brought against an Indemnified Party, the Indemnified Party may direct the University to assume the defense of the claim and any action brought thereon and pay all reasonable expenses incurred therein. The defense of any such claim shall include the taking of all actions reasonably necessary or appropriate thereto.

The University hereby agrees to indemnify the Trustee, and each director, officer, and employee of the Trustee, and hold it and them harmless from and against any and all claims, liabilities, losses, actions, suits or proceedings, at law or in equity, which it or they may incur or with which it or they may be threatened by reason of it acting as Trustee under the Indenture and with respect to this Loan Agreement, any of the other University Agreements, and the Bonds, except in the case of the Trustee's own willful misconduct or gross negligence; and in connection therewith to indemnify the Trustee and each director, officer and employee of the Trustee against



any and all expenses, including reasonable attorney's fees and the cost of defending any action, suit or proceeding or resisting any claim. There shall be no personal liability of any director, officer, or employee of the University in executing this Loan Agreement or any of the other University Agreements or in carrying out any provision hereof.

The obligations of the University under this Section shall survive the termination of this Loan Agreement.

Section 10.6. Reference to Statutes or Regulations. A reference herein to a statute or to a regulation issued by a governmental agency includes the statute or regulation in force as of the date hereof, together with all amendments and supplements thereto and any statute or regulation substituted for such statute or regulation, unless the specific language or the context of the reference herein clearly includes only the statute or regulation in force as of the date hereof.

A reference herein to a governmental agency, department, board, commission or other public body or to a public officer includes an entity or officer which or who succeeds to substantially the same functions as those performed by such public body or officer as of the date hereof, unless the specific language or the context of the reference herein clearly includes only such public body or public officer as of the date hereof.

Section 10.7. Governing Law. The laws of the Commonwealth shall govern the construction hereof.

Section 10.8. Supplements and Amendments to Loan Agreement. The parties hereto from time to time may enter into any written amendments hereto (which thereafter shall form a part hereof) as shall not adversely affect the rights of or the security of the holders of the Bonds only for the following purposes:

A. to grant to or confer upon the Trustee any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon it; or

B. to reflect a change in applicable law including, but not limited to, any change in the Code; or

C. in connection with the issuance of Additional Bonds as and to the extent expressly permitted under the Indenture; or

D. to provide terms not inconsistent with the Indenture or this Loan Agreement; provided, however, that this Loan Agreement as so amended or supplemented shall provide at least the same security for holders of Bonds issued under the Indenture as the Loan Agreement in the form originally executed and delivered.

All other amendments must be approved by the Trustee and, if required by the Indenture, the holders of the Bonds, in the same manner and to the same extent as is set forth in Article 12 of the Indenture. In executing any amendment to this Loan Agreement or any of the other University Agreements, the Trustee shall be fully protected by a Favorable Opinion of Bond Counsel and an opinion of Counsel (who may be such Bond Counsel) that such

amendment is permitted and has been duly authorized and that all things necessary to make it a valid and binding agreement have been done.

Section 10.9. Notices. All notices required or authorized to be given by the University, the Issuer or the Trustee pursuant to this Loan Agreement or any of the other University Agreements shall be effective if in writing and delivered or sent by registered or certified mail, postage and other delivery charges prepaid, or by telecopy, or reputable courier service to the parties at their respective following addresses:

If to the University, to:

Bellarmino University Incorporated  
2001 Newburg Road  
Louisville, Kentucky 40205  
Attention: Vice President for Administration and Finance

If to the Issuer, to:

Louisville/Jefferson County Metro Government  
527 W. Jefferson Street  
Louisville, Kentucky 40202  
Attention: Mayor

If to the Trustee, to:

U.S. Bank National Association  
One Financial Square  
Louisville, Kentucky 40202  
Attention: Corporate Trust Services

or to other valid U.S. Postal Service address as may from time to time be furnished by any party to the other parties in the manner provided herein. Each such notice shall be effective (i) at 5:00 P.M. (Eastern Time) on the second business day after deposit in the U.S. certified or registered mail, (ii) 3 hours after transmittal by telecopy with evidence of transmission, or (iii) at 2:00 P.M. (Eastern Time) on the next business day after deposit with a reputable overnight courier service for next day delivery.

The University, the Issuer, and the Trustee shall each send in the same manner a duplicate copy or executed copy of each notice, certificate, correspondence or other material or data delivered hereunder to each of the others.

Section 10.10. Counterparts. This Loan Agreement may be executed in multiple counterparts, each of which shall be regarded for all purposes as an original, and such counterparts shall constitute but one and the same instrument.

Section 10.11. Headings. All headings herein are for convenience of reference only and shall not affect the interpretation of this Loan Agreement.

Section 10.12. Payment on Non-Business Days. Whenever any payment to be made hereunder shall be stated to be due on a day that is a Saturday or Sunday or a day on which banks are generally not open for business in Louisville, Kentucky, that payment may be made on the next succeeding day that is not a Saturday or Sunday or that is a day on which banks are generally open for business in Louisville, Kentucky, and such extension of time shall in such case be included in the computation of interest or the fees hereunder, as the case may be.

Section 10.13. Further Assurance and Corrective Instruments. The University and the Trustee and the Issuer will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any further acts, instruments, conveyances, transfers and assurances that Trustee reasonably deems necessary or advisable for the implementation, correction, confirmation, recording, filing or perfection of the University Documents and any rights of the Trustee thereunder.

Section 10.14. Binding Effect; Time of the Essence. This Agreement shall inure to the benefit of and shall be binding upon the Trustee, the Issuer, and the University and their respective successors and assigns, but may not be assigned by the University except as expressly permitted herein. Time is of the essence of all terms, provisions and covenants herein.

Section 10.15. Entire Agreement. This Loan Agreement, the other University Agreements, the Indenture, the Bonds, and the exhibits hereto and thereto constitute the entire agreement among the Trustee, the Issuer and the University with respect to the subject matter thereof. Neither this Agreement nor any of such other documents may be amended or modified or waived in any respect except by written instrument signed by or on behalf of the party against which enforcement thereof is sought.

IN WITNESS WHEREOF, Louisville/Jefferson County Metro Government has caused this Loan Agreement to be executed in its name and in its behalf by its Mayor and attested by its Metro Council Clerk, and Bellarmine University Incorporated has caused this Loan Agreement to be executed in its name and in its behalf by its President, all as of the day and year first above written.

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: \_\_\_\_\_  
Greg Fischer, Mayor

Attest:

By: \_\_\_\_\_  
H. Stephen Ott, Metro Council Clerk

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

By: \_\_\_\_\_  
Nicholas Lococo, an Assistant County Attorney  
And Attorney for Louisville/Jefferson County  
Metropolitan Government

BELLARMINE UNIVERSITY  
INCORPORATED

By: \_\_\_\_\_  
Joseph J. McGowan, President

## ASSIGNMENT

KNOW ALL MEN BY THESE PRESENTS that Louisville/Jefferson County Metro Government (the "Issuer"), pursuant to an ordinance of its Metro Council heretofore duly adopted, does hereby sell, assign, transfer, and set over to U.S. Bank National Association, having a corporate trust office in Louisville, Kentucky, as trustee (the "Trustee") under the Trust Indenture dated as of September 1, 2015 (the "Indenture"), between the Issuer and the Trustee, all the right, title and interest of the Issuer in and to the Loan Agreement dated as of September 1, 2015 (the "Loan Agreement") between the Issuer and Bellarmine University Incorporated, as well as all payments payable or which may become payable thereunder and all security therefor (except for amounts constituting Unassigned Rights as defined in the Loan Agreement), the same to be held in trust and applied by the Trustee as provided in the Indenture; and the Issuer does hereby constitute and appoint the Trustee its true and lawful attorney for it and in its name to collect and receive payment of any and all such payments and to give good and sufficient receipts therefor, hereby ratifying and confirming all that the attorney may do in the premises. The Trustee may, but, except as otherwise provided in the Indenture, shall not be required to, institute any proceedings or take any action in its name or in the name of the Issuer to enforce payment or collection of any or all of such payments.

Notwithstanding such assignment and transfer, so long as the Issuer shall not be in default under the Indenture:

- (1) The Issuer shall have the right and duty to give all approvals and consents permitted or required of the Issuer under the Loan Agreement;
- (2) The Issuer shall have the right to execute supplements and amendments to the Loan Agreement to the extent and in the manner permitted by the Loan Agreement and the Indenture; and
- (3) There shall be no responsibility on the part of the Trustee for duties or responsibilities of the Issuer contained in the Loan Agreement and in any supplements or amendments thereto.

IN WITNESS WHEREOF, Louisville/Jefferson County Metro Government has caused this Assignment to be executed in its name and in its behalf by its Mayor and attested by its Metro Council Clerk, all as of the day and year first above written.

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: \_\_\_\_\_  
Greg Fischer, Mayor

Attest:

By: \_\_\_\_\_  
H. Stephen Ott, Metro Council Clerk

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

By: \_\_\_\_\_  
Nicholas Lococo, an Assistant County Attorney  
And Attorney for Louisville/Jefferson County  
Metropolitan Government

BT14605.0598332 4824-9948-3173v3

**BOND PURCHASE AGREEMENT**

**\$ \_\_,000,000**

**LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT  
College Improvement Revenue and Revenue Refunding Bonds, Series 2015  
(Bellarmine University Incorporated Project) (the “Bonds”)**

\_\_\_\_\_, 2015

Louisville/Jefferson County Metro Government  
527 W. Jefferson Street  
Metro Hall, 4th Floor  
Louisville, Kentucky 40202  
Attention: Mayor

Bellarmine University Incorporated  
2001 Newburg Road  
Louisville, Kentucky 40205  
Attn: Vice President for Administration and Finance

Gentlemen:

The undersigned, J.J.B. Hilliard, W.L. Lyons, LLC (the “*Representative*”), on behalf of itself and Fifth Third Securities (collectively, the “*Underwriter*”), offers to enter into this Bond Purchase Agreement (this “*Agreement*” or “*Bond Purchase Agreement*”) with the Louisville/Jefferson County Metro Government, as issuer (the “*Issuer*”), which, upon the acceptance of this offer and the execution of this Agreement by Bellarmine University Incorporated, a Kentucky nonprofit corporation (the “*University*”), shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer, the University and the Underwriter. This offer is made subject to your acceptance on or before 11:00 a.m. on \_\_\_\_\_, 2015, Louisville, Kentucky time, and, if not so accepted, will be subject to withdrawal by the Representative upon written notice delivered to the Issuer and the University at any time prior to acceptance by both the Issuer and the University. The Underwriters have designated the Representative to act as their representative. Capitalized terms used herein and not otherwise defined shall have the meanings ascribed to them in the Indenture hereinafter defined.

**SECTION 1. PURCHASE OF BONDS.**

(A) Purchase of Bonds by Underwriter. Based upon the terms and conditions hereof, and upon the representations and warranties herein set forth, the Issuer hereby agrees to sell to the Underwriter, and the Underwriter, upon the basis of representations, warranties and covenants contained herein, agrees to purchase on \_\_\_\_\_, 2015, (the “*Closing Date*”) all, but not less than all, of the Bonds, for an aggregate purchase price of \_\_\_\_\_% of the aggregate principal amount of the Bonds.

(B) Undertaking of University to Assist Underwriting. The University covenants and agrees that it shall promptly furnish, or cause to be promptly furnished, to the Underwriter, upon the request of the Underwriter, such financial statements and other information concerning it (including such certificates, opinions of counsel and other support for such information) and the Project as the Underwriter reasonably determines is necessary or desirable. Prior to the actual settlement of the purchase of the Bonds, the University shall also immediately (and, in any event, prior to the Closing Date) notify the Underwriter in writing in reasonable detail of any event, condition, act or change known to the University relating to or affecting the Bonds, the University or the Project which does or may materially affect any information furnished or disclosed by the University to the Underwriter or the adequacy of any of such information (including, without limitation, any omissions from any of such information). The Underwriter is hereby authorized to furnish a copy of, or otherwise disclose, any financial statements of the University and any other information relating to the business, operations or financial or other condition of either of the University or the Project which may be furnished to it or come to its attention pursuant to this Agreement or otherwise, to any potential purchaser of any Bond or Bonds from the Underwriter.

(C) Sale of the Bonds. The Underwriter will pay on the Closing Date the amount of \$\_\_\_\_\_ for the Bonds representing the par amount of the Bonds of \$\_\_\_\_\_,000,000 less original issue discount of \$\_\_\_\_\_ less an Underwriter's discount of \$\_\_\_\_\_. In addition to such amounts, the University shall pay all reasonable fees and expenses incurred in connection with the issuance and sale of the Bonds and the preparation, execution, delivery and enforcement of any document that may be delivered in connection therewith, including, but not limited to, (i) all reasonable and customary fees and out-of-pocket expenses of Bond Counsel, counsel for the Underwriter, counsel for the Trustee, and counsel for the Issuer, (ii) all reasonable and customary fees and out-of-pocket expenses of the Issuer, including the Issuer's fee, and the Trustee, (iii) the cost of printing, photocopying and delivering the Bonds and the Official Statement, and (iv) all reasonable and customary Rating Agency fees. Subject to the preceding sentence, the fees and expenses described in the preceding sentence shall be paid by the University whether or not the Bonds are issued or sold. All fees and expenses described in this Section, to the extent they are reasonable, identifiable and billed, shall be paid on the Closing Date (as defined below), and the remainder shall be paid promptly upon receipt of statements therefor. The obligations of the University under this Section survive the issuance and maturity of the Bonds and any termination of this Agreement. Whether or not the sale of the Bonds by the Issuer to the Underwriter is consummated, the Underwriter shall be under no obligation to pay any costs or expenses incident to the performance of the obligations of the Issuer or the University hereunder.

## SECTION 2. THE BONDS.

(A) General. The Bonds are being issued by the Issuer on the Closing Date to finance a portion of the construction and renovation of certain facilities on the University's campus, to acquire major educational equipment, and to refund certain outstanding indebtedness described more fully on Exhibit A attached hereto and incorporated herein by reference (the "*Project*"). The Bonds shall mature on \_\_\_\_\_ 1, 20\_\_.



(B) Security for the Bonds. (i) The Bonds shall be issued under and will be equally and ratably secured by that certain Trust Indenture dated as of September 1, 2015 (as in effect from time to time, the "*Indenture*") by and between the Issuer and U.S. Bank National Association, as trustee (the "*Trustee*"), which grants the Trustee a pledge of and security interest in the revenues or other receipts, funds or moneys of the Issuer relating to the Bonds, including without limitation the loan repayments and other revenues payable by the University under that certain Loan Agreement dated as of September 1, 2015 as in effect from time to time (the "*Loan Agreement*") by and between the Issuer and the University.

(ii) As further security for the Bonds and in order to secure its obligations under the Loan Agreement, the University, as mortgagor and debtor, has entered into a Third Amendment to Open-End Mortgage of Real Property and Assignments of Rents and Profits of even date herewith (the "*Mortgage*") with the Trustee, as mortgagee and secured party.

(C) Financing Documents. The Bonds, the Indenture, the Loan Agreement, the Mortgage, the Tax Compliance Agreement, and this Agreement are hereinafter referred to as the "*Financing Documents*".

(D) Revenue Bonds Only. **THE BONDS ARE SPECIAL LIMITED OBLIGATIONS OF THE ISSUER PAYABLE SOLELY FROM THE TRUST ESTATE, THE BONDS AND THE INTEREST THEREON DO NOT REPRESENT OR CONSTITUTE A GENERAL OBLIGATION, DEBT OR BONDED INDEBTEDNESS OR A PLEDGE OF THE FAITH AND CREDIT OF THE ISSUER, THE COMMONWEALTH OF KENTUCKY (THE "STATE"), OR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATIONS. NEITHER THE ISSUER NOR THE STATE NOR ANY AGENCY OR POLITICAL SUBDIVISION OF THE STATE WILL BE OBLIGATED TO PAY THE PRINCIPAL OF OR PREMIUM, IF ANY, ON THE BONDS, THE INTEREST THEREON OR OTHER COSTS INCIDENT THERETO EXCEPT FROM REVENUES PLEDGED THEREFOR UNDER THE INDENTURE, ALL AS MORE FULLY SET FORTH IN THE INDENTURE.**

SECTION 3. PAYMENT. Payment for the Bonds shall be made by or on behalf of the Underwriter to the Trustee for the account of the Issuer in immediately available funds in the full principal amount of the Bonds.

SECTION 4. FEES AND EXPENSES. At the time of and as a condition to the payment by the purchaser(s) thereof of the purchase price for the Bonds and the delivery of the Bonds by the Issuer, the University shall pay on the Closing Date the following fees and expenses which will include, without limitation:

(A) the authentication and acceptance fees of the Trustee, including expenses for legal counsel;

(B) all expenses of printing the Bonds and of preparing and distributing the Official Statement (hereinafter defined);

(C) the fees and expenses of Frost Brown Todd LLC, as bond counsel ("*Bond Counsel*"), and as counsel to the University;

(D) the fees and expenses of Wyatt, Tarrant & Combs, LLP, as counsel to the Underwriter;

(E) the out-of-pocket expenses of the Underwriter incurred in connection with the initial purchase of the Bonds, including computer time, telecommunication costs and travel expenses;

(F) the fees and expenses of Blue Rose Capital Advisors, as financial advisor;

(G) an issuance fee payable to the Issuer for the issuance of the Bonds; and

(H) the fees and expenses of the Jefferson County Attorney, as counsel to the Issuer.

**SECTION 5. PURPOSE OF BOND ISSUANCE.** The Bonds are being issued by the Issuer in connection with the Project described in Section 2(A) above. Pursuant to the Loan Agreement, the Issuer will loan the proceeds of the Bonds to the University to defray costs of the Project. Proceeds of the Bonds will be made available to the University for such purpose pursuant to the terms of the Indenture and the Loan Agreement.

**SECTION 6. REPRESENTATIONS AND WARRANTIES OF THE ISSUER.** The Issuer represents and warrants to the Underwriter both as of the time of acceptance hereof and the time of the closing of the sale of the Bonds on the Closing Date (such event herein referred to as the "*Closing*") that the following statements set forth in this Section 6 are true and correct.

(A) Each of the representations of the Issuer contained in the Loan Agreement and the Indenture furnished to the Underwriter on or before the date hereof are true and correct in all material respects on and as of the Closing Date and are hereby made to the Underwriter as if set forth in this Agreement.

(B) The Issuer has duly authorized the issuance of the Bonds and the execution and delivery of, and the performance of its obligations under, this Agreement, the Loan Agreement, and the Indenture; this Agreement has been, and the other Issuer Documents (as hereinafter defined) will be, duly executed and delivered and, assuming the due authorization, execution and delivery by the other parties hereto, are valid, binding and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the creditors' rights generally and the application of general principles of equity; and the Bonds, when issued on the Closing Date, will be duly authorized, executed, issued and delivered by the Issuer, and will constitute legal, valid, binding limited special obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and the application of general principles of equity.

(C) To the knowledge of the Issuer, there is no action, suit or proceeding or investigation, at law or in equity, before or by any court, board or body or other governmental authority, pending or threatened against or affecting the Issuer, or any basis therefor, to restrain or enjoin the issuance or delivery of any of the Bonds or the collection, application or pledge of revenues pledged under the Indenture or contesting or affecting in any material respect the authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Indenture, the Loan Agreement, this Bond Purchase Agreement or any other document executed and delivered (or to be executed and delivered) in connection with the issuance of the Bonds and the other transactions contemplated hereby, to which the Issuer is or is to be a party (collectively, the "*Issuer Documents*"), or the power of the Issuer to execute and deliver such documents or to consummate the transactions contemplated therein or the existence or powers of the Issuer or the titles of its officers to their respective offices, or wherein an unfavorable decision, ruling or finding would adversely affect the transactions contemplated hereby and in the Indenture or the Loan Agreement, or which would in any material respect adversely affect the validity of the Bonds, the Indenture, the resolution adopted in connection with the issuance of the Bonds, the Loan Agreement, or this Bond Purchase Agreement, nor to the best knowledge and belief of the Issuer is there any basis therefor.

(D) The execution, delivery and performance by the Issuer of the Issuer Documents do not in any material respect violate any order, injunction, ruling or decree by which the Issuer is bound, and do not constitute a breach of or a default under any material agreement, indenture, mortgage, lease, note or other obligation, instrument or arrangement to which the Issuer is a party or by which the Issuer or any of its property is bound, or contravene or constitute a material violation of any federal or state constitutional or statutory provision, rule or regulation to which the Issuer or any of its property is subject, and no approval, consent or other action by, or filing or registration with, any governmental authority or agency is required in connection therewith that has not been obtained or accomplished or will not be obtained or accomplished by the Closing Date.

(E) As of the date of the Official Statement and as of the Closing Date, the information contained under the caption "THE ISSUER" and other information relating to the Issuer contained in the Official Statement or incorporated by reference therein or otherwise supplied in writing by the Issuer for inclusion therein does not and will not contain any untrue statement of a material fact and does not and will not omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Issuer has authorized the distribution of the Official Statement and approves of the use and distribution of the Official Statement by the Underwriter in connection with the underwriting of the Bonds.

(F) The Issuer will not take or omit to take any action, which action or omission would result in the inclusion of the interest on the Bonds in the gross income of the owners thereof for federal income tax purposes.

(G) The Issuer shall cooperate with the Underwriter, at the expense of the University, in taking all actions necessary for the qualification of the Bonds for sale (and the continuation of the effectiveness of such qualification so long as required for the distribution of the Bonds) and the determination of eligibility for investment of the Bonds under the laws of

such jurisdictions as the Underwriter may request; provided, however, that the Issuer will not be required to qualify as a foreign corporation or file a general consent to service of process in connection with any such qualification in any jurisdiction.

**(H) Notwithstanding the foregoing, the liability of the Issuer under any such representations, warranties and covenants for any breach or default by the Issuer thereof or thereunder shall be limited solely to the revenues and receipts derived from the Loan Agreement and security therefor. The Bonds do not represent or constitute a debt of the Issuer, the Commonwealth or any political subdivision thereof within the meaning of the provisions of the Constitution or statutes of the Commonwealth; and they do not constitute a pledge of the faith and credit of the Issuer or the Commonwealth or any political subdivision thereof, or grant to the owners or holders hereof any right to have the Issuer levy any taxes or appropriate any funds for the payment of principal of or purchase price, premium, if any, or interest on the Bonds.**

**SECTION 7. REPRESENTATIONS, WARRANTIES AND AGREEMENTS OF THE UNIVERSITY.** The University represents and warrants to, and agrees with, the Underwriter that:

(A) Each of the University's representations and warranties contained in the most recent drafts of the Loan Agreement furnished to the Underwriter will be true and correct on and as of the Closing Date and are hereby made to the Underwriter as if set forth herein.

(B) The University has taken all necessary action to authorize, execute and deliver this Bond Purchase Agreement, the Loan Agreement, the Note, the Mortgage, and all other documents executed and delivered (or to be executed and delivered) in connection with the issuance of the Bonds and the other transactions contemplated hereby to which the University is or is to be a party (collectively, the "*University Documents*"), and this Bond Purchase Agreement has been duly executed and delivered and constitutes, and the other University Documents when duly executed and delivered by the University, will constitute the legal, valid and binding obligations of the University enforceable in accordance with their respective terms except as the enforceability thereof may be limited by bankruptcy, insolvency or similar laws affecting the enforcement of creditors' rights generally and the application of general principles of equity.

(C) There is no action, suit, proceeding or inquiry, or, to the best knowledge and information of the University, any investigation, at law or in equity, or before or by any court, public board or body or other governmental authority, pending or, to the best knowledge and information of the University, threatened against or affecting the University wherein an unfavorable decision, ruling or finding could adversely affect the condition (financial or otherwise) of the University, or the transactions contemplated by this Bond Purchase Agreement or the Official Statement, or that in any manner raises any question concerning the legality, validity or enforceability of the University Documents, nor to the best knowledge and belief of the University is there any basis therefor.

(D) The execution, delivery and performance by the University of the University Documents are within the powers of the University and do not and will not conflict with or violate its articles of incorporation or bylaws or any order, injunction, ruling or decree by

which the University or its property is bound, and do not and will not constitute a breach of or default under any agreement, indenture, mortgage, lease, note or other obligation, instrument or arrangement to which the University is a party or by which the University or any of its property is bound, or contravene or constitute a violation of any federal or state constitutional or statutory provision, rule or regulation to which the University or any of its property is subject, the breach, default, contravention or violation of which could have a material adverse effect on the business or financial condition of the University, and no approval, consent or other action by, or filing or registration with, any governmental authority or agency is required in connection therewith that has not been obtained or accomplished or will not be obtained or accomplished by the Closing Date.

(E) As of the date of the Official Statement and as of the Closing Date, the information relating to the University and the Project contained or incorporated by reference in the Official Statement or otherwise supplied by the University in writing for inclusion therein, does not and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The University has authorized the execution and delivery of the Official Statement and approves of the use and distribution of the Official Statement by the Underwriter in connection with the sale of the Bonds.

(F) The University will not take or omit to take any action, which action or omission might in any way result in the inclusion of interest on the Bonds in the gross income of the owners thereof for federal income tax purposes.

(G) The University is not in default in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument under or subject to which any indebtedness or swap or other derivative obligation has been incurred and no event has occurred and is continuing that, with the lapse of time or the giving of notice or both, would constitute an event of default under any such instrument.

(H) The University agrees to make available to the Underwriter, without cost, sufficient copies of any relevant documents pertaining to the University, as the Underwriter may require from time to time for the prompt and efficient performance by the Underwriter of its obligations hereunder.

**SECTION 8. REPRESENTATIONS AND WARRANTIES OF THE UNDERWRITER.** The Underwriter hereby represents, warrants and covenants to the Issuer as follows:

(A) The Underwriter has neither requested nor received from (nor does the Underwriter expect to receive from or have reviewed by) the Issuer or any of its directors, officers, employees or agents any information with respect to the University, the Project or the security purported to be afforded by the Indenture, or otherwise;

(B) The Underwriter has not relied and does not rely on the findings made by the Issuer as required by the Act as constituting information with respect to the University,

the Project, the Bonds or any security purported to be afforded by the Indenture or otherwise; and

(C) Neither the Issuer nor any of its directors, officials, officers, employees or agents shall have any responsibility to the Underwriter for the completeness of the information obtained by the Underwriter from any source with respect to the University, or any other entity or person, their respective assets, businesses, circumstances, financial conditions and properties, or with respect to the Project or the Indenture, or, for the accuracy of such information; and the Underwriter acknowledges that, as between itself and the Issuer, the Underwriter assumes responsibility for obtaining such information and making such investigation as it deems necessary or desirable in connection with its decision to purchase the Bonds.

(D) **The Underwriter understands that the principal of, and premium (if any), and interest on, the Bonds are payable by the Issuer solely and only from the payments received under or with respect to the Trust Estate, and that the Bonds do not represent or constitute a debt of the Issuer, the Commonwealth or any political subdivision thereof within the meaning of the provisions of the Constitution or statutes of the Commonwealth; and they do not constitute a pledge of the faith and credit of the Issuer or the Commonwealth or any political subdivision thereof, or grant to the Underwriter any right to have the Issuer levy any taxes or appropriate any funds for the payment of principal of or purchase price, premium, if any, or interest on the Bonds.**

**SECTION 9. CLOSING.** On the terms and conditions set forth herein, the Underwriter shall purchase the Bonds and the Issuer shall sell and deliver the Bonds to the Underwriter. Closing shall be at the offices of Frost Brown Todd LLC, 400 West Market Street, 32<sup>nd</sup> Floor, Louisville, Kentucky not later than \_\_\_\_\_, 2015, at 10:00 a.m., prevailing local time. If requested, the Bonds shall be made available to the Underwriter for inspection and packaging at least twenty-four (24) hours prior to the closing.

The Bonds will be in registered form, will be registered in the name of Cede & Co., as nominee of The Depository Trust University ("*DTC*") under DTC's book-entry-only system. The Issuer and the Trustee have heretofore provided DTC with a letter of representations (the "*DTC Letter of Representations*"), in form satisfactory to DTC, relating to eligibility of the Bonds for deposit into the DTC book-entry-only system.

In the event that for any reason (other than the Underwriter's negligence or willful misconduct), the Issuer fails to deliver the Bonds as provided herein by 2:00 p.m. prevailing local time on the Closing Date, the University will pay to the Underwriter any losses resulting from the Underwriter being required to hold the Bonds prior to delivery to the ultimate purchasers thereof. The preceding sentence shall not be construed as a waiver of any conditions to the Underwriter's obligations under this Agreement or a waiver by the University of its claims or rights against another party to this transaction if its negligence, willful misconduct or wrongful act causes the University to make such a payment to the Underwriter.

**SECTION 10. CONDITIONS OF UNDERWRITER'S OBLIGATION.** The obligation of the Underwriter to purchase and pay for the Bonds shall be subject to the accuracy

of, and compliance with, the representations and warranties of the Issuer and the University contained herein, to the performance by the Issuer and the University of their respective obligations to be performed hereunder at and prior to the Closing Date, and to the following conditions:

(A) On and as of the Closing Date:

(i) The Indenture, the Loan Agreement, the Tax Compliance Agreement, the Mortgage and this Agreement shall be in full force and effect, this Agreement shall not have been amended, modified or supplemented (except as may have been agreed to in writing by the Underwriter), and the Indenture, the Tax Compliance Agreement, the Mortgage and the Loan Agreement shall have been duly authorized, executed and delivered in the respective forms heretofore approved by the Underwriter, except as otherwise approved by the Underwriter, *provided* that the acceptance of delivery of the Bonds by the Underwriter on the Closing Date shall be deemed to constitute such approval.

(ii) The Bonds shall have been duly authorized, executed and authenticated in accordance with the provisions of this Agreement, the Indenture, the Loan Agreement and the resolution of the Issuer described in clause (iv) below, and shall have been delivered through the facilities of DTC or its agent.

(iii) Each of the representations, warranties and covenants of the Issuer and the University contained herein and in the Indenture, the Loan Agreement, the Tax Compliance Agreement, and the Mortgage shall be true, complete and correct in all material respects as if then made.

(iv) The Issuer shall have duly adopted, and there shall be in full force and effect, such resolution (the "*Resolution*") as shall be necessary to consummate the transactions contemplated by this Agreement.

(v) The University shall have provided, or cause to be provided, to the Underwriter by \_\_\_\_\_, 2015 copies of the Official Statement in the quantities reasonably requested by the Underwriter.

(vi) No order, decree or injunction of any court of competent jurisdiction shall have been issued, or proceedings therefor shall have been commenced, nor shall any order, ruling, regulation or official statement by any governmental official, body or board have been issued, nor shall any legislation have been enacted, with the purpose or effect of prohibiting or limiting the issuance, offering or sale of the Bonds, as contemplated herein or in the Official Statement, or the performance of the Indenture, the Loan Agreement, the Tax Compliance Agreement, or the Mortgage in accordance with their respective terms.

(B) On the Closing Date, the Underwriter shall receive executed or counterpart copies of the following documents, certificates, opinions and letters, in form and substance satisfactory to the Underwriter and its counsel:

(i) Executed copies of the Indenture, the Tax Compliance Agreement, the Loan Agreement and the Mortgage; and a certified copy of the Resolution pursuant to which the issuance of the Bonds was authorized and all proceedings of the Issuer relating thereto.

(ii) Opinions, dated the Closing Date, of: (A) Frost Brown Todd LLC, Bond Counsel, which addresses the matters set forth in Exhibit B-1 and B-2 attached hereto (together with such reliance letters as requested by the Underwriter, the Trustee and the University); (B) Nicholas Lococo, Esq., attorney for the Issuer, which addresses the matters set forth in Exhibit C attached hereto (together with such reliance letters as requested by the Underwriter, the Trustee and the University); (C) Frost Brown Todd LLC, counsel to the University, which address the matters set forth in Exhibit D attached hereto (together with such reliance letters as requested by the Underwriter, the Trustee and the University) and (D) Wyatt, Tarrant & Combs LLP, counsel to the Underwriter which addresses the matters set forth in Exhibit E attached hereto.

(iii) A certificate of the Issuer, signed by an authorized officer of the Issuer satisfactory to the Underwriter, dated the Closing Date, to the effect that to the actual knowledge of that officer, each of the representations of the Issuer set forth herein is true, accurate and complete in all material respects at and as of the Closing Date and that each of the obligations of the Issuer hereunder to be performed at or prior to the Closing Date has been performed.

(iv) A certificate, dated the Closing Date, signed by an authorized officer of the University satisfactory to the Underwriter, to the effect that: (a) the representations and warranties of the University set forth herein are true, accurate and complete in all material respects at and as of the Closing Date, (b) the obligations of the University under this Agreement to be performed at or prior to the Closing Date have been performed, and (c) since the most recent dates as of which information is given in the Official Statement, as it may have been amended or supplemented (including amendments or supplements resulting from the filing of documents incorporated by reference) and up to the Closing Date, there has been no material adverse change in the business, properties or financial condition of the University and its subsidiaries taken as a whole, except as reflected in or contemplated by the Official Statement, as it may have been so amended or supplemented.

(v) A certificate of one or more duly authorized officers of the Trustee, dated the Closing Date, as to the due acceptance of the Indenture by the Trustee and the due authentication and delivery of the Bonds by the Trustee thereunder and as to payment for the Bonds.

(vi) An executed copy of IRS Form 8038 to be filed with the Internal Revenue Service in connection with the Bonds.

(vii) Such additional documentation and opinions of counsel as Bond Counsel or the Underwriter or its counsel may reasonably request the Issuer, the Trustee, or the University to furnish them in order to evidence compliance with applicable law, the validity of any document executed by any of them, the accuracy or completeness of any information in the Official Statement, respectively, in connection with the issuance of the Bonds.

In case any of the conditions specified above in this Section 10 shall not have



been fulfilled, or if the obligations of the Underwriter are terminated by the Underwriter for any reason permitted by this Agreement, this Agreement may be terminated by the Underwriter upon written notice thereof to the Issuer and the University. Any such termination shall be without liability of any party to any other party; except that the obligations to pay fees and expenses as provided in Section 1 hereof shall continue in full force and effect to the extent set forth therein. The Underwriter may, in its discretion, waive any one or more of the conditions imposed by this Agreement and proceed with the purchase of the Bonds on the Closing Date.

**SECTION 11. UNDERWRITER'S RIGHT TO CANCEL.** The Underwriter shall have the right to cancel its obligation to purchase and accept delivery of the Bonds hereunder by notifying the Issuer and the University in writing, or by telecopy, of its election to do so between the date hereof and the Closing Date if, on or after the date hereof and on or prior to the Closing Date:

(A) legislation shall be enacted or be actively considered for enactment by the Congress, or recommended to the Congress for passage by the President of the United States of America, or favorably reported for passage to either chamber of the Congress by a committee of such chamber to which such legislation has been referred for consideration, a decision by a court of the United States of America or the United States Tax Court shall be rendered, or a ruling, regulation or official statement (including a press release) by or on behalf of the Treasury Department of the United States of America, the Internal Revenue Service or other governmental agency shall be made or proposed to be made with respect to federal taxation upon revenues or other income of the general character to be derived by the Issuer under the Indenture and the Loan Agreement or by any similar body, or upon interest on obligations of the general character of the Bonds, or other action or events shall have transpired which have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated in connection herewith, which, in the reasonable judgment of the Underwriter, materially and adversely affects the marketability of the Bonds or the market price generally of obligations of the general character of the Bonds; or

(B) legislation or an ordinance, rule or regulation shall have been enacted or favorably reported for passage by any governmental body, department or agency of the State, or any decision shall have been rendered by any court of competent jurisdiction in the State, which would materially and adversely affect or change the exemptions (if any) from State taxation of the Bonds or the interest thereon or the exemption (if any) from taxation in or by the State the revenues derived or income of the character to be derived by the Issuer under the Indenture or the Loan Agreement; or

(C) a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission shall be issued or made to the effect that the issuance, offering or sale of the Bonds or of obligations of the general character of the Bonds as contemplated hereby; or the Bonds are subject to registration or qualification under the Securities Act of 1933, as amended (the "*Securities Act*"), or the Indenture is required to be qualified under the Trust Indenture Act of 1939, as amended (the "*TIA*"), or either the Bonds or the Indenture is in violation of any applicable provision of either of such acts or other federal securities laws or applicable regulations promulgated thereunder; or

(D) any event shall have occurred or condition shall exist which, in the reasonable judgment of the Underwriter, either (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement, or (ii) is not reflected in the Official Statement and should be reflected therein in order to comply with any rulings or regulations of the Securities and Exchange Commission or other governmental agency or to make the statements and information contained therein not misleading in any material respect; or

(E) there shall have occurred any outbreak of hostilities or escalation thereof or other national or international calamity or crisis or a financial crisis, the effect of such outbreak, calamity or crisis on the financial markets of the United States of America being such as, in the reasonable opinion of the Underwriter, would affect materially and adversely the ability of the Underwriter to market the Bonds; or

(F) trading shall be suspended, or new or additional trading or loan restrictions shall be imposed by the New York Stock Exchange or other national securities exchange or governmental authority with respect to obligations of the general character of the Bonds or a general banking moratorium shall be declared by federal, State or New York authorities; or

(G) any litigation shall be instituted, pending or threatened to restrain or enjoin the issuance or sale of the Bonds or in any way protesting or affecting any authority for or the validity of the Bonds, the Indenture, the Loan Agreement, the Tax Compliance Agreement, the Mortgage or this Agreement or the existence or powers of the Issuer or the University; or

(H) there shall have occurred any material adverse change in the financial condition of the University and its subsidiaries taken as a whole; or

(I) any termination of this Agreement pursuant to this Section 11 shall be without liability of any party to any other party, except as described in Section 10 above.

## SECTION 12. INDEMNIFICATION.

(A) General Indemnity. The University agrees to indemnify and hold harmless the Underwriter (except with respect to (i) below) and the Issuer and any partner, member, officer, official, director, employee or agent of the Underwriter or the Issuer and each person, if any, who controls the Underwriter or the Issuer within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act (collectively, the "*Indemnified Party*") against any and all losses, costs, claims, damages, liabilities or expenses whatsoever which any of them may incur, become subject or suffer (including all such losses, costs, claims, damage, liabilities or expenses as a result of settlement or judgment which any of them may incur, become subject or suffer after obtaining the prior written approval of the University), and to reimburse each of them for any reasonable and customary legal fees or other out-of-pocket expenses (including, to the extent hereinafter provided, reasonable counsel fees and other costs of investigation) reasonably incurred by them in connection with investigating any such losses, claims, damages or liabilities or in connection with defending any actions (together hereinafter referred to as a "*Loss*" or "*Losses*"), insofar as such Losses arise out of or are based upon (i) the failure to register any security under the Securities Act

or to qualify the Indenture under the TIA in connection with the offering of the Bonds; (ii) any untrue statement or alleged untrue statement of a material fact (whether or not made with scienter) contained in the Official Statement, including any documents incorporated therein by reference, as amended or supplemented (if any amendments or supplements thereto, including documents incorporated by reference, shall have been furnished in accordance with the provisions of this Agreement), or the omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided* that the indemnity agreement contained in clause (ii) above of this Section 12 shall not apply to the Issuer on account of any such untrue statement or alleged untrue statement, or any such omission or alleged omission, under the caption "The Issuer" or "Appendix A" (solely as such latter two sections relate to the Issuer); or (iii) a breach of any of the representations included in this Agreement; and *provided further, however*, that the University shall not be liable to the Underwriter for any such Losses (A) if the person asserting the Loss purchased Bonds from the Underwriter, if delivery to such person of the Official Statement, as then amended or supplemented, would have been a valid defense to the action from which such Loss arose, and copies of an Official Statement, as then so amended or supplemented, were made available to the Underwriter and a copy was not delivered to such person by or on behalf of the Underwriter or (B) to the extent caused by the negligence, willful misconduct or bad faith of the person seeking indemnity (other than the Issuer).

(B) Notice of Claim. Each Indemnified Party agrees that, upon the receipt of notice of the commencement of any action against it, in respect of which indemnity may be sought on account of any indemnity agreement contained herein, it will promptly give written notice of the commencement thereof to the University, but the failure so to notify the University of any such action shall not relieve the University from any liability which it may have to the Indemnified Party otherwise than under this Section 12 unless such failure restricts or limits the University's ability to defend such action. In case such notice of any action shall be so given, the University shall be entitled to participate at its own expense in the defense or, if it elects, with the consent of each Indemnified Party, to assume (in conjunction with any other Indemnifying Party) the defense of such action, in which event such defense shall be conducted by counsel chosen by the University reasonably satisfactory to the Indemnified Party who shall be defendant or defendants in such action, and such defendant or defendants shall bear the fees and expense of any additional counsel retained by them; *provided*, that if the University shall elect not to assume the defense of such action, the University will reimburse such Indemnified Party for the reasonable and customary legal fees and out-of-pocket expenses of any counsel retained by such Indemnified Party; *provided*, further that, if the defendants in any such action include one or more of the Indemnified Party and the University, and counsel for any Indemnified Party shall have reasonably concluded that there may be a conflict of interest involved in the representation by such counsel of both the University and any one or more of the Indemnified Party, the Indemnified Party shall have the right to select separate counsel (subject to the approval of the University) to participate in the defense of such action on behalf of such Indemnified Party and the University shall be liable for the reasonable and customary expenses of separate counsel representing such Indemnified Party who is a party to such action, in addition to local counsel.

(C) Obligations Absolute. The agreements contained in this Section 12 shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of any Indemnified Party or any sale, delivery or payment of any Bonds.

(D) Payment Terms. All amounts payable pursuant to this Section 12 shall be payable by the University to the Indemnified Party upon demand.

(E) The obligations under this Section 12 shall remain operative and in force and effect regardless of any investigation made by or on behalf of the Issuer or the Underwriter, and shall survive the issuance and the maturity of the Bonds and any termination of this Agreement.

SECTION 13. SURVIVAL OF AGREEMENT. The respective agreements, representations and warranties and other statements of the Issuer and the University set forth in, or made pursuant to, this Agreement shall remain in full force and effect regardless of any investigations, or statement as to the results thereof, made by or on behalf of the Underwriter or any of its directors, officers, partners, members, agents or employees or any controlling person, and shall survive delivery of and any payment for the Bonds.

SECTION 14. NOTICES. Any notice or other communication to be given to the Issuer and the University under this Agreement may be given by delivering the same in writing at the address of such party set forth herein, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to J.J.B. Hilliard, W.L. Lyons, LLC, 500 West Jefferson Street, Suite 700, Louisville, Kentucky 40202, Attention: Chip Sutherland.

SECTION 15. BENEFIT. Except as expressly set forth herein, this Agreement is made solely for the benefit of the parties hereto (including the successors or assigns of the Underwriter, the Issuer and the University), and no other person shall acquire or have any right hereunder or by virtue hereof.

SECTION 16. APPLICABLE LAW; JURISDICTION. The construction and enforcement of this Agreement shall be governed by the laws of the Commonwealth of Kentucky. The parties hereto consent to the jurisdiction of any state or federal court located in the Commonwealth of Kentucky for the resolution of any claim or controversy arising directly or indirectly from this Agreement.

SECTION 17. NO RECOURSE; SPECIAL OBLIGATION. The obligations and agreements of the Issuer contained herein and in the other Financing Documents and any other instrument or document executed in connection therewith or herewith, and any other instrument or document supplemental thereto or hereto, shall be deemed the obligations and agreements of the Issuer, and not of any elected or appointed official, directors, officer, agent or employee of the Issuer in his or her individual capacity, and the elected or appointed officials, directors, officers, agents and employees of the Issuer shall not be liable personally hereon or thereon or be subject to any personal liability or accountability based upon or in respect hereof or thereof or of any transaction contemplated hereby or thereby. The obligations and agreements of the Issuer contained herein and therein shall not constitute or give rise to an obligation of the Issuer, the

Commonwealth of Kentucky or any agency or political subdivision thereof, and neither the Issuer, the Commonwealth of Kentucky or any agency or political subdivision thereof, shall be liable hereon or thereon, and, further, such obligations and agreements shall not constitute or give rise to a general obligation of the Issuer, but rather shall constitute limited, special obligations of the Issuer payable solely from the revenues of the Issuer derived, and to be derived, from the University, payments made under other collateral pledged as security therefor.

SECTION 18. UNDERWRITER'S LIABILITIES. The Underwriter shall incur no liability to the University, the Issuer or any other Person by its actions as Underwriter, except for its negligence or willful misconduct.

SECTION 19. COUNTERPARTS; SEALED INSTRUMENT. This Agreement may be signed in any number of counterparts, each of which shall be an original, with the same effect as if the signatures thereto and hereto were upon the same instrument. The section headings of this Agreement are for convenience of reference only and shall not affect its interpretation. This Agreement shall become effective upon acceptance hereof and shall be deemed to be a sealed instrument.

[Remainder of this Page Left Blank Intentionally]

Very truly Yours,

**J.J.B. HILLIARD, W.L. LYONS, LLC, as  
Representative**

By: \_\_\_\_\_  
Name: Chip Sutherland  
Title: Senior Vice President

Accepted and agreed to as of \_\_\_\_\_, 2015

**BELLARMINE UNIVERSITY  
INCORPORATED**

By: \_\_\_\_\_  
Vice President for Administration and Finance

**LOUISVILLE/JEFFERSON COUNTY METRO  
GOVERNMENT**

By: \_\_\_\_\_  
Greg Fischer, Mayor

**APPROVED AS TO FORM AND LEGALITY:**

Michael J. O'Connell  
Jefferson County Attorney

By: \_\_\_\_\_  
Nicholas Lococo, an Assistant County Attorney  
And Attorney for Louisville/Jefferson County Metro Government

## EXHIBIT A

### Description of Project

The proceeds of the Bonds are expected to finance (i) to finance or reimburse the Borrower for a portion of the costs of the following: (a) the first phase of construction of Centro Building, a three-story structure approximately 46,265 square feet in size, located in front of existing Horrigan Hall; (b) a major renovation of Horrigan Hall, involving the complete gutting and renovating of the ground floor, improvements to the existing lobby on all three floors, the addition of a new elevator and sprinkler system and the upgrading of the electric service & HVAC system on all three floors; (c) the renovation of the first floor of the W.L. Lyons Brown Library, including lighting, technology, flooring, and furnishing upgrades and (d) the acquisition of other major educational equipment, all located at Bellarmine University, 2001 Newburg Road, Louisville, Kentucky 40205 (the foregoing, collectively, the "Project"); (ii) to currently refund a portion or all of (a) the City of Audubon Park, Kentucky College Improvement Revenue Bonds, Series 2011 (Bellarmine University Project), issued in the amount of \$6,000,000, (b) the City of Shively, Kentucky College Improvement Revenue Bonds, Series 2011 (Bellarmine University Project), issued in the amount of \$7,100,000 (collectively, the "Series 2011 Bonds"), and (c) the City of Audubon Park, Kentucky College Revenue Refunding Bonds, Series 2012 (Bellarmine University Project), issued in the amount of \$7,910,000, and (d) the City of Shively, Kentucky College Revenue Refunding Bonds, Series 2012 (Bellarmine University Project), issued in the amount of \$5,160,000 (collectively, the "Series 2012 Bonds" and, with the Series 2011 Bonds, the "Prior Bonds"), and (iii) to pay costs of issuance (collectively the "Project").

### **MATURITY SCHEDULE AND TERMS OF THE SERIES 2015 BONDS**

<u>Maturity</u> <u>(May 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Yield</u>
-----------------------------------	-------------------------	----------------------	--------------	--------------

## MANDATORY SINKING FUND REDEMPTION

The Series 2015 Bonds maturing on May 1, 20\_\_ are subject to mandatory sinking fund redemption on each May 1 in the years and amounts set forth below at a redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be so redeemed plus accrued interest thereon to the redemption date and without premium:

Series 2015 Bonds maturing May 1, 20\_\_

<u>DATE</u> <u>(MAY 1)</u>	<u>AMOUNT OF BOND</u> <u>SINKING FUND</u> <u>REQUIREMENT</u>
-------------------------------	--

---

\*Final Maturity

The Series 2015 Bonds maturing on May 1, 20\_\_ are subject to mandatory sinking fund redemption on each May 1 in the years and amounts set forth below at a redemption price equal to 100% of the principal amount of the Series 2015 Bonds to be so redeemed plus accrued interest thereon to the redemption date and without premium:

Series 2015 Bonds maturing May 1, 20\_\_

<u>DATE</u> <u>(MAY 1)</u>	<u>AMOUNT OF BOND</u> <u>SINKING FUND</u> <u>REQUIREMENT</u>
-------------------------------	--

---

\*Final Maturity



## **Exhibit B-1**

### **Points to Be Covered in Opinion of Bond Counsel**

(Terms defined in the Bond Purchase Agreement  
are used herein with the same meanings)

1. The Issuer has the full power and authority under the Act to undertake the financing of certain costs of the Project, to execute, deliver and perform its obligations under the Loan Agreement and the Indenture, and to issue and sell the Bonds.

2. The Loan Agreement and the Indenture have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights.

3. The issuance and sale of the Bonds have been duly authorized by the Issuer. On the assumption as to execution and authentication stated in such opinion, the Bonds have been duly executed and delivered by the Issuer and are legal, valid and binding limited obligations of the Issuer entitled to the benefit and security of the Indenture, except as the rights created thereunder and enforcement thereof may be limited by bankruptcy, insolvency or other laws or equitable principles affecting the enforcement of creditors' rights.

4. Assuming the accuracy of the certifications of the Issuer and the University and their continuing compliance with the requirements of the Code, interest on the Bonds is excluded from gross income for purposes of federal income taxation under existing laws as enacted and construed on the date of such opinion. Interest on Bonds will be a preference item for purposes of determining individual and corporate federal alternative minimum tax. Also, interest on Bonds held by certain foreign corporations may be subject to the branch profits tax imposed by the Code.

5. Under the laws of the Commonwealth of Kentucky as enacted and construed on the date hereof, interest on the Bonds is excludable from gross income for federal income tax purposes and interest on the Bonds is exempt from Kentucky income tax and the Bonds are exempt from ad valorem taxation by the Commonwealth of Kentucky and all of its political subdivision and taxing authorities.

6. Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, individual recipients of Social Security or Railroad Retirement benefits, certain S corporations with "excess passive income" and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry the Bonds. No opinion need be expressed as to such collateral income tax consequences.

## **EXHIBIT B-2**

### **Points to be Covered in Supplemental Opinion of Bond Counsel**

(Terms defined in the Bond Purchase Agreement  
are used herein with the same meanings)

1. The descriptions and summaries in the Official Statement under the captions "The Bonds", "The Loan Agreement" and "The Indenture", insofar as the statements contained under such captions purport to summarize certain provisions of the Bonds, the Loan Agreement and the Indenture, are accurate and fairly present the information purported to be shown with respect thereto.

2. No registration of the Bonds with the Securities and Exchange Commission under the Securities Act need be made in connection with the offering, placement or sale of the Bonds, and qualification of the Indenture is not required under the Trust Indenture Act of 1939, as amended.

3. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Issuer.

4. Nothing has come to such counsel's attention which leads it to believe that the Official Statement (other than the appendices thereto and other financial or statistical data contained therein, about which no opinion is expressed) contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

## **EXHIBIT C**

### **Points to be Covered in Opinion of Issuer Counsel**

(Terms defined in the Bond Purchase Agreement  
are used herein with same meanings)

1. Under the Act, and by the Resolution, the Issuer has full power and authority to undertake the financing of the Project, to execute, deliver and perform its obligations under the Indenture, the Loan Agreement and the Bond Purchase Agreement and to issue and deliver the Bonds.

2. The Resolution has been duly adopted by the Issuer, complies in all respects with the procedural rules of the Issuer and the requirements of Kentucky law (including the Act) and remains in full force and effect on the date hereof.

3. The directors of the Issuer identified in the Issuer's General Certificate delivered at the closing for the issuance of the Bonds have been duly elected or appointed, and are qualified to serve as such. To the best of such counsel's knowledge, no director of the Issuer has any financial interest, direct or indirect, in the University or the Project or the financing thereof

4. The Indenture, the Loan Agreement, the Bond Purchase Agreement and the Bonds have been duly authorized, executed and delivered by the Issuer and, assuming due authorization, execution and delivery by the other parties thereto, constitute legal, valid and binding obligations of the Issuer enforceable in accordance with their respective terms, except as enforcement may be limited by general principles of equity, regardless of whether applied in a proceeding in equity or at law, or by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance or other similar laws affecting the enforcement of creditors' rights generally.

5. The execution, delivery and performance by the Issuer of the Indenture, the Loan Agreement and the Bond Purchase Agreement and the issuance and delivery of the Bonds will not violate or conflict with any provision of the Constitution of Kentucky or any applicable statute (including the Act), or any rule, order, regulation, judgment or decree of any court, agency or other governmental or administrative board or body to which the Issuer is subject, or conflict with or constitute a breach of or a default under any indenture, mortgage, deed of trust, agreement or other instrument to which the Issuer is a party or by which it is bound.

6. Except for any approval, consent or authorization required under the securities or blue sky laws of any jurisdiction in connection with the purchase and distribution of the Bonds, as to which no opinion is expressed, no additional or further approval, consent or authorization of any governmental or public agency or authority not already obtained is required by the Issuer in connection with the issuance or delivery of the Bonds or the entering into and

performance of its obligations under the Indenture, the Loan Agreement or the Bond Purchase Agreement.

7. To the knowledge of the Issuer, there is no action, suit, proceeding or investigation by or before any court, agency or other governmental or administrative board or body, pending or, to the best of such counsel's knowledge, threatened against the Issuer, challenging or contesting the powers of the Issuer, the authorization of any directors of the Issuer to act in their respective capacities, or the issuance of the Bonds, or in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Indenture, the Loan Agreement or the Bond Purchase Agreement, the performance by the Issuer of any of its obligations thereunder, or the issuance or delivery of the Bonds.

8. The information contained in the Official Statement under the caption "The Issuer" does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstance under which they are made, not misleading. Except as set forth in this paragraph, no opinion is expressed with respect to the adequacy or accuracy of the Official Statement or other information pertaining to the offering for sale of the Bonds.

## **EXHIBIT D-1**

### **Points to be Covered in Opinion of University Counsel**

(Terms defined in the Bond Purchase Agreement  
are used herein with the same meanings)

1. The University has been determined to be an organization that is exempt from federal income taxation under Section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), by virtue of being an organization described in Section 501(c)(3) of the Code, and is not a "private foundation" as defined in Section 590(a) of the Code. The University has conducted its operations and has made all necessary filings so as to maintain its status as an exempt organization and has done nothing to impair such status. The execution, delivery and performance by the University of the Loan Agreement will not adversely affect the University's status as an organization described in Section 501(c)(3) of the Code, nor will operation of the Project result in unrelated business income to the University.

2. The University is a nonprofit corporation duly organized and validly existing under the laws of the Commonwealth of Kentucky, is qualified to do business in the Commonwealth of Kentucky, and has full power and authority to execute and deliver the Loan Agreement, the Mortgage and the Bond Purchase Agreement and the other documents executed and delivered by the University in connection therewith and to undertake and perform its obligations thereunder.

3. The Loan Agreement, the Mortgage and the Bond Purchase Agreement have been duly executed and delivered by the University and constitute legal, valid and binding obligations of the University enforceable in accordance with their respective terms, except to the extent the enforceability thereof may be limited by bankruptcy, insolvency or other similar laws or equitable principles affecting the enforcement of creditors' rights generally and as rights to indemnity may be limited by applicable law.

4. The execution, delivery and performance of the Loan Agreement, the Mortgage and the Bond Purchase Agreement by the University will not violate or conflict with any provision of any statute or any rule, order, regulation, judgment or decree of any court, agency or other governmental or administrative board or body to which the University is subject, or conflict with or constitute a breach of or a default under any provision of any indenture, mortgage, deed of trust, agreement or other instrument to which the University is a party or by which the University or any of its properties is bound.

5. All licenses, consents, approvals or authorizations of any federal, state or local governmental authority required on the part of the University to be obtained in connection with the execution and delivery of the Loan Agreement, the Mortgage and the Bond Purchase Agreement, the performance by the University of its obligations thereunder and the University's consummation of the transactions contemplated thereby and by the Official Statement, have been duly obtained, and the University has complied with all applicable provisions of law requiring

any designation, declaration, filing, registration or qualification with any governmental authority in connection therewith.

6. There is no action, suit, proceeding, investigation or inquiry pending or, to the best of such counsel's knowledge, threatened against the University which might materially adversely affect the Project or the business or properties or financial condition of the University, or in which an unfavorable decision, ruling or finding would adversely affect the validity or enforceability of the Loan Agreement, the Mortgage or the Bond Purchase Agreement or any other document executed and delivered by the University in connection therewith, the performance by the University of any of its obligations thereunder, or the consummation of any of the transactions contemplated thereby or by the Official Statement. To the best of such counsel's knowledge, there is no existing material violation by the University of any applicable statute, rule, order or regulation of any governmental body which could materially and adversely affect the financial condition or operations of the University or the Project.

## **EXHIBIT E**

### **Points to be Covered in Opinion of Underwriter Counsel**

(Terms defined in the Bond Purchase Agreement  
are used herein with the same meanings)

1. The conditions in the Bond Purchase Agreement to the Underwriter's obligation to initially sell the Bonds have been satisfied or waived.
2. No registration with the Securities and Exchange Commission under the Securities Act need be made in connection with the issuance or sale of the Bonds, and the Indenture is not required to be qualified under the Trust Indenture Act of 1939, as amended.
3. We have not ourselves checked the accuracy or completeness of, or otherwise verified, the information furnished with respect to other matters in the Official Statement. We have generally reviewed and discussed with (i) certain officers and employees of, and counsel for, the Issuer and the University; and (ii) your representatives, the information furnished, whether or not subject to our check and verification. On the basis of such review and discussion, but without independent check or verification, except as stated, nothing has come to our attention which would lead us to believe that the Official Statement (other than the financial statements and other financial and statistical data set forth therein, as to which we have not been requested to express a belief) as of the Closing Date did or does contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

61373900.4