

THE TURNPIKE AUTHORITY OF KENTUCKY

\$68,880,000
ECONOMIC DEVELOPMENT
ROAD REVENUE BONDS
(REVITALIZATION PROJECTS)
2015 SERIES A


\$122,005,000
ECONOMIC DEVELOPMENT
ROAD REVENUE REFUNDING BONDS
(REVITALIZATION PROJECTS)
2015 SERIES B

I, the undersigned, Ryan Barrow, Secretary of The Turnpike Authority of Kentucky (the "Authority"), DO HEREBY CERTIFY AS FOLLOWS:

The document attached hereto is a complete and correct copy of that certain Economic Development Road Revenue Revitalization Project Lease, dated as of October 1, 1990, by and between the Authority and the Transportation Cabinet of the Commonwealth of Kentucky, which was approved and adopted by the Authority at a duly convened meeting of the Authority held on October 5, 1990.

I DO HEREBY FURTHER CERTIFY that as of the date hereof, except for Supplemental Leases as provided therein, such document is and remains in full force and effect and has not otherwise been modified, amended, revoked or repealed; and that such document is incorporated in the official records of the Authority under my jurisdiction and control as Secretary of the Authority.

WITNESS my signature as of the 22nd day of July, 2015.



Ryan Barrow, Secretary
The Turnpike Authority of Kentucky

ECONOMIC DEVELOPMENT ROAD REVENUE
REVITALIZATION PROJECT LEASE

THIS LEASE (the "Lease"), dated as of the 1st day of October, 1990, by and between THE TURNPIKE AUTHORITY OF KENTUCKY, a de jure municipal corporation and political subdivision of the Commonwealth of Kentucky (the "Authority"), and the TRANSPORTATION CABINET, a department and agency of the Commonwealth of Kentucky (the "Commonwealth")

W I T N E S S E T H:

WHEREAS, pursuant to Chapter 175 of the Kentucky Revised Statutes, as amended from time to time (the "Act"), the Authority is empowered to construct, reconstruct, relocate, finance and operate economic development road projects under one or more agreements and leases with the Transportation Cabinet; and

WHEREAS, the Authority and the Transportation Cabinet have entered into an agreement, dated as of the 1st day of October, 1990 (the "Agreement"), whereby the Authority has agreed (i) to issue its Economic Development Road Revenue Bonds (Revitalization Projects), Series 1990, in the aggregate principal amount of Three Hundred Million Dollars (\$300,000,000), in order to finance economic development road projects (the "Series 1990 Bonds"), and (ii) to issue from time to time its revenue bonds to pay costs of economic development road projects to be constructed from time to time by the Transportation Cabinet on behalf of the Authority as part of the System as defined in the Agreement, all in accordance

with and subject to the provisions of the Trust Indenture herein-after mentioned; and

WHEREAS, the Authority has by a duly adopted Series Resolution (the "Series Resolution") authorized the execution and delivery of a Trust Indenture, to be dated as of October 1, 1990 (the "Trust Indenture"), by and between the Authority and Citizens Fidelity Bank and Trust Company, as trustee, and authorized and provided for the issuance of the Series 1990 Bonds secured by said Trust Indenture, in the aggregate principal amount, bearing interest, redeemable in whole or in part at the times and prices, and having such additional terms as are provided in such Series Resolution; and

WHEREAS, the Agreement provides that, simultaneously with the approval of the Authority of the issuance of the Series 1990 Bonds, the Authority and the Transportation Cabinet, each by authorized persons, shall execute and deliver this Lease whereby the Authority as lessor shall lease to the Transportation Cabinet as lessee the System financed under the Trust Indenture for operation as a public highway system for the use of the Commonwealth; and

WHEREAS, the Authority and the Transportation Cabinet are authorized by the Act to enter into this Lease; and

WHEREAS, the Agreement provides, in Section 101 thereof, that the words and terms used in this Lease and not defined

herein shall have the meanings assigned to them in the Agreement and the Trust Indenture.

NOW, THEREFORE, in furtherance of lawful authority and in consideration of the covenants and promises made, and other good and valuable mutual consideration, the existence and receipt of which is hereby acknowledged, the Authority and the Transportation Cabinet hereby covenant and agree, each with the other, as follows:

ARTICLE I

AUTHORITY LEASES TO TRANSPORTATION CABINET;

TRANSPORTATION CABINET

LEASES FROM AUTHORITY;

INITIAL TERM; RENEWAL

SECTION 101 In consideration of the premises, of the acceptance by the Transportation Cabinet of the obligations herein provided to be undertaken by the Transportation Cabinet, of the issuance of Bonds to pay the costs of the System financed under the Trust Indenture, and the purchase and acceptance of the Bonds by the purchasers thereof, the Authority, as lessor, hereby leases and rents to the Transportation Cabinet, as lessee, and the Transportation Cabinet hereby takes, accepts, and rents from the Authority, upon and subject to the terms, covenants, conditions and provisions hereinafter stated, the System financed under the Trust Indenture.

SECTION 102 The term of this Lease shall be from the date hereof to and including June 30, 1992. The Transportation Cabinet shall have the option to renew this Lease for the next Biennial Term, which option shall be deemed to have been automatically exercised and this Lease automatically renewed for such next Biennial Term, effective on the first day thereof, unless a written notice of the Transportation Cabinet's election not to renew this Lease shall have been delivered in the office of the Authority, to an officer thereof, before the close of business on the last working day in April immediately preceding the beginning of each succeeding Biennial Term. In addition, the Authority shall have the right, to be exercised in its sole discretion, to terminate this Lease in the event that the Authority issues its refunding bonds under the Trust Indenture or otherwise provides for the payment, pursuant to the Trust Indenture, of all Bonds Outstanding.

SECTION 103 In like manner and subject to the same conditions and provisions as are set forth in Section 102 above, the Transportation Cabinet shall have the exclusive option to renew this Lease for successive Biennial Terms until all Bonds have been paid or deemed to have been paid pursuant thereto.

SECTION 104 Notwithstanding the foregoing provisions of this Article, the Transportation Cabinet may, at any time after the adjournment of the session of the General Assembly of the Commonwealth at which appropriations shall have been made for the

operation of the government of the Commonwealth for the next succeeding Biennial Term and prior to the beginning of such succeeding Biennial Term, affirmatively exercise its option to renew this Lease and withdraw or supersede any election theretofore made by it not to renew this Lease, by so notifying the Authority in writing, signed by the Secretary of the Transportation Cabinet and delivered in the offices of the Authority to any officer thereof.

ARTICLE II

RENTALS

SECTION 201 Rentals shall be paid by the Transportation Cabinet to the Authority during the Initial Term and during each Biennial Term for which this Lease may be renewed.

The rentals for the Initial Term and for each Biennial Term for which this Lease may be renewed are payable to the Transportation Cabinet at the times of and in the amounts of deposits required, other than by reason of a declaration of acceleration of the Bonds, to be made by the Authority to the Trustee for deposit to the Bond Service Account. The rentals (i) shall be increased for an amount determined by the Authority by resolution and concurred in by the Transportation Cabinet as required by the Authority for administrative and other expenses of the Authority with respect to the System, including any Credit Facility Fees, (ii) may be increased, as determined by the Authority by resolution and concurred in by the Transportation Cabinet, to the

extent that rentals to be paid by the Transportation Cabinet may legally include amounts to be applied to maintenance, operation, repair, renewal or replacement of the System financed under the Trust Indenture or any portion thereof and (iii) may be increased by such amounts as the Transportation Cabinet determines convenient or desirable to be deposited into the Redemption Account.

The Transportation Cabinet shall be unconditionally obligated to pay the rentals stipulated for the Initial Term. The Transportation Cabinet shall not be or become in any way obligated to pay the rentals stipulated above for any Biennial Term unless this Lease shall be renewed for such Biennial Term. Upon the renewal of this Lease for any Biennial Term the Transportation Cabinet shall be bound to pay to the Authority the rentals stipulated above for such Biennial Term as a general obligation of the Transportation Cabinet to be paid not only from the revenues of the System but also from any other available funds of the Transportation Cabinet not required by law or by previous binding contract to be devoted to other purposes.

As of the date of execution of this Lease, the amounts anticipated to be required to be deposited into the Bond Service Account are set forth in Schedule I hereto.

SECTION 202 At all times while this Lease (including any renewal hereof) shall be in effect:

(i) the Transportation Cabinet covenants and agrees, in accordance with KRS Section 175.810 (or any successor

provision thereto), that prior to October 1 of each Fiscal Year it will certify to the Secretary of the Revenue Cabinet of the Commonwealth the amount required for payment of the rentals herein stipulated to be made during such Fiscal Year;

(ii) upon deposit by the Secretary of the Revenue Cabinet of the amount so certified, the Transportation Cabinet covenants and agrees that the amounts so deposited will be applied, subject to the provisions of paragraph (iv) hereof, only to the payment of rentals pursuant to this Lease and not to any other use or purpose;

(iii) the Transportation Cabinet shall have the right to establish and enforce rules and regulations for the use of the System financed under the Trust Indenture or any portion thereof; and

(iv) after making provision for the payment of the rentals for the then current Fiscal Year any funds deposited by the Secretary of the Revenue Cabinet as described in paragraph (ii) hereof in excess of the amount required for rentals shall be transferred by the Revenue Cabinet pursuant to KRS Section 175.810.

SECTION 203 The Transportation Cabinet shall, at all times while this Lease (including any renewal thereof) shall be in effect, keep books, records and accounts of amounts deposited as described in Section 202.

SECTION 204 No destruction of or damage to the System financed under the Trust Indenture or any portion thereof during the Initial Term of this Lease or any Biennial Term for which it shall be renewed shall relieve the Transportation Cabinet from any of its obligations under this Lease during such Initial Term or Biennial Term.

SECTION 205 It is agreed that the rentals stipulated herein to be paid by the Transportation Cabinet to the Authority for the Initial Term and for each Biennial Term are fair and reasonable, fulfill an essential and governmental public purpose and are necessary to enable the Authority to meet its obligations under the Trust Indenture.

ARTICLE III

MAINTENANCE AND OPERATION OF THE SYSTEM

SECTION 301 From and after the date of issuance of the Series 1990 Bonds and for the entire period of years until all of the Bonds issued under the Trust Indenture have been retired, the Transportation Cabinet shall maintain and operate the System financed under the Trust Indenture in an efficient and economical manner, maintain the same in good repair and in sound operating condition and make all necessary repairs, renewals and replacements, all at the expense of the Transportation Cabinet except to the extent that funds for the payment of such maintenance, operation, repair, renewals and replacements are included in the

rentals paid by the Transportation Cabinet to the Authority pursuant to this Lease.

SECTION 302 The Transportation Cabinet shall have the right, with the approval of the Authority, at all times while this Lease (including any renewal hereof) shall be in effect, to make additions, improvements or extensions to the System financed under the Trust Indenture or any part thereof at the expense of the Transportation Cabinet, and any such additions, improvements or extensions shall be deemed a part of the System financed under the Trust Indenture for all purposes of the Agreement and this Lease.

ARTICLE IV

FAILURE TO RENEW LEASE; DEFAULT UNDER LEASE

SECTION 401 In the event that this Lease is not renewed in accordance with its terms, or in the event that this Lease is renewed and the Transportation Cabinet shall fail to perform in full its obligations hereunder, then the Transportation Cabinet shall (i) immediately be liable for the balance of the rentals stipulated herein for the then current Biennial Term for which this Lease had previously been renewed, without requirement of notice or other action on the part of the Authority, and shall forthwith pay such balance to the Authority upon demand, and (ii) shall collect from the Commonwealth and pay over to the Authority motor fuel taxes and surtaxes collected by the Commonwealth on gasoline and other motor fuels in the manner and to the

extent required by Section 705 of the Trust Indenture, without regard to payment by the Transportation Cabinet of any or all rentals for the then current Biennial Term for which this Lease may previously have been renewed.

SECTION 402 Notwithstanding the foregoing provisions of this Article, the Authority may waive any failure of the Transportation Cabinet to perform its obligations under this Lease, other than the payment of rentals under this Lease, but no delay on the part of the Authority in giving written notice to the Transportation Cabinet of any such failure shall impair any right or power accruing to the Authority when such written notice is given. Any waiver by the Authority at any time of a breach or default of the Transportation Cabinet under this Lease shall extend only to the particular breach or default so waived, and shall not deprive the Authority of any right or power arising out of any subsequent breach or default on the part of the Transportation Cabinet hereunder.

ARTICLE V

INDEMNIFICATION; AMENDMENT; FUTURE LEASES

SECTION 501 The Transportation Cabinet covenants that at all times during the term of this Lease (including any renewal hereof) it will indemnify and hold the Authority harmless against any and all claims for losses, damage or injury, including death of or injury to the person or damage to property, resulting from

the ownership, maintenance or operation of the System financed under the Trust Indenture or any portion thereof.

SECTION 502 The Authority shall have access to the System financed under the Trust Indenture and to the books of the Transportation Cabinet relating thereto at all times while this Lease (including any renewal hereof) shall be in effect for the purpose of inspection or for any other lawful purpose of the Authority.

SECTION 503 No supplement, modification or amendment of this Lease shall be made without the consent, evidenced by an instrument or instruments in writing duly executed and filed with the Authority, of bondholders then owing not less than two-thirds ($66\frac{2}{3}\%$) in aggregate principal amount of the Bonds Outstanding; provided, however, that the consent of such holders shall not be required with respect to any supplement, modification or amendment of this Lease which (a) shall increase the rentals payable hereunder by reason of the issuance of additional Bonds as provided in the Trust Indenture in order to finance costs of a Project; or (b) cure any ambiguity or formal defect or omission in this Lease or any supplement hereto.

SECTION 504 The Transportation Cabinet covenants that at all times while this Lease (including any renewal hereof) is in effect, it shall not enter into any lease or leases, with respect to any project or projects entered into pursuant to the Act, unless there shall be filed with the Trustee a certificate of the chief accounting officer of the Transportation Cabinet stating,

and setting forth the calculations supporting such statement, that at such date Adjusted Revenues are at least 1.75 times Maximum Annual Debt Service.

"Adjusted Revenues" shall mean the aggregate of all amounts credited to the Road Fund for any 12 consecutive of the preceding 18 months, excluding (a) proceeds of obligations for borrowed monies and (b) amounts required by law (excluding appropriations law) to be used for purposes other than for debt service on obligations for borrowed monies payable from the Road Fund or for rentals on leases entered into by the Transportation Cabinet pursuant to the Act. In calculating Adjusted Revenues, if there is in effect at the date of such calculation any change in the rate or charge at which any tax or fee included in Adjusted Revenues is levied or any new tax or fee which is credited to the Road Fund, it shall be assumed that such new rate, charge, tax or fee was in effect at all times and the amounts credited to the Road Fund shall be adjusted to reflect the amounts which would have been credited had such rate, charge, tax or fee been in effect at all times.

"Maximum Annual Debt Service" shall mean the sum of all amounts required to be paid from the Road Fund during any single Fiscal Year commencing after the date of such calculation, or set aside during such Fiscal Year for payment of debt service on each outstanding obligation for borrowed monies, and that portion of rentals required to pay debt service under each lease in effect

on such date entered into by the Transportation Cabinet pursuant to the Act. In calculating Maximum Annual Debt Service it shall be assumed that (i) the new lease into which the Transportation Cabinet proposes to enter is in effect, (ii) the obligations for borrowed monies proposed to be issued at the time of execution of such lease are outstanding, (iii) the proceeds of such obligations if issued to refund other obligations shall have been applied as provided in the proceedings in connection with the issuance of such proposed obligations, (iv) Bonds bearing or to bear interest at a Short Term Rate will be deemed to bear interest at the "Maximum Rate" such Bonds may bear as defined in the Series Resolution authorizing the issuance of Short Term Rate Bonds; and (v) Bonds scheduled to be Outstanding during such period which are subject to Puts payable from a Credit Facility will not be deemed to be payable on Put dates.

Further, in calculating Maximum Annual Debt Service, there shall be subtracted from such calculation with respect to any Fiscal Year (a) an amount equal to the reasonably projected interest earnings on investments held for the credit of a debt service reserve fund which are to be deposited in the bond service account pursuant to the provisions of a trust indenture and (b) an amount equal to the principal amount of any monies and investments in a debt service reserve fund which are to be deposited in the bond service account pursuant to a trust indenture

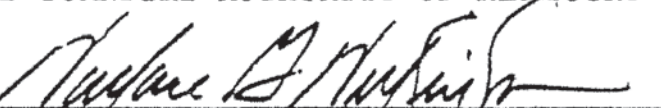
and applied to the payment and discharge of Bonds during such Fiscal Year and on the immediately succeeding July 1.

SECTION 505 If any one or more of the provisions of this Lease shall be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions of this Lease, but this Lease shall be construed and enforced as if such illegal or invalid provisions had not been contained herein.

IN WITNESS WHEREOF, The Turnpike Authority of Kentucky has caused this Lease to be executed in its name and on its behalf by Wallace G. Wilkinson, Governor of the Commonwealth and ex officio Chairman of the Authority, and its official seal to be hereto affixed and attested by its Secretary, thereunto duly authorized, and the Transportation Cabinet has caused this Lease to be executed by the Secretary of the Transportation Cabinet, acting for the Transportation Cabinet, as of the day and year first above written.

[SEAL]

THE TURNPIKE AUTHORITY OF KENTUCKY

By 
Wallace G. Wilkinson
Governor of the Commonwealth and
ex officio Chairman of the
Authority

ATTEST:

Barbara D. Locher
Barbara D. Locher
Secretary of The Turnpike
Authority of Kentucky

TRANSPORTATION CABINET

By Milo D. Bryant
Milo Bryant
Secretary of the Transportation
Cabinet

Examined by John Merchant
John Merchant
Office of Legal and
Legislative Services

SCHEDULE I

SCHEDULE OF ANTICIPATED DEBT SERVICE

As of the Date of Issuance of
THE TURNPIKE AUTHORITY OF KENTUCKY
ECONOMIC DEVELOPMENT ROAD REVENUE BONDS
(Revitalization Projects) Series 1990

ANNUAL DEBT SERVICE

<u>Fiscal Year</u>	<u>Principal Amount</u>	<u>Interest Payable</u>	<u>Total Debt Service</u>
1991	\$ 19,525,000	\$ 12,474,225	\$ 31,999,225
1992	11,475,000	20,522,804	31,997,804
1993	8,200,000	19,811,354	28,011,354
1994	8,720,000	19,294,754	28,014,754
1995	9,285,000	18,727,954	28,012,954
1996	9,900,000	18,115,144	28,015,144
1997	10,550,000	17,461,744	28,011,744
1998	11,280,000	16,733,794	28,013,794
1999	12,070,000	15,944,194	28,014,194
2000	12,915,000	15,099,294	28,014,294
2001	13,820,000	14,195,244	28,015,244
2002	14,805,000	13,210,569	28,015,569
2003	15,875,000	12,137,206	28,012,206
2004	17,050,000	10,962,456	28,012,456
2005	18,320,000	9,692,231	28,012,231
2006	19,695,000	8,318,231	28,013,231
2007	21,150,000	6,865,725	28,015,725
2008	22,710,000	5,305,912	28,015,912
2009	24,355,000	3,659,437	28,014,437
2010	26,120,000	1,893,700	28,013,700
	<u>\$307,820,000</u>	<u>\$260,425,972</u>	<u>\$568,245,972</u>