EXPANSION AREA

DEVELOPMENT EXACTION AGREEMENT

This EXPANSION AREA DEVELOPMENT EXACTION AGREEMENT (the "Development Agreement"), is made and entered into this day of da

WITNESSETH:

THAT WHEREAS, the Developer is the Developer of and is engaging in Development Activity of, certain real property situated and generally located north of Interstate 75, east of Newtown Pike, and west of Russell Cave Road, in Lexington, Fayette County, Kentucky, which is more particularly identified and described as all Parcels 1, 2, 3 and 4 on the "Consolidation and Easement Minor Amended Subdivision Plat, East Bridgeford Land & Development Co. (Kingston Hall), Phase 1, Unit 1, 2350, 2352 & 2356 Newtown Pike" recorded in Plat Cabinet N, Slide 704 in the office of the county clerk (which plat shall be referred to hereinafter as Plat Cabinet N, Slide 704) a reduced-size copy of which is included as Exhibit 1, attached hereto (the "Project Area"), which Project Area is physically situated within that certain real property in Fayette County, Kentucky, identified as Expansion Area 3 and adjoining off-site area, as designated in the LFUCG Expansion Area Master Plan adopted by the LFUCG Planning Commission (the "EAMP") and which Project Area is subject to all of the provisions of Article

23 of the Zoning Ordinance No. 196-96, adopted by the Urban County Council of LFUCG on October 3, 1996 and amended by the Council on November 16, 2000 (the "Zoning Ordinance"); and

WHEREAS, Developer has entered into a contract to sell Parcel 3 of Plat Cabinet N, Slide 704, to Hospice of the Bluegrass, Inc., a Kentucky non-profit corporation; and

WHEREAS, said Parcel 3 is more particularly described in the "Final Record Plat, East Bridgeford Land & Development Co. (Kingston Hall) Phase 1, Lot 1, 2356 Newtown Pike", a reduced-size preliminary copy of which is included as Exhibit 2, attached hereto and incorporated by reference herein (said plat shall be referred to hereinafter as the "Plat of 2356 Newtown Pike"); and

WHEREAS, pursuant to the EAMP and Article 23 of the Zoning Ordinance, certain development exactions have been imposed by operation of law which are due and payable with reference to land situated in the Project Area for the purpose of funding the costs of various Capital Improvements identified as System Improvements in Expansion Area 3, including the Project Area therein, as identified in the EAMP and the Zoning Ordinance and Providence has entered into an expansion area development exaction agreement pursuant to Resolution 447-2006 of the Lexington Fayette Urban County Government (the "Providence Exaction Agreement"), under which Providence has accumulated exaction credits; and

WHEREAS, the property at 2356 Newtown Pike is divided by the Scenic Resource Area boundary line, under which no buildings can be built west of said Scenic Resource line; and

WHEREAS, the Developer and Hospice of the Bluegrass wish to pay exaction fees for the area east of the Scenic Resource Area line in advance of when they would be required to be paid under the Ordinance; and WHEREAS, Providence wishes to transfer to Developer the right to utilize some of its exaction credits;

WHEREAS, the Developer, Providence and LFUCG are entering into this Development Agreement pursuant to Section 23C of the Zoning Ordinance for the purposes of formalizing such matters.

NOW THEREFORE, FOR AND IN CONSIDERATION OF THE PREMISES, AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE RECEIPT OF WHICH IS HEREBY ACKNOWLEDGED BY BOTH PARTIES, THE PARTIES HERETO AGREE AND COVENANT ONE WITH THE OTHER, AS FOLLOWS:

SECTION 1. INCORPORATION OF PREAMBLES

BY REFERENCE

All of the statements and recitations of fact set forth in the preambles of this Development Agreement are hereby determined and declared by both parties to be a material and integral part of this Development Agreement and to be true and accurate in all respects.

SECTION 2. DEFINITIONS

- (a) As used herein, all formal terms shall have the meaning ascribed to such terms in Section 23-3 of the Zoning Ordinance, including, but not by way of limitations, the terms "Building Permit", "Capital Improvements", "Developer", "Development Activity", "Development Exaction Trust Fund", "Exaction", "Feepayor", "Person", "Project Improvements", and "Road".
- (b) The term "Final Development Plan" shall have the meaning which is ascribed to such term in Section 23B-2 of the Zoning Ordinance.

(c) The terms "Developer", "Development Agreement", "EAMP", "Exaction Credits", "LFUCG", "Project Area" and "Zoning Ordinance" shall have the meanings ascribed to such terms in the preambles to this Development Agreement.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF LFUCG

LFUCG makes the following representations and warranties as the basis for its agreement herein:

- (a) It is duly and legally organized and existing as an urban county government pursuant to KRS Chapter 67A and is a de jure political subdivision of the Commonwealth of Kentucky.
- (b) It has, by Ordinance, authorized the execution and delivery on its behalf of this Development Agreement.
- (c) Neither the execution and delivery of this Development Agreement nor the fulfillment of or compliance with the terms and conditions of, this Development Agreement conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which LFUCG is now a party or by which it is bound or to which any of its property is subject, or constitutes a default under any of the foregoing, or results in the creation or imposition of any prohibited lien, charge or encumbrance whatsoever upon any of the property or assets of LFUCG under the terms of any instrument or agreement.
- (d) It has complied with or will comply with, in a timely manner, all of its duties, responsibilities, and obligations under this Development Agreement.
- (e) All representations of LFUCG contained herein and in any certificate or other instrument delivered by LFUCG pursuant hereto, or in connection with the transactions contemplated thereby, shall survive the execution and delivery of this Development Agreement.

- (f) The execution and delivery of this Development Agreement, and the consummation of the transactions herein contemplated, will not conflict with, or constitute a material breach of, or default by LFUCG under LFUCG's statutory authority or any statute, trust indenture, mortgage, deed of trust, lease, note, loan agreement or other agreement or instrument to which LFUCG is a party or by which LFUCG is bound, and will not constitute a violation of any order, rule, or regulation of any court or governmental agency or body having jurisdiction over LFUCG or any of LFUCG's activities or properties. Additionally, LFUCG is not in breach, default, or violation of any statute, trust indenture, mortgage, deed of trust, note, loan agreement, or other agreement or instrument which would allow the obligee or obligees thereof to take any action which would preclude performance hereunder by LFUCG.
- the knowledge of LFUCG, threatened against or affecting LFUCG's assets, properties, or operations which, if determined adversely to LFUCG, could have a material adverse effect upon LFUCG's financial condition, assets, properties, or operations and LFUCG is not in default with respect to any order or decree of any court of any order, regulation, or decree of any federal, state, municipal, or governmental agency, which default would materially and adversely affect either LFUCG's operation or LFUCG's properties or the carrying out of LFUCG's obligations and duties hereunder.
- (h) LFUCG has the full legal right, power, and authority to enter into this Development Agreement and to carry out and consummate all transactions contemplated hereby.
- (i) To the best of the knowledge of LFUCG and based upon and in reliance upon written estimates of costs of construction and related matters by licensed professionals with respect to the System Improvements required to be constructed in connection with Development

Activity, the information provided by LFUCG or on behalf of LFUCG to the Developer as contained in the EAMP in connection with the estimated costs of construction of the subject System Improvements, which information is subject to periodic review and updating, was when provided to the Developer, materially true and accurate.

SECTION 4. REPRESENTATIONS AND WARRANTIES OF THE DEVELOPER

The Developer makes the following representations and warranties as the basis for his covenants and agreements herein (Developer representing and warranting only as to the business and affairs of such individual Developer in connection with paragraphs (a) through (c) below).

- (a) Anderson-Ramsey, LLC, a Kentucky limited liability company has been duly created and is validly existing as a limited liability company under the laws of Kentucky. The Developer is qualified to do and is doing business in and is in good legal standing in the Commonwealth and, to the best of the knowledge of the Developer, there are no other jurisdictions where the Developer's ownership or lease of property or conduct of the Developer's businesses require such qualification. The Developer has full legal right, power, and authority to enter into this Development Agreement and to carry out and consummate all transactions contemplated hereby and the Developer has, by all proper action, duly authorized the execution and delivery of this Development Agreement. The person or persons executing this Development Agreement are duly authorized and empowered to execute and deliver this Development Agreement and to bind the Developer.
- (b) The execution and delivery of this Development Agreement, and the consummation of the transactions herein contemplated, will not conflict with, or constitute a material breach of, or default by the Developer under the Articles of Organization of Anderson-Ramsey, LLC, or any statute, trust indenture, mortgage, deed of trust, lease, note, loan agreement

or other agreement or instrument to which the Developer is a party or by which the Developer or their properties are bound, and will not constitute a violation of any order, rule, or regulation of any court or governmental agency or body having jurisdiction over the Developer or any of the Developer's activities or properties. Additionally, the Developer is not in breach, default or violation of any statute, trust indenture, mortgage, deed of trust, note, loan agreement or other agreement or instrument which would allow the obligee or obligees thereof to take any action which would preclude performance hereunder by the Developer.

- (c) There are no actions, suits or proceedings of any type whatsoever pending or, to the Developer's knowledge, threatened against or affecting the Developer or its assets, properties, or operations which, if determined adversely to the Developer of its interests, could have a material adverse effect upon the Developer's financial condition, assets, properties, or operations and the Developer is not in material default with respect to any order or decree of any court or any order, regulation, or decree of any federal, state, municipal, or governmental agency, which default would materially and adversely affect the Developer's operation or Developer's properties or the completion of the construction and equipping of the Project System Improvements which are the subject of this Development Agreement.
- (d) It has complied with or will comply with, in a timely manner, all of its duties, responsibilities, and obligations under this Development Agreement.
- (e) All representations of the Developer contained herein and in any certificate or other instrument delivered by the Developer pursuant hereto, or in connection with the transactions contemplated thereby, shall survive the execution and delivery of this Development Agreement.

(f) Anderson-Ramsey, LLC has been duly designated and authorized as the lead representative of the Developer in dealings with LFUCG in all matters relating to this Agreement.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF PROVIDENCE BUSINESS CENTER, LLC

Providence makes the following representations and warranties as the basis for his covenants and agreements herein (Providence representing and warranting only as to the business and affairs of such individual entity in connection with paragraphs (a) through (c) below).

- (a) Providence Business Center, LLC, a Kentucky limited liability company has been duly created and is validly existing as a limited liability company under the laws of Kentucky. Providence is qualified to do and is doing business in and is in good legal standing in the Commonwealth and, to the best of the knowledge of Providence, there are no other jurisdiction where the Providence's ownership or lease of property or conduct of Providence's businesses require such qualification. Providence has full legal right, power, and authority to enter into this Development Agreement and to carry out and consummate all transactions contemplated hereby and Providence has, by all proper action, duly authorized the execution and delivery of this Development Agreement. The person or persons executing this Development Agreement are duly authorized and empowered to execute and deliver this Development Agreement and to bind Providence.
- (b) The execution and delivery of this Development Agreement, and the consummation of the transactions herein contemplated, will not conflict with, or constitute a material breach of, or default by Providence under the Articles of Organization of Providence Business Center, LLC, or any statute, trust indenture, mortgage, deed of trust, lease, note, loan

agreement or other agreement or instrument to which Providence is a party or by which Providence or their properties are bound, and will not constitute a violation of any order, rule, or regulation of any court or governmental agency or body having jurisdiction over Providence or any of Providence's activities or properties. Additionally, Providence is not in breach, default or violation of any statute, trust indenture, mortgage, deed of trust, note, loan agreement or other agreement or instrument which would allow the obligee or obligees thereof to take any action which would preclude performance hereunder by Providence.

- Providence's knowledge, threatened against or affecting Providence or its assets, properties, or operations which, if determined adversely to Providence of its interests, could have a material adverse effect upon Providence's financial condition, assets, properties, or operations and Providence is not in material default with respect to any order or decree of any court or any order, regulation, or decree of any federal, state, municipal, or governmental agency, which default would materially and adversely affect Providence's operation or Providence's properties or the completion of the construction and equipping of the Project System Improvements which are the subject of this Development Agreement.
- (d) It has complied with or will comply with, in a timely manner, all of its duties, responsibilities, and obligations under this Development Agreement.
- (e) All representations of Providence contained herein and in any certificate or other instrument delivered by Providence pursuant hereto, or in connection with the transactions contemplated thereby, shall survive the execution and delivery of this Development Agreement.

(f) Providence Business Center, LLC has been duly designated and authorized as the lead representative of Providence in dealings with LFUCG in all matters relating to this Agreement.

SECTION 6. PRE-PAYMENT OF EXACTIONS AUTHORIZED

The Developer, acting on or behalf of itself or Hospice of the Bluegrass, Inc., is authorized to pay in advance prior to the due date, exactions for the 7.6 acre area east of the Scenic Resource Area boundary line as shown on the Plat of 2356 Newtown Pike. Under the current schedule of exaction fees, the exactions for the 7.6 acres which are east of the Scenic Resource boundary line equal \$301,702.82. Said exactions may be paid by credit transferred from Providence, or by cash or currently available funds. The sewer portion of the exaction fees for 7.6 acre is \$103,076.14, both calculated under the current exaction fee schedule.

SECTION 7. TRANSFER OF EXACTION CREDITS

Providence does hereby transfer to Developer sufficient non-sewer exaction credits for Expansion Area 3 to pay the non-sewer exactions for the 7.6 acres of 2356 Newtown Pike which are east of the Scenic Resource Area boundary. The parties acknowledge that under the current exaction fee schedule, this amount is \$103,076.14. These exaction credits were credited to Providence under the Providence Exaction Agreement.

SECTION 8. DEFERRAL AND/OR TRANSFER

The exaction fees due by reason of the portion of the property at 2356 Newtown Pike located west of the Scenic Resource Area boundary line and east of Newtown Pike shall be deferred and/or transferred to Parcels 1, 2 and 4 being known as 1150 Providence Place Parkway on the plat at Plat Cabinet N, Slide 704. The development rights, specifically floor area ratio, for

the area west of the Scenic Resource Area boundary line and east of Newtown Pike on the property at 2356 Newtown Pike are transferred to Anderson-Ramsey, LLC, for use on Parcels 1, 2 and 4 in the plat at Plat Cabinet N, Slide 704 or to other areas in Expansion Area 3. The buildable square footage to be transferred is 278,675.10 square feet. This number was calculated by taking the acreage of the area west of the Scenic Resource Boundary line, 8.53 acres, multiplying it by the number of square feet in an acre, 43,560, equaling 371,566.8, then multiplying by the floor area ratio of 0.75, equaling 278,675.10 square feet. The exaction fees which are transferred to Parcels 1, 2 and 4 on the plat at Cabinet N, Slide 704 shall be pro-rated among the acreage on Parcels 1, 2 and 4. Thus, the exaction fees on Parcels 1, 2 and 4 shall be increased by a fraction, the numerator of which is the acreage on 2356 Newtown Pike which is west of the Scenic Resource Area boundary, and the denominator is the combined acreage of Parcels 1, 2 and 4. For example, if the acreage of the property west of the Scenic Resource Boundary line on 2356 Newtown Pike is 8 acres, and the combined acreage of Parcels 1, 2 and 4 is 80 acres, then the exaction fees on Parcels 1, 2 and 4 shall be increased by one-tenth.

Upon payment of the fees set forth in Section 6 above, the property at 2356 Newtown Pike shall be free and released of liability or responsibility for exaction fees other than those set forth in Section 6 above.

SECTION 9. PAST AND FUTURE DEVELOPMENT AND EXACTION AGREEMENTS

The parties acknowledge that there may be subsequent Exaction Agreements and/or System Improvement Design and Construction Memoranda relating to exaction matters.

SECTION 10. AMENDMENTS

This Development Agreement may be amended only by written agreement of the parties hereto.

SECTION 11. COUNTERPARTS

This Development Agreement may be executed in any number of counterparts, each of which, when so executed and delivered, shall be an original; but such counterparts shall together constitute but one and the same Development Agreement.

SECTION 12. GOVERNING LAW

The laws of the Commonwealth of Kentucky shall govern the validity, construction, and performance of this Development Agreement.

SECTION 13. LIMITATION OF RIGHTS; PARTIES IN INTEREST

With the exception of rights herein expressly conferred, nothing expressed or mentioned in or to be implied from this Development Agreement is intended or shall be construed to give to any person other than the parties hereto, any legal or equitable right, remedy or claim under or in respect to this Development Agreement or any covenants, conditions, or provisions herein contained; this Development Agreement and all of the covenants, conditions, or provisions herein being intended to be and being for the sole and exclusive benefit of the parties hereto. This Development Agreement shall inure to the benefit of and shall be binding upon LFUCG, the Developer, Providence, and their respective successors and assigns; provided, however, that the liability of LFUCG hereunder is strictly limited as provided in this Development Agreement. Any obligations of LFUCG hereunder shall not be deemed to constitute an indebtedness or an obligation of LFUCG, the Commonwealth of Kentucky or any political subdivision thereof within the purview of any constitutional limitation or statutory provision, or a charge against its general credit, funds or general taxing power, or any of them. It is agreed that any transferee of Exaction Credits shall have the same rights and duties with respect to the transferred Exaction Credits as the rights and duties of the Developer and/or Providence.

SECTION 14. ENTIRE UNDERSTANDING

This Development Agreement, including the Exhibits hereto, and the Infrastructure Development Agreement required by Section 4-5 of the Land Subdivision Regulations, express the entire understanding and all agreements of the parties hereto with each other, and neither party hereto has made or shall be bound by an agreement or any representation to the other party which is not expressly set forth herein or incorporated herein by reference. Except as specifically provided in this Development Agreement, all provisions of the EAMP and the Zoning Ordinance shall be and continue in full force and shall be applicable to the Project Site and the development thereof.

SECTION 15. TIME OF THE ESSENCE; NON-BUSINESS DAYS

Time shall be of the essence of this Development Agreement, When any action is provided for herein to be done or payment to be made to another party on a day named or within a specified time period, and the day or the last day of the period falls on a day other than a customary business day, such action shall be performed on the next ensuing business day with the same effect as though performed on the appointed day or within the specified period.

SECTION 16. TERM OF DEVELOPMENT AGREEMENT

This Development Agreement shall be and remain in full force and effect until such later date when all Exaction Credits and all interest thereon has been paid and discharged in full.

SECTION 17. NOTICES

(a) Unless otherwise expressly specified or permitted by the terms hereof, all notices, consents, or other communications required or permitted hereunder shall be deemed sufficiently given or served if given in writing, mailed by first class mail, postage prepaid and addressed as follows:

(i) If to LFUCG, addressed to:

Lexington-Fayette Urban County Government 200 East Main Street Lexington, Kentucky 40507 Attention: Commissioner of Finance

(ii) If to the Developer, addressed to:

Dennis R. Anderson, Manager 1720 Sharkey Way Lexington, KY 40511

(iii) If to Providence, addressed to:

Dennis R. Anderson, Manager 1720 Sharkey Way Lexington, KY 40511

(b) LFUCG, the Developer and Providence may from time to time by timely notice in writing to the other designate a different address or addresses for notice hereunder.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT

ATTEST:

Clerk, Urban County Council

PROVIDENCE BUSINESS CENTER, LLC,

a Kentucky limited ligibility company

By: Dennis R. Anderson, Manager

ANDERSON-RAMSEY/LLC, a Kentucky limited liability company

Dennis R. Anderson, Manager

Expansion Area Development Exaction Agreement 12-9-13.doc

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TREAMTS THATH, BLATS, SHALL, APPLY, NO BUILDING.
FERMING THATH, BE 1884ED UNTIL A PINAL
PLANNING COMM 1550M. .PARCELS 114 SHALL BE SOLD OR TRANSFERED TO PARCEL ? FOR CONSOLDATION PURPOSES ONLY. PIKE (KJ. 922) NEMLOMN NISTOGIBE 455.37 REMOVE THE PREVIOUST PECCACOS CACESS EASTERN CONNECTIVE THESE PARCELS TO MERICAN PIKE ACCESS TO THE NEW PARCEL I SHALL BE FROM PROVIDENCE PLACE PARCELLS. THE PAYED BULD. PARENT PLATIPLAT CABINET "M", SLIDE 342 4 614 BURYET DATE + 01/1003, 08/1005, 04/1008 + 10/1010 REFERENCE MERIDIAN - LFUGG GP3 STA 0004 38' R.O.U. E. Darther VICINITY MAP SECTION FIRE THE PAYED SHID. R.O.W. VARIES VARIED SITE STATISTICS.
AREA - 96.41 ACRES
ZONE - ED
NO. OF LOTS - 2
STREET FROMAGE - 459 PURPOSE OF PLAT:

EXHIBIT 1

