

ECONOMIC INCENTIVE AGREEMENT

THIS AGREEMENT (hereinafter the “Agreement”) is made and entered into as of the 5th day of July, 2016, by and between **BLUEGRASS STOCKYARDS, LLC**, a Kentucky limited liability company with its main office located at 375 Lisle Industrial Road, Lexington, Kentucky 40511 (hereinafter the “Company”) and the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Kentucky 40507 (hereinafter “Lexington”).

WITNESSETH:

WHEREAS, the Company, which has had a significant historic and economic presence in Fayette County for more than 70 years, is committed to the relocation of its primary operations to a location at 4561 Iron Works Pike, Lexington, Kentucky, Fayette County Kentucky (the “Site”), as further described in Exhibit “A”, which is attached hereto and incorporated herein by reference (the “Project”); and

WHEREAS, the Company has committed to the hiring and retention of a minimum of fifty (50) full time and part time employees on the Site for at least the period of time provided in the this Agreement; and

WHEREAS, Lexington recognizes that the Project and the jobs created and retained as a result of the Project will be of significant economic benefit to Fayette County; and

WHEREAS, Lexington finds that the provision of additional economic incentives towards the Project as further provided herein is in the public interest; and

WHEREAS, the Kentucky Cabinet for Economic Development has approved of the Company receiving benefits towards the Project and Lexington has separately committed to the

provision of one percent (1%) of the occupational license fee (payroll) related to the Project for a period of up to ten (10) year; and

WHEREAS, the Company is agreeable to accepting the funding provided pursuant to this Agreement the understandings that its use is limited to offsetting costs directly related to the Project.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the receipt and sufficiency of which are acknowledged, the parties hereby agree as follows:

1. The above recitals are incorporated herein as if fully stated.
2. Pursuant to the terms of this Agreement, Lexington will provide the Company with an economic incentive that in no event will exceed one million dollars (\$1,000,000.00) in total. In addition, in no event shall the incentives being provided hereunder last for a period of time in excess of ten (10) years regardless of whether the above stated amount is fully provided to the Company. The obligation of Lexington to provide the incentive shall end on the earlier of the occurrence of the events specified above. In addition to the amounts specified in paragraph 3, below, the one million dollar (\$1,000,000.00) maximum incentive referenced above shall also include: (a) the local contribution of one percent (1%) of Lexington's occupational license fees due from the wages of employees related to the Project being separately provided to the Company pursuant to the Commonwealth of Kentucky's Economic Development Cabinet Finance Authority's Kentucky Business Incentive program (the "Local Match"); and (b) the amount of money equal to two and twenty five one hundredths percent (2.25%) of any amount related to the sale or transfer of the real property located at 375 Lisle Industrial Avenue, Lexington, Kentucky 40511, Lexington, Kentucky in excess of its value as established by the Fayette County PVA as of January 1, 2016 (2.25% times (sale price less January 1, 2016 PVA)).

The distribution of the Local Match shall be handled pursuant to a separate agreement and this amount shall not be considered as part of Lexington's provision of economic incentives in the event of a default by the Company under the terms of this Agreement.

3. The economic incentive is also comprised of the following fees or taxes assessed, levied, and collected by Lexington: (1) the remaining portion of Lexington's occupational license fees due from the wages of the employees related to the Project (i.e., payroll withholdings -- which amount is currently one and twenty five one hundredths percent (1.25%) of such wages), which have not been committed as part of Lexington's participation in the Kentucky Business Investment Program incentive provided to the Company pursuant to KRS 154.32-090; (2) Lexington's occupational license fee for net profits related to the Project, which amount is currently two and twenty five hundredths percent (2.25%) of such profits; and (3) \$.0300 (assessed on each \$100 of value) of the real property ad valorem property tax.

4. For the purposes of the above economic incentive, the Project may consist of all of the businesses and assessed real property contained in the Project footprint as further described in Exhibit "B", which is attached hereto and incorporated herein by reference. However, sufficient supporting documentation related to any such businesses or properties must be timely provided to Lexington in advance of any request by the Company to include such businesses or property in the economic incentive.

5. The economic incentive will be provided to the Company by Lexington in the form of refunds based upon amounts actually received by Lexington. Disbursement of the refunds will occur on a regular basis as further agreed by the parties.

6. The activation date for the triggering of the economic incentives will occur upon the Company providing Lexington with at least thirty (30) days advance written notice.

7. In return for the economic incentive provided herein the Company commits to the retention of at least fifty (50) full time and part time employees on the Site for the duration of the period of the provision of the economic incentive. Company shall provide Lexington with reasonable supporting documentation related to such employees on at least an annual basis and as further requested by Lexington.

8. In the event that the Company relocates from the Project site, or ceases its operations in Fayette County at any time within ten (10) years of the activation date, Lexington shall have, at its sole discretion, the right to declare the entire amount of the economic incentive provided to the Company immediately due and payable.

9. In the event that the Company fails to comply with the minimum jobs retention provided herein, Lexington, at its sole discretion, may choose to cease providing any additional economic incentive to the Company or reduce any such incentive in an amount reasonably related to the reduction in corresponding jobs. In the event that the Company materially fails to comply with the minimum jobs requirements for a period of time in excess of one (1) year, Lexington may, at its sole discretion terminate this Agreement with no additional obligation or responsibility to provide any additional economic incentive.

10. This Agreement shall remain in effect until the Company has fully complied with its requirements or the Project is completed, unless terminated by Lexington in writing for nonperformance at an earlier time.

11. The Company will complete the Project as further described in Exhibit "A", which is attached hereto.

12. The Company shall keep and make available to Lexington any records related to this Agreement such as are necessary to support its performance hereunder and shall be made available to Lexington upon request.

13. In no event shall the parties be construed, held or become in any way for any purpose the employee of the other party, or partners, associates or joint ventures in the conduct of their respective endeavors or otherwise.

14. The Company shall provide equal opportunity in employment for all qualified persons, shall prohibit discrimination in employment because of race, color, creed, national origin, sex, age, sexual orientation or gender identity, or handicap, shall promote equal employment through a positive, continuing program of equal employment. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

15. Neither party may assign any of its rights and duties under this Agreement without the prior written consent of the other party.

16. This Agreement does not create a contractual relationship with or right of action in favor of a third party against either the Company or Lexington.

17. If any term or provision of this Agreement shall be found to be illegal or unenforceable, this Agreement shall remain in full force and such term or provision shall be deemed stricken.

18. This Agreement shall be governed in all respects by the laws of the Commonwealth of Kentucky and venue for all actions shall lie in Fayette County, Kentucky.

19. By mutual agreement, the parties to this Agreement may, from time to time, make written changes to any provision hereof. The Company acknowledges that Lexington may make such changes only upon approval of its legislative authority, the Lexington-Fayette Urban County Council, and the signature of its Mayor.

20. This Agreement shall constitute the entire agreement between the parties and no representations, inducements, promises or agreements, oral or otherwise, which are not

embodied herein shall be effective for any purpose. This Agreement shall replace any previous agreement between the parties on the same subject matter.

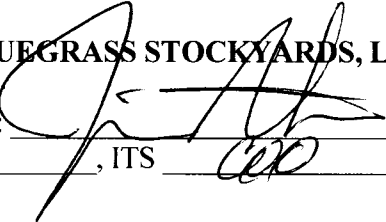
21. The waiver by either party of any breach of any provision of this Agreement shall not constitute a continuing waiver or waiver of any subsequent breach by either party of either the same or another provision of this Agreement.

IN WITNESS WHEREOF, the parties certify that they have been duly authorized to execute, deliver and perform this Agreement, and have executed it as of the date first herein written.

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT**

BY:  _____
JIM GRAY, MAYOR

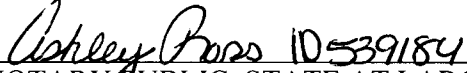
ATTEST: 
_____ URBAN COUNTY COUNCIL CLERK

BLUEGRASS STOCKYARDS, LLC
BY:  _____
_____, ITS CEO

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

The foregoing Agreement was subscribed, sworn to and acknowledged before me by Jim Akers, as COO of Bluegrass Stockyards, LLC, on this the 27th day of June, 2016.

My commission expires: August 3, 2019


NOTARY PUBLIC, STATE AT LARGE, KY

00539927

DEED OF CONVEYANCE

THIS DEED, made and entered into this 11 day of July, 2005, by and between Eugene Barber and Jo Ann Barber, his wife, Larry Barber and Valerie Barber, his wife, Austin Paul and Brenda Paul, his wife, Eric Barber and Naomi Barber, his wife, and Scott Bucher and Susan C. Bucher, his wife, with a collective mailing address of P.O. Box 1327, Lexington, KY 40588 ("Grantors"), and Ironworks Farm, LLC, a Kentucky limited liability company, whose mailing address is 395 Lisle-Industrial Avenue, Lexington, KY 40511 ("Grantee").

WITNESSETH:

THAT for \$10.00 and other good and valuable consideration, Grantors, being the sole members of the Grantee limited liability company, hereby convey to Grantee, its successors and assigns, in fee simple, with Covenant of GENERAL WARRANTY, certain property located in Fayette County, Kentucky, and being more particularly described on Exhibit A attached hereto.

PROVIDED, HOWEVER, there is excepted from the foregoing warranty and covenants of title and this conveyance is made subject to any easements and restrictions of record affecting said property, and taxes and assessments for the current year, which taxes and assessments and those of succeeding years, Grantee assumes and agrees to pay.

CERTIFICATE OF CONSIDERATION

The undersigned hereby swear and affirm, under penalty of perjury, that the consideration recited in the foregoing instrument is the full actual consideration paid or to be paid for the property transferred hereby and that the estimated fair cash value of the property transferred is \$800,000.00, and that this is a conveyance between individuals and a limited liability company in which the individuals are members and the interests being transferred are equal to their proportionate interest in the limited liability company and that, pursuant to KRS § 142.050(7)(k), the conveyance is exempt from transfer tax.

IN TESTIMONY WHEREOF, witnesseth the signature of Grantor on the date first above written.

GRANTORS:

Eugene Barber
Eugene Barber
Jo Ann Barber
Jo Ann Barber

Larry Barber
Larry Barber
Valerie Barber
Valerie Barber

[Signature]
Austin Paul

[Signature]
Brenda Paul

[Signature]
Erie Barber

[Signature]
Naomi Barber

[Signature]
Scott Bucher

[Signature]
Susan C. Bucher

GRANTEE:

Ironworks Farm, LLC

By: [Signature]
Gene M. Barber, Administrative Member

**COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE**

The foregoing instrument was acknowledged before me and the statement of consideration was sworn to before me on this 19 day of July, 2005, by Eugene Barber.

My Commission expires: March 15, 2008

[Signature]
NOTARY PUBLIC

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

**COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE**

The foregoing instrument was acknowledged before me and the statement of consideration was sworn to before me on this 19 day of July, 2005, by Jo Ann Barber.

My Commission expires: March 15, 2008

[Signature]
NOTARY PUBLIC

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me and the statement of consideration was sworn to before me on this 19 day of July, 2005, by Larry Barber.

My Commission expires: March 15, 2008

Donna Walters-Notar
NOTARY PUBLIC

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me and the statement of consideration was sworn to before me on this 19 day of July, 2005, by Valerie Barber.

My Commission expires: March 15, 2008

Donna Walters-Notar
NOTARY PUBLIC

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me and the statement of consideration was sworn to before me on this 19 day of July, 2005, by Austin Paul.

My Commission expires: March 15, 2008

Donna Walters-Notar
NOTARY PUBLIC

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me and the statement of consideration was sworn to before me on this 19 day of July, 2005, by Brenda Paul.

My Commission expires: March 15, 2008

Donna Walters-Notar
NOTARY PUBLIC

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me and the statement of consideration was sworn to before me on this 9 day of July, 2005, by Eric Barber.

My Commission expires: March 15, 2008

Donna Walters - Notary
NOTARY PUBLIC

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me and the statement of consideration was sworn to before me on this 13 day of July, 2005, by Naomi Barber.

My Commission expires: March 15, 2008

Donna Walters - Notary
NOTARY PUBLIC

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me and the statement of consideration was sworn to before me on this 13 day of July, 2005, by Scott Bucher.

My Commission expires: March 15, 2008

Donna Walters - Notary
NOTARY PUBLIC

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me and the statement of consideration was sworn to before me on this 13 day of July, 2005, by Susan C. Bucher.

My Commission expires: March 15, 2008

Donna Walters - Notary
NOTARY PUBLIC

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

COMMONWEALTH OF KENTUCKY
COUNTY OF FAYETTE

Subscribed and sworn to before me on this 19 day of July, 2005, by Gene M. Barber, as Administrative Member of Ironworks Farm, LLC, a Kentucky limited liability company, for and on behalf of said limited liability company.

My Commission expires: March 15, 2008

Donna Walters-Notor
NOTARY PUBLIC

THIS INSTRUMENT PREPARED BY:

John R. Rhorer, Jr.

John R. Rhorer, Jr.
DINSMORE & SHOHL LLP
Lexington Financial Center
250 West Main Street, Suite 1400
Lexington, Kentucky 40507
(859) 425-1000

Donna K. Walters
Notary Public
State at Large, Kentucky
My Commission Expires: March 15, 2008

EXHIBIT A

A certain tract or parcel of land located in Lexington, Fayette County, Kentucky and bounded on the east Interstate Highway I-75 and the American Telephone and Telegraph Co.; on the south by Iron Work Road; on the west by the Norfolk Southern Railroad; and on the north by the Barton property and being more fully described as follows:

Beginning at a #5 rebar w/I.D. cap #3252, said point being the intersection of the eastern right of way of the Norfolk Southern Railroad (D.B. 54, Pg. 401 & 402) 100' from the centerline of said railroad right of way and the northern right of way of Iron Works Road (D.B. 1140, Pg. 667) 100 feet from the centerline of said road right of way; thence with the eastern right of way of the Norfolk Southern Railroad for three calls, N 14 deg 41 min 02 sec W 1183.28 feet to a stone (found), said point being 100 feet from the centerline of the railroad right of way; thence S 75 deg 18 min 58 sec W 50.00 feet (passing a witness monument #5 rebar w/I.D. cap #3252 at 5.00 feet) to a #5 rebar w/I.D. cap #3252 (set), said point being 50 feet from the centerline of the railroad right of way; thence N 14 deg 41 min 02 sec W 3499.79 feet (crossing the Fayette-Scott County Line at approximately 2224 feet +/-, the location of the county line was not surveyed nor verified and is only an estimation) to a #5 rebar w/I.D. cap #3252 (set), said point being 50 feet from the centerline of the railroad right of way and a corner to Barton Brothers (D.B. 148, Pg. 94 recorded in the Scott County Clerk's Office); thence with line of Barton, S 79 deg 44 min 32 sec E 1301.12 feet (passing a witness monument #5 rebar w/I.D. cap #3252 at 1296.12 feet) to a point, a corner to the Barton Brothers and in the western right of way of Interstate Highway I-75 (D.B. 778, Pg. 87 and D.B. 1140, Pg. 667), said point being 120 feet from the centerline of the interstate right of way; thence with the western right of way of Interstate Highway I-75 for eight calls, S 13 deg 06 min 35 sec E 733.46 feet (crossing the Fayette-Scott County Line at approximately 527 feet +/-, the location of the county line was not surveyed nor verified and is only an estimation) to a #5 rebar w/I.D. cap #3252 (set), said point being 140 feet from the centerline of the interstate right of way; thence S 14 deg 40 min 39 sec E 1194.00 feet to a point, said point being 140 feet from the centerline of the interstate right of way; thence 17 deg 32 min 24 sec E 200.25 feet (passing witness monuments #5 rebar w/I.D. cap #3252 at 5.00 feet and 195.25 feet) to a point, said point being 130 feet from the centerline of the interstate right of way; thence S 14 deg 40 min 39 sec E 900.00 feet to a #5 rebar w/I.D. cap #3252 (set), said point being 130 feet from the

centerline of the interstate right of way; thence S 08 deg 08 min 00 sec E 302.00 feet to a #5 rebar w/I.D. cap #3252 (set), said point being 165 feet from the centerline of the interstate right of way; thence S 14 deg 00 min 00 sec E 287.40 feet to a point, said point being in the exit ramp right of way; thence S 03 deg 12 min 00 sec W 240.20 feet (passing witness monuments #5 rebar w/I.D. cap #3252 at 5.00 feet and 235.20 feet) to a point, said point being in the exit ramp right of way; thence S 06 deg 58 min 47 sec W 567.48 feet to a #5 rebar w/I.D. cap #2977 (found), said point being in the exit ramp right of way and a corner to American Telephone and Telegraph Co. (D.B. 1724, Pg. 280); thence with the line of American Telephone and Telegraph Co. for two calls, N 83 deg 00 min 08 sec W 124.71 feet to a #5 rebar w/I.D. cap TN RLS #1640 (found); thence S 24 deg 22 min 57 sec W 205.47 feet to a #5 rebar w/I.D. cap #3252 (set) in the northern right of way of Iron Works Road (D.B. 1140, Pg. 667); thence with the northern right of way of Iron Works Road for five calls, N 60 deg 58 min 45 sec W 49.87 feet to a #5 rebar w/I.D. cap #3252 (set), said point being 150.1 feet from the centerline of the road right of way; thence S 24 deg 18 min 32 sec W 30.10 feet (passing a witness monument #5 rebar w/I.D. cap #3252 at 25.10 feet) to a point, said point being 120 feet from the centerline of the road right of way; thence N 69 deg 15 min 19 sec W 249.90 feet (passing a witness monument #5 rebar w/I.D. cap #3252 at 244.90 feet) to a point, said point being 100 feet from the centerline of the road right of way; thence N 68 deg 56 min 19 sec W 205.70 feet to a #5 rebar w/I.D. cap #3252 (set), said point being 100 feet from the centerline of the road right of way; thence N 74 deg 39 min 19 sec W 147.00 feet to the beginning, containing 118.795 acres as per the survey dated October 23, 1998 and performed by James E. Fister, Licensed Professional Land Surveyor No. 3252. There are approximately 24.3+/- acres in Scott County and 94.5+/- in Fayette County, the location of the Fayette-Scott County line was not surveyed nor verified, but was estimated by using dimensions from an earlier record description.

Being the same property in which a 1/6 undivided interest was conveyed to each of the Grantors by Deed dated July 14, 2002 and recorded in Deed Book 2303, Page 403 in the Fayette County Clerk's Office and in Deed Book 267, Page 13 in the Scott County Clerk's Office; and being the same property in which the remaining 1/6 interest was conveyed to Grantors, Eric Barber and Scott Bucher, as tenants in common, pursuant to a Deed dated October 6, 2004 and recorded at Deed Book 2501, Page 62 in the Fayette County Clerk's Office and at Deed Book 286, Page 429 in the Scott County Clerk's Office.

I, Donald W Blevins, County Court Clerk
of Fayette County, Kentucky, hereby
certify that the foregoing instrument
has been duly recorded in my office.

Donald W Blevins

By: Doug BRADLEY, dc

200507200311

July 20, 2005

15:37:44 PM

Fees	\$20.00	Tax	\$0.00
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Total Paid	\$20.00
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8 Pages

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