

ORDINANCE NO. 2023-006

AN ORDINANCE APPROVING A LEASE AGREEMENT FOR THE FINANCING OF A PROJECT; PROVIDING FOR THE PAYMENT AND SECURITY OF THE LEASE; CREATING A SINKING FUND; AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO THE LEASE

WHEREAS, the City of Franklin, Kentucky, a political subdivision of the Commonwealth of Kentucky (the “Lessee”), has the power, pursuant to Section 65.940 et seq. of the Kentucky Revised Statutes, to enter into lease agreements, with or without the option to purchase, in order to provide for the use of property for public purposes;

WHEREAS, the Board of Commissioners of the Lessee has previously determined, and hereby further determines, that the Lessee is in need of the Project, as defined in the Lease described herein;

WHEREAS, the Board of Commissioners has determined, and hereby determines, that it is in the best interests of the Lessee that the Lessee and the Kentucky Bond Corporation, a nonprofit corporation duly incorporated and existing under the laws of the Commonwealth of Kentucky (the “Lessor”), enter into a Lease Agreement (the “Lease”) for the leasing by the Lessee from the Lessor of the Project;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FRANKLIN, KENTUCKY, AS FOLLOWS:

Section 1. Recitals and Authorization. The Lessee hereby approves the Lease, in substantially the form presented to the Board of Commissioners. It is hereby found and determined that the Project identified in the Lease is public property to be used for public purposes. It is further determined that it is necessary and desirable and in the best interests of the Lessee to enter into the Lease for the purposes specified therein, and the execution and delivery of the Lease and all representations, certifications, and other matters contained in the Closing Memorandum with respect to the Lease, or as may be required by the Lessor prior to delivery of the Lease, are hereby approved, ratified, and confirmed. The Mayor and City Clerk of the Lessee are hereby authorized to execute the Lease, together with such other agreements or certifications which may be necessary to accomplish the transaction contemplated by the Lease.

Section 2. General Obligation Pledge. Pursuant to the Constitution and laws of the Commonwealth of Kentucky, particularly Section 66.011 et seq. of the Kentucky Revised Statutes, as amended (the “General Obligation Act”), the obligation of the Lessee created by the Lease shall constitute a full general obligation of the Lessee and, for the prompt payment of the Lease Rental Payments under and as defined in the Lease, the full faith, credit, and revenue of the Lessee are hereby pledged. During the period the Lease is outstanding, there shall be and there hereby is levied on all of the taxable property in the Lessee, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the Lease Rental Payments under the Lease as and when due, it being hereby found and determined that the current tax rates of the Lessee are within all applicable limitations. The tax shall be and is hereby ordered computed, certified, levied,

and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of the years are certified, extended, and collected. The tax shall be placed before and in preference to all other items and for the full amount thereof; provided, however, that in each year, to the extent that the other taxes of the Lessee are available for the payment of the Lease Rental Payments under the Lease and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the Lessee shall be reduced by the amount of such other taxes so available and appropriated.

There is hereby established with the Lessee a sinking fund (the "Sinking Fund"). The funds derived from the tax levy hereby required or other available taxes shall be placed in the Sinking Fund and, together with interest collected on the same, are irrevocably pledged for the payment of all bonds or other obligations issued under the General Obligation Act and all Tax-Supported Leases, as defined in the General Obligation Act, including the Lease authorized herein, as and when the same fall due. Amounts shall be transferred from the Sinking Fund to the Lessor at the times and in the amounts required by the Lease.

Section 3. Severability. If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 4. Open Meetings Law. The Board of Commissioners hereby finds and determines that all formal actions relating to the adoption of this Ordinance were taken in an open meeting of the Board of Commissioners, and that all deliberations of the Board of Commissioners and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with all applicable legal requirements.

Section 5. Conflicts. All resolutions, ordinances, orders, or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.

Section 6. Effective Date. This Ordinance shall take effect from and after its passage and publication of a summary thereof, as provided by law.

[Signature page to follow]

SIGNATURE PAGE TO ORDINANCE No. 2023-006

January 9, 2023

FIRST READING

January 23, 2023

SECOND READING

At a meeting of the City Commission of the City of Franklin, Kentucky, held on January 23, 2023, on motion made by Commissioner Williams and seconded by Commissioner McCreary, the foregoing ordinance was adopted, after full discussion, by the following vote:

Absent LARRY DIXON, MAYOR

Yes JAMIE POWELL

Yes DALE McCREARY

Yes WENDELL STEWART

Yes HERBERT WILLIAMS

APPROVED BY:

Larry Dixon, Mayor
Larry Dixon, Mayor

ATTEST:

Cathy Dillard
Cathy Dillard, City Clerk

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Franklin, Kentucky and as such City Clerk, I further certify that the foregoing is a true, correct, and complete copy of an Ordinance, as appears to me in the official records of the City of Franklin, Kentucky, duly adopted by the Board of Commissioners at a duly convened meeting held on January 23, 2023, signed by the Mayor and duly filed, recorded, and indexed in my office and now in full force and effect, and that all action taken in connection with such Ordinance was in compliance with the requirements of the laws of the Commonwealth of Kentucky, all as appears from the official records of said governing body in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand this January 23, 2023.

Cathy Dillard
Cathy Dillard, City Clerk

GENERAL OBLIGATION LEASE

LEASE AGREEMENT

KENTUCKY BOND CORPORATION

LESSEE: City of Franklin, Kentucky

LESSEE'S ADDRESS: 117 West Cedar Street
P.O. Box 2805
Franklin, Kentucky 42135

DATE OF LEASE: [Closing Date]

TERMINATION DATE: [Termination Date]

This Lease Agreement constitutes a Security Agreement and all right, title, and interest of the Lessor herein has been assigned to The Bank of New York Mellon Trust Company, N.A., as trustee under a Trust Indenture dated as of July 1, 2010 between it and the Lessor.

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LEASE AGREEMENT

THIS LEASE AGREEMENT, dated the date shown on the cover page hereof (together with any amendments hereto made in accordance herewith, this “Lease”), is entered into by and between the Kentucky Bond Corporation, a nonprofit corporation duly created and existing under the laws of the Commonwealth of Kentucky (the “Commonwealth”), as the lessor hereunder (the “Lessor”), and the City of Franklin, Kentucky, a body politic and corporate validly existing under the constitution, statutes, and laws of the Commonwealth, as the lessee hereunder (the “Lessee”).

WITNESSETH:

WHEREAS, the Lessee has the power, pursuant to Section 65.940 et seq. of the Kentucky Revised Statutes (the “Governmental Leasing Act”), to enter into lease agreements, with or without the option to purchase, in order to provide for the use of property for public purposes;

WHEREAS, the Lessee has previously determined, and hereby further determines, that the Lessee is in need of the Project, as defined herein;

WHEREAS, the Lessee has previously determined, and hereby determines, that it is in the best interests of the Lessee (a) to enter into this Lease with the Lessor, whereby the Lessor will provide financing for the Project in accordance with the Governmental Leasing Act, and (b) to become a Participant in the Program, as defined herein;

WHEREAS, the execution and delivery of this Lease by the Lessee, and the observation and performance of its obligations hereunder, have been authorized, approved, and directed by the Board of Commissioners of the Lessee pursuant to an Ordinance duly adopted by the Board of Commissioners of the Lessee on January 23, 2023; and

WHEREAS, the Lessor desires to lease the Project to the Lessee, and the Lessee desires to lease the Project from the Lessor, pursuant to the terms and conditions and for the purposes set forth herein;

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

Section 1. Definitions. All words and phrases will have the meanings specified below, unless the context clearly requires otherwise. Capitalized terms used but not defined herein will have the meanings assigned to them in the hereinafter described Indenture. References to Sections mean Sections of this Lease, unless otherwise indicated.

“Additional Rentals” means the aggregate of (a) any expenses (including attorney’s fees and expenses) of the Lessor and/or the Trustee in defending any action or proceeding related to this Lease or in enforcing the provisions of this Lease; (b) any taxes or other expenses, including, but not limited to, any licenses, permits, state and local sales and use taxes, ownership taxes, or property taxes and recording fees, and/or any other fees which the Lessor is expressly required to pay as a result of or in connection with this Lease; and (c) the Lessee’s Proportionate Share of any Administrative Expenses and Fiduciary Fees, to the extent the same are not included in and paid as Base Rentals hereunder.

“Administrative Expenses” means the fees and expenses incurred by the Lessor in administering the Program pursuant to the Indenture.

“Base Rentals” means the sum of the principal component and the interest component of Lease Rental Payments payable by the Lessee hereunder, plus any other amounts set forth in Exhibit B attached hereto.

“Bond Counsel” means a nationally recognized bond counsel experienced in municipal finance, particularly in the issuance of bonds the interest on which is excluded from gross income pursuant to the Code.

“Bonds” mean the Bonds issued by the Lessor under the Indenture to fund this Lease.

“Code” means the Internal Revenue Code of 1986, as amended, and any United States Treasury Regulations proposed or in effect with respect thereto and applicable to the Bonds or the use of the proceeds thereof.

“Commonwealth” means the Commonwealth of Kentucky.

“Costs” means, with respect to the Project, all or any portion of the cost of (a) the acquisition, construction, installation, and equipping of the Project, including any land, buildings, structures, machinery, and equipment and any extensions, enlargements, additions, replacements, renovations, and improvements thereto; (b) finance charges; (c) engineering, financial, and legal services; (d) plans, specifications, studies, surveys, estimates of cost of revenue, administrative expenses, and expenses necessary or incidental to determining the feasibility or practicability of constructing the Project; and (e) such other expenses as the Lessor determines may be necessary or incidental to (i) the acquisition, construction, installation, and equipping of the Project, (ii) the financing of the acquisition, construction, installation, and equipping of the Project, including interest accrued during such acquisition, construction, installation, and equipping, and (iii) the placing of the Project in service.

“Debt Service Reserve Fund” means the fund by that name established and maintained by the Trustee under the Indenture as a reserve for the payment of principal of and interest on all bonds, including the Bonds, issued by the Lessor under the Indenture.

“Event of Default” means any event described in Section 26 hereof.

“Fiduciary Fees” means the contractual fees and expenses (including reasonable attorney’s fees and extraordinary fees and expenses) incurred by the Trustee under the terms of the Indenture.

“Indenture” means the General Trust Indenture dated as of July 1, 2010, by and between the Lessor and the Trustee, as amended and supplemented by all supplemental trust indentures executed from time to time thereunder, including the Series Indenture related to this Lease.

“Late Payment Rate” means the per annum rate, not to exceed 15% per annum, equal to 2% plus the greater of (a) the average interest rate on investments in the Debt Service Reserve Fund and (b) the rate used to determine the interest component of the Lease Rental Payments hereunder during the applicable period.

“Lease” means this Lease Agreement, dated [Closing Date], including all Exhibits attached hereto and any amendments or supplements hereto entered into in accordance with the provisions hereof, which, collectively, constitutes a Financing Agreement under the Indenture.

“Lease Rental Payments” means the sum of Base Rentals plus Additional Rentals set forth in Exhibit B attached hereto, which, collectively, constitute the total amount payable by the Lessee hereunder for and in consideration of the right to use and option to purchase the Project and which constitute Financing Payments under the Indenture.

“Lease Term” means the term of this Lease, as determined pursuant to Sections 5 and 6 hereof.

“Lessee” means the City of Franklin, Kentucky, a body politic and corporate validly existing under the laws of the Commonwealth.

“Lessor” means the Kentucky Bond Corporation, a nonprofit corporation duly incorporated and existing under the laws of the Commonwealth, or any successor thereto acting as lessor under this Lease.

“Optional Prepayment Price” means the amount determined by the Lessor and provided to the Trustee, which a Participant may, in its discretion, pay hereunder in order to prepay in full its Lease Rental Payments, which amount shall be equal to the unpaid principal component of Lease Rental Payments increased by the sum of (a) the amount of any due or past due Lease Rental Payments, together with interest on such past due Lease Rental Payments to the date of such prepayment in full; (b) the unpaid accrued interest on the outstanding principal component of the Lease Rental Payments to the next date on which the related Bonds can be redeemed; (c) an amount of Defeasance Obligations, as defined in the Indenture, which, together with the interest income thereon (as certified by the Program Administrator, Bond Counsel, or other entity satisfactory to the Trustee), will be sufficient to pay Lease Rental Payments, which would have been due hereunder if this Lease had not been prepaid, between the date of the prepayment and the date the prepayment will be used to redeem Bonds; (d) any additional Lease Rental Payments to the extent known or determinable at the time the prepayment is made through the date that the prepayment will be used to redeem Bonds; and (e) an amount equal to the premium, if any, payable on any Bonds to be redeemed on account of the payment of such Optional Prepayment Price. A Lease may not be prepaid if, for any reason, the Optional Prepayment Price cannot be calculated.

“Ordinance” means the ordinance, in substantially the form set forth in Exhibit C attached hereto, adopted by the Board of Commissioners of the Lessee, authorizing the Lessee to execute and deliver this Lease and to perform its obligations hereunder.

“Participant” means any agency or unit of government within the Commonwealth now having or hereafter granted the authority and power to finance, acquire, construct, install, equip, and operate public projects, including, but not limited to, incorporated cities, counties, public authorities, sanitation districts, water districts, sewer construction districts, metropolitan sewer districts, sanitation taxing districts, and any other agencies, commissions, districts, or authorities (either acting alone or together with another such agency or governmental unit under any regional

or area compact or multi-municipal agreement), now or hereafter established pursuant to the laws of the Commonwealth having and possessing such powers, including the Lessee.

“Participant Disbursement Account” means the account by that name established for the Lessee by the Trustee under the Indenture for the purpose of paying or reimbursing the Lessee for the Costs of the Project.

“Program” means the Kentucky League of Cities Interlocal Finance Program established to provide for the funding, financing, or refinancing of various public projects at the lowest possible cost for Participants.

“Program Administrator” means the Kentucky League of Cities, a nonprofit corporation duly organized and validly existing under the laws of the Commonwealth, or such other entity or unincorporated association as may be appointed in accordance with the Indenture to administer the Program and perform the duties and obligations of Program Administrator under the Indenture.

“Project” means the property used or to be used for a public purpose, the Costs of which are financed, refinanced, or reimbursed hereunder, as more particularly described in Exhibit A attached hereto.

“Proportionate Share” means, as of the date of calculation, a fraction, the numerator of which is the unpaid principal component of Base Rentals hereunder, and the denominator of which is the sum of the unpaid principal component under all Financing Agreements related to the Bonds.

“Series Indenture” means the Series Trust Indenture, 2023 First Series A dated as of [Series Indenture Date], entered into by and between the Lessor and the Trustee, under and in accordance with the terms of the Indenture, authorizing the issuance by the Lessor of the Bonds related to this Lease.

“Sinking Fund” means the account by that name established by the Lessee pursuant to the Ordinance.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., a national banking association, in its capacity as trustee under the Indenture, and any successor trustee appointed as trustee under and in accordance with the terms and conditions of the Indenture.

Section 2. Representations, Covenants, and Warranties of the Lessee. The Lessee hereby represents, covenants, and warrants that (a) it is a body politic and corporate validly existing under the laws of the Commonwealth; (b) it has full power and authority to enter into and to perform its obligations under this Lease and all related documents; (c) it has duly authorized the execution and delivery of this Lease and all related documents; (d) this Lease and all related documents are valid, legal, and binding obligations of the Lessee, enforceable against the Lessee in accordance with their respective terms; (e) the execution and delivery of this Lease and all related documents does not (i) conflict with or result in a breach of the terms of any agreement or instrument by which the Lessee is bound or (ii) conflict with or result in a violation of any provision of any law or regulation applicable to the Lessee; (f) there is no action, suit, proceeding, or investigation before or by any court or public body wherein an unfavorable decision would materially and adversely affect the transactions contemplated by this Lease; (g) it will not take or

permit, or omit to take or cause to be taken, any action that would adversely affect the exclusion of the designated interest component of Lease Rental Payments from gross income for federal income tax purposes; (h) the Project furthers the governmental purposes of the Lessee, serves a public purpose, and is in the best interests of the Lessee; (i) at the time of execution and delivery of the Lease, the Lessee intends to annually appropriate the Lease Rental Payments due hereunder; and (j) at all times during the Lease Term, the Project will be used only for the purpose of performing one or more lawful governmental functions of the Lessee.

The Lessee acknowledges that it has requested that the Lessor act on its behalf to issue the Bonds and that this Lease is being funded with the proceeds of bonds which may require the Lessee to comply with certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"). Accordingly, the Lessee hereby covenants and agrees that it will not take or omit to take any actions that conflict with the requirements of the Code that are applicable to the Bonds.

Section 3. Representations, Covenants, and Warranties of Lessor. The Lessor hereby represents, covenants, and warrants that (a) it is a nonprofit corporation duly created and validly existing under the laws of the Commonwealth; (b) it has all necessary power and authority to enter into and to perform its obligations under this Lease and all related documents; (c) it has duly authorized the execution and delivery of this Lease and all other related documents; (d) the execution and delivery of this Lease does not (i) conflict with or result in a breach of the terms of any agreement or instrument by which the Lessor is bound or (ii) conflict with or result in a violation of any provision of any law or regulation applicable to the Lessor; and (e) there is no litigation or proceeding pending or threatened against the Lessor or any other person affecting the right of the Lessor to execute or deliver this Lease or to comply with its obligations hereunder.

Section 4. Demising Clause; Title; Security Interest. The Lessor hereby leases the Project to the Lessee, and the Lessee hereby leases the Project from the Lessor, in accordance with the provisions of this Lease, to have and to hold for duration of the Lease Term. The Lessee will take possession of the Project upon delivery thereof.

Legal title to the Project and all fixtures, appurtenances, and other permanent accessories thereto and all interests therein will be held by the Lessee, subject to Lessor's rights under this Lease. The Lessor and the Lessee agree that this Lease or any other appropriate documents may be filed or recorded to evidence the parties' respective interests in the Project and the Lease.

In order to secure all of its obligations hereunder, the Lessee hereby (a) grants to the Lessor a first and prior security interest in any and all right, title, and interest of the Lessee in the portions of the Project that constitute personal property and in all additions, attachments, accessions, and substitutions thereto and in any proceeds derived therefrom; (b) agrees that this Lease may be filed as a financing statement evidencing such security interest; and (c) agrees to execute and deliver all financing statements, certificates of title, and other instruments necessary or appropriate to evidence such security interest.

The Lessor's interest in the Project shall terminate upon (i) the exercise by the Lessee of the purchase option granted in Section 24 hereof, or (ii) the complete payment and performance by the Lessee of all of its obligations hereunder; provided, however, that title to the Project shall immediately, and without any action by the Lessee, vest in the Lessor and the Lessee shall immediately surrender possession of the Project to the Lessor upon (A) any termination of this

Lease without the Lessee exercising its purchase option pursuant to Section 24 hereof, or (B) the occurrence of an Event of Default described in Section 26 hereof. Upon the occurrence of an event described in clause (A) or (B) of this Section, the Lessee hereby agrees to execute such instruments and do such things as the Lessor reasonably requests and as may be required by law in order to effectuate the transfer of any and all of the Lessee's right, title, and interest in the Project, as is, to the Lessor. It is hereby acknowledged by the Lessor and the Lessee that the Lessee intends to purchase the Project pursuant to the terms set forth in this Lease.

Section 5. Duration of Lease Term. The Lease Term shall commence and terminate on the dates set forth on the cover page hereof, unless terminated on an earlier date as provided in Section 6 and Section 24 hereof.

Section 6. Termination of Lease Term. The Lease Term shall terminate upon the conveyance of the Project to the Lessee pursuant to Section 24 hereof.

Section 7. Enjoyment. The Lessor hereby covenants that the Lessee shall, during the Lease Term, peaceably and quietly have and hold and enjoy the Project without suit, trouble, or hindrance from the Lessor, except as expressly required or permitted by this Lease. Upon the request of the Lessee, the Lessor shall, at the sole expense of the Lessee, join and cooperate fully in any legal action regarding the Project, and the Lessee may, at its own expense, join in any legal action affecting the Project.

Section 8. Lease Rental Payments. The Lessee shall pay Base Rentals in the amounts and at the times shown on the Schedule of Lease Rental Payments set forth in Exhibit B attached hereto (the "Schedule of Lease Rental Payments"), as said Schedule of Lease Rental Payments is in effect on the first day of each fiscal year during the Lease Term.

The Lessee will pay Additional Rentals within fifteen days after a written request therefor is mailed to the Lessee by or on behalf of the Lessor.

Any Lease Rental Payment that is not paid within ten days of the date such payment is due shall bear interest thereon at the Late Payment Rate. Any amounts due pursuant to this paragraph will be deemed to be Additional Rentals due and payable when incurred and without further written demand therefor.

The Lessee agrees and acknowledges that (a) if the Lessee fails to make any part of a Lease Rental Payment when due, the Trustee is authorized under the Indenture to draw amounts from the Debt Service Reserve Fund to cure such deficiency, and (b) if the Trustee draws on such account to cure deficiencies in the payment of Lease Rental Payments by the Lessee, the Schedule of Lease Rental Payments will be deemed automatically amended to (i) increase the principal component of Lease Rental Payments due on the next applicable payment dates (which monthly payment dates may be established if there are less than forty-eight remaining payment dates), so that the amount such draw has caused the amount remaining on deposit in the Debt Service Reserve Fund to be less than the Debt Service Reserve Requirement (as determined in accordance with the Indenture) is repaid no later than forty-eight months from the date of such draw and (ii) increase the interest component of Lease Rental Payments due on such dates on the unpaid amount so drawn at the rate per annum equal to the Late Payment Rate. Promptly following any such automatic amendment of the Schedule of Lease Rental Payments, the Lessor will mail the Lessee a revised Schedule of

Lease Rental Payments (identified by date or other means), by first class mail, postage prepaid; provided that any failure to mail such revised Schedule of Lease Rental Payments will not affect the obligation of the Lessee to make the revised Lease Rental Payments. Amounts drawn from the Debt Service Reserve Fund and applied to payment of all or any portion of Lease Rental Payments will satisfy such Lease Rental Payment to the extent so applied.

Each Lease Rental Payment will be applied first to the Base Rentals then due and payable, then to any Additional Rentals then due and payable.

This Lease will be deemed and construed to be a “net lease,” and the Lessee will pay absolutely net during the Lease Term, the Lease Rental Payments and all other payments required hereunder, free of any deductions, and without abatement, deduction, or set-off (other than credits against Lease Rental Payments expressly provided for in this Lease).

Notwithstanding anything herein to the contrary, the maximum amount of Base Rentals and Additional Rentals payable hereunder shall not exceed the principal component hereof, as set forth in Exhibit B attached hereto, plus an amount not to exceed 15% per annum of such principal component.

Section 9. Manner of Payment. Unless the Lessee has submitted to the Trustee a properly executed ACH Service Agreement in substantially the form set forth in Exhibit L hereto or has otherwise provided for the electronic transfer of payments, all Lease Rental Payments hereunder will be paid by check made payable and delivered to the Trustee. The obligation of the Lessee to pay the Lease Rental Payments hereunder and to perform and observe the covenants and conditions contained herein during the Lease Term will be absolute and unconditional, except as otherwise expressly provided in this Lease, and payment of the Lease Rental Payments may not be abated through (a) accident or unforeseen circumstances, (b) payment of this Lease from the Debt Service Reserve Fund, or (c) damage to, destruction of, or failure to complete the Project. The Lessee will not assert any right of set-off or counterclaim against its obligation to make such payments required hereunder. No action or inaction on the part of the Lessor (or any of its assigns) will affect the obligation of the Lessee to pay all Lease Rental Payments during the Lease Term.

Section 10. Expression of Lessee’s Need for the Project; Determination as to Useful Life. The Lessee hereby declares its current need for the Project and further determines and declares its expectations that the Project will (so long as it is subject to the terms hereof) adequately serve the needs for which it is being acquired throughout the Lease Term. The Lessee hereby determines and declares that, to the best of its knowledge, the period during which the Lessee has an option to purchase the Project (i.e., the maximum term of this Lease) does not exceed the useful life of the Project.

Section 11. General Obligation of Lessee. The obligation of the Lessee created by this Lease shall be a full general obligation of the Lessee and, for the payment of the Lease Rental Payments, the full faith, credit, and revenue of the Lessee are hereby pledged for the prompt payment thereof. During the period of the Lease is outstanding, there shall be levied on all taxable property in the Lessee, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the Lease Rental Payments as and when due; provided, however, that in each year, to the extent that the other taxes of the Lessee are available for the payment of the Lease Rental Payments and are appropriated for such purpose, the amount of such

direct tax upon all of the taxable property in the Lessee shall be reduced by the amount of such other taxes so available and appropriated. As provided in the Ordinance, the funds derived from the tax levy hereby required or other available taxes shall be placed in the Sinking Fund of the Lessee and, together with interest collected on the same, are irrevocably pledged for the payment of all bonds, bond anticipation notes, or other obligations issued under Chapter 66 of the Kentucky Revised Statutes and all Tax-Supported Leases, as defined in Chapter 66 of the Kentucky Revised Statutes, including the Lease Rental Payments, as and when the same fall due. Amounts shall be paid from the Sinking Fund to the Lessor at the times and in the amounts set forth in Exhibit B attached hereto

Section 12. Agreement to Acquire, Construct, Install, and Equip the Project and Lease to the Lessee. The Lessee, as the agent of the Lessor, shall provide for the completion of the acquisition, construction, installation, and equipping of the Project by the Lessee. The Lessee agrees that it will, on behalf of the Lessor, do all things which may be necessary or proper for the acquisition, construction, installation, and equipping of the Project. So long as this Lease is in full force and effect, the Lessee shall have full power to carry out the acts and agreements provided in this Section, and such power is granted and conferred under this Lease to the Lessee, is accepted by the Lessee, and shall not be terminated or restricted by any act of the Lessor or the Trustee, except as provided in this Section. All contracts relating to the Project are hereby assigned to the Lessor.

Section 13. Disbursements from the Lessee's Participant Disbursement Account. As long as no Event of Default has occurred and the Lessee's right to control the acquisition, construction, installation, and equipping of the Project has not otherwise been terminated, the Trustee may make disbursements from the Lessee's Participant Disbursement Account to pay or reimburse the Lessee for the Costs of the Project; provided, however, that before any such disbursement may be made, the Lessee must provide to the Lessor for approval, and thereafter to the Trustee, a request for disbursement in substantially the form set forth in Exhibit G hereto.

If an Event of Default occurs prior to the completion of the Project or if the right of the Lessee to control the acquisition, construction, installation, and equipping of the Project has been otherwise terminated, any amounts on deposit in the Lessee's Participant Disbursement Account may be utilized by the Lessor to complete the Project.

Section 14. Risk of Loss; Damage; Destruction. The Lessee assumes all risk of loss or damage to the Project from any and all causes whatsoever. No loss of, damage to, appropriation by governmental authorities of, defect in, or unfitness or obsolescence of the Project will relieve the Lessee from the performance of its obligations hereunder. The Lessee shall promptly repair or replace any portions of the Project that are lost, destroyed, damaged, or appropriated and that are necessary to maintain the Project in sound operating condition, so that the Project will be able to carry out its intended functions at all times during the Lease Term.

The net proceeds of any insurance policies, performance bonds, or condemnation awards or any net proceeds received as a consequence of default or breach of warranty under a construction contract or other contract relating to the Project will be deposited in the Lessee's Participant Disbursement Account, if received before the completion of the Project, or, if received thereafter, will be deposited in a separate trust fund held by the Trustee and will be applied in the same manner

described in Section 13 hereof. The balance of any such net proceeds remaining after any required repair, restoration, modification, improvement, or replacement of the Project has been completed will be applied to satisfy the payment of Lease Rental Payments hereunder.

Section 15. Disclaimer of Warranties. THE LESSOR, THE TRUSTEE, AND THE OWNERS OF THE BONDS MAKE NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR FITNESS FOR USE OF THE PROJECT OR ANY PORTION THEREOF OR ANY OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE PROJECT OR ANY PORTION THEREOF.

Section 16. Financial Reports; Notice. The Lessee shall provide the Lessor with a copy of the Lessee's annual audited financial report within thirty days of its receipt by the Lessee. If the Lessee's audited financial report for any fiscal year is not available within 180 days of the end of such fiscal year, the Lessee shall provide the Lessor with an unaudited financial report for such fiscal year in form and substance satisfactory to Lessor. In addition to the foregoing, the Lessee shall notify the Lessor and the Trustee immediately upon the occurrence of any Event of Default hereunder.

Section 17. Inspection and Lessee Reports. The Lessor, the Trustee, and their respective authorized representatives shall, at any time during normal business hours, have the right to enter the premises where the Project is located for the purpose of inspecting and examining the Project and its condition, use, and operation and the books and records of the Lessee relating thereto.

Section 18. Maintenance of the Project by the Lessee. The Lessee agrees that, at all times during the Lease Term, it will maintain, preserve, and keep the Project or cause the Project to be maintained, preserved, and kept, together with the appurtenances and every part and parcel thereof, in good repair, working order, and condition, ordinary wear and tear excepted, and that the Lessee will, from time to time, promptly make or cause to be made all necessary and proper repairs, except as otherwise provided in Section 14 hereof. The Lessor, the Trustee, and the Owners of the Bonds shall not have any responsibility with respect to any matter related to the maintenance of the Project or the making of any alterations, additions, improvements, replacements, or other modifications thereto.

Section 19. Modification of the Project; Installation of Equipment and Machinery of the Lessee. Following acquisition of the Project, the Lessee shall not make any alterations, additions, improvements, replacements, or other modifications to the Project that would have an adverse effect on either the nature of the Project or the functionality or value of the Project, unless such alterations, additions, improvements, replacements, or other modifications may be readily removed without causing any damage to the Project. Any alterations, additions, improvements, or other modifications to the Project which may not be readily removed without damaging the Project and any replacements of any portion of the Project shall be and be considered to constitute a part of the Project.

The Lessee may also install machinery, equipment, and other tangible property in or on the Project; provided that any machinery, equipment, and other tangible property which becomes permanently affixed to the Project will be subject to this Lease if the Lessor reasonably determines

that the Project would be damaged or impaired by the removal of such machinery, equipment, or other tangible property.

Section 20. Provisions Regarding Casualty, Property Damage, and Public Liability Insurance. The Lessee, at its sole expense, shall cause casualty and property damage insurance with a company or self-insurance fund acceptable to the Lessor to be carried and maintained with respect to the Project in an amount equal to (a) the aggregate principal component of Lease Rental Payments payable during the maximum term of this Lease, as set forth in Exhibit B attached hereto, or (b) the replacement cost (excluding foundations) of the Project, if less than such principal component. Any casualty and property damage insurance policy required by this Section shall name the Lessor and the Trustee as additional named insureds and shall be so written or endorsed as to make losses, if any, payable to the Trustee (for application as provided in Section 14 hereof).

The Lessee, at its sole expense, shall cause public liability insurance with a company or self-insurance fund acceptable to the Lessor to be carried and maintained with respect to the Project in such amount as is approved by the Lessor. Any public liability insurance policy required by this Section will name the Lessor and the Trustee as additional named insureds.

Section 21. No Encumbrance, Mortgage, or Pledge of Project. The Lessee shall not, directly or indirectly, create, incur, assume, or suffer to exist any mortgage, pledge, lien, charge, encumbrance, or claim on or with respect to the Project, unless specifically consented to in writing by the Lessor.

Section 22. Assignment by the Lessor. As security for the payment and performance by the Lessor of all of its obligations under the Indenture, including, particularly, the payment of the principal of, premium, if any, and interest on the Bonds, the Lessor has assigned to the Trustee, under and pursuant to the Indenture, all of the Lessor's right, title, and interest in, to, and under this Lease, including, but not limited to, the right to receive the Lease Rental Payments and other amounts due hereunder. The Lessee acknowledges and agrees that the Lessor's assignment of this Lease will entitle the Trustee to enforce any obligation of the Lessee hereunder and to exercise any remedy or right of the Lessor hereunder. The Lessee further acknowledges and agrees that, as provided in the Indenture, the function of the Lessor under this Lease may be performed by the Program Administrator (which may be a person or entity other than the Lessor) and its agents and representatives.

Section 23. Assignment and Subleasing by the Lessee. This Lease may not be assigned by the Lessee for any reason. The Project may be subleased by the Lessee, in whole or in part, but only with the prior written consent of the Lessor.

Section 24. Purchase Option. The Lessee may, in its sole discretion, prepay in full all Lease Rental Payments hereunder by paying to the Lessor the Optional Prepayment Price with respect to this Lease, which Optional Prepayment Price shall be used as provided in the Indenture. Upon payment of the Optional Prepayment Price by the Lessee, the Lessor will transfer and convey the Project to the Lessee pursuant to Section 4 hereof.

Section 25. Release and Indemnification Covenants. To the extent permitted by law, the Lessee shall and hereby agrees to indemnify and save the Lessor and the Trustee (each, an "Indemnitee") harmless against and from any and all claims, by or on behalf of any person, firm,

corporation, or other legal entity, and all liabilities, obligations, losses, and damages whatsoever, regardless of the cause thereof, and all expenses, penalties, and fees incurred in connection therewith (including counsel fees and expenses), arising from or as a result of the operation, ordering, ownership, acquisition, construction, use, condition, delivery, rejection, storage, return, or management of the Project during the Lease Term or the entering into of the Lease or any other document or instrument relating thereto (each, an “Indemnified Claim”), including, but not limited to: (a) any condition of the Project; (b) any act of negligence of the Lessee or of any of its agents, contractors, or employees or any violation of law by the Lessee or breach of any covenant or warranty by the Lessee hereunder; (c) any accident in connection therewith resulting in damage to property or injury or death to any person; and (d) the incurring of any cost or expense in connection with the acquisition of the Project in excess of the moneys available therefor in the Lessee’s Participant Disbursement Account. To the extent permitted by law, the Lessee will indemnify and save each Indemnitee harmless from any such Indemnified Claim, or in connection with any action or proceeding brought thereon, and upon notice from such Indemnitee, will defend or pay the cost of defending such Indemnitee in any such action or proceeding.

The indemnification arising under this Section will continue in full force and effect notwithstanding the full payment of all obligations under this Lease or the termination of this Lease for any reason.

Section 26. Events of Default. The following events will be considered “Events of Default” under this Lease and the term “Event of Default” or “Default” will mean, whenever it is used in this Lease, any one or more of the following events:

- (a) failure by the Lessee to pay any Lease Rental Payments at the times specified herein; and
- (b) failure by the Lessee to observe or perform any covenant, condition, or agreement on its part to be observed or performed, other than the failure referred to in subsection (a) of this Section, for a period of thirty days after written notice specifying such failure and requesting that it be remedied shall have been given to the Lessee by the Lessor, unless the Lessor agrees, in writing, to an extension of such time prior to its expiration.

Section 27. Remedies on Default. Whenever any Event of Default has occurred and is continuing hereunder, the Lessor may, without any further demand or notice, take one or any combination of the following remedial steps:

- (a) by appropriate court action, enforce the pledge set forth in Section 2 of the Ordinance and Section 11 of this Lease so that during the remaining Lease Term, there is levied on all the taxable property in the Lessee, in addition to all other taxes, without limitation as to the rate or amount, a direct tax annually in an amount sufficient to pay the Lease Rental Payments as and when due;
- (b) take legal title to and sell or re-lease the Project or any portion thereof; and
- (c) take whatever action at law or in equity may appear necessary or desirable (i) to enforce its rights in and to the Project under this Lease, including, without limitation, the right to take possession of the Project and the right to sell, re-lease, or otherwise dispose of the Project in accordance with applicable law, and/or (ii) to enforce performance by the

Lessee of the applicable covenants and agreements of the Lessee under this Lease, subject, however, to the limitations thereon contained in this Lease, and to recover damages for the breach thereof.

No remedy herein conferred upon or reserved to the Lessor is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder and every remedy now or hereafter existing at law or in equity. No delay or omission by the Lessor to exercise any right or power accruing upon any Default shall impair any such right or power, and any such right and power may be exercised by the Lessor from time to time and as often as may be deemed expedient. If any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

Following a final adjudication by a court of competent jurisdiction that an Event of Default has occurred hereunder, the Lessee shall remain liable for all covenants and obligations under this Lease and for all legal fees and other costs and expenses, including any court costs awarded by such court of competent jurisdiction, incurred by the Lessor with respect to the enforcement of any of the remedies under this Lease.

Section 28. Notices. All notices, certificates, requests, or other communications required to be given hereunder shall be in writing and mailed (postage prepaid, and certified or registered, with return receipt requested) or delivered (including delivery by courier service) as follows: (a) if to the Lessor, to the Kentucky Bond Corporation, 100 East Vine Street, Suite 800, Lexington, Kentucky 40507; (b) if to Trustee, to The Bank of New York Mellon Trust Company, N.A., 4965 U.S. Highway 42, Suite 1000, Louisville, Kentucky 40222, Attention: Corporate Trust Services; and (c) if to the Lessee, to the address shown on the cover page hereof. Any of the foregoing may, by notice given hereunder to each of the others, designate any further or different addresses to which subsequent notices, certificates, requests, or other communications will be sent hereunder. All notices, certificates, requests, and other communications sent pursuant to this Lease shall be effective when received (if given by mail) or when delivered (if given by delivery).

Section 29. Amendments, Changes, and Modifications. Except as provided in Section 8 hereof with respect to the Schedule of Lease Rental Payments set forth in Exhibit B hereto, this Lease may not be amended, changed, modified, or otherwise altered, nor may any provision hereof be waived, without the written consent of the Lessor and the Lessee.

Section 30. Third-Party Beneficiary. No person, other than a party hereto and the Trustee, shall have any right, remedy, or claim under or by reason of this Lease or otherwise be a third-party beneficiary of any rights, remedies, claims, or agreements hereunder.

Section 31. Lessee's Acknowledgment of the Bonds. The Lessee hereby acknowledges (a) that this Lease and the financing of the Project by the Lessor is a part of the Program and (b) that the Lease Rental Payments under this Lease, together with all lease rental payments under all other leases entered into by other Participants under the Program, are and will be applied (i) to pay the principal of, premium, if any, and interest on the Bonds and (ii) to pay all other costs and expenses of the Program. The Lessee hereby further acknowledges and consents to the assignment by the Lessor, pursuant to the Indenture and Section 22 hereof, to the Trustee, for the equal and

ratable benefit of the Owners of the Bonds, of all right, title, and interest of the Lessor in, to, and under this Lease.

Section 32. Miscellaneous. This Lease shall inure to the benefit of and shall be binding upon the Lessor and the Lessee and their respective successors and assigns, including, without limitation, security assigns. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Lease shall be governed by and construed in accordance with the laws of the Commonwealth. The captions and headings contained herein are for convenience of reference only and in no way shall define, limit, or describe the scope or intent of any provisions or sections of this Lease. If any provision of this Lease, other than (a) the requirement of the Lessee to pay Lease Rental Payments hereunder and (b) the requirements of the Lessor (i) to provide quiet enjoyment of the Project pursuant to Section 7 hereof and (ii) to convey the Project to the Lessee under the conditions set forth herein, is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision hereof.

[Signature page to follow]

SIGNATURE PAGE TO LEASE AGREEMENT

IN WITNESS WHEREOF, the Lessor has executed this Lease in its name and the Lessee has caused this Lease to be executed in its name and attested by the duly authorized officers thereof, all as of the date first above written.

KENTUCKY BOND CORPORATION

By: _____
Secretary

CITY OF FRANKLIN, KENTUCKY

By: _____
Mayor

Attest:

By: _____
City Clerk

EXHIBIT A

DESCRIPTION OF PROJECT

ESTIMATED COST OF THE PROJECT \$[4,000,000.00]

ESTIMATED DATE OF COMPLETION
OF THE PROJECT: December 31, 2023

PROJECT DESCRIPTION

Financing the costs of the acquisition, construction, installation, and equipping of a new police station for the City and various other capital improvements.

EXHIBIT B
LEASE RENTAL PAYMENTS

[Proceeds of certain of the Bonds (such Bonds being referred to as “Related Reserve Fund Bonds”) were deposited in the Debt Service Reserve Fund (the “Related Reserve Fund Deposit”). The Base Rentals due on [Month] 1, [Year] to [Month] 1, [Year] shall be paid from the Related Reserve Fund Deposit and the Lessee will receive a credit for investment earnings accrued in the Debt Service Reserve Fund on the Related Reserve Fund Deposit on [Month] 1, [Year] as a credit for the Lease Rental Payments, so that the total deposit on such dates shall be an amount equal to the difference between such credits and the total deposit required. The provisions of this paragraph are subject to the third paragraph of Section 8 of this Lease.]

ACKNOWLEDGED:

CITY OF FRANKLIN, KENTUCKY

By: _____
Mayor

EXHIBIT C

FORM OF ORDINANCE

ORDINANCE NO. _____

AN ORDINANCE APPROVING A LEASE AGREEMENT FOR THE FINANCING OF A PROJECT; PROVIDING FOR THE PAYMENT AND SECURITY OF THE LEASE; CREATING A SINKING FUND; AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO THE LEASE

WHEREAS, the City of Franklin, Kentucky, a political subdivision of the Commonwealth of Kentucky (the “Lessee”), has the power, pursuant to Section 65.940 et seq. of the Kentucky Revised Statutes, to enter into lease agreements, with or without the option to purchase, in order to provide for the use of property for public purposes;

WHEREAS, the Board of Commissioners of the Lessee has previously determined, and hereby further determines, that the Lessee is in need of the Project, as defined in the Lease described herein;

WHEREAS, the Board of Commissioners has determined, and hereby determines, that it is in the best interests of the Lessee that the Lessee and the Kentucky Bond Corporation, a nonprofit corporation duly incorporated and existing under the laws of the Commonwealth of Kentucky (the “Lessor”), enter into a Lease Agreement (the “Lease”) for the leasing by the Lessee from the Lessor of the Project;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF FRANKLIN, KENTUCKY, AS FOLLOWS:

Section 1. Recitals and Authorization. The Lessee hereby approves the Lease, in substantially the form presented to this Board of Commissioners. It is hereby found and determined that the Project identified in the Lease is public property to be used for public purposes. It is further determined that it is necessary and desirable and in the best interests of the Lessee to enter into the Lease for the purposes specified therein, and the execution and delivery of the Lease and all representations, certifications, and other matters contained in the Closing Memorandum with respect to the Lease, or as may be required by the Lessor prior to delivery of the Lease, are hereby approved, ratified, and confirmed. The Mayor and City Clerk of the Lessee are hereby authorized to execute the Lease, together with such other agreements or certifications which may be necessary to accomplish the transaction contemplated by the Lease.

Section 2. General Obligation Pledge. Pursuant to the Constitution and laws of the Commonwealth of Kentucky, particularly Section 66.011 et seq. of the Kentucky Revised Statutes, as amended (the “General Obligation Act”), the obligation of the Lessee created by the Lease shall constitute a full general obligation of the Lessee and, for the prompt payment of the Lease Rental Payments under and as defined in the Lease, the full faith, credit, and revenue of the Lessee are hereby pledged. During the period the Lease is outstanding, there shall be and there hereby is levied on all the taxable property in the Lessee, in addition to all other taxes, without limitation as

to rate, a direct tax annually in an amount sufficient to pay the Lease Rental Payments under the Lease as and when due, it being hereby found and determined that the current tax rates of the Lessee are within all applicable limitations. The tax shall be and is hereby ordered computed, certified, levied, and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of the years are certified, extended, and collected. The tax shall be placed before and in preference to all other items and for the full amount thereof; provided, however, that in each year, to the extent that the other taxes of the Lessee are available for the payment of the Lease Rental Payments under the Lease and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the Lessee shall be reduced by the amount of such other taxes so available and appropriated.

There is hereby established with the Lessee a sinking fund (the “Sinking Fund”). The funds derived from the tax levy hereby required or other available taxes shall be placed in the Sinking Fund and, together with interest collected on the same, are irrevocably pledged for the payment of all bonds or other obligations issued under the General Obligation Act and all Tax-Supported Leases, as defined in the General Obligation Act, including the Lease authorized herein, as and when the same fall due. Amounts shall be transferred from the Sinking Fund to the Lessor at the times and in the amounts required by the Lease.

Section 3. Severability. If any section, paragraph, or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, or provision shall not affect any of the remaining provisions of this Ordinance.

Section 4. Open Meetings Law. The Board of Commissioners hereby finds and determines that all formal actions relating to the adoption of this Ordinance were taken in an open meeting of the Board of Commissioners, and that all deliberations of the Board of Commissioners and of its committees, if any, which resulted in formal action, were in meetings open to the public, in full compliance with all applicable legal requirements.

Section 5. Conflicts. All resolutions, ordinances, orders, or parts thereof in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby repealed and the provisions of this Ordinance shall prevail and be given effect.

Section 6. Effective Date. This Ordinance shall take effect from and after its passage and publication of a summary thereof, as provided by law.

[Signature page to follow]

SIGNATURE PAGE TO ORDINANCE

INTRODUCED, SECONDED, AND ADOPTED, at a duly convened meeting of the City of Franklin, Kentucky, held on January 23, 2023, after a first reading held on January 9, 2023, signed by the Mayor of the Lessee, attested by the City Clerk, and filed and indexed as provided by law.

By: _____
Mayor

Attest:

By: _____
City Clerk

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting City Clerk of the City of Franklin, Kentucky and as such City Clerk, I further certify that the foregoing is a true, correct, and complete copy of an Ordinance, as appears to me in the official records of the City, duly adopted by the Board of Commissioners at a duly convened meeting held on January 23, 2023, signed by the Mayor and duly filed, recorded, and indexed in my office and now in full force and effect, and that all action taken in connection with such Ordinance was in compliance with the requirements of the laws of the Commonwealth of Kentucky, all as appears from the official records of said governing body in my possession and under my control.

IN WITNESS WHEREOF, I have hereunto set my hand this January 23, 2023.

City Clerk

EXHIBIT D

SUMMARY OF ORDINANCE

At meetings held on January 9, 2023 and January 23, 2023, the Board of Commissioners of the City of Franklin, Kentucky (referred to herein as the “Lessee”) adopted an ordinance (the “Ordinance”) titled as follows:

AN ORDINANCE APPROVING A LEASE AGREEMENT FOR THE FINANCING OF A PROJECT; PROVIDING FOR THE PAYMENT AND SECURITY OF THE LEASE; CREATING A SINKING FUND; AND AUTHORIZING THE EXECUTION OF VARIOUS DOCUMENTS RELATED TO SUCH LEASE

The Ordinance provides for the approval of a lease (the “Lease”) to be entered into with the Kentucky Bond Corporation (the “Lessor”) to finance certain public improvements for the Lessee and provides for a general obligation pledge of the Lessee to levy and assess sufficient taxes to comply with the obligation of the Lessee to pay lease payments to the Lessor under the Lease. As required by KRS Section 83A.060, the section of the Ordinance relating to the Lessee’s pledge to levy and assess a tax to pay the obligations under the Lease is set forth in its entirety:

Section 2. General Obligation Pledge. Pursuant to the Constitution and laws of the Commonwealth of Kentucky, particularly Section 66.011 et seq. of the Kentucky Revised Statutes, as amended (the “General Obligation Act”), the obligation of the Lessee created by the Lease shall constitute a full general obligation of the Lessee and, for the prompt payment of the Lease Rental Payments under and as defined in the Lease, the full faith, credit, and revenue of the Lessee are hereby pledged. During the period the Lease is outstanding, there shall be and there hereby is levied on all the taxable property in the Lessee, in addition to all other taxes, without limitation as to rate, a direct tax annually in an amount sufficient to pay the Lease Rental Payments under the Lease as and when due, it being hereby found and determined that the current tax rates of the Lessee are within all applicable limitations. The tax shall be and is hereby ordered computed, certified, levied, and extended upon the tax duplicate and collected by the same officers, in the same manner, and at the same time that taxes for general purposes for each of the years are certified, extended, and collected. The tax shall be placed before and in preference to all other items and for the full amount thereof; provided, however, that in each year, to the extent that the other taxes of the Lessee are available for the payment of the Lease Rental Payments under the Lease and are appropriated for such purpose, the amount of such direct tax upon all of the taxable property in the Lessee shall be reduced by the amount of such other taxes so available and appropriated.

There is hereby established with the Lessee a sinking fund (the “Sinking Fund”). The funds derived from the tax levy hereby required or other available taxes shall be placed in the Sinking Fund and, together with interest collected on the same, are irrevocably pledged for the payment of all bonds or other obligations

issued under the General Obligation Act and all Tax-Supported Leases, as defined in the General Obligation Act, including the Lease authorized herein, as and when the same fall due. Amounts shall be transferred from the Sinking Fund to the Lessor at the times and in the amounts required by the Lease.

A complete copy of the Ordinance may be reviewed at the office of the City of Franklin, Kentucky.

CITY OF FRANKLIN, KENTUCKY

By: /s/
City Clerk

CERTIFICATION

The undersigned, an attorney licensed to practice law in the Commonwealth of Kentucky, hereby certifies that the foregoing is a true and accurate summary of an Ordinance that has been prepared by an attorney licensed to practice law in the Commonwealth of Kentucky.

/s/ Callie A. Kidwell, Esq.
Dinsmore & Shohl LLP
Louisville, Kentucky

EXHIBIT E

OPINION OF LESSEE’S COUNSEL

[Closing Date]

The Bank of New York Mellon Trust Company, N.A.
Corporate Trust Services
4965 U.S. Highway 42, Suite 1000
Louisville, Kentucky 40222

Kentucky Bond Corporation
100 East Vine Street, Suite 800
Lexington, Kentucky 40507

Re: \$[Final Par] Lease Agreement between the Kentucky Bond Corporation, as lessor,
 and the City of Franklin, Kentucky, as lessee, dated [Closing Date]

Ladies and Gentlemen:

I have acted as counsel to the City of Franklin, Kentucky (the “Lessee”) in connection with the authorization, execution, and delivery by the Lessee of the above-referenced Lease Agreement (the “Lease”), by and between the Lessee and the Kentucky Bond Corporation, as the Lessor thereunder. I have reviewed (i) the Constitution and laws of the Commonwealth of Kentucky (the “Commonwealth”), (ii) certain proceedings taken by the Board of Commissioners of the Lessee, (iii) an executed copy of the Lease, and (iv) such other information and documents as I have deemed necessary or appropriate in order to render this opinion, including the Ordinance of the Lessee adopted on January 23, 2023, authorizing and approving the execution and delivery of the Lease.

Based on the foregoing, I am of the opinion that:

1. The Lessee (a) is a body politic and corporate validly organized, existing, and in good standing under and by virtue of the laws of the Commonwealth and (b) has full power and authority to enter into the Lease and to perform its obligations thereunder.
2. The Lease has been duly authorized, executed, and delivered by the Lessee and (assuming the due authorization, execution, and delivery thereof by the other parties thereto) constitutes a legal, valid, and binding obligation of the Lessee, enforceable against the Lessee in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting the enforcement of creditors’ rights generally and by general principles of equity.
3. All consents, approvals, or authorizations of any governmental entity and all filings and notices required on the part of the Lessee in connection with the authorization, execution, and delivery of the Lease and the consummation of the transactions contemplated thereby have been obtained and are in full force and effect.

4. Neither the execution and delivery of the Lease, the consummation of the transactions contemplated thereby, nor the fulfillment of or compliance with the terms and conditions of the Lease conflict with or constitute a violation of any provision of any law or regulation applicable to the Lessee or, to the best of my knowledge, after reasonable investigation, conflict with or result in a breach of the terms, conditions, or provisions of any restriction, agreement, or instrument to which the Lessee is now a party or by which the Lessee is bound.

5. To the best of my knowledge, after reasonable investigation, there is no action, suit, proceeding, or governmental investigation, at law or in equity, before or by any court, public board, or body pending, of which the Lessee has been served with a summons, summons and complaint, or other notice of commencement, or threatened against or affecting the Lessee, challenging the validity of the Lease, or contesting the power and authority of the Lessee to execute and deliver the Lease or to consummate the transactions contemplated thereby.

Respectfully submitted,

EXHIBIT F

CERTIFICATE OF OFFICIALS OF LESSEE

Dated [Closing Date]

Re: \$[Final Par] Lease Agreement between Kentucky Bond Corporation, as lessor, and the City of Franklin, Kentucky, as lessee, dated [Closing Date]

The undersigned officials of the City of Franklin, Kentucky (the “Lessee”), with respect to the above-referenced Lease Agreement (the “Lease”), by and between the Lessee and the Kentucky Bond Corporation (the “Lessor”), DO HEREBY CERTIFY AS FOLLOWS:

1. That they are the duly elected or appointed, qualified, and acting incumbents of their respective offices of the Lessee, as set forth opposite their signatures hereto, and as such officials, are familiar with the books, records, and affairs of the Lessee.

2. That the Lessee is a body politic and corporate validly organized, existing, and in good standing under and by virtue of the laws of the Commonwealth of Kentucky, with all requisite power and authority to lease property and to carry on its business as now being conducted.

3. That included in the transcript of which this Certificate forms a part is a true, correct, and complete copy of the ordinance duly adopted by the Board of Commissioners of the Lessee on January 23, 2023 (the “Ordinance”), authorizing the appropriate officials of the Lessee to execute the Lease, which Ordinance was duly adopted in accordance with all applicable laws.

4. That (a) the representations and warranties of the Lessee made in the Lease are true and correct, in all material respects, on and as of the date hereof, as if made on and as of the date hereof; (b) the Ordinance has not been amended or supplemented and is in full force and effect; and (c) the Lease has been entered into and is in full force and effect.

5. The persons named below were, on the date or dates of the execution of the Lease, and are, on the date of this Certificate, the duly elected or appointed and qualified incumbents of the respective offices of the Lessee set forth opposite their names below, and that the signatures set forth opposite their names are their genuine signatures:

<u>Name</u>	<u>Title</u>	<u>Signature</u>
_____	Mayor	_____
_____	City Clerk	_____

6. The Lease has been duly authorized, executed, and delivered by the Lessee and constitutes a legal, valid, and binding obligation of the Lessee, enforceable against the Lessee in accordance with its terms.

7. The Lessee is not in default under or in violation of (a) any provisions of applicable law, (b) the Lease, or (c) any indenture, mortgage, lien, agreement, contract, deed, lease, loan

agreement, note, order, judgment, decree, or other instrument or restriction of any kind or character to which it is a party or by which it or its properties are or may be bound, or to which it or any of its assets is subject, which default would have a material adverse effect on the condition, financial or otherwise, of the Lessee or on the ability of the Lessee to perform its obligations under the Lease. Neither the execution and delivery of the Lease nor compliance by the Lessee with the terms, conditions, and provisions thereof will conflict with or result in a breach of, or constitute a default under, any of the foregoing.

8. Since the date the financial information was provided to the Lessor, as required by Section 16 of the Lease, there have not been any material adverse changes in the business, properties, condition (financial or otherwise), or results of operations of the Lessee, whether or not arising from transactions in the ordinary course of business, and since such date, except in the ordinary course of business, the Lessee has not entered into any transaction or incurred any liability material to the financial position of the Lessee.

9. There is no claim, action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, governmental agency, or public board or body, pending or, to the best of their knowledge, threatened against or affecting the Lessee wherein an unfavorable decision, ruling, or finding would materially adversely affect the business, properties, condition (financial or otherwise), or the results of operations of the Lessee or the ability of the Lessee to perform its obligations under the Lease.

10. All authorizations, consents, and approvals of, notices to, registrations or filings with, or other actions with respect to or by any governmental body, agency, or other instrumentality or any court required in connection with the execution and delivery of the Lease by the Lessee and the performance by the Lessee of its obligations thereunder has been duly obtained, given, or taken, and copies thereof have been provided to the Lessor.

11. Any certificate signed by any official of the Lessee and delivered to the Lessor pursuant to the Lease will be deemed to be a representation by the Lessee to the Lessor as to the statements made therein.

[Signature page to follow]

SIGNATURE PAGE TO CERTIFICATE OF OFFICIALS

IN WITNESS WHEREOF, we have hereunto set our official signatures as of the date set forth above.

By: _____
Mayor

Attest:

By: _____
City Clerk

EXHIBIT G

REQUEST FOR DISBURSEMENT

Re: \$ [Final Par] Lease Agreement between the Kentucky Bond Corporation, as lessor,
and the City of Franklin, Kentucky, as lessee, dated [Closing Date]

Requisition Certificate No. _____

The Lessee hereby requests a disbursement from its Participant Disbursement Account in the amount of \$ _____ and hereby certifies as follows (except that with respect to a disbursement to pay an interest component of Lease Rental Payments under the above-referenced Lease (the "Lease") during construction of the Project, only the document described in (a) below will be required):

(a) attached is a statement of the amount and nature of each item of the Costs of the Project to be paid and the name and address of the payee, together with the payee's statement and, if reimbursement to the Lessee of amounts previously paid is requested, evidence of such payment;

(b) each item for which payment or reimbursement is requested is or was necessary in connection with the Costs of the Project and none of such items formed the basis for any previous payment from the Lessee's Participant Disbursement Account;

(c) each contractor, subcontractor, and materialman has filed with the Lessee receipts or waivers of liens for all amounts previously certified for payment or any amount previously certified for reimbursement to the Lessee, or there is on file with the Lessee a cancelled check endorsed by the contractor, subcontractor, or materialman evidencing such payment; and

(d) (i) all of the warranties and representations of the Lessee contained in the Lease are true and correct as of the date of this disbursement, as though such warranties and representations were made as of the date hereof, (ii) no Event of Default has occurred under the Lease, (iii) the right of the Lessee to control the acquisition, construction, installation, and equipping of the Project has not otherwise been terminated pursuant to the terms of the Lease, and (iv) the amounts on deposit in the Lessee's Participant Disbursement Account will be sufficient to complete the Project in accordance with the approved plans and specifications.

Executed this _____.

CITY OF FRANKLIN, KENTUCKY, Lessee

By: _____
Authorized Lessee Representative

EXHIBIT H
STATEMENT OF INDEBTEDNESS
KY CONST. §§ 157 and 158
KRS § 66.041

Dated [Closing Date]

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF SIMPSON)

The undersigned, with respect to the City of Franklin, Kentucky (the “Lessee”), does hereby certify that the following statements concerning the financial condition of said Lessee are true and correct as they appear from records of the Lessee:

1. The assessed valuation of all the taxable property in the Lessee as estimated on the last certified assessment is.....	\$930,990,170
2. The current population of the Lessee is.....	10,133
3. The total of all bonds, notes, and other obligations currently issued and outstanding, including the present Lease of \$[4,000,000].....	\$7,315,000
4. Bonds, bond anticipation notes, and other obligations excluded from the calculation of net indebtedness are as follows:	
(a) Obligations issued in anticipation of the levy or collection of special assessments which are payable solely from those special assessments or are otherwise self-supporting obligations.....	\$0
(b) Obligations issued in anticipation of the collection of current taxes or revenues for the fiscal year which are payable within that fiscal year.....	\$0
(c) Obligations, which are not self-supporting obligations, issued after July 15, 1996 by any instrumentality of the Lessee created for the purpose of financing public projects for which there has been no pledge to the payment of debt charges of any tax of the Lessee or for which there is no covenant by the Lessee to collect or levy a tax to pay debt charges.....	\$0
(d) Self-supporting obligations and other obligations for which there has been no pledge to the payment of debt charges of any tax of the Lessee or for which there is no covenant by the Lessee to collect or levy a tax to pay debt charges.....	\$3,315,000
(e) Obligations issued to pay costs of public projects, to the extent they are issued in anticipation of the receipt of and are payable as to principal from federal or state grants within that fiscal year.....	\$0

(f) Leases entered into under KRS Sections 65.940 to 65.956 after July 15, 1996 which are not tax-supported leases.....	\$0
(g) Bonds issued in the case of an emergency, when the public health or safety should so require.....	\$0
(h) Bonds issued to fund a floating indebtedness.....	\$0
TOTAL EXEMPT OBLIGATIONS.....	\$3,315,000
5. The total of all bonds, notes, and other obligations subject to the debt limitation set forth in KRS Section 66.041 (3 minus 4) is.....	\$4,000,000
6. The total of all bonds, notes, and other obligations subject to the debt limitation set forth in KRS Section 66.041 as computed in 5 above, does not exceed 5% of the assessed valuation of all the taxable property in the Lessee.	
7. The current tax rate of the Lessee, for other than school purposes, upon the value of its taxable property does not exceed \$1.00, which is the maximum permissible tax rate for the Lessee as set forth in Section 157 of the Kentucky Constitution.	
8. The issuance of the bonds, notes, or other obligations set forth in 3 hereof will not cause the current tax rate to increase in an amount which would exceed the maximum permissible tax rate for the Lessee as set forth in Section 157 of the Kentucky Constitution.	

* Paragraph 6 is:

- (a) 10% for cities having a population of fifteen thousand or more;
- (b) 5% for cities having a population of less than fifteen thousand but not less than three thousand; and
- (c) 3% for cities having a population of less than three thousand.

Paragraph 7 is:

- (a) \$1.50 for cities having a population of fifteen thousand or more;
- (b) \$1.00 for cities having a population of less than fifteen thousand but not less than ten thousand; and
- (c) \$0.75 for cities having a population of less than ten thousand.

[Signature page to follow]

SIGNATURE PAGE TO STATEMENT OF INDEBTEDNESS

IN WITNESS WHEREOF, I have hereunto set my official hand as of the date set forth above.

CITY OF FRANKLIN, KENTUCKY

By: _____
Mayor

EXHIBIT I

CERTIFICATE UNDER SECTIONS 103(b)(2) AND 148 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

Dated [Closing Date]

Re: \$ [Final Par] Lease Agreement between the Kentucky Bond Corporation, as lessor, and the City of Franklin, Kentucky, as lessee, dated [Closing Date]

The City of Franklin, Kentucky (the “Participant”) hereby certifies with respect to the above-referenced Lease Agreement (the “Financing Agreement”) with the Kentucky Bond Corporation (the “Corporation”), which Financing Agreement is funded with a portion of the proceeds of the Bonds, as defined in the Financing Agreement, issued by the Corporation on behalf of the Participant, and which is entered into for the purpose of [(i)] acquiring and financing certain improvements (the “Project”) [and (ii) funding a debt service reserve] and is made as of the date hereof (the “Closing Date”), which is the date of delivery of and payment for the Bonds and the Financing Agreement, that the following facts, estimates, and circumstances regarding the amount and use of all of the Proceeds, as defined in Treas. Reg. § 1.148-1(b), issued under the Internal Revenue Code of 1986, as amended (the “Code”), of the Financing Agreement are, as of the Closing Date and according to the Participant’s best knowledge, information, and belief, reasonably expected to exist or to occur (with capitalized terms not defined herein having the meanings given them in the Financing Agreement or the Tax Compliance Agreement set forth in Exhibit J thereto):

A. Proceeds. The Proceeds of the Financing Agreement consist, and will consist, of the Sale Proceeds, Replacement Proceeds, and Investment Proceeds, each as defined in Treas. Reg. § 1.148-1(b), issued under the Code.

B. Purpose of Issue. The Proceeds of the Financing Agreement, together with certain other funds, will be used [(i) to fund a portion of a Reasonably Required Reserve or Replacement Fund (the “Reserve Fund”) and (ii)] to finance the Project, [each of] which constitutes a valid governmental purpose (the “Governmental Purpose”).

The total amount of Proceeds received by the Participant will not exceed the amount necessary to finance the Governmental Purpose. The Financing Agreement is being entered into at this time in such amount because the Participant is obligated or will soon be obligated to make certain payments with respect to the Project and because it would be costly and inefficient to issue additional debt in the future to finance additional payments with respect to the remainder of the costs of the Project that are expected to become due.

C. Yield on the Financing Agreement.

(i) The price at which a substantial amount of the Bonds issued by the Corporation in conjunction with the Financing Agreement were sold is set forth in the Certificate of Financial Advisor attached hereto as Schedule I.

(ii) The Yield on the Financing Agreement, as defined in Treas. Reg. § 1.148-4, issued under the Code, is variable and will be determined under Treas. Reg. § 1.148-4(c).

(iii) The Yield on the Financing Agreement is equal to the Yield on the portion of the Bonds the proceeds of which financed the Financing Agreement; therefore, the Yield on the Financing Agreement does not exceed the Yield on the portion of the Bonds the proceeds of which financed the Financing Agreement.

D. Application of Proceeds. All of the Sale Proceeds will be used [(i) to fund a portion of the Reserve Fund and (ii)] to pay the cost of the Project, including issuance expenses and interest during construction and amounts allocated to reimburse the Participant for capital expenditures, as that term is defined in Treas. Reg. § 1.150-2, issued under the Code, for the Project paid by the Participant prior to the Closing Date, pursuant to the Participant's Official Expression of Intent (as hereinafter defined). No amount received as Proceeds of the Financing Agreement will be used in a manner not set forth in this section.

E. Expenditure of Proceeds for the Project. The acquisition of the Project will commence promptly following the Closing Date, and the Participant has incurred, or will incur, within six months after the Closing Date, a substantial binding commitment to expend at least 5% of the Net Sales Proceeds (defined in Treas. Reg. § 1.148-1(b), issued under the Code, as Sales Proceeds less amounts deposited in a Reasonably Required Reserve or Replacement Fund and as part of a Minor Portion) on the Project. The Participant will expend at least 85% of the Net Sales Proceeds within three years of the Closing Date. The acquisition of the Project will proceed with due diligence to completion and the Proceeds will be spent on the Project with due diligence no later three years after the Closing Date.

F. Investment of Proceeds.

(i) The Participant has agreed in the Tax Compliance Agreement that it will not invest any of the Proceeds of the Financing Agreement without the express consent of the Corporation, and any such investments will be done so that such investment will not cause interest on either the Financing Agreement or the Bonds to be includable in the Holder's gross income for purposes of federal income taxation or the debt to be treated as "arbitrage bonds" under Sections 103(b)(2) and 148 of the Code and the Treasury Regulations thereunder.

(ii) Not more than 50% of the Proceeds of the Financing Agreement will be invested in investments that both do not carry out the Governmental Purpose of the Financing Agreement and have a substantially guaranteed yield for at least four years.

(iii) No account or fund has been or will be established to pay principal of, premium, if any, or interest on the Financing Agreement. Other than the Reserve Fund, as described in subsection (iv) below, there are no moneys, sources of funds, securities, or obligations that have been, or will be, pledged as collateral for the payment of principal of, premium, if any, or interest on the Financing Agreement, and there are no moneys, sources of funds, securities, or obligations with respect to which the Corporation has given or will give any reasonable assurance to any holder of the Financing Agreement that such funds will be available to pay principal of, premium, if any, or interest on the Financing Agreement.

(iv) The proceeds of the Bonds deposited in the Reserve Fund, which secures the Bonds and all other bonds and obligations issued pursuant to the Program (collectively, the “Program Bonds”), does not exceed (a) 10% of the original stated principal amount of the Bonds, if the Bonds do not have more than a De Minimis Amount of original issue discount or premium, or (b) 10% of the issue price of the Bonds, if the Bonds have more than a De Minimis Amount of original issue discount or premium. As used herein, “De Minimis Amount” means (x) an amount that does not exceed 2% multiplied by the stated redemption price of the Bonds at maturity, plus (y) any original issue premium that is attributable exclusively to reasonable underwriter compensation.

In addition, at the time of their issuance and for so long as the Bonds are outstanding, the amounts held in the Reserve Fund to secure the Corporation’s payment of the Bonds and all other Program Bonds shall not exceed the least of (a)(1) 10% of the aggregate original stated principal amount of all outstanding issues of Program Bonds, if such Program Bonds do not have more than a De Minimis Amount of net issue discount or premium, or (2) 10% of the aggregate original issue price of all outstanding issues of Program Bonds, if such Program Bonds have more than a De Minimis Amount of net issue discount or premium; (b) the maximum annual Debt Service of all outstanding Program Bonds; or (c) 125% of the average annual Debt Service of all outstanding Program Bonds, or the amount held in the Reserve Fund will not be invested at a Materially Higher Yield or, if the amount so invested satisfies Treas. Reg. § 1.148-5(c)(3)(i), issued under the Code, appropriate Yield Reduction Payments will be timely made. For purposes of calculating any Rebate Payments and Yield Reduction Payments due in connection with the Bonds, the amount of the Reserve Fund allocable to the Bonds will be determined in accordance with Treas. Reg. § 1.148-6, issued under the Code.

(v) Any unexpended portion of the Proceeds of the Financing Agreement, including any amounts on deposit in the Reserve Fund or any additional Reasonably Required Reserve or Replacement Fund, will be invested as provided in the Series Indenture for the Bonds. Except for any funds described herein that are invested during an Applicable Temporary Period permitted under Treas. Regs. §§ 1.148-1 through -11, if any, or any amounts in any Reasonably Required Reserve or Replacement Fund, as described in Treas. Reg. § 1.148-2(f), no Proceeds of the Financing Agreement nor any moneys that may become Replacement Proceeds, as defined in Treas. Reg. § 1.148-1(c), of the Financing Agreement, in excess of the lesser of (a) 5% of such Proceeds or (b) \$100,000, will be invested in “higher yielding investments,” as defined in the Code and the Treasury Regulations issued thereunder.

G. General.

(i) Neither the Project, nor any part thereof, will be sold or otherwise disposed of by the Participant prior to the final principal maturity date of the Financing Agreement.

(ii) The Participant will allocate Proceeds of the Financing Agreement to reimburse itself only for capital expenditures paid not earlier than sixty days prior to the Closing Date or the date it adopted an official expression of intent to reimburse (the “Official Expression of Intent”), within the meaning of Treas. Reg. § 1.150-2, issued under the Code, if earlier, or as otherwise permitted pursuant to Treas. Reg. § 1.150-2.

(iii) There are no amounts, other than the Gross Proceeds of the Financing Agreement, that are available for the Governmental Purpose. Other than the Reserve Fund, there are no sinking funds or pledged funds and the term of the Financing Agreement is not longer than reasonably necessary for the Governmental Purpose.

(iv) Any Rebate Payments and any Yield Reduction Payments owed pursuant to Section 148(f) of the Code will be remitted to the United States Treasury as directed by the Corporation, pursuant to the Tax Compliance Agreement entered into with respect to the Bonds.

(v) The Participant has not employed in connection with the Financing Agreement a transaction or series of transactions that attempts to circumvent the provisions of Sections 103(b)(2) and 148 of the Code and the Treasury Regulations thereunder, enabling the Participant to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage or increasing the burden on the market for tax-exempt obligations through actions such as issuing more obligations, issuing obligations sooner, or allowing them to remain outstanding longer than would otherwise be necessary for the Governmental Purpose.

(vi) The Corporation has never been advised of any listing or contemplated listing by the Internal Revenue Service to the effect that the Participant's certification with respect to its obligations may not be relied upon and no notice to that effect has been published in the Internal Revenue Bulletin.

(vii) With respect to the Financing Agreement, the first and each subsequent "Bond Year," as defined in Treas. Reg. §1.148-1(b), shall end on February 1, commencing with the first February 1 subsequent to the Closing Date.

(viii) Certain of the facts, estimates, and circumstances contained herein are based upon representations made by the Financial Advisor in the attached certificate, or in other letters and reports that accompany the sundry closing documents related to the sale and delivery of the Financing Agreement and the Bonds. The Participant is not aware of any facts, estimates, or circumstances that would cause it to question the accuracy of such representations. To the best of the knowledge, information, and belief of the undersigned, who is authorized by the Participant to sign this certificate on behalf of the Participant, the above expectations of the Participant as stated herein are reasonable and there are no other facts, estimates, or circumstances that would materially change the foregoing conclusion.

CHECK IF APPLICABLE

(ix) During this calendar year, the Participant, which has general taxing powers, has not issued and does not expect to issue tax-exempt bonds, including any tax-exempt bonds issued by any subordinate entities, but excluding "private activity bonds," as defined in the Section 141 of the Code, and any refunding bonds, as defined in Section 148(f)(4)(D)(iii) of the Code, exceeding \$5,000,000 in aggregate face amount.

(x) Participant does not reasonably anticipate that the total principal amount of "tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code which the Participant or any subordinate entity of the Participant will issue during the calendar year in which the Financing

Agreement is executed and delivered will exceed \$10,000,000; and, therefore, the Participant hereby designates the Financing Agreement as a “qualified tax-exempt obligation”.

This certificate is being executed and delivered pursuant to Treas. Regs. §§ 1.148-1 through -11, issued under the Code, of which the undersigned, with the advice of counsel, is generally familiar. On the basis of the foregoing, it is not expected that the proceeds of the Financing Agreement will be used in a manner that would cause the Financing Agreement or the Bonds to be “arbitrage bonds” under Sections 103(b)(2) and 148 of the Code or the Treasury Regulations thereunder.

CITY OF FRANKLIN, KENTUCKY

By: _____
Mayor

CERTIFICATE OF FINANCIAL ADVISOR

The undersigned hereby certifies on behalf of RSA Advisors, LLC (the “Financial Advisor”) that (1) the Bonds were sold by competitive sale on [Sale Date] (the “Sale Date”) under a written and binding agreement, dated the Sale Date, the terms of which have not been materially altered since the Sale Date; (2) the issue price for the portion of the Bonds related to the Financing Agreement is set forth in Schedule I hereto, which issue price was determined by the Financial Advisor in reliance upon the certification of the issue price for the Bonds made by [Underwriter], as underwriter for the Bonds, in the Issue Price Certificate attached hereto as Schedule II; (3) it is of the opinion that the amount deposited in the Reserve Fund is reasonable and necessary because no reserve fund or a reserve fund in a lesser amount would adversely affect the interest rates at which the Bonds could be sold; and (4) this certificate may be relied upon by the Participant in executing the foregoing certificate and by Dinsmore & Shohl LLP in rendering any opinion with respect to the Bonds or the Financing Agreement.

RSA ADVISORS, LLC

By: _____

Title: _____

Dated: [Closing Date]

SCHEDULE I
PARTICIPANT ISSUE PRICE

SCHEDULE II

ISSUE PRICE CERTIFICATE

[Insert Issue Price Certificate]

EXHIBIT J

TAX COMPLIANCE AGREEMENT

Dated [Closing Date]

Re: \$ [Final Par] Lease Agreement between the Kentucky Bond Corporation, as lessor, and the City of Franklin, Kentucky, as lessee, dated [Closing Date]

This TAX COMPLIANCE AGREEMENT (the “Tax Compliance Agreement”) is made and entered into as of the date set forth above, by and between the CITY OF FRANKLIN, KENTUCKY (the “Participant”) and the KENTUCKY BOND CORPORATION (the “Corporation”):

WITNESSETH:

WHEREAS, the Participant has agreed, in a financing agreement (the “Financing Agreement”) dated the date hereof (with capitalized terms not defined herein having the meanings given them in the Financing Agreement), to borrow \$[Lease Amount] (the “Financing Agreement Amount”) pursuant to a Program administered by the Corporation and funded with the portion of the proceeds of Bonds issued by the Corporation on behalf of the Participant [to fund a Reasonably Required Reserve or Replacement Fund and] to finance the project identified in the Financing Agreement (the “Project”); and

WHEREAS, it is necessary for the Participant and the Corporation to enter into this Tax Compliance Agreement (i) to ensure that the interest paid on the Bonds and on the Financing Agreement shall all be and remain excludible from gross income for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the “Code”), (ii) to ensure that such interest is not and will not become a specific item of tax preference under Section 57(a)(5)(C) of the Code for the federal alternative minimum tax, and (iii) to comply with the requirements of the hereinafter defined No-Arbitrage Certificate.

NOW, THEREFORE, the parties hereto agree and bind themselves as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions. In addition to words and terms defined elsewhere in this Tax Compliance Agreement, the Code and Regulations, the No-Arbitrage Certificate, the Indenture, and the Financing Agreement, the following capitalized words and terms used in this Tax Compliance Agreement shall have the following meanings, unless some other meaning is plainly intended:

“AMT Bond” means a Qualified Private Activity Bond, other than a Qualified 501(c)(3) Bond, the interest on which is a specific item of tax preference under Section 57(a)(5) of the Code, subject to the federal alternative minimum tax under Section 55 of the Code.

“Arbitrage Bond” means any obligation of a Governmental Entity that is treated as an arbitrage bond under Sections 103(b)(2) and 148 of the Code.

“Applicable Temporary Period” means the temporary investment period available for each particular category of Gross Proceeds of Governmental Obligations, as provided in Treas. Reg. § 1.148-2(e), issued under the Code, during which time the Gross Proceeds may be invested at a Materially Higher Yield. The Applicable Temporary Period for amounts in a Capital Acquisition Fund ends three years after the Closing Date of Governmental Obligations, the Applicable Temporary Period for amounts deposited into a Bona Fide Debt Service Fund ends thirteen months after the date of deposit into the fund, the Applicable Temporary Period for Investment Proceeds of Governmental Obligations ends one year after the date of receipt or deemed receipt of the monies, the Applicable Temporary Period for Replacement Proceeds of Governmental Obligations ends thirty days after the date the amounts become Replacement Proceeds, and the Applicable Temporary Period for Disposition Proceeds of Governmental Obligations will be determined under Treas. Reg. § 1.141-12(a), issued under the Code.

“Bona Fide Debt Service Fund” means a fund that is used primarily to achieve a proper matching of revenues with Debt Service of Governmental Obligations within each Bond Year and is depleted at least once each Bond Year, except for the Permitted Carryover.

“Bond Counsel” means a nationally recognized bond counsel experienced in municipal finance, particularly in the issuance of bonds the interest on which is excluded from gross income pursuant to the Code.

“Bond Year” means the period commencing on the Closing Date of Governmental Obligations and ending on a date no later than one year after the Closing Date and then each one-year period commencing the day after such date and each anniversary of such date thereafter.

“Capital Acquisition Fund” means a fund that is to be used to finance the acquisition or construction of assets that qualify as Capital Expenditures.

“Capital Expenditure” means any expense that is properly depreciable or amortizable or is otherwise treated as a capital expenditure under the Code, and for the purposes of determining eligible Reimbursement Allocations, Costs of Issuance.

“Closing Date” means the date of this Tax Compliance Agreement.

“Cost of Issuance” means any expenditure incurred in connection with the issuance of the Financing Agreement or the Participant’s share of such expenditures relating to the Bonds, including such costs as underwriters’ spread, rating agency fees, appraisal costs, attorney’s and accountant’s fees, and printing costs, but excluding Qualified Guarantee Fees or expenditures incurred in connection with the acquisition of the Project.

“Debt Service” means any principal and interest payments on obligations.

“Disposition Proceeds” means the amounts, including property, received from the sale, exchange, or other disposition of the Project.

“Disproportionate Private Use” means the excess of Related Private Use over the Related Governmental Use.

“Federally-Guaranteed” means having the payment of either the principal of or interest on any portion of the Financing Agreement or any loan made with the Proceeds of any portion of the Financing Agreement guaranteed, in whole or in part, directly or indirectly, by the United States, or acquiring any Investment Property that is, directly or indirectly, federally-insured, except as otherwise permitted by Section 149(b) of the Code.

“Governmental Entity” means any State and any political subdivision and agency of any State.

“Governmental Facility” means any property owned by one or more Governmental Entities financed or refinanced with Governmental Bonds, if no more than 10% of the property is used by Private Users.

“Governmental Issuer” means the Governmental Entity that is the debtor on or issuer of a Governmental Obligation.

“Governmental Obligation” means any debt obligation of a Governmental Entity.

“Gross Proceeds” means Sale Proceeds, Investment Proceeds, Transferred Proceeds, and Replacement Proceeds, determined pursuant to Treas. Regs. §§ 1.148-1(b) and -1(c), all until spent.

“Investment Proceeds” means any amounts actually or constructively earned or received from investing the Proceeds in Investment Property.

“Investment Property” means any security (as defined in Section 165(g)(2)(A) or (B) of the Code), obligation (not including any Tax-Exempt Bond other than an AMT Bond), annuity contract or other investment-type property, and any Residential Rental Property.

“Materially Higher Yield” means any Yield that is greater than the Yield permitted to be earned under Section 148 of the Code and Treas. Regs. §§ 1.148-1 through -11, issued under the Code.

“Minor Portion” means an amount of the Proceeds of Governmental Obligations, other than Proceeds invested in a Reasonably Required Reserve or Replacement Fund or Proceeds invested during an Applicable Temporary Period, not in excess of the lesser of (i) 5% of the Proceeds of the Financing Agreement, or (ii) \$100,000.

“No-Arbitrage Certificate” means the “Certificate under Sections 103(b)(2) and 148 of the Internal Revenue Code of 1986, as amended” given by the Participant with respect to the Bonds and the Financing Agreement, including certifications given with respect thereto in the Certificate of Financial Advisor attached thereto, and set forth in Exhibit I to the Financing Agreement.

“Non-Governmental Entity” means any person or entity, other than a Governmental Entity.

“Nonpurpose Investment” means any Investment Property other than a Purpose Investment.

“Pledged Fund” means any amount pledged, directly or indirectly, to pay principal of or interest on the Financing Agreement and which provides reasonable assurance of such amounts being paid even if the Participant experiences financial difficulties, including amounts subject to a negative pledge.

“Private Activity Bond” means any Governmental Obligation if (i) there is more than 10% Private Use of the Proceeds of the obligations and more than 10% of the principal of or interest on the obligations is secured or to be paid, either directly or indirectly, by any Private User; (ii) more than the lesser of 5% of the Proceeds of the obligations or \$5,000,000 is used to make Private Loans; and (iii) there is more than 5% in the aggregate of Unrelated Private Use and Disproportionate Private Use and more than 5% of the principal of or interest on the obligations is secured or to be paid, either directly or indirectly with respect to or from property financed with the Proceeds of the obligations that is used in an Unrelated Private Use or Disproportionate Private Use; all as described in Section 141 of the Code.

“Private Loan” means any loan, directly or indirectly, of any of the Proceeds of an obligation of a Governmental Entity to any Non-Governmental Entity.

“Private Use” means the use of any Proceeds of the Financing Agreement or any facilities financed with such Proceeds by Private Users.

“Private User” means any Non-Governmental Entity, other than a natural person not engaged in a trade or business.

“Purpose Investment” means Investment Property purchased with Gross Proceeds of the Governmental Obligations to carry out the governmental purpose for which the obligations were issued, as provided in Treas. Reg. §1.148-1(b), issued under the Code.

“Qualified 501(c)(3) Bond” means any Qualified Private Activity Bond that satisfies the requirements of Section 145 of the Code.

“Qualified Private Activity Bond” means any Private Activity Bond that satisfies the requirements of Section 141(e) of the Code.

“Reasonably Required Reserve or Replacement Fund” means any fund that is pledged as security for or is available for payment of any Debt Service of any Governmental Obligation and is reasonably required by a lender, a State or other governmental or regulatory authority having jurisdiction over the Governmental Issuer, a national bond rating agency, or an underwriter or financial advisor and that satisfies the limitations of Treas. Reg. §1.148-2(f), issued under the Code.

“Rebate Amount” means the amount determined by the Corporation pursuant to the No-Arbitrage Certificate.

“Rebate Payment” means any payment of the Rebate Amount made to the United States Treasury.

“Redemption Date” means the date on which the last of the principal of and interest on the Financing Agreement has been paid, whether upon maturity, redemption, or acceleration thereof.

“Reimbursement Allocation” means a written allocation of the Proceeds of the Financing Agreement intended to reimburse the Participant for Capital Expenditures for the Project that were paid prior to the Closing Date, provided that any such allocation is made no later than eighteen months after the later of the date the Capital Expenditure was paid or the date the Project was placed in service, but in no event later than three years after the payment date. Any written allocation made within thirty days after the Closing Date shall be treated as if made on the Closing Date.

“Reimbursement Resolution” means a declaration of intent, under Treas. Reg. §1.150-2, by the Participant to finance, by issuing debt, Capital Expenditures. For this purpose, the issuance of debt to finance specific facilities shall constitute a Reimbursement Resolution, the date of adoption of which shall be no later than the Closing Date of such debt.

“Related Private Use” means any Private Use that is not Unrelated Private Use.

“Replacement Proceeds” means amounts replaced by Proceeds of the Financing Agreement, including any sinking fund, Pledged Fund, restricted gifts (not including qualified endowment funds, pursuant to Treas. Reg. § 1.148-6(d)(3)(iii)(C)), or reserve or replacement fund, or other funds that would be available, directly or indirectly, to pay debt service on any of the Financing Agreement, within the meaning of Treas. Reg. § 1.148-1(c).

“Research Agreement” means an agreement between the Participant and a Private User under which the Participant or the Private User uses any portion of the Project to carry on research.

“Residential Rental Property” means any residential rental property for family units not located in the jurisdiction of the Governmental Issuer or not acquired to implement a court ordered or approved housing desegregation plan.

“Sale Proceeds” means the Financing Agreement Amount shown on the cover page hereto.

“Service Contract” means a contract between the Participant and a Service Provider under which the Service Provider provides services involving any portion or function of a Governmental Facility financed with Governmental Bonds.

“Service Provider” means any Private User that provides management or other services.

“State” means any state and possession of the United States and the District of Columbia.

“Tax-Exempt Bond” means (i) any Governmental Obligation the interest on which is excludible from gross income for federal income tax purposes, under Sections 103 and 150(a)(6) of the Code; (ii) any Pre-TRA Bond; (iii) certain tax-exempt mutual funds, as provided in Treas. Reg. § 1.150-1(b), issued under the Code; and (iv) any Demand Deposit SLGS.

“Transferred Proceeds” means transferred proceeds as defined in Treas. Reg. §1.148-9.

“Treasury Regulation” and “Treas. Reg.” means any Regulation, Proposed Regulation, or Temporary Regulation, as may be applicable, issued by the United States Treasury Department pursuant to the Code or the 1954 Code, as appropriate.

“Unrelated Private Use” means any Private Use that is not related to the Use by a Governmental Entity of Governmental Facilities.

“Yield” means, pursuant to Treas. Regs. §§ 1.148-4 and –5, that discount rate which, when computing the present value of all payments of principal and interest to be paid on an obligation, produces an amount equal to, in the case of the Financing Agreement, the Issue Price, and in the case of any Investment Property, the fair market value, as provided in Treas. Reg. § 1.148-5(d).

“Yield Reduction Amount” means the amount determined by the Corporation pursuant to the Tax Regulatory Agreement.

“Yield Reduction Payment” means any payment of the Yield Reduction Amount made to the United States Treasury.

SECTION 1.02. Interpretative Rules. For all purposes of this Tax Compliance Agreement, except as otherwise expressly provided or unless the context otherwise requires (a) “Tax Compliance Agreement” means this instrument, as originally executed and as it may from time to time be supplemented or amended pursuant to the applicable provisions hereof; (b) all references in this instrument to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this instrument as originally executed; (c) the words “herein,” “hereof,” “hereunder,” “herewith,” and other words of similar import refer to this Tax Compliance Agreement as a whole and not to any particular Article, Section, or other subdivision; (d) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular; (e) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles; (f) the terms defined elsewhere in this Tax Compliance Agreement shall have the meanings therein prescribed for them; (g) words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders; and (h) the headings used in this Tax Compliance Agreement are for convenience of reference only and shall not define or limit the provisions hereof.

ARTICLE II

COVENANTS AND REPRESENTATIONS OF CORPORATION AND THE PARTICIPANT ACKNOWLEDGEMENTS BY, DIRECTIONS TO AND FROM CORPORATION AND THE PARTICIPANT

SECTION 2.01. Authority and Organization.

(a) The Participant represents for the benefit of the Corporation that it is a political subdivision of the Commonwealth of Kentucky with the power, among others, to enter into the

Financing Agreement in furtherance of its corporate purposes, including financing the cost of the Project; and

(b) The Corporation represents for the benefit of the Participant that (i) the Corporation is a nonprofit corporation duly organized and validly existing under the laws of the Commonwealth of Kentucky; and (ii) the Corporation has full power and authority granted to it by the Commonwealth of Kentucky to establish a program to enter into fixed rate financing agreements with cities, political subdivisions, and public agencies of the Commonwealth of Kentucky.

SECTION 2.02. Use of Proceeds. The Participant represents that:

(a) No Private Use of Proceeds. No more than 10% of the Use of either the Proceeds of the Financing Agreement or the Project may be Private Use if more than 10% of the principal of or interest on the Financing Agreement is secured or to be paid, either directly or indirectly, by any Private User; no more than 5% of the Use of either the Proceeds of the Obligations or the Project may be for an Unrelated Private Use or Disproportionate Private Use; and no more than the lesser of 5% of the Proceeds of the Financing Agreement or \$5,000,000 may be used to make Private Loans.

(b) Expectations. The Participant expects to incur, no later than six months after the date of the Financing Agreement, a substantial binding commitment to expend at least 5% of the Sale Proceeds of the Financing Agreement and to commence acquisition of the Project within a reasonable period of time after the date of the Financing Agreement. The Participant expects that (i) it will expend at least 85% of the Sale Proceeds of the Financing Agreement no later than three years after the Closing Date, (ii) the acquisition of the Project will proceed with due diligence to completion, and (iii) the Sale Proceeds of the Financing Agreement will be spent with due diligence. For this purpose, a Reimbursement Allocation may be treated as an expenditure. The total amount of Sale Proceeds of the Financing Agreement, together with Investment Proceeds, will not exceed the amount necessary for the Project being financed with the Financing Agreement, including, to the extent permitted, issuance expenses and interest during construction.

(c) Use of the Project. The Participant will own or lease and operate the Project during the entire term of the Financing Agreement and will not change the use or ownership of any part of a Project during the entire term of the Financing Agreement without consultation of Bond Counsel and the prior written consent of the Corporation.

(d) Reimbursement Allocations. The Participant will not make any Reimbursement Allocation with the Proceeds of the Financing Agreement for Capital Expenditures that were paid prior to sixty days before the date on which the Participant adopted a Reimbursement Resolution authorizing the issuance of debt to finance the Project, except that expenditures for Costs of Issuance paid before the date of the Financing Agreement, certain preliminary Capital Expenditures not in excess of 20% of the Financing Agreement Amount, and an amount of Capital Expenditures not in excess of the lesser of 5% of the Financing Agreement or \$100,000 may receive a Reimbursement Allocation even if the expenditure was paid more than sixty days prior to the date of adoption of the Reimbursement Resolution described herein and even if the allocation would not otherwise qualify as a Reimbursement Allocation.

(e) Investment Limitations.

(i) The Participant will restrict the investment of the Proceeds of the Financing Agreement and take such other actions as may be necessary so that the Financing Agreement will not constitute Arbitrage Bonds. Except for an amount equal to the Minor Portion and amounts in Reasonably Required Reserve or Replacement Funds, neither the Gross Proceeds of the Financing Agreement nor any Disposition Proceeds of the Financing Agreement may be invested at a Materially Higher Yield after the expiration of any Applicable Temporary Periods, unless any permitted Yield Reduction Payments are made.

(ii) The Participant should invest the Proceeds of the Financing Agreement separately from its other investments.

(iii) No more than 50% of the Sale Proceeds of the Financing Agreement may be invested in Nonpurpose Investments with a substantially guaranteed Yield for four or more years.

(iv) Either no amount on deposit in all Reasonably Required Reserve or Replacement Funds for the combination of the Financing Agreement and all other financing agreements entered into pursuant to the Program (the “Program Financing Agreements”) on an aggregate basis, should exceed the least of (i) 10% of the stated principal amount of the Program Financing Agreements, if original issue discount does not exceed 2% times the stated redemption price of the Obligations, or the Issue Price of the Program Financing Agreements, if original issue discount does exceed 2% times the stated redemption price of the Program Financing Agreements; (ii) the maximum annual Debt Service of the Program Financing Agreements; or (iii) 125% of average annual Debt Service of the Program Financing Agreements, or the amount held in all Reasonably Required Reserve or Replacement Funds in excess of the lowest of these limits may not be invested at a Materially Higher Yield or, if the amount so invested satisfies Treas. Reg. § 1.148-5(c)(3)(i)(E), issued under the Code, appropriate Yield Reduction Payments should be timely made.

(v) If at any time, either the Participant determines or is informed that the Yield on the investment of moneys held by itself or any other person must be restricted or limited in order to prevent the Bonds from becoming Arbitrage Bonds, the Participant shall and shall so instruct any holder of the Sale Proceeds or Investment Proceeds of the Financing Agreement to take such action or actions as may be necessary to restrict or limit the yield on such investments as set forth in, and in accordance with, such instruction.

(f) Federal Guarantees. The Gross Proceeds will not be invested in any Investment Property that is Federally-Guaranteed.

SECTION 2.03. Service Contracts. The Participant represents that it will not enter into any Service Contracts or management contracts with respect to the Project without the prior written consent of Bond Counsel and the Corporation.

SECTION 2.04. Research Agreements. The Participant represents that it will not enter into any Research Agreements with respect to the Project without the prior written consent of the Corporation.

SECTION 2.05. Changes in Use or User of Project. The Participant represents that (a) no part of the Project will be sold, otherwise disposed of, or leased without the prior written consent of the Corporation; (b) it will not permit any use of its Project by any person or entity other than itself without the prior written consent of the Corporation; and (c) any portion of a Project consisting of personal property may be sold in the ordinary course of an established governmental program if (i) the weighted average maturity of the portion of the Financing Agreement financing the personal property was not greater than 120% of the reasonably expected actual use of such personal property by the Participant, (ii) the Participant expected at the date of the Financing Agreement that the fair market value of the personal property at the time of disposition would not be greater than 25% of its cost, and (iii) at the time of disposition, the personal property is no longer suitable for the governmental purpose for which it was acquired.

SECTION 2.06. Investments. The Participant will invest the Gross Proceeds of the Financing Agreement and any Disposition Proceeds of the Financing Agreement only under the Investment Agreement unless otherwise authorized in writing by the Corporation.

SECTION 2.07. Records. The Participant represents that proper records and accounts, containing complete and correct entries of all transactions relating to the Financing Agreement, the use of the Gross Proceeds of the Financing Agreement, and the expenditures made in connection with the acquisition of the Project, will be maintained. The information described in this Section will be retained for at least six years after the Redemption Date.

SECTION 2.08. Payment of Arbitrage Compliance Amounts. The Participant represents that all actions necessary to comply with the Yield limitations applicable to investments of the Sale Proceeds and Investment Proceeds of the Financing Agreement and the rebate requirements contained in Section 148(f) of the Code and the Treasury Regulations thereunder will be taken. Immediately upon the request of the Corporation, the Participant will assemble copies of records concerning investments of Gross Proceeds of the Financing Agreement, including any amounts held by any provider of a letter of credit or guarantor under a reimbursement or other similar agreement. In particular, the Participant will provide the Corporation with information that will enable the Corporation to determine if any Rebate Amount is payable. The Participant will pay any Rebate Payment and any Yield Reduction Payment owed with respect to the Gross Proceeds of the Financing Agreement, as determined by the Corporation. The information described in this Section will be retained for at least six years after the Redemption Date.

SECTION 2.09. Information Reporting Requirements. The Participant represents that it will timely execute and file any information reports required under Section 149(e) of the Code (Form 8038-G) or as required by the Corporation.

SECTION 2.10. Compliance with Tax Compliance Agreement.

(a) The Participant and the Corporation may, at any time, employ bond counsel, independent certified public accountants, or other qualified experts acceptable to the Corporation

to perform any of the requirements imposed upon the Participant by this Tax Compliance Agreement.

(b) The Participant and the Corporation agree, to the extent reasonably possible, to comply with any amendments to the Code or any applicable Regulations, effective retroactively, and the Participant and the Corporation shall take all actions necessary to amend this Tax Compliance Agreement to comply therewith.

(c) Whenever any action or direction is required of the Participant hereunder, such action or direction, or in the absence of any such action or direction, may be made by the Corporation.

SECTION 2.11. Section 265 Designation.

(a) The Corporation hereby designates the Financing Agreement as a “qualified tax-exempt obligation” for purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the Participant certifies that the Financing Agreement will not be at any time “private activity bonds” (as defined in Section 141 of the Code) other than “qualified 501(c)(3) bonds” (as defined in Section 145 of the Code). The Corporation further certifies that, as of the date hereof in the current calendar year, (i) no tax-exempt obligations of any kind other than the Bonds have been issued for the benefit of the Participant, and (ii) not more than \$10,000,000 of obligations of any kind (including the Bonds) benefitting the Participant during the current calendar year will be designated for purposes of Section 265(b)(3) of the Code.

(b) The Participant is not subject to Control by any entity, and there are no entities subject to Control by the Participant.

(c) On the date hereof, the Participant does not reasonably anticipate that for the current calendar year any Section 265 Tax-Exempt Obligations (except for the Financing Agreement) will be issued for its benefit. “Section 265 Tax-Exempt Obligations” are obligations the interest on which is excludible from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds. The Corporation will not issue for the benefit of the Participant or any entity subject to control by the Participant (which may hereafter come into existence) of Section 265 Tax-Exempt Obligations (including the Financing Agreement) that exceed the aggregate amount of \$10,000,000 during the current calendar year unless it first obtains an opinion of Bond Counsel to the effect that such issuance will not adversely affect the treatment of the Bonds as “qualified tax-exempt obligations” for the purpose and within the meaning of Section 265(b)(3) of the Code.

[Signature page to follow]

SIGNATURE PAGE TO TAX COMPLIANCE AGREEMENT

IN WITNESS WHEREOF, the Participant and the Corporation have each caused this Tax Compliance Agreement to be executed in its own name and on its behalf by its duly authorized officers, all as of the date set forth on the cover page hereto.

KENTUCKY BOND CORPORATION

By: _____
Secretary

CITY OF FRANKLIN, KENTUCKY

By: _____
Mayor

EXHIBIT K

CONTINUING DISCLOSURE AGREEMENT

Dated [Closing Date]

Re: \$ [Final Par] Lease Agreement between the Kentucky Bond Corporation, as lessor, and the City of Franklin, Kentucky, as lessee, dated [Closing Date]

THIS CONTINUING DISCLOSURE AGREEMENT (the “Agreement”) is made and entered into as of the date shown below between the City of Franklin, Kentucky (the “Participant”) and Kentucky Bond Corporation, as disclosure agent (the “Disclosure Agent”).

RECITALS

WHEREAS, the Participant has entered into a Lease (the “Lease”) dated the date hereof with respect to which the Corporation issued its Bonds (the “Corporation Bonds”) under the Indenture described in the Lease, and offered and sold the Corporation Bonds pursuant to an offering circular containing information regarding the Participant (the “Offering Document”); and

WHEREAS, the Disclosure Agent and the Participant wish to provide for the disclosure of certain information concerning the Lease and the Corporation Bonds and other matters on an ongoing basis as set forth herein for the benefit of Holders of Corporation Bonds in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the “Rule”);

NOW, THEREFORE, in consideration of the mutual promises and agreements made herein and in the Lease, the receipt and sufficiency of which consideration is hereby mutually acknowledged, the parties hereto agree as follows:

Section 1. Definitions; Scope of this Agreement.

(A) All terms capitalized but not otherwise defined herein shall have the meanings assigned to those terms in the Lease, as amended and supplemented from time to time. Any such successor disclosure agent shall automatically succeed to the rights and duties of the Disclosure Agent hereunder, without any amendment hereto. The following capitalized terms shall have the following meanings:

“Annual Financial Information” shall mean a copy of the annual audited financial information prepared for the Participant which shall include, if prepared, a balance sheet, a statement of revenue and expenditures, and a statement of changes in fund balances. All such financial information shall be prepared using generally accepted accounting principles; provided, however, that the Participant may change the accounting principles used for preparation of such financial information so long as the Participant includes, as information provided to the public, a statement to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles.

“Beneficial Owner” shall mean any person which has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Corporation Bonds (including persons holding Corporation Bonds through nominees, depositories, or other intermediaries).

“Commonwealth” shall mean the Commonwealth of Kentucky.

“Holders of Bonds” shall mean any holder of the Corporation Bonds and any Beneficial Owner thereof.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Material Event” shall mean, to the extent the Participant obtains knowledge and determines that it would constitute material information for Holders of Bonds, (i) principal and interest payment delinquencies; (ii) non-payment related defaults; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions or events affecting the tax-exempt status of the security; (vii) modifications to rights of security holders, if material; (viii) bond calls, except for mandatory scheduled redemptions not otherwise contingent upon the occurrence of an event; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the securities; (xi) rating changes; (xii) bankruptcy, insolvency, receivership, or similar event; (xiii) the consummation of a merger, consolidation, or acquisition or the sale of all or substantially all of the assets of the Participant, other than in the ordinary course of business, or entering into or the termination of an agreement relating to any such actions; (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material; (xv) incurrence of a Financial Obligation of the Issuer or Obligated Persons, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer or Obligated Person, any of which affect security holders, if material; (xvi) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer or Obligated Person, any of which reflect financial difficulties; and (xvii) failure (of which the Participant has knowledge) to provide the required Annual Financial Information on or before the date specified herein; provided that the occurrence of an event described in clauses (i), (iii), (iv), (v), (viii), (ix), and (xi) shall always be deemed to be material. The SEC requires the listing of (i) through (xvii) although some of such events may not be applicable to the Corporation Bonds.

“Operating Data” shall mean an update of the Operating Data contained in the Offering Document, if any.

“Participating Underwriter” shall mean any of the original underwriters of the Corporation Bonds required to comply with the Rule in connection with the offering of the Corporation Bonds.

“Release” shall mean SEC Release No. 34-34961.

“SEC” shall mean the Securities and Exchange Commission.

“SID” shall mean the state information depository, as such term is used in the Release, if and when a SID is created for the Commonwealth.

“Turn Around Period” shall mean (i) five business days, with respect to Annual Financial Information and Operating Data delivered by the Participant to the Disclosure Agent; (ii) two business days, with respect to Material Event occurrences disclosed by the Participant to the Disclosure Agent; or (iii) two business days, with respect to the failure on the part of the Participant to deliver Annual Financial Information and Operating Data to the Disclosure Agent, which period commences upon notification by the Participant of such failure or upon the Disclosure Agent’s actual knowledge of such failure.

(B) This Agreement applies to the Corporation Bonds and the Lease.

(C) The Disclosure Agent shall have no obligation to make disclosure about the Corporation Bonds or the Lease except as expressly provided herein; provided that nothing herein shall limit the duties or obligations of the Disclosure Agent, as Program Administrator, under the Indenture. The fact that the Disclosure Agent or any affiliate thereof may have any fiduciary or banking relationship with the Participant, apart from the relationship created hereby, shall not be construed to mean that the Disclosure Agent has actual knowledge of any event or condition except in its capacity as Program Administrator under the Indenture or except as may be provided by written notice from the Participant.

Section 2. Disclosure of Information.

(A) General Provisions. This Agreement governs the Participant’s direction to the Disclosure Agent, with respect to information to be made public. In its actions under this Agreement, the Disclosure Agent is acting not as Program Administrator but as the Participant’s agent; provided that the Disclosure Agent shall be entitled to the same protection in so acting under this Agreement as it has in acting as Program Administrator under the Indenture.

(B) Information Provided to the Public. Except to the extent this Agreement is modified or otherwise altered in accordance with Section 3 hereof, the Participant shall make or cause to be made public the information set forth in subsections (1), (2), and (3) below:

(1) Annual Financial Information and Operating Data. Annual Financial Information and Operating Data at least annually not later than 300 days after the end of Participant’s current fiscal year and continuing with each fiscal year thereafter, for which the information is provided, taking into account the Turn Around Period, and, in addition, all information with respect to the Corporation Bonds required to be disseminated by the Trustee pursuant to the Indenture.

(2) Material Events Notices. Notice of the occurrence of a Material Event, not more than eight business days after the occurrence of the event.

(3) Failure to Provide Annual Financial Information. Notice of the failure of Participant to provide the Annual Financial Information and Operating Data by the date required herein, upon Participant's actual knowledge of such failure.

(C) Information Provided by Disclosure Agent to Public.

(1) The Participant directs the Disclosure Agent on its behalf to make public in accordance with subsection (D) of this Section 2 and within the time frame set forth in clause (3) below, and the Disclosure Agent agrees to act as the Participant's agent in so making public, the following:

(a) the Annual Financial Information and Operating Data;

(b) Material Event occurrences;

(c) the notices of failure to provide information which the Participant has agreed to make public pursuant to subsection (B)(3) of this Section 2;

(d) such other information as the Participant shall determine to make public through the Disclosure Agent and shall provide to the Disclosure Agent in the form required by subsection (C)(2) of this Section 2. If the Participant chooses to include any information in any Annual Financial Information report or in any notice of occurrence of a Material Event, in addition to that which is specifically required by this Agreement, the Participant shall have no obligation under this Agreement to update such information or include it in any future Annual Financial Information report or notice of occurrence of a Material Event; and

(2) The information which the Participant has agreed to make public shall be in the following form:

(a) as to all notices, reports, and financial statements to be provided to the Disclosure Agent as Program Administrator by the Participant, in the form required by the Lease or other applicable document or agreement; and

(b) as to all other notices or reports, in such form as the Disclosure Agent shall deem suitable for the purpose of which such notice or report is given.

(3) The Disclosure Agent shall make public the Annual Financial Information, the Operating Data, the Material Event occurrences, and the failure to provide the Annual Financial Information and Operating Data within the applicable Turn Around Period. Notwithstanding the foregoing, Annual Financial Information, Operating Data, and Material Events shall be made public on the same day as notice thereof is given to the Holders of Bonds of outstanding Corporation Bonds, if required in the Indenture, and shall not be made public before the date of such notice. If on any such date, information required to be provided by the Participant to the Disclosure Agent has not been provided on a timely basis, the Disclosure Agent shall make such information public as soon thereafter as it is provided to the Disclosure Agent.

(D) Means of Making Information Public.

(1) Information shall be deemed to be made public by the Participant or the Disclosure Agent under this Agreement if it is transmitted as provided in subsection (D)(2) of this Section 2 by the following means:

(a) to the Holders of Bonds of outstanding Corporation Bonds, by the method prescribed by the Indenture;

(b) to the MSRB, by (i) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (ii) first class mail, postage prepaid; provided that the Participant or the Disclosure Agent is authorized to transmit information to a MSRB by whatever means are mutually acceptable to the Disclosure Agent or the Participant, as applicable, and the MSRB; and/or

(c) to the SEC, by (i) electronic facsimile transmissions confirmed by first class mail, postage prepaid, or (ii) first class mail, postage prepaid; provided that the Participant or the Disclosure Agent is authorized to transmit information to a SEC by whatever means are mutually acceptable to the Disclosure Agent or the Participant, as applicable, and the SEC.

(2) Information shall be transmitted to the following:

(a) all Annual Financial Information and Operating Data shall be made available to the MSRB;

(b) notice of all Material Event occurrences and all notices of the failure to provide Annual Financial Information or Operating Data within the time specified in Section 2(B)(1) hereof shall be made available to the MSRB; and

(c) all information described in clauses (a) and (b) shall be made available to any Holder of Bonds upon request, but need not be transmitted to the Holders of Bonds who do not so request.

(d) to the extent any Annual Financial Information or Operating Data is included in a document filed with the MSRB or the SEC, the Participant shall have been deemed to have provided that information if a statement specifically referencing the filed document is filed with the MSRB as part of the Participant's obligation to file Annual Financial Information and Operating Data pursuant to this Agreement. Additionally, if the referenced document is a final official statement (as that term is defined in Rule 15c2-12(f)(3)), it must be available from the MSRB.

With respect to requests for periodic or occurrence information from Holders of Bonds, the Disclosure Agent may require payment by requesting of holders a reasonable charge for duplication and transmission of the information and for the Disclosure Agent's administrative expenses incurred in providing the information.

Nothing in this Agreement shall be construed to require the Disclosure Agent to interpret or provide an opinion concerning the information made public. If the Disclosure Agent receives a

request for an interpretation or opinion, the Disclosure Agent may refer such request to the Participant for response.

(E) Disclosure Agent Compensation. The Participant shall pay or reimburse the Disclosure Agent for its fees and expenses for the Disclosure Agent's services rendered in accordance with this Agreement as provided in the Lease.

(F) Indemnification of Disclosure Agent. The Participant shall indemnify and hold harmless the Disclosure Agent and its respective officers, directors, employees, and agents from and against any and all claims, damages, losses, liabilities, reasonable costs, and expenses whatsoever (including attorney's fees) which such indemnified party may incur by reason of or in connection with the Disclosure Agent's performance under this Agreement; provided that the Participant shall not be required to indemnify the Disclosure Agent for any claims, damages, losses, liabilities, costs, or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Disclosure Agent in such disclosure of information hereunder. The obligations of the Participant under this Section shall survive resignation or removal of the Disclosure Agent and payment of the Corporation Bonds.

Section 3. Amendment or Waiver. Notwithstanding any other provision of this Agreement, the Participant and the Disclosure Agent may amend this Agreement (and the Disclosure Agent shall agree to any reasonable amendment requested by the Participant) and any provision of this Agreement may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel or counsel expert in federal securities laws acceptable to both the Participant and the Disclosure Agent to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule as well as any change in circumstance.

Section 4. Miscellaneous.

(A) Representations. Each of the parties hereto represents and warrants to each other party that it has (i) duly authorized the execution and delivery of this Agreement by the officer of such party whose signature appears on the execution pages hereto; (ii) that it has all requisite power and authority to execute, deliver, and perform this Agreement under its organizational documents and any corporate resolutions now in effect; (iii) that the execution and delivery of this Agreement, and performance of the terms hereof, does not and will not violate any law, regulation, ruling, decision, order, indenture, decree, agreement, or instrument by which such party is bound; and (iv) such party is not aware of any litigation or proceeding pending, or, to the best of such party's knowledge, threatened, contesting or questioning its existence, or its power and authority to enter into this Agreement, or its due authorization, execution, and delivery of this Agreement, or otherwise contesting or questioning the issuance of the Corporation Bonds.

(B) Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth; provided that to the extent that the SEC, the MSRB, or any other federal or state agency or regulatory body with jurisdiction over the Corporation Bonds shall have promulgated any rule or regulation governing the subject matter hereof, this Agreement shall be interpreted and construed in a manner consistent therewith.

(C) Severability. If any provision hereof shall be held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions hereof shall survive and continue in full force and effect.

(D) Counterparts. This Agreement may be executed in one or more counterparts, each and all of which shall constitute one and the same instrument.

(E) Termination. This Agreement may be terminated by any party to this Agreement upon thirty days' written notice of termination delivered to the other party or parties to this Agreement; provided the termination of this Agreement is not effective until (i) the Participant, or its successor, enters into a new continuing disclosure agreement with a disclosure agent who agrees to continue to provide, to the MSRB and the Holders of Bonds, all information required to be communicated pursuant to the rules promulgated by the SEC or the MSRB; (ii) nationally recognized bond counsel or counsel expert in federal securities laws provides an opinion that the new continuing disclosure agreement is in compliance with all state and federal securities laws; and (iii) notice of the termination of this Agreement is provided to the MSRB.

This Agreement shall terminate when all of the Corporation Bonds are or are deemed to be no longer outstanding by reason of redemption or legal defeasance or at maturity.

(F) Defaults; Remedies. A party shall be in default of its obligations hereunder if it fails to carry out or perform its obligations hereunder.

If an event of default occurs and continues beyond a period of thirty days following notice of default given in writing to such defaulting party by any other party hereto or by a beneficiary hereof as identified in Section 4(G), the non-defaulting party or any such beneficiary may (and, at the request of the Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Corporation Bonds, the non-defaulting party shall), enforce the obligations of the defaulting party under this Agreement; provided, however, the sole remedy available in any proceeding to enforce this Agreement shall be an action in mandamus, for specific performance, or similar remedy to compel performance.

(G) Beneficiaries. This Agreement is entered into by the parties hereof and shall inure solely to the benefit of the Participant, the Trustee, the Disclosure Agent, the Participating Underwriter, and Holders of Bonds, and shall create no rights in any other person or entity.

Section 5. Additional Disclosure Obligations. The Participant acknowledges and understands that other state and federal laws, including, but not limited to, the Securities Act of 1933, the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder, may apply to the Participant, and that under some circumstances compliance with this Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the Participant under such laws.

Section 6. Notices. Notices shall be provided in the manner set forth in the Lease.

[Signature page to follow]

SIGNATURE PAGE TO CONTINUING DISCLOSURE AGREEMENT

IN WITNESS WHEREOF, the Disclosure Agent and the Participant have each caused their duly authorized officers to execute this Agreement, as of the date set forth above.

KENTUCKY BOND CORPORATION

By: _____
Secretary

CITY OF FRANKLIN, KENTUCKY

By: _____
Mayor

EXHIBIT L

AUTOMATED CLEARING HOUSE SERVICE AGREEMENT

Dated [Closing Date]

Re: \$ [Final Par] Lease Agreement between the Kentucky Bond Corporation, as lessor,
 and the City of Franklin, Kentucky, as lessee, dated [Closing Date]

This Automated Clearing House Service Agreement (“Agreement”), dated as of [Closing Date], is by and between The Bank of New York Mellon Trust Company, N.A., as Trustee (“BNY Mellon”) and the City of Franklin, Kentucky (the “Participant”). Pursuant to certain services rendered by BNY Mellon, on behalf of the Kentucky Bond Corporation for the Kentucky Bond Corporation Financing Program, to the Participant, the Participant hereby authorizes BNY Mellon to initiate Automated Clearing House debit entries (the “ACH Entries”) to the demand deposit account set forth below (the “Account”), to be maintained at the depository named below (the “Depository”) and the Depository is hereby authorized to debit the amount of each such ACH Entry to such Account and to transfer the funds to the credit of The Bank of New York Mellon Trust Company, N.A. all in accordance with the Automated Clearing House Operating Rules.

DEPOSITORY NAME:

BRANCH:

CITY:

STATE:

ZIP:

TRANSIT/ABA NO.:

ACCOUNT NO.:

The parties agree as follows:

1. **NACHA Rules.** In providing services pursuant to this Agreement, BNY Mellon follows the Rules and Guidelines of the National Automated Clearing House Association, as amended from time to time (the “NACHA Rules”), except to the extent they are modified by the terms of this Agreement. The Rules are incorporated by reference into this Agreement. The terms that are used in this Agreement shall have the same meaning as they have under the NACHA Rules. The Participant and BNY Mellon agree to comply with and be subject to the NACHA Rules governing the transactions hereunder. By transmitting an ACH Entry, BNY Mellon makes certain warranties under the NACHA Rules, such as correct account information, and the Participant hereby agrees to make the same warranties to BNY Mellon.

2. **Adjustment of Entries, Returns.** The Participant hereby understands and agrees that any corrections, additions, deletions, or other adjustments to the ACH Entries requested by the Participant may be attempted by BNY Mellon but are not assured. The Participant hereby further understands and agrees that BNY Mellon may not be able to adjust or correct any entry after such entry has been presented to the Originating Automated Clearing House serving BNY Mellon. BNY Mellon also reserves the right to terminate any ACH transactions if they are returned and/or alter data if BNY Mellon receives a Notice of Change (“NOC”) from the receiving financial institution. If an error in the ACH file or an ACH Entry is discovered, the Participant may direct BNY Mellon to initiate a reversing entry within the time and in the manner prescribed by the NACHA Rules. The Participant hereby agrees to reimburse BNY

Mellon for all costs and expenses incurred by BNY Mellon in implementing a reversing file or a reversing entry, including all costs associated with the indemnification provisions of the NACHA Rules.

If a debit entry initiated by BNY Mellon is returned or rejected, BNY Mellon does not attempt a second collection or redeposit unless such second collection or redeposit is requested by the Participant; provided, however, that BNY Mellon reserves the right to refuse to honor any such second collection or redeposit request. If the designated Account does not have sufficient funds, BNY Mellon reserves the right to suspend any ACH Origination Service. In such event, the Participant shall thereupon make any required payments to BNY Mellon via check or wire transfer.

BNY Mellon reserves the right to charge the applicable Account if an item (including, but not limited to, an ACH debit) deposited or charged to the applicable Account is dishonored, returned, or not paid, even if BNY Mellon has not sent the Participant notice of such dishonor, return, or nonpayment. BNY Mellon also reserves the right to charge an unpaid item against the applicable Account, even if BNY Mellon could have made a claim for reimbursement on such item from the bank on which the item was drawn or from another bank. In addition, BNY Mellon may also charge an item against the applicable Account even if the charge results in an overdraft.

3. **Limitation of Liability/Indemnity.** The Participant agrees, to the extent permitted by law, to indemnify and hold harmless BNY Mellon from all liabilities, losses, claims, or damages, including reasonable attorney's fees, BNY Mellon incurs as a result of (i) the Participant's breach of warranty, (ii) the Participant's failure to perform under this Agreement, or (iii) BNY Mellon's performance under this Agreement, except as a result of BNY Mellon's own negligence or willful misconduct. In no event shall BNY Mellon be liable for any indirect, special, incidental, consequential or punitive damages, or attorney's fees. The Receiving Depository Financial Institution ("RDFI") warrants the accuracy of any Notifications of Change and Returns pursuant to the NACHA Rules and BNY Mellon is not liable if the RDFI sends incorrect data to BNY Mellon and BNY Mellon acts upon their incorrect data.
4. **Termination.** Either party hereto may terminate this Agreement upon prior written notice to the other party of at least thirty days. This Agreement shall automatically terminate upon the termination of the Financing Agreement dated as of even date herewith, by and between the Participant and the Kentucky Bond Corporation (as defined in the Kentucky Bond Corporation Financing Program documents dated as of July 1, 2010). Notwithstanding such termination, this Agreement shall remain in full force and effect with respect to all transactions hereunder that occur prior to the date of such termination.
5. **Force Majeure.** Notwithstanding any other provision of this Agreement to the contrary, BNY Mellon shall not be liable for any failure to perform, inability to perform, or delay in the performance of its obligations hereunder if such failure, inability, or delay is due to acts of God, war, civil commotion, governmental actions, fire, explosion, strikes or other industrial disturbances, terrorist attacks, delays by third parties, equipment malfunction, unusually severe weather conditions, or any other cause, event, or circumstance that is beyond BNY Mellon's reasonable control.

6. **Notices.** All notices required to be given hereunder shall be in writing and shall be deemed to have been duly given three days after depositing such notice in the mail, certified mail, return receipt requested, or one day after deposited with an overnight delivery system, and addressed, in the case of notice to BNY Mellon, to:

The Bank of New York Mellon Trust Company, N.A.
4965 U.S. Highway 42, Suite 1000
Louisville, Kentucky 40222
Attn: Susanna N. Patterson

and in the case of notice to the Participant, to:

City of Franklin, Kentucky
117 West Cedar Street
P.O. Box 2805
Franklin, Kentucky 42135
Attn: Mayor

or to such other address as the party to receive such notice may provide in writing to the other party in accordance with this Section.

7. **Parties Bound; Assignment.** This Agreement shall inure to the benefit of and shall be binding upon the respective successors and assigns of the parties hereto; provided, however, that this Agreement may not be assigned, in whole or in part, by Participant without the prior written consent of BNY Mellon. BNY Mellon may assign this Agreement to any of its affiliates or, with notice to the Participant, to independent third parties.
8. **Governing Law.** The Agreement shall be governed by the laws of the Commonwealth of Kentucky.
9. **Miscellaneous.** This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, and all of which, together, shall constitute one and the same Agreement. This Agreement contains the entire agreement of the parties relating to the subject matter hereof and supersedes any prior agreements. This Agreement may be amended only in writing executed by the parties hereto.
10. **Customer Information.** BNY Mellon and the Participant hereby agree that all information provided by Participant to BNY Mellon or to which BNY Mellon has access in the course of providing the Service under this Agreement to the Participant, including, but not limited to, names, addresses, telephone numbers, and account numbers (the "Customer Information"), shall remain confidential. BNY Mellon hereby agrees not to use the Customer Information for any purpose other than as required for the performance of BNY Mellon's obligations with regard to the Service, and BNY Mellon further agrees not to duplicate or incorporate the Customer Information into BNY Mellon's own records or databases other than as is necessary to provide the Service under this Agreement. Any dissemination of the Customer Information within BNY Mellon's affiliates and to BNY Mellon's subcontractors shall be on a "need to know" basis for the sole purpose of the performance of the Service hereunder.

BNY Mellon hereby agrees to implement appropriate measures designed to ensure the security and confidentiality of the Participant's Customer Information, to protect against reasonably foreseeable threats or hazards to the security or integrity of such Customer Information, and to protect against any unauthorized access to or use of such Customer Information. Such measures include, as appropriate, the establishment and maintenance of policies, procedures, and technical, physical, and administrative safeguards.

[Signature page to follow]

SIGNATURE PAGE TO ACH AGREEMENT

IN WITNESS WHEREOF, the parties hereto have executed this ACH Agreement as of the date first written above.

CITY OF FRANKLIN, KENTUCKY

By: _____
Mayor

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.

By: _____

Title: _____