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**BOARD OF EDUCATION OF FAYETTE COUNTY, KENTUCKY**

**GENERAL OBLIGATION BONDS**

**SERIES 2025**

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Exhibit A - Form of Bond

## **RESOLUTION**

**A RESOLUTION OF THE BOARD OF EDUCATION OF FAYETTE COUNTY, KENTUCKY PROVIDING FOR THE ISSUANCE OF ITS GENERAL OBLIGATION REFUNDING BONDS SERIES 2025, THE PROCEEDS OF WHICH WILL BE USED TO REFINANCE AND REFUND A PORTION OF THE OUTSTANDING DEBT OF THE FAYETTE COUNTY SCHOOL DISTRICT FINANCE CORPORATION DESCRIBED HEREIN; SETTING FORTH THE TERMS AND CONDITIONS UPON WHICH THE BONDS ARE TO BE ISSUED AND OUTSTANDING; ORDERING AND PROVIDING FOR THE LEVY OF AN ANNUAL TAX, TO THE EXTENT NECESSARY, IN AN AMOUNT SUFFICIENT TO PAY THE INTEREST ON AND PRINCIPAL OF THE BONDS; AND PROVIDING FOR A PUBLIC SALE OF THE BONDS AND THE APPLICATION OF THE PROCEEDS THEREOF.**

**WHEREAS**, the Board of Education of Fayette County, Kentucky (the “Board of Education”) as the governing body of the Fayette County School District (the “District”) previously directed the Fayette County School District Finance Corporation to issue its School Building Revenue Bonds (collectively the “Prior Bonds”) to finance the costs of acquisition, construction, renovation, improvement and equipping of various school facilities and projects used and operated by the District in Fayette County, Kentucky (collectively the “Projects”);

**WHEREAS**, the Board of Education deems it economically beneficial to issue its General Obligation Refunding Bonds, Series 2025 , from time to time in one or more series, in an aggregate principal amount not to exceed \$145,000,000 (subject to an adjustment downward by any amount) [the “Bonds”] to refinance and refund the Prior Bonds, determined by the District’s Finance Director with the advice of the Financial Advisor (the “Refunding Program”);

**WHEREAS**, the Projects being financed by the Prior Bonds and other funds of the District constitutes a public project within the meaning of Section 66.011 of the Kentucky Revised Statutes and the life or period of usefulness of the Projects, as estimated by the District, extends beyond the final maturity date of the Bonds;

**WHEREAS**, to provide funds for the Refunding Program, it is now appropriate for the District to cause the sale and issuance of the Bonds according to the authority of Sections 158 and 159 of the Constitution of Kentucky and applicable laws, as amended, including Sections 66.011 through 66.191 and Sections 162.010 through 162.387 of the Kentucky Revised Statutes (collectively the “Act”);

**WHEREAS**, the payment of the principal of and interest on the Bonds is secured by the full faith, credit, and taxing resources of the District, which are hereby pledged for such purpose;

**WHEREAS**, upon issuance of the Bonds the total indebtedness of the District, within the meaning of Section 158 of the Constitution of Kentucky, as amended, and the total net

indebtedness of the District within the meaning of the Act, do not exceed 2% of the total value of taxable property within the jurisdiction of the District, as determined by the last certified assessment with respect to such property; and

**WHEREAS**, it is the desire and intent of the District at this time to adopt this resolution (the “Bond Resolution”) that, among other things, authorizes and provides for the issuance of the Bonds for the purposes aforesaid and sets forth the restrictions and conditions on which the Bonds are to be issued and outstanding;

**NOW, THEREFORE, THE BOARD OF EDUCATION OF FAYETTE COUNTY, KENTUCKY DOES HEREBY RESOLVE AS FOLLOWS:**

**Section 1. Definitions.**

As used in this Bond Resolution, unless the context requires otherwise, the following terms shall have the following respective meanings:

“*Act*” refers to Sections 158 and 159 of the Constitution of Kentucky and applicable laws, as amended, including Sections 66.011 through 66.191 and Sections 162.010 through 162.387 of the Kentucky Revised Statutes.

“*Agent Member*” means a member of, or participant in, the Securities Depository.

“*Agreed Participation*” refers to the amount, if any, which the Commission has agreed to provide, pursuant to the terms of the Participation Agreement, to assist the Board of Education in meeting the principal and interest requirements due on the Bonds.

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

“*Board of Education*” refers to the Board of Education of the District.

“*Bond Counsel*” refers to collectively to the firms Stoll Keenon Ogden PLLC and Rubin & Hays, or any other nationally recognized individual or firm in the field of municipal bond law acceptable to the District.

“*Bond Insurance Policy*” refers to a municipal bond insurance policy issued by the Bond Insurer guaranteeing the scheduled payment of principal of and interest on any Bonds.

“*Bond Insurer*” means any corporation, association or other entity that is engaged in the business, among other things, of insuring or guaranteeing the payment of the principal of and interest on municipal bond issues and, for the purposes of the Bonds, and its successors.

“*Bond Register*” means the books and records maintained by the Bond Registrar as to the registered ownership and transfers of ownership of the Bonds from time to time.

*“Bond Registrar”* or *“Registrar”* or *“Paying Agent”* or *“Transfer Agent”* refers to the bank that acts as the Bond Registrar, Paying Agent and Transfer Agent with respect to the Bonds, which bank shall have the duties and responsibilities of (a) issuing semiannual checks in payment of interest requirements as to the Bonds; (b) paying the principal of same at maturity or applicable mandatory redemption or optional redemption prior to maturity upon surrender of the Bonds; (c) authenticating, issuing and delivering the Bonds to the original purchasers of same in accordance with the sale of the Bonds, at the written direction of the District; (d) maintaining the Bond Register; and (e) handling exchanges, cancellations, reissuance, redemption, and all apparent duties of a Bond Registrar, Paying Agent and Transfer Agent with respect to the Bonds, as hereinafter set out. The Bond Registrar, Paying Agent, and Transfer Agent hereby designated is Old National Wealth Management, Evansville, Indiana; provided, however, it is understood that the District reserves the right to designate a different Federal Deposit Insurance Corporation instrumentality to perform any and all of such functions of Bond Registrar, Paying Agent, and Transfer Agent as to the Bonds.

*“Bond Resolution”* refers to this resolution adopted by the District, which, among other things, authorizes and provides for the issuance of the Bonds for the purposes aforesaid and sets forth the restrictions and conditions on which the Bonds are to be issued and outstanding.

*“Bondholder”* or *“Holder”* refers to the registered owner of any of the Bonds.

*“Bonds”* refers to the Board of Education of Fayette County, Kentucky General Obligation Bonds issued pursuant to this Bond Resolution, from time to time, in one or more series.

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

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

*“Chairperson”* refers to the Chairperson of the Board of Education.

*“Code”* refers to the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder.

*“Commission”* means the Kentucky School Facilities Commission.

*“Corporation”* means the Fayette County School District Finance Corporation, an agency an instrumentality of the Board of Education.

*“Costs of Issuance Fund”* refers to the Board of Education of Fayette County, Kentucky General Obligation Refunding Bonds Series 2025 Costs of Issuance Fund created in Section 19 of this Bond Resolution.

*“Disclosure Agreement”* means a Continuing Disclosure Agreement of the District substantially in the form which is attached as an appendix to the Official Statement issued and related to the Bonds.

*“District”* refers to the Fayette County School District acting by and through the Board of Education of Fayette County, Kentucky.

*“Escrow Agent”* refers to Old National Wealth Management, which is the bank where the Escrow Fund will be deposited and is the bank which will provide the funds from the Escrow Fund at the appropriate times to the Paying Agent for the Refunded Prior Bonds for the payment of interest on the Refunded Prior Bonds.

*“Escrow Agreement”* refers to the Agreement between the Board of Education and the Escrow Agent, authorized pursuant to this Bond Resolution, which provides for the investment and disbursement of the funds in the Escrow Fund for the purpose of providing for the payment of the principal of and interest, together with the redemption premium, if any, on the Refunded Prior Bonds.

*“Escrow Fund”* refers to the Board of Education of Fayette County, Kentucky General Obligation Refunding Bond Escrow Fund, created in this Bond Resolution.

*“Final Maturity Date”* refers to the date of final maturity of the Bonds as determined by the Superintendent or Finance Director, after consultation with the Financial Advisor and Bond Counsel, and as specified in the Sale Certificate described in Section 14 hereof.

*“Finance Director”* refers to the Finance Director of the District.

*“Financial Advisor”* refers to Compass Municipal Advisors, LLC, Lexington, Kentucky.

*“Funds”* refers to the Sinking Fund, the Costs of Issuance Fund, and the Escrow Fund.

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

*“Insured Obligations”* means any Bonds for which there is a Bond Insurance Policy guaranteeing the scheduled payment of principal of and interest on said Bonds.

*“Interest Payment Date”* shall mean the semi-annual date that interest is due and payable on the Bonds, as determined by the Superintendent or Finance Director, in consultation with the Financial Advisor, as specified in the Sale Certificate described in Section 14 hereof.

*“KRS”* refers to the Kentucky Revised Statutes, as amended.

*“Official Statement”* means an Official Statement of the District relating to the original issuance of the Bonds.

*“Outstanding”* or *“Bonds Outstanding”* means all Bonds that have been authenticated and delivered by the Paying Agent under this Bond Resolution, except:

(a) Bonds cancelled after purchase in the open market or because of payment at or redemption prior to maturity;

(b) Bonds for the payment or redemption of which cash funds and/or noncallable U.S. Obligations have been theretofore deposited with the Paying Agent (whether upon or prior to the maturity or redemption date of any such Bonds); provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption has been given or arrangements satisfactory to the Paying Agent shall have been made therefor, or waiver of such notice satisfactory in form to the Paying Agent, has been filed with the Paying Agent;

(c) Bonds paid or deemed to be paid pursuant to Section 20 of this Bond Resolution; and

(d) Bonds in lieu of which others have been authenticated under Section 12 of this Bond Resolution.

*“Participation Agreement”*, to the extent applicable, refers to an agreement between the Board of Education and the Commission wherein the Commission agreed to provide financial assistance to the Board of Education in an amount equal to the Agreed Participation.

*“Paying Agency Agreement”* the Paying Agency Agreement dated as of the date of issuance of the Bonds by and between the District and the Paying Agent setting forth the duties of the Paying Agent and Bond Registrar under this Bond Resolution.

*“Paying Agent”* refers to Old National Wealth Management, Evansville, Indiana, which has been designated to serve as Paying Agent under this Bond Resolution.

*“Permitted Investments”* refers to the following:

(a) Obligations of the United States and of its agencies and instrumentalities, including obligations subject to repurchase agreements, if delivery of these obligations subject to repurchase agreements is taken either directly or through an authorized custodian. These investments may be accomplished through repurchase agreements

reached with sources including but not limited to national or state banks chartered in Kentucky;

(b) Obligations and contracts for future delivery or purchase of obligations backed by the full faith and credit of the United States or a United States government agency, including but not limited to:

1. United States Treasury;
2. Export-Import Bank of the United States;
3. Farmers Home Administration;
4. Government National Mortgage Corporation; and
5. Merchant Marine bonds;

(c) Obligations of any corporation of the United States government, including but not limited to:

1. Federal Home Loan Mortgage Corporation;
2. Federal Farm Credit Banks;
3. Bank for Cooperatives;
4. Federal Intermediate Credit Banks;
5. Federal Land Banks;
6. Federal Home Loan Banks;
7. Federal National Mortgage Association; and
8. Tennessee Valley Authority;

(d) Certificates of deposit issued by or other interest-bearing accounts of any bank or savings and loan institution having a physical presence in Kentucky which are insured by the Federal Deposit Insurance Corporation or similar entity or which are collateralized, to the extent uninsured, by any obligations, including surety bonds, permitted by KRS 41.240(4) ;

(e) Uncollateralized certificates of deposit issued by any bank or savings and loan institution having a physical presence in Kentucky rated in one (1) of the three (3) highest categories by a competent rating agency;

(f) Bankers' acceptances for banks rated in one (1) of the three (3) highest categories by a competent rating agency;

(g) Commercial paper rated in the highest category by a competent rating agency;

(h) Bonds or certificates of indebtedness of this state and of its agencies and instrumentalities;



(i) Securities issued by a state or local government, or any instrumentality of agency thereof, in the United States, and rated in one (1) of the three (3) highest categories by a competent rating agency;

(j) Shares of mutual funds and exchange traded funds, each of which shall have the following characteristics:

1. The mutual fund shall be an open-end diversified investment company registered under the Federal Investment Company Act of 1940, as amended;
2. The management company of the investment company shall have been in operation for at least five (5) years; and
3. All of the securities in the mutual fund shall be eligible investments pursuant to this section;

(k) Individual equity securities if the funds being invested are managed by a professional investment manager regulated by a federal regulatory agency. The individual equity securities shall be included within the Standard and Poor's 500 Index, and a single sector shall not exceed twenty-five percent (25%) of the equity allocation;

(l) Individual high-quality corporate bonds that are managed by a professional investment manager that:

1. Are issued, assumed, or guaranteed by a solvent institution created and existing under the laws of the United States;
2. Have a standard maturity of no more than ten (10) years; and
3. Are rated in the three (3) highest rating categories by at least two (2) competent credit rating agencies; and

(m) Any other lawful investment authorized by the Kentucky Revised Statutes to be utilized by local governments with a rating equal to or higher than the rating of the Bonds, as rated by each rating agency then rating the Bonds, including an investment agreement with investment agreement provider whose obligations have a current rating at least equal to the rating on the Bonds.

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

*“Prior Bond Fund”* refers to the respective sinking funds created in the Prior Bond Resolutions.

*“Prior Bond Resolutions”* refers to the bond resolutions duly passed and adopted by the Corporation, authorizing the Prior Bonds.

*“Prior Bond Paying Agent”* refers to respective paying agent appointed in the respective Prior Bond Resolution where the proceeds of the Bonds will be deposited to be used for the payment of principal of and interest, together with the redemption premium, if any, on the Prior Bonds.

*“Prior Bonds”* refers to the following outstanding bonds of the Corporation:

- (a) Fayette County School District Finance Corporation School Building Refunding Revenue Bonds Series 2014A, dated March 31, 2014;
- (b) Fayette County School District Finance Corporation School Building Revenue Bonds Series 2014B, dated November 20, 2014;
- (c) Fayette County School District Finance Corporation School Building Refunding Revenue Bonds Series 2015A, dated September 30, 2015;
- (d) Fayette County School District Finance Corporation School Building Refunding Revenue Bonds Series 2015B, dated September 23, 2015; and
- (e) Fayette County School District Finance Corporation School Building Revenue Bonds Series 2015D, dated July 14, 2015.

*“Projects”* collectively refers to the various school facilities and projects acquired, constructed, renovated, improved, expanded and/or equipped with the proceeds of the Prior Bonds.

*“Record Date”* shall mean with respect to any Interest Payment Date, the close of business on the fifteenth day of the month preceding any Interest Payment Date, whether or not such Record Date is a Business Day.

*“Refunded Prior Bonds”* refers to the outstanding Prior Bonds, scheduled to mature on or after such dates as determined by the Finance Director with the advice of the Financial Advisor that are slated to be refunded by one or more series of the Bonds.

*“Refunding Program”* refers to the refinancing and refunding of the Refunded Prior Bonds.

*“Regulations”* refers to the applicable Federal income tax regulations issued by the Department of Treasury of the United States of America interpreting the Code.

*“Sale Certificate”* means the Certificate Awarding the Bid on the Bonds executed by the Superintendent or the Finance Director accepting the successful bid for a series of Bonds and setting the principal amount, maturities, redemption provisions and the mandatory redemption schedule and interest rates for each series of the Bonds.

*“Secretary”* refers to the Secretary of the District’s Board of Education.

*“Securities Depository”* means any securities depository that is a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act, operating and maintaining, with its participants or otherwise, a Book-Entry System to record ownership of beneficial interests in bonds and bond service charges, and to effect transfers of bonds in Book-

Entry Form, and means, initially, The Depository Trust Company (a limited purpose trust company), New York, New York.

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

“*Sinking Fund*” refers to the Board of Education of Fayette County, Kentucky General Obligation Bonds Sinking Fund, created in Section 19 of this Bond Resolution.

“*Superintendent*” refers to the Superintendent of the District.

“*Term Bonds*” refers to the Bonds, if any, which are required to be mandatorily redeemed in accordance with the provisions of Section 7 hereof.

“*Unrefunded Prior Bonds*” refers to the outstanding Prior Bonds, , scheduled to mature on or after such dates as determined by the Finance Director with the advice of the Financial Advisor that are not refunded by one or more series of Bonds.

“*U.S. Obligations*” means bonds or notes that are the direct obligations of the United States of America, or obligations the principal of and interest on which are guaranteed by the United States of America.

## **Section 2. Words of Masculine Gender; Plural as well as Singular Form.**

Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined will be equally applicable to the plural as well as to the singular form of any of such words and terms. All words and terms used in this Bond Resolution have the meaning set forth therein. Unless otherwise indicated, references to Articles or Sections refer to those in this Bond Resolution.

## **Section 3. Authorization and Approval of Documents.**

This Bond Resolution is hereby adopted and approved, under authority of (i) the Act, (ii) the general laws and the Constitution of the Commonwealth, including Sections 158 and 159 of such Constitution, and (iii) applicable decisions of the appellate courts of the Commonwealth. All actions of the District, and its respective staffs in the structuring, staffing, planning and preparation of all documentation for the issuance of the Bonds are hereby authorized and ratified.

All appropriate officers of the District and all appropriate employees or agents of the District are hereby authorized to approve and to execute, acknowledge, and deliver on behalf of the District any and all papers, instruments, certificates, affidavits, and other documents, and to do and cause to be done any and all acts and things necessary or proper for entering into and effecting this Bond Resolution and the documents herein authorized and contemplated relating to the issuance of the Bonds, including but not limited to the Disclosure Agreement, the Paying Agency Agreement and the Sale Certificate.

**Section 4. Approval of Use of Proceeds and Authorization for the Bonds; Designation of Bond Counsel and Financial Advisor; Ratification of Official Intent.**

The financing of the Refunding Program is hereby approved, ratified, and affirmed to be necessary and desirable, and to accomplish such purpose the District hereby determines, subject to the acceptance of an acceptable bid or bids for the purchase of each series of Bonds pursuant to the Official Terms and Conditions of Bond Sale substantially in the forms approved in this Bond Resolution.

The District is authorized to issue and sell, from time to time, in one or more series, its Bonds in the aggregate principal amount not to exceed \$145,000,000 (subject to adjustment of the principal amount downward by any amount), the exact amount of each series to be determined by the Superintendent or the Finance Director as specified in the Sale Certificate accepting the successful bid for each series of Bonds at the recommendation of the Financial Advisor to the District based on the bond market at the time of sale of the Bonds. The terms and provisions of this Bond Resolution shall be applicable respectively to each series of Bonds issued by the District.

Any previously expressed intent by the District to proceed with the Refunding Program and to be reimbursed for amounts contributed by the District or otherwise paid in connection with the Refunding Program is hereby ratified and affirmed. Nothing in this Bond Resolution, however, shall commit or require the District to issue Bonds in any amount, and the underwriters of the Bonds shall have no rights with respect to this Bond Resolution or the Bonds, unless and until the Bonds are sold and delivered pursuant to Section 14 hereof; and in this regard the District expressly reserves the right to refuse to issue Bonds, for any reason whatsoever in the sole discretion of the District.

The law firms of Stoll Keenon & Ogden PLLC and Rubin & Hays are designated as Bond Counsel in connection with the Bonds. The firm of Compass Municipal Advisors, LLC, or its successors and assigns, is designated as Financial Advisor in connection with the Bonds.

The Board of Education acknowledges that the Commission may agree to provide financial assistance to the Board of Education for the Refunding Program and in this financing to the extent of the Agreed Participation, subject to the constitutional limitations on state agencies requiring that such commitment be subject to renewal or cancellation every two (2) years. The Chairperson of the Board of Education and the Superintendent are hereby authorized to enter into a Participation Agreement to accept such financial assistance from the Commission.

**Section 5. Designation of Bonds.**

The Bonds of the District shall be designated as general obligation refunding bonds or notes and shall bear a series designation consisting of the year and an identifying letter or number.

The Bonds shall be issued as hereinafter provided, subject to the successful sale thereof pursuant to Section 14 hereof.

## **Section 6. Term, Form, and Execution of Bonds.**

Each series of the Bonds shall initially be dated as of the date of delivery, or (on the recommendation of the Financial Advisor) as of any other date as may be authorized by separate resolution of the District or such other date as may be determined by the Superintendent upon the recommendation of the Financial Advisor to the District.

The Bonds shall be issued and reissued by the Bond Registrar, from time to time, only as fully-registered bonds without coupons in the Authorized Denominations, all as set forth in the respective form of Bonds, which shall be substantially in form attached hereto as **Exhibit A** and shall contain a statement pursuant to KRS 66.021(2)(a), to the effect that the Bonds are issued or entered into under or pursuant to authorizing provisions of law. The Bonds shall initially be issued in Book-Entry Form and registered in the name of the Securities Depository or the Securities Depository Nominee as provided in Section 11 of this Bond Resolution. Unless the District otherwise directs, the Bonds shall be numbered serially from R-1 upwards or as the Bond Registrar may determine.

The Bonds shall bear interest, to be set by a public sale, from the date of their issuance, payable on the Interest Payment Dates. The Interest Payment Dates, the principal amount to be issued and the maturities of the Bonds shall be finally determined in accordance with the provisions of Section 14 hereof.

The Bonds shall be executed for and on behalf of the District by the manual or reproduced facsimile signature of the Chairperson and by the manual or reproduced facsimile signature of the Secretary.

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

The Board of Education shall make semiannual remittances in immediately available funds directly to the Paying Agent in accordance on or before ten (10) days prior to the dates the principal and/or interest requirements are due on the Bonds.

## **Section 7. Redemption Provisions.**

(a) *Optional Redemption.* The Bonds may be subject to optional redemption prior to maturity as determined by the Superintendent or Finance Director, in consultation with the Financial Advisor, which terms for optional redemption are to be in the best interests of the District in achieving acceptable bids for the Bonds pursuant to Section 14 hereof. The Bonds shall specifically state thereon the terms for optional redemption, if any.

(b) *Mandatory Redemption.* The Term Bonds, if any, must be mandatorily redeemed in each of the respective years set forth in the mandatory redemption schedule set forth in the Sale Certificate. The Term Bonds to be so redeemed shall be selected by the Bond Registrar by lot in such manner as may be determined at the discretion of the Bond Registrar. Such Term Bonds due

shall be so mandatorily redeemed at 100% of the aggregate principal amounts specified in accordance with the provisions of Section 14 hereof for each year plus accrued interest to the respective dates of mandatory redemption.

At the option of the District, to be exercised at least 45 days prior to the date for application of the mandatory redemption of the Term Bonds, if any, the District may receive a credit against the mandatory redemption requirement for Term Bonds subject to the application of such mandatory redemption requirement that, prior to the date for application of such requirement (and for which a credit has not previously been taken) (i) have been redeemed other than through the application of such mandatory redemption procedure, and cancelled by the Bond Registrar or (ii) have been delivered to the Bond Registrar by the District for cancellation.

(c) *Extraordinary Redemption.* Notwithstanding Section 21(a) of this Bond Resolution, if a Project is destroyed by fire, lightning, windstorm, or other hazard, and the District determines not to rebuild or replace the Project, then the Bonds shall be subject to redemption at the option of and by the District prior to maturity, in whole or in part, in any order of their maturities (less than all of a single maturity to be selected by lot), at par, plus unpaid interest accrued to the date of redemption.

(d) *Redemption of Less Than All of a Single Bond.* If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in a denomination equal to \$5,000 or any integral multiple thereof, if the Bond is one of the maturities or amounts or part of the maturities or amounts called for redemption. Upon surrender of any Bond for redemption in part, the Registrar shall authenticate and deliver an exchange Bond or Bonds in an aggregate denomination equal to the unredeemed portion of the Bond so surrendered.

(e) *Notice of Redemption.* The Paying Agent shall give notice of redemption by registered or certified mail, overnight delivery, or e-mail not less than 25 nor more than 60 days prior to the redemption date to each Bondholder to be redeemed or tendered at the address of such Bondholder appearing in the Bond Register, and also to such other Persons as the District shall deem appropriate.

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

All notices of redemption shall state:

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

- on and after such date, and that each such Bond will be deemed to have been redeemed;
- (v) the place or places where such Bonds must be surrendered for payment of the redemption price thereof; and
  - (vi) such additional information as the District or the Paying Agent shall deem appropriate.

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

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

#### **Section 8. Tax Levy and Pledge; Sinking Fund.**

The Bonds are general obligations of the District and the full faith, credit, and taxing power of the District are hereby irrevocably pledged to the prompt payment of the principal of and interest (and premium, if any) on the Bonds when due.

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

To provide funds required to pay the interest on the Bonds (as well as all other General Obligation Debt, if any) as and when the interest becomes due and in order to create a sinking fund to pay and discharge the principal thereof (and premium, if any) as the Bonds and any other General Obligation Debt become due, and pursuant to and in compliance with (i) Section 159 of the Constitution of the Commonwealth and (ii) the Act, there shall be and there is hereby levied on all of the taxable property within the jurisdiction of the District, beginning as of the date hereof and continuing in each year as long as any of the Bonds are Outstanding or any other General Obligation Debt is outstanding, a direct annual tax sufficient, to the extent other lawfully available moneys of the District are not provided, for that purpose, which tax shall be unlimited as to rate or amount. The District hereby covenants and pledges to levy, charge, collect, deposit, and apply the

proceeds of such special annual tax to the payment of such debt charges on the Bonds and any other General Obligation Debt. The District acknowledges, however, that in the current fiscal year no such special annual tax would actually be required to be levied or collected in order for the District to make payments on the Bonds (and such other General Obligation Debt, if any) when due, there being sufficient other moneys lawfully available to the District for the making of such payments. The District further acknowledges that in no future fiscal year does the District currently expect that a special annual tax would actually be required to be levied or collected for the District to make payments on the Bonds (and such other General Obligation Debt, if any) when due, the District having projected there will be sufficient other moneys lawfully available to the District for the making of such payments.

Any and all proceeds derived from the special annual tax authorized above and levied from time to time, together with other lawfully available moneys of the District provided for the purpose, shall be deposited and carried in a separate and special account of the District (specifically, the Sinking Fund hereinafter provided for), held apart from all other funds of the District, and shall be applied only for the purpose of paying the principal of and interest (and premium, if any) on the Bonds as provided in this Bond Resolution and any other General Obligation Debt, if any. The proceeds of the special annual tax and the balances accumulated from time to time in the Sinking Fund are hereby irrevocably pledged for the purpose of paying the principal of and interest (and premium, if any) on the Bonds and any other General Obligation Debt, if any, and shall never be used for any other purpose. The District hereby covenants and pledges with the Bondholders that the District will levy the special annual tax in each year at whatever rates may be necessary from time to time in order to produce the amounts required in each year, to the extent funds are not otherwise provided, to pay the principal of and interest (and premium, if any) on the Bonds and such other General Obligation Debt, if any, when due.

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

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

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



All moneys held in the Sinking Fund shall be deposited in a bank or banks that are members of the Federal Deposit Insurance Corporation ("FDIC"), and all such deposits that cause the aggregate deposits of the District in any one bank to be in excess of the amount insured by FDIC shall be continuously secured by a valid pledge of direct obligations of the United States of America having an equivalent market value. All or any part of the Sinking Fund may be invested in Permitted Investments, maturing or being subject to retirement at the option of the holder on such dates as the same may be needed for meeting interest and/or principal payments, and all such investments shall be carried to the credit of the Sinking Fund.

#### **Section 9. Appointment of Bond Registrar and Paying Agent.**

After a solicitation of bids, the Financial Advisor recommends and the District appoints and designates Old National Wealth Management, Evansville, Indiana, to be the Bond Registrar and Paying Agent and the District is hereby authorized to enter into a Paying Agency Agreement for the purpose of setting forth the duties and responsibilities of the Paying Agent.

#### **Section 10. Procedures in Respect of Registration and Transfer of Bonds; Payment of Principal and Interest.**

The Bond Registrar may treat for all purposes the person in whose name any Bond is registered on the Record Date, on the registration books kept by the Bond Registrar, as the absolute owner thereof.

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

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

Except as may be otherwise provided in Section 11 below for Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, each Bond shall be transferable or exchangeable only on the presentation and surrender thereof at the

principal trust office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Holder or his authorized representative.

Except as may be otherwise provided in Section 11 below for Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, Bonds shall be exchangeable for a Bond or Bonds of the same maturity, and interest rate and in Authorized Denominations, within a single maturity, in an aggregate principal amount or amounts equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Bond Registrar shall be and is hereby authorized to authenticate, deliver, and exchange Bonds in accordance herewith. Each Bond delivered in exchange for a surrendered Bond shall constitute an original contractual obligation of the District and shall be entitled to the benefits and security of this Bond Resolution to the same extent as the Bond or Bonds in lieu of which any Bond is delivered in exchange. Any Bonds surrendered for exchange shall be cancelled by the Bond Registrar and the Bond Registrar shall maintain a complete record of all exchanges, transfers and cancellations of Bonds and shall make a report thereof to the District on request.

Except as may be otherwise provided in Section 11 for Bonds registered in Book-Entry Form in the name of the Securities Depository or the Securities Depository Nominee, no service charge or other transfer fee shall be charged in connection with any transfer or exchange of a Bond. However, the registered owner of any Bond may be required to pay an amount equal to any tax or other governmental charge, if any, that may be imposed in connection with the transfer or exchange of any Bond.

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

#### **Section 11. Securities Depository; Ownership of Bonds.**

Except as provided in paragraph (b) of this Section, the Bonds shall be registered in the name of the Securities Depository or the Securities Depository Nominee, and ownership thereof shall be maintained in Book-Entry Form by the Securities Depository for the account of the Agent Members thereof. Initially, the Bonds shall be registered in the name of Cede & Co., as the nominee of The Depository Trust Company. Except as provided in paragraph (b) below of this Section, the Bonds may be transferred, in whole but not in part, only to the Securities Depository or the Securities Depository Nominee, or to a successor Securities Depository selected or approved by the District or to a nominee of such successor Securities Depository. As to any Bond, the person in whose name the Bond shall be registered shall be the absolute owner thereof for all purposes, and payment of or on account of the principal of and premium, if any, and interest on any such Bond shall be made only to or on the order of the registered owner thereof or his legal representative.

(a) Neither the District nor the Bond Registrar shall have any responsibility or obligation with respect to:

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

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

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

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

Notwithstanding the definition of the term Bondholder, Bondowner, Holder or Owner herein, as referencing registered holders of the Bonds, the Bond Registrar shall be entitled to rely on written instructions from a majority of the beneficial owners of the Bonds with reference to consent, if any, required from Holders pursuant to the terms of this Bond Resolution.

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

Payment of principal, premium, if any, and interest on any Bonds not registered in Book-Entry Form shall be made as provided in Section 10 hereof.

## **Section 12. Authentication of Bonds.**

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

### **Section 13. Loss, Theft, Destruction or Mutilation of Bonds.**

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

### **Section 14. Conditions of Sale of Bonds.**

The Bonds shall be sold at a publicly advertised sale, upon the basis of sealed bids, at such a time as the Superintendent or the Finance Director, as advised by the Financial Advisor, may deem desirable. The Superintendent and/or the Finance Director, are hereby authorized to prepare or cause to be prepared, the Notice of Bond Sale, Official Terms and Conditions of Bond Sale, Bid Form, Official Statement or any other offering documents, in the customary forms as may be necessary or desirable, without further action being taken, after the execution of this instrument is authorized, it being provided, however, that there shall be no sale of the Bonds unless and until the Superintendent or Finance Director accepts a successful bid for the sale of the Bonds.

Said bids shall be received in the office of the Superintendent of the District, or such other place or in such other manner as deemed appropriate by the Financial Advisor. The Superintendent or Finance Director is hereby authorized to accept the successful bid, determine the final principal maturities (terms for optional redemption prior to maturity, if any) and the exact rates of interest that said Bonds will bear, which rates of interest may be either a fixed rate or rates or a variable rate based on a percentage of an easily identifiable and calculable index formula, and the interest rates on the Bonds will be automatically set at the rates set in the Bid Form of the successful bid, without the necessity of any further action by the Board of Education fixing said rates, provided however that the successful bid shall not have a true interest cost in excess of 7% per annum. The proceeds of the sale of said Bonds shall be used only for the purposes herein described.

If for any reason it is determined that no bid should be accepted when the Bonds are first offered for public sale, then, upon recommendation of the Financial Advisor, the Superintendent or the Finance Director is authorized to re-advertise, if required, such Bonds for public sale and to approve a revised Notice of Bond Sale, Bid Form, and Official Terms and Conditions of Sale of Bonds, and to distribute same to prospective bidders, without the necessity of the Board of Education taking any further action or granting any further authority for such proceedings.

If one or more bids conform in all respects to the prescribed terms and conditions, the Superintendent or Finance Director will, on the same day that such bids are received or as soon thereafter as reasonably possible, reject all bids or accept the best of such bids, as measured in

terms of the lowest true interest cost to the District, as calculated in the manner prescribed in the Official Terms and Conditions of Sale of Bonds, as is deemed in the best interest of the District.

If the Superintendent or Finance Director accepts a purchase bid for the Bonds, the Superintendent or Finance Director will issue a Sale Certificate to that effect, supply proper evidence of such acceptance to the bidder submitting the accepted bid, and thereupon arrangements will be made for the Bonds to be printed and delivered in accordance therewith and with the Official Terms and Conditions of Sale of Bonds. The proceeds of the sale of said Bonds will be used only for the purposes herein described.

#### **Section 15. Disposition of Proceeds of Sale of Bonds.**

Upon the sale and delivery of the Bonds, and receipt by the District of the purchase price thereof, it is hereby acknowledged and ordered that:

(a) *Payment of Fees and Expenses of Issuance of the Bonds.* From the proceeds of the Bonds, there shall first be deducted and paid the necessary costs and authorized expenses of issuance of the Bonds.

(b) *Deposit into Escrow Fund; Approval of Escrow Agreement.* From the remaining proceeds of the Bonds, after depositing into the Sinking Fund any amount paid as representing accrued interest on the Bonds from the date thereof to the date of delivery and payment therefore, shall be deposited with the Escrow Agent, in the Escrow Fund created and established in the Escrow Agreement the amount required by and set forth in the Escrow Agreement, which Escrow Agreement is hereby authorized to be executed by the Chairperson of the Board of Education following the acceptance by the Finance Director of the successful bid for the purchase of the Bonds; provided, however, that simultaneously with the delivery of the Bonds, the District shall obtain a commitment for investment of the amount to be deposited therein, which aggregate investments shall be sufficient to accomplish the purposes hereof, based on corroborating certification of Bond Counsel and/or certified public accountants, and which investments shall be scheduled to mature at such times and in such amounts as are necessary, together with any uninvested cash, to meet the requirements specified in the Escrow Agreement.

The Finance Director and Superintendent of the Board of Education are hereby authorized to act on behalf of the District in obtaining the appropriate commitment or commitments directly or through the designee of either of them, for the purchase of or subscriptions for purchase of the obligations of the United States of America necessary to accomplish the foregoing purpose.

(c) *Excess or Inadequate Amount in Escrow Fund.* If and to the extent that the amounts deposited in the Escrow Fund are inadequate, the Corporation will transfer or cause to be transferred sufficient funds from other available funds provided by the Board of Education, to accomplish the purpose specified herein.

If and to the extent that the amounts deposited in the Escrow Fund are in excess of the amount required, after the final redemption date of the Refunded Prior Bonds, for the redemption of the Refunded Prior Bonds, including those called Refunded Prior Bonds not yet presented for payment, as provided in the Escrow Agreement, such excess amount shall be transferred

immediately to the Sinking Fund and treated the same as if transferred simultaneously with the delivery of the Bonds.

The Corporation certifies that the purpose of providing for the possible increase or decrease in amount of a series of Bonds to be sold is to eliminate the possibility of there being an over-issuance or under-issuance of the amount of a series of Bonds necessary to accomplish the required objectives of all or a portion of the Refunding Program.

(d) *Escrow Fund Earmarked and Pledged to Pay Refunded Prior Bonds.* Amounts on deposit in an Escrow Fund shall be earmarked and held for credit to the account of the debt service fund for the Refunded Prior Bonds for the purpose of said fund, the same as if the Escrow Fund were actually deposited in said debt service fund. The amounts so deposited in the Escrow Fund and all such investments therein shall be held in the Escrow Fund, subject to the following terms and conditions:

(1) The amount to be provided by both the principal and interest from such obligations of the United States of America shall be sufficient (when supplemented by any uninvested cash) and shall be available in sufficient time to meet the requirements specified in the following paragraphs of this paragraph (d);

(2) On or immediately prior to each of the semiannual interest payment dates of the Refunded Prior Bonds, the necessary amount of investments in the Escrow Fund shall be converted to cash by the Escrow Agent and wired to the Prior Bond Paying Agent and shall be earmarked and applied for the payment of the interest due on the Refunded Prior Bonds to be redeemed falling due on said respective dates through and including the date the Refunded Prior Bonds are called for redemption; and

(3) On or immediately prior to the date the Refunded Prior Bonds are called for redemption, a sufficient amount of investments in the Escrow Fund shall be converted to cash by the Escrow Agent and wired to the Prior Bond Paying Agent and shall be earmarked and applied for payment of the redemption price on the Refunded Prior Bonds.

(e) *Remaining Proceeds to be deposited to Sinking Fund.* After the costs of issuance for a series of Bonds and the required deposits are made in accordance with the respective Escrow Agreement, any remaining proceeds of the Bonds shall be transferred to the Sinking Fund and used to pay principal of and interest on the Bonds.

Authority is given by the Board of Education to the Financial Advisor and/or Bond Counsel, to act on behalf of the District in signing on behalf of the Board of Education subscriptions for the purchase and issue of United States Treasury Certificates, Notes or Bonds - State and Local Government Series, to be issued to the Escrow Agent, in connection with the investment of the proceeds of the Bonds. The Finance Director and/or the Superintendent of the District is authorized to send a letter to the Securities Division, of the appropriate Federal Reserve Bank, certifying as to the authority of such individuals.

## **Section 16. Arbitrage Limitation.**

- (a) In this Section unless a different meaning clearly appears from the context:
- (i) Reference to a provision of the Code by number or letter includes reference to any law hereafter enacted as an amendment to or substitution for such provision; and
  - (ii) Words which are used herein and in the Code shall have the meaning given to such words in or pursuant to the Code.
- (b) The District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the Bonds shall, for the purposes of federal income taxation, be excludable from gross income of the Holders.
- (c) The District shall not permit at any time or times any of the proceeds of the Bonds to be used to acquire or to replace funds which were used directly or indirectly to acquire any securities or obligations which are “higher yielding investments,” the acquisition of which would cause any Bond to be an “arbitrage bond” as defined in Section 148 of the Code.
- (d) Unless the Bonds are subject to the small issuer exemption from rebate as provided in Section 18 hereof, in order to assure compliance with this Section, thereby better securing and protecting the Holders, the District from the date of adoption of this Bond Resolution covenants that it will not make or cause to be made any investment of the proceeds of Bonds that produces a yield in excess of such applicable maximum yield as may be permitted by the Code, and invest or cause the Finance Director to, and the Finance Director shall not, independent of any direction of the District, invest monies in any fund created by this Bond Resolution and allocable to the Bonds, in investment obligations that produce a yield in excess of such applicable maximum yield as may be permitted by the Code.
- (e) The District further covenants that prior to the issuance of any of the Bonds, and as a condition precedent to such issuance, the District shall certify by issuance of a certificate by an authorized officer having responsibility for the receipt, disbursement, use, and investment of the proceeds of the Bonds that, on the basis of the facts, estimates, and circumstances in existence on the date of issue of the Bonds it is not expected that the proceeds of the Bonds will be used in a manner that would cause such obligations to be arbitrage bonds.
- (f) The District further covenants that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed, or final Treasury Regulations as may be applicable to the Bonds from time to time. This covenant shall survive payment in full or defeasance of the Bonds.
- (g) Notwithstanding any provision of this Section, if the District receives an opinion of nationally recognized bond counsel to the effect that any action required under this Section is no longer required, or to the effect that some other action is required, to maintain the exclusion from gross income of the interest on the Bonds pursuant to Section 103(a) of the Code, the District may rely conclusively on such opinion in complying with the provisions hereof.

## **Section 17. Additional Tax Covenants.**

(a) In this Section unless a different meaning clearly appears from the context:

(i) Reference to a provision of the Code by number or letter includes reference to any law hereafter enacted as an amendment to or substitution for such provision; and

(ii) Words that are used herein and in the Code shall have the meaning given to such words in or pursuant to the Code.

(b) The District has previously covenanted in Section 16(b) hereof that the District shall at all times do and perform all acts and things permitted by law and necessary or desirable in order to assure that interest paid by the District on the Bonds shall, for the purposes of federal income taxation, be excludable from gross income of the Holders.

(c) In furtherance of the foregoing covenant, the District further hereby covenants as follows: (i) no portion of the payment of the principal of or interest on the Bonds is under the terms of such bond issue, or under any underlying arrangement, directly or indirectly secured by an interest in property used or to be used for a private business use (or by an interest in payments in respect of such property), or to be derived from payments (whether or not to the District) in respect of property, or borrowed money, used or to be used for a private business use; and (ii) none of the proceeds of the Bonds are to be used (directly or indirectly) to make or finance loans to persons other than governmental units, all within the meaning of section 141 of the Code, in any of such cases unless such use or other arrangement will not cause the interest on the Bonds to be included in gross income for federal income tax purposes.

## **Section 18. Rebate Provisions.**

The District covenants and agrees that in the event it is subsequently determined by the District, upon advice of nationally recognized bond counsel, that the Sinking Fund, Escrow Fund or any other fund established under this Bond Resolution, are subject to said rebate requirements and do, in fact, generate earnings from “non-purpose investments” in excess of the amount that said investments would have earned at a rate equal to the “yield” on the Bonds, plus any income attributable to such excess, there shall be established a separate and special fund with the Paying Agent to be designated as the “Board of Education of Fayette County, Kentucky General Obligation Refunding Bonds Series 2025 Rebate Fund,” which shall be utilized for the collection and payment of any excess generated from investments and the remittance thereof to the United States of America until the final retirement of the Bonds; the installment, to the extent required, to be made no later than sixty (60) days following the date on which funds sufficient for the complete retirement of the Bonds are deposited with the Paying Agent or any escrow agent.

## **Section 19. Creation of Funds.**

(a) *Sinking Fund.* There is hereby created the “Board of Education of Fayette County, Kentucky General Obligation Bonds Sinking Fund” (the “Sinking Fund”) to be deposited with the Paying Agent, into which there shall be set aside out of the proceeds of the sale of the Bonds the amount of any accrued interest on said Bonds from their issuance date to their date of delivery and



any surplus funds resulting from the sale of the Bonds. The Sinking Fund shall be used solely and only and is hereby pledged for the payment of the interest on and principal of the Bonds.

Funds on deposit in the Sinking Fund may be invested at the written direction of the District, in accordance with KRS 66.480, in Permitted Investments. The Paying Agent may rely on such written directions as to both the suitability and legality of the directed investment. All income earned from investment of moneys in the Sinking Fund (including the capitalized interest, if any, deposited therein) shall, as earned, be used to pay principal and interest on the Bonds.

No further payments need be made into the Sinking Fund whenever and so long as such amount of the Bonds has been retired that the amount then held in the Sinking Fund is equal to (or sufficient to defease) the entire amount of the interest and principal (and redemption premium, if any) that will be payable to the Bondholders at the time of the retirement and/or maturity of all the Bonds then remaining outstanding.

(b) *Costs of Issuance Fund.* There is hereby separately created the “Board of Education of Fayette County, Kentucky General Obligation Bonds Series 2025 Costs of Issuance Fund” (the “Costs of Issuance Fund”), which shall also be deposited with the Paying Agent as and when needed, into which Costs of Issuance Fund there shall be set aside and deposited the issuance costs of the Bonds. Funds on deposit in the Costs of Issuance Fund shall not be invested and shall be held by the Paying Agent without liability for interest. On the payment or reimbursement of all costs of issuance of the Bonds, any proceeds of such Bonds or any investment earnings thereof remaining in the Costs of Issuance Fund after six (6) months from the date of delivery of the Bonds, shall be transferred by the Paying Agent to the Sinking Fund.

(c) *Escrow Fund.* There is hereby created the “Board of Education of Fayette County, Kentucky General Obligation Refunding Bonds Series 2025 Escrow Fund” (the “Escrow Fund”) to be deposited with the Escrow Agent, into which there shall be deposited for the Refunding Program the proceeds required by the Escrow Agreement relating to all or a or portion of the Refunded Prior Bonds.

## **Section 20. Defeasement.**

(a) If the District pays or causes to be paid, or there is otherwise paid as hereinafter set out in this Section, the principal and interest due or to become due on the Bonds, at the times and in the manner provided herein, and all other amounts due to the Paying Agent have been paid, and if the District keeps, performs, and observes all and singular the covenants and promises in the Bonds and expressed herein to be kept, performed, and observed by it or on its part, then these presents, and the pledge, lien, and other rights hereby granted shall cease, terminate, and be void, and thereupon the Paying Agent shall execute and deliver to the District such instruments in writing as shall be requisite to cancel the lien hereof, and assign and deliver to the District any pertinent property encumbered hereby that may then be in its possession, except funds, or securities in which such funds are invested, held by the Paying Agent and earmarked for the payment of principal of and interest on the Bonds.

(b) All Outstanding Bonds shall, prior to the maturity or redemption date thereof, be deemed to have been paid within the meaning and with the effect expressed above if (a) in case

any of said Bonds are to be redeemed on any date prior to their maturity, the District has given to the Paying Agent in form satisfactory to it irrevocable instructions to give notice of redemption of such Bonds on said date as provided herein, (b) there has been deposited with the Paying Agent (1) moneys in an amount that is sufficient, and/or (2) U. S. Obligations, the principal of which, with or without the interest on such principal, as the case may be, will provide moneys that together with other moneys, if any, deposited with the Paying Agent at the same time, shall be sufficient, to pay when due the principal and the interest due and to become due (and, where applicable, the redemption premium) on the Bonds on and prior to the redemption date and/or the maturity date thereof, as the case may be, and (c) in the event any of the Bonds are not to be redeemed in accordance with the redemption provisions hereof within the next succeeding 60 days, the District shall have given the Paying Agent, in form satisfactory to it, irrevocable instruction to give, as soon as practicable, in the same manner as a notice of redemption is required to be given herein, a notice to the Holders of such Bonds that the deposit required by (b) above has been made with the Paying Agent, that said Bonds are deemed to have been paid in accordance with this Section, and stating such maturity and/or redemption date upon which moneys are to be available for the payment of the principal of and interest on said Bonds.

(c) Nothing contained in this Section shall require that any Bonds be redeemed in advance of maturity without the written consent of the District unless (i) such redemption is then considered by the Paying Agent to be in the best interests of the District and the Bondholders and (ii) no right to defease the Bonds without redemption in advance of maturity shall have become vested.

(d) No investment may be made by the District under this Section that would cause the Bonds to become “arbitrage bonds” within the meaning of Section 148 of the Code or the applicable Regulations thereunder.

(e) At least 5 Business Days prior to any defeasance, the District shall deliver to the Paying Agent and the Bond Insurer (if any) copies of an escrow agreement, opinions regarding the validity and enforceability of the escrow agreement, a verification report (a “Verification Report”) of a nationally recognized independent financial analyst or firm of certified public accountants regarding sufficiency of the escrow and a defeasance legal opinion. Such opinions and Verification Report shall be addressed to the Bond Insurer and shall be in form and substance satisfactory to the Bond Insurer. In addition, the escrow agreement shall provide that:

(1) Any substitution of securities shall require the delivery of a Verification Report, an opinion of bond counsel that such substitution will not adversely affect the exclusion (if interest on the Insured Obligations is excludable) from gross income of the holders of the Insured Obligations of the interest on the Insured Obligations for federal income tax purposes and the prior written consent of the Bond Insurer.

(2) The District will not exercise any prior optional redemption of Insured Obligations secured by the escrow agreement or any other redemption other than mandatory sinking fund redemptions unless (i) the right to make any such redemption has been expressly reserved in the escrow agreement and such reservation has been disclosed in detail in the official statement for the refunding bonds, and (ii) as a condition to any such

redemption there shall be provided to the Bond Insurer a Verification Report as to the sufficiency of escrow receipts without reinvestment to meet the escrow requirements remaining following any such redemption.

(3) The District shall not amend the escrow agreement or enter into a forward purchase agreement or other agreement with respect to rights in the escrow without the prior written consent of the Bond Insurer.

#### **Section 21. Covenant as to Insurance/Audits.**

The District agrees that so long as any of the Bonds are outstanding it will cause the following covenants to be complied with:

(a) *Insurance.* It will keep the Projects insured against loss or damage by fire, windstorm, tornado, or other casualties to an extent at least equal to the insurable value thereof, and such other forms of insurance shall be carried in such amounts as are ordinarily carried for property of like character in a responsible insurance company or companies authorized to do business in the Commonwealth. Any amount collected under said policies for any loss covered or damage done shall first be applied to the replacement or restoration of any building or buildings damaged or destroyed, and any surplus then remaining after such replacement or restoration shall be paid into the Sinking Fund, depending on whether the Bonds are Outstanding; provided that if following any partial or complete destruction, any principal or interest payment on the Bonds is due and there are no other funds available for such payment(s), such insurance proceeds must be applied first to the defaulted payment(s). All insurance to be maintained hereunder shall not be part of a self-insurance program.

(b) *Audits.* It will, as soon as may be feasible after the close of each fiscal year, in any event, not later than December 31<sup>st</sup> thereafter, cause an audit of the financial affairs of the District to be made by a Certified Public Accountant or the State Auditor, covering the status of payments of principal of and interest on the Bonds.

It will cause a copy of such audit report to be kept on file with the District, where such copy will be subject to inspection at any reasonable time by or on behalf of any Holder of Outstanding Bonds. It will furnish or cause to be furnished, a copy of such audit report to any Holder of said Bonds who shall request same in writing.

#### **Section 22. Default; Remedies.**

(a) *Events of Default.* The following shall be considered an “Event of Default” under this Bond Resolution:

(1) Failure to pay any installment of interest on the Bonds when the same becomes due and payable or within thirty (30) days thereafter (or within such period, shorter than thirty (30) days, if any, as may be permitted in the Bonds);

(2) Failure to pay the principal of, or premium, if any, on any Bond when due and payable, at maturity or on redemption; and

(3) Default by the District in the due or punctual performance or observance of any other covenants, pledges, conditions, provisions or agreements of the District contained in this Bond Resolution or in the Bonds, and the continuance thereof for a period of thirty (30) days; provided that if such default can be corrected but not within such thirty-day period, it will not constitute an Event of Default if corrective action is instituted by the District within such period and diligently pursued until the default no longer exists.

(b) *Enforcement of Remedies.* On the happening and continuance of any Event of Default, then and in every case any Bondholder, either at law or in equity, by suit, action, mandamus or other proceedings, may enforce and compel performance by the District and its officers and agents of all duties imposed under the Act, under other applicable law, if any, under the Bonds, and under this Bond Resolution, including the levying and collection of sufficient taxes and the application thereof to the payment of principal of and interest (and premium, if any) on the Bonds in accordance with the provisions of this Bond Resolution and the Bonds.

(c) *Notice of Default.* The Bond Registrar shall as promptly as practicable, provide to the District and the Bondholders written or electronic notice of the occurrence of any Event of Default known to the Bond Registrar. The Bond Registrar shall not, however, be subject to any liability to any Bondholder by reason of its failure to mail any notice required by this Section.

(d) *Delay or Omission.* No delay or omission of any Bondholder to exercise any right or power arising on any default shall impair any right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy afforded by this Section and every additional power and remedy, if any, afforded by the terms of the Bonds to the Bondholders may be exercised from time to time and as often as may be deemed expedient by the Bondholders.

(e) *Waivers of Events of Default.* Any Bondholder may on behalf of such Holder waive any past default under this Bond Resolution or under the Bonds and the consequences thereof; and in case of any such waiver, the District, the Bond Registrar and such Bondholder shall be restored to their former positions and rights hereunder and under the Bonds respectively, but no such waiver shall extend to any subsequent or other default, or impair any right consequent thereon.

(f) *Termination of Proceedings.* If any Bondholder has proceeded to enforce any right due to any Event of Default and such proceedings have been discontinued or abandoned for any reason, or have been determined adversely to the Bondholder, then and in every case the District, the Bond Registrar and the Bondholder shall, subject to any determination in such proceeding, be restored to their former positions and rights hereunder, and all rights of such Bondholder shall continue as if no such proceedings had been taken.

(g) *Remedies Not Exclusive.* No remedy by the terms of this Bond Resolution or the Bonds conferred on or reserved to the Bondholders is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to any other remedy given under this Bond Resolution as now or hereafter existing at law or in equity or by statute.

**Section 23. Concerning Provision of a Municipal Bond Insurance Policy and a Bond Insurer.**

The District hereby authorizes the Superintendent, in consultation with the Financial Advisor and Bond Counsel, to purchase a Bond Insurance Policy from a Bond Insurer to guarantee the scheduled payment of principal of and interest on any of the Bonds, and to enter into a separate written agreement between the District and a Bond Insurer for the purpose of obtaining said Bond Insurance Policy.

**Section 24. Rights of Bondholders.**

Notwithstanding any other provisions herein contained, the Bondholders shall have all of the rights provided for thereunder to require the District to operate the Projects and to charge whatever rents and rates are necessary for the services provided by such facilities and to levy such taxes as provided for in the Act, within any limitations imposed by law, in order that all of the interest on and the principal of such Bonds shall be paid in full.

The Holders of such Bonds shall be secured to the full extent provided by law by a pledge of the tax and other revenues of the District in accordance with the terms of the Act.

**Section 25. Bond Resolution is Contractual with Bondholders.**

The provisions of this Bond Resolution and of any authorized supplemental resolution entered into prior to the delivery and payment of the Bonds to the successful purchaser(s), shall constitute a contract between the District, the Paying Agent, and the Holders of any Bonds. No change in the provisions of this Bond Resolution or of any supplemental resolution shall be made in any manner except as herein provided until such time as all of the Bonds and the interest thereon have been paid in full; provided:

(a) the District may adopt a supplemental resolution for the purpose of curing any ambiguity, or of curing, correcting, or supplementing any defective or inconsistent provisions contained herein or in any proceedings pertaining hereto, provided no change may be made that would impair the security or interests of the Bondholders in any way, without (1) the consent in writing of the original successful purchaser of the Bonds, if the Bonds have not yet been delivered or (2) the consent of seventy-five percent (75%) in amount of the Holders of the Outstanding Bonds, if the Bonds have been delivered; and

(b) the Holders of seventy-five percent (75%) in principal amount of the Bonds at any time outstanding shall have the right to consent to, and approve the adoption of resolutions, ordinances or other proceedings, modifying or amending any of the terms or provisions contained in this Bond Resolution; provided, however, that no such modifications or amendments shall be made that will permit: (1) an extension of the maturity of any Bond, or any parity bond, or (2) a reduction in the principal of any Bond, or any parity bonds, or the redemption premium or the rate of interest thereon, or (3) a preference or priority of any Bond or parity bond over any other bond or bonds, or (4) a reduction in the percentage of the aggregate principal amount of the Bonds required to consent to any modification or amendment, or (5) impair in any way the rights of the Holders of any Bond.

## **Section 26. Annual Disclosure Requirements.**

In accordance with the requirements of Rule 15c2-12 (the “Rule”) promulgated by the Securities and Exchange Commission (the “Commission”), the District agrees to enter into a Disclosure Agreement dated as of the date of original issuance of the Bonds, setting forth the undertaking of the District to provide certain annual financial reports and notices of the occurrence of certain events. The District will deliver the Disclosure Agreement at the closing of the Bonds.

Financial information regarding the District can be obtained from the Finance Director at the District’s offices.

The obligations of the District described above will remain in effect only for such period that (i) the Bonds are outstanding in accordance with their terms and (ii) that the District remains an obligated person with respect to the Bonds within the meaning of the Rule. The District reserves the right to terminate its obligation to provide notices of material events, as set forth above, if and when the District no longer remains an obligated person with respect to the Bonds within the meaning of the Rule. The District acknowledges that its undertaking pursuant to the Rule described under this Section is intended to be for the benefit of the Bondholders (including holders of beneficial interests in the Bonds).

In the event of a failure of the District to comply with any provision of this Section, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandamus or specific performance by court order, to cause the District to comply with its obligations under this Section. A default under this Section will not be deemed an Event of Default under the Bond Resolution, and the sole remedy under this Section, in the event of any failure of the District to comply with this Section, will be an action to compel performance.

Notwithstanding any other provision of this Bond Resolution, this Section may be amended, if the District receives an opinion of independent legal counsel to the effect that:

- (i) such amendment is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law or a change in the types of activities in which the District is engaged;
- (ii) this Section as so amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (iii) such amendment does not materially impair the interests of the Bondholders.

## **Section 27. Acceptance of Paying Agent.**

The Paying Agent shall signify its acceptance of the duties and obligations imposed upon it by this Bond Resolution by executing the Paying Agent Agreement and by executing the Paying Agent’s Certificate of Authentication endorsed upon each of the Bonds.

## **Section 28. Duties and Responsibilities of Paying Agent.**

The duties of such Paying Agent shall be as follows:

- (a) To receive such funds of which it is hereby designated depository and to transfer and disburse moneys received by it in strict accordance with the provisions hereof; but such Paying Agent shall not be liable for the payment of any moneys by the District, and shall be liable only to account for the moneys actually received by it;
- (b) To authenticate the Bonds as herein provided; and
- (c) To pay the interest on and principal of the Bonds as same fall due, if and to the extent that there are moneys in the Sinking Fund sufficient for such purposes.

## **Section 29. Immunities and Other Rights of Paying Agent.**

The acceptance by the Paying Agent of the duties and responsibilities herein is subject to the following immunities and other rights of the Paying Agent:

- (a) The Paying Agent shall not be required to take notice or be deemed to have notice of any default hereunder, except failure by the District to cause to be made any of the payments to the Paying Agent required to be made by this Bond Resolution, or failure by the District to file with the Paying Agent any document required by this Bond Resolution to be so filed, unless the Paying Agent shall be notified of such default by the District or by the Holders of 25% in aggregate principal amount of Bonds then outstanding.
- (b) The Paying Agent may execute any of the trusts or powers hereof and perform any of its duties by or through attorneys, agents, receivers, or employees, but shall be answerable for the conduct of the same in accordance with the standard specified above, and shall be entitled to act upon the opinion or advice of its counsel concerning all matters of trust hereof and the duties hereunder, and may in all cases pay reasonable compensation to all such attorneys, agents, receivers, and employees as may reasonably be employed in connection with the trust hereof. The Paying Agent may act upon an opinion of its counsel and shall not be responsible for any loss or damage resulting from any action or non-action by it taken or omitted to be taken in good faith and in reliance upon such opinion.
- (c) The Paying Agent shall not be accountable for the use of any Bonds authenticated or delivered hereunder. The Paying Agent and its directors, officers, employees or agents, may in good faith buy, sell, own, hold, and deal in the Bonds and may join in any action that any Bondholder may be entitled to take with like effect as if such bank or trust company were not the Paying Agent, and may also receive tenders and purchase in good faith Bonds from itself, including any department, affiliate, or subsidiary, with like effect as if it were not the Paying Agent.
- (d) The Paying Agent shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, letter, telegram, or other paper or document reasonably believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken by the Paying Agent pursuant to this Bond Resolution upon the request, authority, or

consent of any person who at the time of making such request or giving such authority or consent is the Holder of any Bond, shall be conclusive and binding upon all future Holders of the same Bond and upon Bonds issued in exchange therefor or in place thereof.

(e) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper, or proceeding, the Paying Agent shall be entitled to rely upon a certificate signed on behalf of the District by its Chairperson and attested by its Secretary, or by such other person or persons as may be designated for such purposes by resolution of the District, as sufficient evidence of the facts therein contained; and prior to the occurrence of a default of which the Paying Agent has been notified as provided in Section 22 hereof, or of which by said provision it is deemed to have notice, may also accept a similar certificate to the effect that any particular dealing, transaction, or action is necessary or expedient, but may at its discretion secure such further evidence deemed necessary or advisable, but shall in no case be bound to secure the same. The Paying Agent may accept a certificate of the Secretary of the District to the effect that a resolution in the form therein set forth has been adopted by the District as conclusive evidence that such resolution has been duly adopted and is in full force and effect.

(f) The permissive right of the Paying Agent to do things or to take actions enumerated in this Bond Resolution shall not be construed as a duty and the Paying Agent shall not be answerable for other than its negligence or willful misconduct. No provision of this Bond Resolution shall require the Paying Agent to risk or to expend its own funds.

(g) The Paying Agent shall not be personally liable for any debts contracted or for damages to persons or to personal property injured or damaged, or for salaries or non-fulfillment of contracts during any period in which it may be in the possession of or managing the Projects as provided in this Bond Resolution.

(h) The Paying Agent shall not be required to give any bond or surety in respect of the execution of such powers or otherwise in respect of the premises.

(i) Notwithstanding anything elsewhere contained in this Bond Resolution, the Paying Agent shall have the right, but shall not be required, to demand, in respect of the authentication of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Bond Resolution, any showings, certificates, opinions, appraisals, or other information, or corporate action or evidence thereof, in addition to that required by the terms hereof, as a condition of establishing the right of the District to the authentication of any Bonds, the withdrawal of any cash, or the taking of any other action by the Paying Agent.

(j) Before taking any action under this Bond Resolution, the Paying Agent may require that satisfactory indemnity be furnished to it for the reimbursement of all fees and expenses to which it may be put and to protect it against all liability, except liability that is adjudicated to have resulted from its negligence or willful misconduct, by reason of any action so taken.

(k) All moneys received by the Paying Agent shall, until used, be applied or invested as herein provided, be held in the manner and for the purposes for which they were received but need not be segregated from other funds except to the extent required by this Bond Resolution or



by law. The Paying Agent shall not be under any liability for interest on any moneys received thereunder except as such may be agreed upon.

(1) The Paying Agent agrees to accept and act upon instructions or directions pursuant to this Bond Resolution sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the instructions or directions shall be signed by a person as may be designated and authorized to sign for the District or in the name of the District, by an authorized representative of the District, and the District shall provide to the Paying Agent an incumbency certificate listing such designated persons, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the District elects to give the Paying Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Paying Agent in its discretion elects to act upon such instructions, the Paying Agent's understanding of such instructions shall be deemed controlling. The Paying Agent shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Paying Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent, including without limitation the risk of the Paying Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

#### **Section 30. Fees, Charges, and Expenses of Paying Agent.**

The Paying Agent shall be entitled to payment of and reimbursement for reasonable fees for its services rendered hereunder and for all advances, counsel fees, and other expenses reasonably and necessarily made or incurred by the Paying Agent in connection with such services. The Paying Agent shall be entitled to payment and reimbursement for the reasonable fees and charges of the Paying Agent as paying agent for the Bonds, if any, as hereinabove provided.

#### **Section 31. Merger or Consolidation of Paying Agent.**

Any corporation or association into which the Paying Agent may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its corporate trust business and assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, shall be and become successor Paying Agent hereunder and vested with all the trusts, powers, discretion, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

#### **Section 32. Replacement of Paying Agent.**

In case the Paying Agent hereunder shall resign or be removed, or be dissolved, or otherwise become incapable of acting hereunder, the Paying Agent shall notify the Superintendent and the initial purchaser or purchasers of the Bonds. Thereupon, the District shall designate a successor Paying Agent that shall be a trust company or bank in good standing having trust powers and subject to examination by a federal or state authority and have a reported combined surplus and capital aggregating at least \$75,000,000. Notwithstanding the foregoing, in the event of the resignation of the Paying Agent, provision shall be made for the orderly transition of the books,

records, and accounts relating to the Bonds to the successor Paying Agent in order that there will be no delinquencies in the payment of interest or principal due on the Bonds.

The Bond Insurer shall receive prior written notice of any name change of the Paying Agent for the Insured Obligations or the resignation or removal of the Paying Agent. No removal, resignation, or termination of the Paying Agent shall take effect until a successor, acceptable to the Bond Insurer, shall be qualified and appointed.

**Section 33. Signatures of Officers.**

If any of the officers whose signatures or facsimile signatures appear on any of the Bonds cease to be such officers before delivery of the Bonds, such signatures shall nevertheless be valid for all purposes the same as if said officers had remained in office until delivery, as provided in KRS 61.390.

**Section 34. Terms of Bonds and this Bond Resolution May be Revised Before Issuance.**

The District reserves the right, prior to the issuance of the Bonds, to amend this Bond Resolution as to the date, amount, maturities, redemption premiums, and other provisions of the Bonds, consistent with market conditions and other pertinent factors at the time of such issuance.

**Section 35. Severability Clause.**

If any section, paragraph, clause or provision of this Bond Resolution shall be held invalid, the invalidity of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Bond Resolution.

**Section 36. Captions of Clauses.**

The captions and headings of this Bond Resolution are for convenience only and are not to be construed as part of this instrument nor as defining or limiting in any way the scope or intent of the provisions hereof.

**Section 37. Effective Date of Bond Resolution; Publication of Summary.**

This Bond Resolution shall take effect from and after its enactment, adoption, and approval.

*[Signature Page Follows]*

Introduced, Read, Enacted and Adopted by the Board of Education of Fayette County, Kentucky on April 28, 2025.

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Chairperson

Attest:

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Secretary

CERTIFICATE OF SECRETARY

I hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Fayette County, Kentucky, that the foregoing resolution is a true copy of a resolution introduced, read, enacted, and adopted at a properly convened meeting of said Board of Education on April 28, 2025, signed by the Chairperson of the Board of Education and attested by me as Secretary, as shown by the official records in my custody and under my control, and that said resolution appears as a matter of public record in the official records of said Board of Education.

I further certify that said meetings were duly held in accordance with all applicable requirements of Kentucky law, including KRS 61.810, 61.815, 61.820 and 61.823, that a quorum was present at each of said meetings, that said resolution has not been modified, amended, revoked, or repealed, and that same is now in full force and effect.

IN WITNESS WHEREOF, I have hereto set my hand as Secretary of the Board of Education of Fayette County, Kentucky this April 28, 2025.

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Secretary

**EXHIBIT A**

**UNITED STATES OF AMERICA  
COMMONWEALTH OF KENTUCKY  
BOARD OF EDUCATION OF FAYETTE COUNTY, KENTUCKY  
GENERAL OBLIGATION REFUNDING BOND  
SERIES 20\_\_\_\_\_**

**NO.** \_\_\_\_\_ **\$** \_\_\_\_\_

<b>Interest Rate:</b>	<b>Maturity Date:</b>	<b>Original Issue Date:</b>	<b>CUSIP #:</b>
_____ %	_____, ____	_____, 20__	_____

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

The Board of Education of Fayette County, Kentucky (the “District”), a political subdivision of the Commonwealth of Kentucky (the “Commonwealth”), acknowledges itself to owe, and for value received hereby promises to pay to the Registered Owner hereof, or registered assigns, the Principal Amount shown above on the Maturity Date shown above, and to pay interest thereon from the Original Issue Date hereof at the Interest Rate per annum shown above (computed on the basis of a 360-day year consisting of twelve 30-day months), payable semiannually, on \_\_\_\_ 1 and \_\_\_\_\_ 1 of each year commencing \_\_\_\_ 1, 20\_\_ (each an “Interest Payment Date”), until payment of the Principal Amount on the Maturity Date, except as the provisions hereinafter set forth with respect to prior redemption or purchase may be and become applicable hereto.

This Bond is one of a duly authorized series of fully-registered bonds, numbered consecutively and designated as above, issued by the District, the terms of which are more fully identified in a bond resolution (the “Bond Resolution”) duly enacted by the Board of Education of the District on April 28, 2025. Capitalized words and terms that are not defined here are defined in the Bond Resolution, to which reference is hereby made.

The Bonds are issued or entered into under or pursuant to authorizing provisions of law, including: (i) the Bond Resolution, (ii) authorizing provisions of the Constitution and laws of the Commonwealth, including Sections 66.011 through 66.191 and Sections 162.010 through 162.387 of the Kentucky Revised Statutes, as amended (collectively the “Act”), and Kentucky Constitution Sections 158 and 159, and (iii) applicable decisions of the appellate courts of the Commonwealth. Acceptance of the terms and conditions of the Bond Resolution and the Act are a material part of the consideration for the issuance of this Bond, and each holder hereof by acceptance of this Bond hereby assents to all of such terms and conditions. This Bond shall not constitute the personal

obligation, either jointly or severally, of the members of the Board of Trustees of or the officers of the District or its employees.

This Bond, by the terms of the law pursuant to which it has been issued, shall be fully negotiable.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution until the Authentication Certificate hereon has been executed by the Bond Registrar.

Bonds issued under the Bond Resolution shall be issued and reissued from time to time only as fully-registered bonds without coupons in denominations of \$5,000 or any multiple of \$5,000.

Pursuant to the Bond Resolution, the Bonds are general obligations of the District and the full faith, credit, and taxing power of the District are irrevocably pledged to the prompt payment of the principal of and interest (and premium, if any) on the Bonds when due. Reference is made to the Bond Resolution for the provisions with respect to the nature and extent of the security, the rights, duties, and obligations of the District, the Bond Registrar and the Bondholders, the terms on which the Bonds are issued and the terms and conditions on which this Bond will be deemed to be paid at or prior to its scheduled maturity or redemption on the making of provision for the payment thereof in the manner set forth in the Bond Resolution. The Bonds are being issued to finance the costs to \_\_\_\_\_ (collectively the "Refunding Program").

Pursuant to the Act and the Bond Resolution, the Bond Registrar is appointed as Bond Registrar, having the duties set forth in the Bond Resolution. The fifteenth day of the month prior to each date established for payment of principal, interest, or premium on the Bonds, whether by maturity, acceleration, or redemption, is in the Bond Resolution established as the record date for the Bonds (the "Record Date"). The Bond Registrar may treat for all purposes the person in whose name any Bond is registered on the Record Date, on the registration books kept by the Bond Registrar, as the absolute owner thereof.

Subject to the provisions of the Bond Resolution, (i) the principal of and any premium on any Bond shall be payable, without exchange or collection charges, in lawful money of the United States of America, when due (a) on any Bond held in a Book-Entry Form, registered in the name of a Securities Depository or its nominee, in next day or federal funds by check or wire transfer delivered or transmitted to the Securities Depository or its authorized representative upon presentation and surrender of such Bond at the designated corporate trust office of the Paying Agent or at the office, designated by the Paying Agent, of any other paying agent, and (b) on any Bond not in a Book-Entry Form, to a Holder upon presentation and surrender of such Bond at the designated corporate trust office of the Paying Agent, and (ii) interest on any Bond shall be paid, without exchange or collection charges, in lawful money of the United States of America, on each Interest Payment Date (a) on any Bond held in a Book-Entry Form, registered in the name of a Securities Depository or its nominee, in next day or federal funds by check or wire transfer delivered or transmitted to the Securities Depository or its authorized representative and (b) on

any Bond not in a Book-Entry Form, to the person in whose name the Bond is registered at the close of business on the Record Date applicable to that Interest Payment Date on the Register at the address appearing therein by check or draft, which the Paying Agent shall cause to be mailed on the Interest Payment Date when such interest is due.

So long as any Bonds remain Outstanding, the Bond Registrar shall keep and maintain at its designated corporate trust office complete registration records in respect of the Bonds and shall provide for the registration of transfer and exchange of the Bonds in accordance with the terms of the Bond Resolution, subject to such reasonable procedures and regulations as the Bond Registrar may prescribe.

Payment of principal, premium, if any, and interest on any Bonds shall be made as provided in the Bond Resolution.

Each Bond shall be transferable or exchangeable only on the presentation and surrender thereof at the designated corporate trust office of the Bond Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Holder or her authorized representative. Bonds shall be exchangeable for a Bond or Bonds of the same maturity and interest rate and in Authorized Denominations, within a single maturity in an aggregate principal amount or amounts equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Bond Registrar shall be and is authorized to authenticate, deliver, and exchange Bonds in accordance with the Bond Resolution. Each Bond delivered in exchange for a surrendered Bond shall constitute an original contractual obligation of the District and shall be entitled to the benefits and security of the Bond Resolution to the same extent as the Bond or Bonds in lieu of which any Bond is delivered in exchange. Any Bonds surrendered for exchange shall be cancelled by the Bond Registrar and the Bond Registrar shall maintain a complete record of all exchanges, transfers and cancellations of Bonds and shall make a report thereof to the District on request.

No service charge or other transfer fee shall be charged in connection with any transfer or exchange of a Bond; however, the registered owner of any Bond may be required to pay an amount equal to any tax or other governmental charge, if any, that may be imposed in connection with the transfer or exchange of any Bond.

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

The Bonds maturing prior to \_\_\_\_\_ 1, \_\_\_\_ shall not be subject to optional redemption prior to maturity. The Bonds maturing on or after \_\_\_\_\_ 1, \_\_\_\_, are subject to optional redemption, in whole or in part, by the District prior to their stated maturities, at any time falling on or after \_\_\_\_\_ 1, \_\_\_\_, and in any order of maturities (less than all Bonds of a single maturity to be selected by the Bond Registrar by lot in such manner as may be determined in the discretion of the Bond Registrar) upon payment of 100% of the principal amount to be redeemed plus accrued interest to the date of redemption.

If a project financed by the proceeds of the bonds being refunded as part of the Refunding Program (the "Project") is destroyed by fire, lightning, windstorm, or other hazard, and the District determines not to rebuild or replace the Project, then the Bonds shall be subject to redemption at the option of and by the District prior to maturity, in whole or in part, in any order of their maturities (less than all of a single maturity to be selected by lot), at par, plus unpaid interest accrued to the date of redemption.

The Bond Registrar shall give notice of redemption by registered or certified mail, overnight delivery, or e-mail not less than 25 nor more than 60 days prior to the redemption date to each Holder of Bonds to be redeemed or tendered at the address of such Holder appearing in the Bond Register, and also to such other Persons as the District shall deem appropriate.

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

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

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

IT IS HEREBY CERTIFIED, RECITED, AND DECLARED that all acts, conditions, and things required to exist, happen, and be performed precedent to and in the execution, delivery, and issuance of this Bond have existed, have happened and have been performed in due time, form, and manner as required by law; that the issuance of this Bond and the issue of which it forms a part, together with all other obligations of the District, does not exceed or violate any limitations prescribed by the Constitution or laws of the Commonwealth; that provision has been made for the levying and collection of an annual tax, unlimited as to rate or amount, sufficient, to the extent other lawfully available moneys of the District are not provided for the purpose, to pay the principal of and interest on this Bond and the series of which it is a part as and when the several Bonds and interest thereon become due and payable; and that the full faith, credit, and taxing power of the District are hereby irrevocably pledged for the prompt payment of this Bond and the series of which it forms a part, and the interest thereon, as the same from time to time become due and payable.

IN WITNESS WHEREOF, the Board of Education of Fayette County, Kentucky has caused this Bond to be executed on its behalf with the duly authorized reproduced facsimile signature or manual signature of its Chairperson and attested by the reproduced facsimile signature or manual signature of its Secretary, and this Bond is to be dated as of the date set forth above.

BOARD OF EDUCATION OF FAYETTE  
COUNTY, KENTUCKY

\_\_\_\_\_  
Chairperson

Attest:

\_\_\_\_\_  
Secretary

#### **CERTIFICATE OF AUTHENTICATION**

This is to certify that this Bond is one of the series of Bonds in the aggregate principal sum of \_\_\_\_\_ Thousand Dollars (\$\_\_\_\_\_) referred to in the within mentioned Bond Resolution and of record in the office of the Secretary of the Board of Education of Fayette County, Kentucky.

OLD NATIONAL WEALTH  
MANAGEMENT, Evansville, Indiana,  
Paying Agent

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Title

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

#### **STATEMENT OF INSURANCE**

*[Insert language pertinent to Bond Insurance Policy Here, if applicable]*



## ASSIGNMENT

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

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

Signature Guaranteed By:

\_\_\_\_\_  
Social Security Number or  
other taxpayer  
identification number: