

GRANT AGREEMENT

THIS GRANT AGREEMENT (the "Agreement") with an Effective Date of June 30, 2016 (the "Effective Date"), is made and entered into by and among: (i) the **CABINET FOR ECONOMIC DEVELOPMENT**, a governmental agency of the Commonwealth of Kentucky, with an address of Old Capitol Annex, 300 West Broadway, Frankfort, Kentucky 40601 (the "Cabinet"); (ii) the **STATE PROPERTY AND BUILDINGS COMMISSION**, a governmental agency of the Commonwealth of Kentucky, with an address of Capitol Annex Building, Room 383, Frankfort, Kentucky 40601 (the "Commission"); (iii) the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, a political subdivision of the Commonwealth of Kentucky, with an address of 200 East Main Street, Lexington, Fayette County, Kentucky 40507 (the "LFUCG"); and, (iv) **ASHLAND, INC.**, a Kentucky corporation, with an address of 3499 Blazer Parkway, Lexington, Kentucky 40509 (the "Company").

WITNESSETH

WHEREAS, it is the public policy of the Commonwealth of Kentucky to encourage, promote, and support economic development, new job formation, and the development and growth of industry and commerce, and to preserve existing jobs in Kentucky for the public purposes of providing employment opportunities for its citizens and residents, alleviating conditions of unemployment, stabilizing and promoting the economy of Kentucky, and creating new tax bases and sources of revenue for the Commonwealth;

WHEREAS, Section 154.12-100 of the Kentucky Revised Statutes authorizes and empowers the Commonwealth to promote economic development in Kentucky by undertaking and financing economic development bond projects, as more particularly described therein;

WHEREAS, the Commonwealth, LFUCG, and the Company have entered into various negotiations with regard to the Company's leasing and equipping of an approximately 165,000 square foot facility that will serve as a headquarters for the Company's Valvoline unit, all of which are to be located in Fayette County, Kentucky, at an approximate total cost of Six Million Nine Hundred Seventy-One Thousand Two Hundred and Fifty Dollars (\$6,971,250), which Project (as defined herein) the Company represents will result in the retention of six hundred sixteen (616) existing Full-Time Jobs for Kentucky residents, as more particularly described herein;

WHEREAS, the Cabinet, the Commission, LFUCG, and the Company negotiated the preliminary terms of this Agreement in which the Cabinet approved a grant in an amount not to exceed Four Hundred and Fifty Thousand Dollars (\$450,000) to LFUCG for the benefit of the Company and payable in four installments on each annual Compliance Date to assist with the Project (as herein defined) in exchange for the Company's agreement to maintain a minimum of Six Hundred Sixteen (616) existing, Full-Time Jobs, as more particularly described herein;

WHEREAS, the Kentucky Economic Development Finance Authority ("KEDFA") approved this grant at a duly constituted meeting of its board on June 30, 2016, and both the Commission and the Capital Projects and Bond Oversight Committee approved it thereafter; and

WHEREAS, it is appropriate and in the public interest that the Commonwealth make a commitment of financial resources in order to encourage and support economic development endeavors approved by the Cabinet and the Commission pursuant to KRS 154.12-100;

NOW THEREFORE, in order to induce the Cabinet to make a grant to LFUCG in the amount set forth in Section 2.1 hereof, and in consideration of the mutual covenants and conditions contained herein, and for other good and valuable consideration, the receipt, mutuality, and sufficiency of all of which is hereby acknowledged by the parties hereto, the Commission, the Cabinet, LFUCG, and the Company hereby agree as follows:

SECTION 1 DEFINITIONS

1.1 Definitions. For the purposes hereof, the following words and phrases shall have the meanings ascribed thereto:

(1) "Agreement" shall mean this Grant Agreement by and among the Cabinet, the Commission, LFUCG, and the Company;

(2) "Cabinet" shall mean the Cabinet for Economic Development, a governmental agency of the Commonwealth;

(3) "LFUCG" shall mean the Lexington-Fayette Urban County Government, a political subdivision of the Commonwealth;

(4) "Commission" shall mean the State Property and Buildings Commission, a governmental agency of the Commonwealth;

(5) "Commonwealth" shall mean the Commonwealth of Kentucky and all governmental agencies, authorities, and political subdivisions thereof, including without limitation the Commission and the Cabinet, but excluding LFUCG;

(6) "Disbursement" shall mean the distribution of proceeds of the Grant by the Cabinet to LFUCG pursuant to Section 2 of this Agreement;

(7) "Economic Development Project" shall mean the acquisition of any real estate and the construction, acquisition, expansion, improvement, renovation, and installation thereon and with respect thereto of improvements and facilities necessary and useful for the improvement of the real estate for conveyance to or lease to industrial firms to be used for manufacturing, processing, or assembling purposes, including without limitation: (i) surveys; (ii) site tests and inspections; (iii) subsurface site work; (iv)

excavation, removal of structures, roadways, cemeteries, and other surface obstructions; (v) filling, grading, and provision of drainage; (vi) storm water retention; (vii) installation of utilities, such as water, sewer, sewage treatment, gas, electricity, communication, and other similar facilities; (viii) off-site construction of utility extensions to the boundaries of the real estate; (ix) construction and installation of buildings, including buildings to be used for worker training and education; (x) rail facilities; (xi) roads, sidewalks, curbs, and, other improvements; (xii) workforce training and education; and (xiii) any other use approved in writing by the Cabinet;

(8) "Employee" shall mean a Kentucky resident who maintains a permanent, Full-Time Job (as defined below) at the Facility, as opposed to a part-time employee or an independent contractor;

(9) "Event of Default" shall mean the happening of any one or more of the events or occurrences designated as "Events of Default" pursuant to Section 10 of this Agreement;

(10) "Facility" shall mean the Company's facility that will serve as a headquarters for its Valvoline unit in Lexington, Fayette County, Kentucky;

(11) "Full-Time Job" shall mean a job held by a person who is a Kentucky resident subject to the Kentucky individual income tax imposed by KRS 141.020 and is required to work a minimum of thirty-five (35) hours per week, which when projected on an annual basis, would equal a minimum of 1,750 hours worked;

(12) "Grant" shall mean the economic development bond grant in the principal amount set forth in Section 2.1 hereof, issued to LFUCG pursuant to KRS 154.12-100 and the terms and conditions of this Agreement;

(13) "Grant Documents" shall collectively refer to this Agreement and all other agreements, documents, and instruments referred to in this Agreement or otherwise evidencing or pertaining to or executed in connection with the Grant, together with any and all agreements, documents, or instruments made in modification, amendment, renewal, extension, substitution, or replacement thereof;

(14) "Grant Repayment Funds" shall have the meaning set forth in Section 8.1 hereof;

(15) "Jobs Requirement" shall have the meaning set forth in Section 7.7 hereof

(16) "Laws" shall include all laws, statutes, court decisions, rules, orders, and regulations of the United States of America, the States thereof and of their respective counties, municipalities, and other subdivisions, and shall include without limitation the laws, statutes, court decisions, rules, orders, and regulations of any other applicable jurisdiction;

(17) "Person" shall include an individual, firm, trust, estate, association, unincorporated organization, corporation, partnership, joint venture, or government or agency or political subdivision thereof;

(18) "Project" shall mean that certain project consisting of the Company's leasing and equipping of an approximately 165,000 square foot facility in Lexington, Fayette County, Kentucky, at an approximate total cost of Six Million Nine Hundred Seventy-One Thousand Two Hundred and Fifty Dollars (\$6,971,250) for a headquarters for the Company's Valvoline unit;

(19) "Request for Disbursement" shall mean a written request to the Cabinet for the making of a disbursement of the proceeds of the Grant, in form, substance, and detail satisfactory to the Cabinet, substantially in the form attached hereto and made a part hereof as Exhibit A; and,

(20) "Unmatured Default" shall mean the happening of any event or occurrence which would, together with the delivery of any required notice or the passage of any required period of time, constitute an Event of Default under this Agreement or any of the other Grant Documents.

SECTION 2 THE GRANT

2.1 Agreement to Make Grant. Pursuant to KRS 154.12-100, the Cabinet hereby agrees to make and LFUCG hereby agrees to accept, for the benefit of the Company, the Grant in the original principal amount of Four Hundred Fifty Thousand Dollars (\$450,000), subject to and in accordance with the terms, covenants, and conditions set forth in this Agreement. LFUCG and the Company expressly agree to comply with and to perform all of the terms, covenants, and conditions of this Agreement and the other Grant Documents, as the same apply to each of them.

2.2 Use of Proceeds. The proceeds of the Grant shall be disbursed to LFUCG, which shall further disburse said proceeds to the Company in accordance with the terms and conditions of this Agreement and the other Grant Documents;

2.3 Disbursement. Disbursements of proceeds of the Grant shall be made by the Cabinet to LFUCG in four (4) draws in the maximum amount set forth in Section 2.4 upon: (i) execution of this Agreement by each of the respective parties hereto; (ii) the full performance by all applicable parties of each of the conditions precedent to the Grant set forth in Section 4 of this Agreement and in each of the other Grant Documents; (iii) upon the receipt by the Cabinet of a properly completed and executed Request for Disbursement, not less than ten (10) days prior to the date requested for the Disbursement, to which shall be attached any supporting documentation requested by the Cabinet; and (iv) upon providing a Program Employment and Wage Verification Certificate (Exhibit B) for each Compliance Date as set forth in Section 7.7 of this Agreement.

2.4 Amount of Disbursements. The maximum Disbursement available pursuant to this Agreement shall be as follows for the First Compliance Date and each annual Compliance Date thereafter:

First Compliance Date	Up to \$112,500.00
Second Compliance Date	Up to \$112,500.00
Third Compliance Date	Up to \$112,500.00
Fourth Compliance Date	Up to \$112,500.00

The specific amount of any Disbursement shall not exceed the amount justified by the Request for Disbursement and by the documentation received by the Cabinet in support thereof. The annual maximum disbursements set forth above shall be adjusted in the event of any shortfall in accordance with the pro rata reduction set forth in Section 7.7. LFUCG agrees to deliver to the Cabinet at any time and from time to time, upon request of the Cabinet, all receipts, vouchers, statements, bills of sale, or other evidence satisfactory to the Cabinet of actual payment of the costs associated with the Project. The Company agrees to provide LFUCG the documents necessary to support any such request.

2.5 Right to Withhold Funds. The Cabinet may amend, reduce, or withhold funding of any Disbursement until such time as the Cabinet shall be satisfied in its sole discretion that the requirements set forth in this Agreement have been performed in full and that the Request for Disbursement and the documentation received by the Cabinet support the amount of the Disbursement requested by LFUCG. The Cabinet may elect to amend, reduce, or withhold any Disbursement if the Cabinet determines at any time in its sole discretion that: (i) LFUCG or the Company shall have failed to perform any condition precedent to the Disbursement under the terms and conditions of this Agreement or the other Grant Documents; or, (ii) should any Event of Default or Unmatured Default have occurred and be continuing.

SECTION 3 ADDITIONAL FINANCING

The Company hereby represents and warrants to the Cabinet that it has equity in the amount of Five Million Nine Hundred Seventy-One Thousand Two Hundred and Fifty Dollars (\$5,971,250) as well as recaptured EDB grant funds from LFUCG in the amount of Four Hundred Fifty Thousand Dollars and JOBS grant funds from LFUCG in the amount of One Hundred Thousand Dollars (\$100,000) towards the total estimated Project cost of Six Million Nine Hundred Seventy-One Thousand Two Hundred Fifty Dollars (\$6,971,250). The Company agrees to provide evidence that such additional financing has been secured or is available, and the Company further agrees to notify the Cabinet in the event of any change in or restructuring of said additional financing.

SECTION 4
CONDITIONS PRECEDENT TO THE MAKING OF THE GRANT

The Cabinet's obligation to make the Grant and disburse funds shall be conditioned upon the prior fulfillment of the following conditions:

4.1 No Defaults. No Event of Default or Unmatured Default under the Agreement or any of the other Grant Documents shall exist.

4.2 Compliance. LFUCG and the Company shall have observed or complied with all provisions of this Agreement, as the same apply to each of them.

4.3 Request for Disbursement. LFUCG shall have provided to the Cabinet the Request for Disbursement along with all required supporting documentation justifying the disbursement amount requested.

4.4 Grant Documents. LFUCG and the Company each shall execute and fully perform each of the conditions precedent to the Grant set forth in this Agreement and in each of the other Grant Documents, as the same apply to each of them.

4.5 LFUCG Approval. LFUCG shall have provided certified copies of any resolutions or ordinances authorizing LFUCG's participation in the Grant and execution of Grant Documents.

4.6 Employment Waiver and Authorization. The Company hereby authorizes the Cabinet to request that the Office of Employment and Training within the Department for Workforce Investment ("OET") furnish to the Cabinet all information in the possession of OET concerning the number of people employed by the Company at its Facility, and the number of hours worked by those employees. This authorization shall terminate upon the earlier of satisfactory completion of the Jobs Requirement or upon termination of this Grant Agreement. The Company hereby releases OET from any and all responsibility for disclosing the information requested in connection with this Grant Agreement.

4.7 Childcare Assistance. The Company shall have provided pursuant to KRS 154.12-100, on the Cabinet's application form, information specifying any child care assistance provided for the dependents of Employees of the Facility who are twelve (12) years of age or younger.

4.8 Evidence of Additional Financing. The Company shall have provided evidence satisfactory to the Cabinet that the additional financing represented in Section 3 hereof has been obtained.

4.9 Permits and Licenses. If and when required by the Cabinet, the Company shall provide evidence satisfactory to the Cabinet that all permits, licenses, certifications, authorizations, and zoning requirements have been obtained from the proper governmental authorities, including state and local authorities, necessary for the

completion of the Project.

SECTION 5 INSURANCE

5.1 Insurance. During the term of this Agreement, and during any extensions or renewals thereof, the Company shall carry and maintain on the Project property and casualty insurance, general public liability insurance, worker's compensation insurance, and, if applicable, flood insurance, in such form and in such amounts as are customarily carried by prudent business operations similarly situated, and shall pay all premiums relating thereto on or before the due date thereof, all in accordance with the terms and conditions of this Agreement.

5.2 Notice of Casualty. The Company shall promptly give written notice of any material damage to or destruction of the Project to the Commission, the Cabinet, and LFUCG.

SECTION 6 REPRESENTATIONS AND WARRANTIES

LFUCG and the Company, as applicable, hereby represent and warrant to the Cabinet as follows, and the parties hereto understand and agree that LFUCG and the Company each make such representations and warranties only in its own behalf, and shall have no responsibility for the representations and warranties of the other:

6.1 Existence.

(1) The Company is a corporation duly organized or formed, validly existing, and in good standing under the laws of the State of Kentucky and holds a certificate of authority from the Kentucky Secretary of State to transact business in the Commonwealth. The Company has full power and authority to execute, deliver, and perform this Agreement and to enter into and carry out the transactions contemplated herein.

(2) LFUCG is a political subdivision organized and existing under the Constitution and laws of the Commonwealth.

6.2 Authority to Act. LFUCG and the Company have the requisite power, capacity, and authority to execute and deliver this Agreement and the other Grant Documents, to consummate the transactions contemplated by this Agreement and the other Grant Documents, and to observe and to perform this Agreement and the other Grant Documents in accordance with their respective terms and conditions. The officers executing and delivering this Agreement and the other Grant Documents on behalf of the Company and the Persons executing this Agreement and the other Grant Documents on behalf of LFUCG have been and are duly authorized to enter into this

Agreement and the other Grant Documents on behalf of the Company or LFUCG, as applicable.

6.3 Validity of Grant Documents; Compliance with Law. The Grant Documents are in all respects the legal, valid, and binding obligations of LFUCG and the Company according to their respective terms and conditions. The execution and delivery of this Agreement and the other Grant Documents, and the performance or observance by LFUCG and the Company of the terms and conditions thereof, does not and will not violate any existing provisions of the Company's organizing documents and any amendments thereto, or other agreements of organization, or any Laws applicable to LFUCG or the Company.

6.4 Approvals. LFUCG and the Company have taken all actions necessary to approve the Grant Documents and their participation in the Grant with respect to the Project.

6.5 Government Requirements. The real property on which the Project will be located is in conformity with all required zoning and other governmental requirements or has received variances allowing such lack of conformity. The Project has been approved by all necessary governmental authorities, including state and local authorities, and the Company has obtained all necessary permits, licenses, certifications, and authorizations necessary for completion of the Project.

6.6 Litigation. No litigation or proceeding involving LFUCG or the Company is pending or, to the best of the knowledge of LFUCG or the Company, is threatened in any court or administrative agency that, if determined adversely to LFUCG or the Company, could have a materially adverse impact on the ability of either of them to perform any of their respective obligations under this Agreement or under any of the other Grant Documents.

6.7 No Defaults. Neither LFUCG nor the Company is in default under any material contract, agreement, lease, bank loan, or credit agreement to which either of them is a party or by which either is bound, nor has any event occurred which after the giving of notice or the passage of time, or both, would constitute a default under any such contract, agreement, lease, bank loan, or credit agreement, which could have a materially adverse impact on the ability of any of them to perform any of their respective obligations under this Agreement or under any of the other Grant Documents. No Unmatured Default or Event of Default exists on the date hereof, nor shall any such Unmatured Default or Event of Default begin to exist immediately after the execution and delivery of this Agreement or the other Grant Documents.

6.8 Conflicting Transactions. The consummation of the transaction contemplated hereby and the performance of the obligations of LFUCG and the Company under and by virtue of this Agreement and the other Grant Documents shall not result in any breach of, or constitute a default under, any material contract, agreement, lease, bank loan, or credit agreement to which either is a party or by which either is bound.

6.9 Disclosure. Neither this Agreement nor any of the other Grant Documents contain any false or misleading statement of or omission of any material fact. There is no fact known to LFUCG or the Company that materially and adversely affects, or in the future could materially and adversely affect, the business, operations, affairs, or condition, financial or otherwise, of LFUCG or the Company that has not been disclosed in writing to the Cabinet.

6.10 Financial Statements. To the Company's knowledge, each of the financial statements heretofore provided by the Company to the Cabinet: (i) is accurate and complete as of the date submitted and as of the date hereof; (ii) has been prepared in accordance with generally accepted accounting principles; (iii) omits no material contingent liability of any kind that is not disclosed or otherwise reflected therein; (iv) fairly presents the financial condition of the Company as of the date thereof; and, (v) fairly presents the results of operations of the Company for the respective fiscal period then ending. Since the date of the preparation of the financial statements heretofore provided by the Company to the Cabinet, there has occurred no materially adverse change in the financial condition, property, or business of the Company.

6.11 Availability of Records. The Company shall make available its books and records necessary to establish the accuracy of its representations, warranties, and covenants in this Agreement and the other Grant Documents including, if relevant, its payroll books and records, at such reasonable times and place as the Cabinet shall request. The Company shall file with the Cabinet such documentation respecting the Incentives taken as the Cabinet may require for all tax periods subject to this Agreement, and the Cabinet may examine and audit such books and records of the Company as are reasonably sufficient to verify the accuracy of such items.

SECTION 7 COVENANTS

To induce the Cabinet to enter into this Agreement and to make the Grant, LFUCG and the Company, each on its own behalf, as applicable, hereby covenant and agree with the Cabinet as follows:

7.1 No Transfer of Project. The Company shall not sell, lease, sub-lease, convey, mortgage, encumber, or dispose of all or any portion of the Project in any manner except as specifically permitted herein without the express, prior written consent of the Cabinet, which shall not be unduly withheld.

7.2 Maintenance of Project. The Company shall maintain the Project in good condition, order, and repair, and shall make all repairs thereto as are necessary or appropriate. The Company shall not commit or suffer any waste to the Project and shall not do or suffer anything to be done that may increase the risk of fire or other hazards

thereto.

7.3 Dissolution or Disposition of Assets. During the term of this Agreement, the Company shall not, without the express, prior written consent of the Cabinet: (i) liquidate, dissolve, or otherwise dispose of all or substantially all of its assets; or, (ii) liquidate, dissolve, or reorganize, or take any action leading toward liquidation, dissolution, or reorganization.

7.4 Compliance with Laws. The Company shall promptly comply with all Laws relating to the use and operation of the Project.

7.5 Designation of Agent. The Company shall have at all times a properly-designated agent to accept service of process who shall be a resident of or have offices in the Commonwealth. The Company shall notify the Cabinet in writing of the name and address of such agent and of any change in the name or address of such agent.

7.6 Taxes and Other Obligations. The Company shall pay on or before the date due, as applicable, all taxes, assessments, charges, liens, encumbrances, levies, and claims of every character that have been levied or assessed or that may hereafter be levied or assessed upon or against the Facility. The Company shall pay on or before the date due all utility charges relating to the Facility, whether public or private, and upon demand shall furnish the Cabinet receipts evidencing such payment.

7.7 Employment. The Company hereby covenants and agrees to maintain a minimum of Six Hundred and Sixteen (616) existing, permanent Full-Time Jobs (excluding contract or temporary employees) for Kentucky residents at the Facility for one (1) year from the date of approval of the Grant by KEDFA ("First Compliance Date"). The Company shall maintain all Six Hundred and Sixteen (616) permanent Full-Time Jobs at the Facility for an additional three (3) years from the First Compliance Date and shall be subject to annual verification and annual reduction in the amount of the Disbursement for any shortfall. (This shall be referred to as the "Jobs Requirement.") If the Company notifies the Cabinet that the Company has maintained the required Full-Time Jobs before the First Compliance Date, it may submit early certification using Exhibit B. If compliance is confirmed by the Cabinet, the compliance dates will run from that earlier certification date (as the "First Compliance Date") and thereafter all references to the subsequent compliance dates set forth above shall be accelerated and run seriatim from the earlier certification date set forth therein.

If the Company fails to comply with the Jobs Requirement, the amount of the Disbursement shall be reduced by Three Hundred Sixty-Five Dollars (\$365) annually for each Full-Time Job not maintained in accordance with this Agreement. In addition to the Jobs Requirement and pursuant to the Company's Application for Economic Development Bonds, all of the Full-Time Jobs required to be maintained by this Agreement will be subject to a minimum average hourly wage requirement of Forty-Two Dollars (\$42.00), excluding benefits (the "Wage Requirement").

Failure to maintain the Wage Requirement will result in a reduction in the amount

of the Disbursement on an annual basis, of a proportionate amount of the Grant as follows:

$$\frac{(\$42.00 \text{ minus Actual Annual Avg Hrly Wage}) \times \$112,500}{\$42.00}$$

In no event shall a reduction in the amount of the Disbursement as a result of the Company's failure to meet the Jobs Requirement and Wage Requirement exceed the total amount of the requested Disbursement, and in no event shall such reductions exceed Four Hundred Fifty Thousand Dollars (\$450,000) during the Term of the Agreement.

On the First Compliance Date and the anniversary of the First Compliance Date for three (3) years thereafter, the Company hereby agrees to provide a Cabinet for Economic Development Program Employment and Wage Verification Certificate (attached hereto as Exhibit B), and any other additional information, including reports as to the progress of the Project, which may reasonably be requested by the Cabinet at any time, in order for the Cabinet to determine compliance with the Jobs Requirement and Wage Requirement. All monitoring information shall be the sole responsibility of the Company. All Full-Time Jobs required to be maintained or created pursuant to this Section 7.7 must be filled by Kentucky residents.

7.8 Further Assurances. LFUCG and the Company shall, at any time upon request by the Cabinet, make, execute, and deliver or cause to be made, executed, and delivered to the Cabinet any and all other further instruments, certificates, and other documents as may, in the reasonable opinion of the Cabinet, be necessary or desirable in order to effect, complete, perfect, or otherwise to continue and preserve the obligations of LFUCG and the Company under this Agreement and the other Grant Documents.

7.9 Right to Inspect. The Cabinet shall, at any time upon reasonable notice have the right to inspect relevant records relating to the Project and to inspect the Company's premises relating to the Project in order to determine compliance with the Jobs Requirement and/or Wage Requirement, as well as to monitor progress of the Project.

7.10 Indemnification. The Company shall indemnify, defend, and save harmless the Cabinet, the Commission, and their directors, officers, agents and employees (the "Indemnitees") from all loss, liability, or expense (including the fees and expenses of in-house or outside counsel) arising out of or in connection with the Company's execution and performance of this Agreement, except in the case of any Indemnitee to the extent that such loss, liability, or expense is due to the gross negligence or willful misconduct of such Indemnitee. The Company acknowledges that the foregoing indemnities shall survive the termination of this Agreement.

SECTION 8
GRANT REPAYMENT FUNDS

8.1 Use of Grant Repayment Funds. Any income received by LFUCG as a result of the Project not meeting any requirement as set forth in Section 7 herein (the "Grant Repayment Funds"), may be retained by LFUCG so long as: (i) no Event of Default or Unmatured Default has occurred on the part of LFUCG or pursuant to the Grant Documents; (ii) each of the respective representations and warranties of LFUCG set forth in the Grant Documents shall remain true and correct; (iii) LFUCG maintains unapplied Grant Repayment Funds in a separate Economic Development Project Fund; and, (iv) after receiving the prior written approval of the Cabinet, LFUCG shall use the Grant Repayment Funds solely for Economic Development Projects. During the term of this Agreement, LFUCG shall not assign, mortgage, encumber, or convey all or any portion of any Grant Repayment Funds to any Person without the express written consent of the Cabinet.

8.2 Accounting for Grant Repayment Funds. For any year during the term of this Agreement in which LFUCG receives Grant Repayment Funds, LFUCG shall deliver to the Cabinet as soon as available, and not later than one hundred twenty (120) days after the end of each fiscal year thereof, a detailed accounting of such Grant Repayment Funds received by LFUCG during the fiscal year recently ended, whether used in connection with an Economic Development Project or maintained in the Economic Development Project Fund.

8.3 Return of Grant Repayment Funds to Cabinet. Should the Cabinet determine, in its sole discretion at any time or from time to time, that LFUCG or the Company, if the Company has retained any Grant Repayment Funds, has failed to use any Grant Repayment Funds in accordance with the terms and conditions of this Agreement, the other Grant Documents, or any other agreement between the Cabinet, LFUCG, and the Company, the Cabinet may make written demand upon the party that misused the Grant Repayment Funds received by LFUCG or the Company, as of the date thereof. Upon receipt of such written demand from the Cabinet, LFUCG or the Company shall promptly disburse the Grant Repayment Funds as directed by the Cabinet.

SECTION 9
WAIVERS

9.1 Waivers by LFUCG and the Company. LFUCG and the Company hereby waive, to the extent permitted by applicable Laws, all presentments, demands for performance, notices of nonperformance, protests, notices of protest, and notices of dishonor in connection with the Agreement and the Grant Documents.

9.2 Waiver and Remedies. The rights, powers, and remedies granted to the Cabinet pursuant to this Agreement shall be in addition to all rights, powers, and

remedies given to or now or hereafter existing in the Cabinet by virtue of the Grant Documents or pursuant to any Laws. Each and every right, power, and remedy, whether specifically granted herein or otherwise existing, may be exercised from time to time and so often and in such order as may be deemed expedient by the Cabinet, and the exercise, or the beginning of the exercise, of any such right, power, or remedy shall not be deemed a waiver of the right to exercise, at the same time or thereafter, any other right, power, or remedy. Any forbearance or failure or delay by the Cabinet in exercising any right, power, or remedy hereunder shall not be deemed to be a waiver of such right, power, or remedy, and any single or partial exercise of any right, power, or remedy shall not preclude the further exercise thereof. Any consent by the Cabinet or any waiver of an Event of Default under this Agreement shall not constitute a consent to or waiver of any right, remedy, or power of the Cabinet upon a subsequent Event of Default.

SECTION 10 DEFAULT

10.1 Events of Default of Company. Each of the following events or occurrences shall constitute an "Event of Default" of the Company under this Agreement:

(1) Bankruptcy. If there is filed by or against the Company a petition in bankruptcy, or a petition for the appointment of a receiver or trustee for any of the property of the Company, and any such petition is not dismissed within sixty (60) days after the date of filing, or if the Company files a petition for reorganization under any of the provisions of the Bankruptcy Code or any similar Law, or if the Company makes a general assignment for the benefit of creditors, or if the Company makes any insolvency assignment or is adjudicated insolvent by any court of competent jurisdiction; or

(2) Covenants, Warranties, and Representations. If any warranty or representation made by the Company in this Agreement or in any of the other Grant Documents shall at any time be false or misleading in any material respect, or if the Company shall fail to keep, observe, or perform any of the obligations, terms, covenants, representations, or warranties set forth in this Agreement or in any of the other Grant Documents within fifteen (15) days after written notice from the Cabinet or the Commission to the Company of the occurrence of such failure (or such longer period of time as may be reasonably required); provided, however, that in the case the Company fails to meet the Jobs Requirement for any given year, it shall not be an Event of Default and the sole consequences will be those provided in Section 7.7 of this Agreement; or

(3) Obligations to the Cabinet. If the Company shall fail to observe, perform, or comply with the terms, obligations, covenants, agreements, conditions, or other provisions of this Agreement or any of the other Grant Documents, or of any other agreement, document, or instrument that the Company has entered into with the Cabinet.

10.2 Events of Default of LFUCG. Each of the following events or occurrences shall constitute an "Event of Default" of LFUCG under this Agreement:

(1) Bankruptcy. If there is filed by or against LFUCG a petition in bankruptcy or a petition for the appointment of a receiver or trustee for any of the property of LFUCG, and any such petition is not dismissed within sixty (60) days after the date of filing, or if LFUCG files a petition for reorganization under any of the provisions of the Bankruptcy Code or any similar Law, or if LFUCG makes a general assignment for the benefit of creditors, or if LFUCG makes any insolvency assignment or is adjudicated insolvent by any court of competent jurisdiction; or

(2) Covenants, Warranties, and Representations. If any warranty or representation made by LFUCG in this Agreement or in any of the other Grant Documents shall at any time be false or misleading in any material respect, or if LFUCG shall fail to keep, observe, or perform any of the terms, covenants, representations, or warranties set forth in this Agreement or in any of the other Grant Documents, or is unable or unwilling to meet its obligations thereunder; or

(3) Obligations to the Cabinet. If LFUCG shall fail to observe, perform, or comply with the terms, obligations, covenants, agreements, conditions, or other provisions of this Agreement or any of the other Grant Documents, or of any other agreement, document, or instrument that LFUCG has entered into with the Cabinet.

10.3 Remedies of Cabinet Upon Events of Default. Notwithstanding anything to the contrary set forth herein, upon the occurrence of an Event of Default, the Cabinet and the Commission, or either of them, in their sole discretion and upon notice to LFUCG and the Company, may at any time exercise any one or more of the following rights and remedies:

(1) Terminate the Grant, after which the Cabinet shall be under no obligation to advance any undisbursed monies from the Grant to LFUCG; and

(2) Declare the entire disbursed principal balance of the Grant to be immediately due and payable in full from LFUCG if LFUCG is the defaulting party and from the Company if the Company is the defaulting party, without any presentment, demand, or notice of any kind, all of which are hereby waived by LFUCG and the Company; and

(3) Declare all Grant Repayment Funds to be immediately due and payable from LFUCG; and

(4) Commence an appropriate legal or equitable action to enforce LFUCG or the Company's performance of the terms, covenants, and conditions of this Agreement and the other Grant Documents; and

(5) Commence appropriate legal or equitable action to enforce the rights and remedies of the Cabinet and/or the Commission, pursuant to the terms,

covenants, and conditions of this Agreement, the Financing Statement, and the other Grant Documents; and

(6) Exercise any other rights or remedies that may be available to the Cabinet or the Commission pursuant to this Agreement, the other Grant Documents, or under applicable Laws.

SECTION 11 MISCELLANEOUS

11.1 Expenses. The Cabinet shall be responsible for all costs associated with the Grant Documents prepared by the Cabinet. After execution of the Grant Documents, at the Cabinet's request, LFUCG and the Company shall each respectively promptly indemnify and/or reimburse the Cabinet for any and all expenses, costs, and charges of any kind incurred by or billed to the Cabinet in connection with: (i) the preparation of any and all amendments, modifications, and supplements to the original Grant Documents which are necessitated by that party; or, (ii) the preserving, perfection, and enforcement of the Cabinet's rights and remedies under this Agreement and/or the other Grant Documents.

11.2 Term of Agreement. The term of this Agreement commenced upon the Effective Date hereof, and shall continue until LFUCG and the Company shall have fully performed each of their respective obligations hereunder and under each of the Grant Documents.

11.3 Incorporation by Reference. All exhibits, schedules, annexes, or other attachments to this Agreement are hereby incorporated into and made a part of this Agreement as if set out at length herein.

11.4 Multiple Counterparts. This Agreement may be signed by each party upon a separate copy, and in such case one counterpart of this Agreement shall consist of a sufficient number of such copies to reflect the signature of each party hereto. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and it shall not be necessary in making proof of this Agreement or the terms and conditions hereof to produce or account for more than one of such counterparts.

11.5 Headings. The section headings set forth in this Agreement are for convenience of reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Agreement.

11.6 Partial Invalidity. If any term or provision of this Agreement or the application thereof to any Person or circumstances shall, to any extent, be determined to be invalid or unenforceable by a court of competent jurisdiction, the remainder of this

Agreement shall not be affected thereby, and each of the remaining provisions of this Agreement shall be valid and enforceable to the fullest extent permitted by applicable law.

11.7 Successors and Assigns. Except as otherwise expressly provided herein, the terms and conditions of this Agreement shall be binding upon and shall inure to the benefit of the successors and assigns, respectively, of the parties hereto. This provision shall not be construed to permit assignment by LFUCG or the Company of any of their respective rights and duties under this Agreement or the other Grant Documents.

11.8 No Partnership - Status of Relationship. The Commission, the Cabinet, LFUCG, and the Company, and any party respectively associated therewith, shall in no event be construed or become in any way or for any purpose partners, associates, or joint venturers in the conduct of their respective businesses or otherwise. No contractor, licensee, agent, servant, employee, invitee, or customer of LFUCG or the Company shall be, or shall be deemed to be, a contractor, licensee, agent, servant, employee, invitee, or customer of the Commission or the Cabinet.

11.9 Rights of Third Persons. In no event shall this Agreement be construed to make the Cabinet or any agent of the Cabinet liable to any general contractors, subcontractors, laborers, materialmen, craftsmen, or other Persons for labor, materials, or services delivered to the Project or goods specially fabricated for incorporation therein, or for debts or claims accruing or arising to any such Persons against LFUCG or the Company. LFUCG and the Company expressly agree that there is no relation of any type whatsoever, contractual or otherwise, either express or implied, between the Cabinet and any general contractor, materialman, subcontractor, craftsman, laborer, or any other Person or entity supplying any labor, materials, or services to the Project or specially fabricating goods to be incorporated therein. No Persons are intended to be third-party beneficiaries of the Grant Documents or to have any claim or claims in or to any undisbursed proceeds of the Grant pursuant to the Grant Documents.

11.10 Modification. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof, supersedes all existing agreements among them concerning the subject matter hereof, and may be modified only by a written instrument duly executed by each of the parties hereto.

11.11 Time of Essence. Time is of the essence in the performance of each of the terms and conditions of this Agreement.

11.12 No Assignment. LFUCG and the Company may not assign their respective rights under this Agreement to any Person. This section shall not be deemed to prohibit an assignment by operation of law.

11.13 Notices. All notices, requests, demands, waivers, and other communications given as provided in this Agreement shall be in writing, and shall be

addressed as follows:

If to the Cabinet or Commission:

Cabinet for Economic Development
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601-1975
Attn: Compliance Division, Office of Financial Services

If to LFUCG:

Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507
Attn: Chief Development Officer

If to the Company:

Ashland, Inc.
3499 Blazer Parkway
Lexington, Kentucky 40509
Attn: Director, Corporate Real Estate

Unless otherwise specifically provided in this Agreement, notice hereunder shall be deemed to have been given upon its being deposited in the U.S. Mail, postage prepaid, and addressed as provided above. The parties hereto may change their respective address and contact person as provided above by giving written notice of the change to the other parties hereto as provided in this paragraph.

11.14 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

11.15 Jurisdiction and Venue. The parties hereto agree that any suit, action, or proceeding with respect to this Agreement may only be brought in or entered by, as the case may be: (i) the courts of the Commonwealth of Kentucky situated in Frankfort, Franklin County, Kentucky; or, (ii) the United States District Court for the Eastern District of Kentucky, Frankfort Division, and the parties hereby submit to the jurisdiction of such courts for the purpose of any such suit, action, proceeding, or judgment and waive any other preferential jurisdiction by reason of domicile. The parties hereby irrevocably waive any objection that they may now or hereafter have to the laying of venue of any suit, action, or proceeding arising out of or related to this Agreement brought in the courts of the Commonwealth of Kentucky situated in Frankfort, Franklin County, Kentucky, or the United States District Court for the Eastern District of Kentucky, Frankfort Division, and also hereby irrevocably waive any claim that any such suit, action, or proceeding brought in any one of the above-described courts has been brought in an inconvenient forum.

11.16 Company Authorization of Release of Information. The Company, by execution of this Agreement, hereby authorizes and agrees that: (i) the Cabinet or any of its agents or employees is permitted to share with LFUCG information, data, research, and other materials (including this Agreement and any attachments hereto) that the Company delivers or provides to, or that is otherwise made available to or discovered by, the Cabinet or any of its employees or agents; and, (ii) LFUCG or any of its agents or employees is permitted to share with the Cabinet any information, data, research, and other materials (including this Agreement and any attachments hereto) that the Company delivers or provides to, or that is otherwise made available to or discovered by, LFUCG or any of its employees or agents. Additionally, Company agrees that any information reported by the Company to the Cabinet in any exhibit to this Agreement may be disclosed in any public forum, report, or documentation deemed beneficial to public interest.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day, month, and year set forth below beside their respective signatures, effective as of the date first written above.

CABINET FOR ECONOMIC DEVELOPMENT,
a Kentucky governmental agency

By: _____
Date

Printed Name: _____

Title: _____

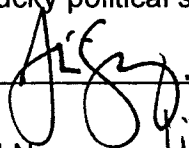
**STATE PROPERTY AND BUILDINGS
COMMISSION,**
a Kentucky governmental agency

By: _____
Date

Printed Name: _____

Title: _____

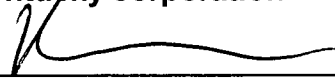
**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT,**
a Kentucky political subdivision

By:  _____
Date

Printed Name: Jim Gray

Title: Mayor

ASHLAND, INC.,
a Kentucky corporation

By:  6/7/2016
Date

Printed Name: Kraigh Kunkemoeller

Title: Director, Corporate Real Estate

EXHIBIT A

KENTUCKY CABINET FOR ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT BOND GRANT
REQUEST FOR DISBURSEMENT

To: Cabinet for Economic Development
Old Capitol Annex
300 West Broadway
Frankfort, KY 40601
Attn: Compliance Division, Office of
Financial Services

From: **Lexington-Fayette Urban County
Government
200 East Main Street
Lexington, Kentucky 40507
Attn: Chief Development Officer**

Date of Request: _____

Amount Requested: _____ Federal Tax No.: _____

Project Name: ASHLAND, INC. (VALVOLINE HEADQUARTERS)

A. Status of ED Bond Grant Proceeds:

- 1. Original ED Bond Grant Amount: \$ _____
- 2. Less ED Bond Grant Disbursements to Date: _____
- 3. Less Amount of Grant Disbursement Request: _____
- 4. Equals New ED Bond Grant Account Balance: _____

B. Summary of Payees of Amount Requested:

- 1. _____
- 2. _____
- 3. _____
- 4. _____

TOTAL AMOUNT OF CURRENT REQUEST: \$ _____

C. Certification: The Lexington-Fayette Urban County Government hereby makes this request to the Cabinet for Economic Development (the "Cabinet") for a Disbursement of proceeds of the Economic Development Bond Grant made by the Cabinet to the Lexington-Fayette Urban County Government. The Lexington-Fayette Urban County Government hereby represents, warrants, and certifies to the Cabinet that: (i) this request is made in accordance with the terms and conditions of that certain Grant Agreement dated as of the 30th day of June, 2016 (the "Grant Agreement"); (ii) the Person executing this instrument on behalf of the Lexington-Fayette Urban County Government is duly authorized to execute and deliver this request; (iii) Lexington-Fayette Urban County Government requires the amount requested to meet current payment obligations; (iv) each of the representations, warranties, and covenants of the Lexington-Fayette Urban County Government in the Grant Agreement is true and correct as of the date hereof; (v) no Event of Default under the Grant Agreement has occurred and is

continuing; (vi) the Project has been completed in accordance with all applicable contracts; and, (vii) to the best of its knowledge, no contractor or subcontractor has filed or has threatened to file liens or has the right to assert a lien of any type with respect to the Project. Unless otherwise defined herein, all capitalized terms shall have the meanings ascribed thereto in the Grant Agreement.

The Lexington-Fayette Urban County Government has attached to this Request for Disbursement all supporting documentation for the amount of the Disbursement requested, including, but not limited to, invoices, bills of sale, equipment lists, and/or other relevant materials in verification of paid project costs.

THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT ACKNOWLEDGES THAT THE REPRESENTATIONS AND WARRANTIES OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT SET FORTH HEREIN AND IN THE GRANT AGREEMENT ARE MATERIAL INDUCEMENTS UPON WHICH THE CABINET WILL RELY IN MAKING THE DISBURSEMENT OF GRANT PROCEEDS REQUESTED HEREIN. THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT ACKNOWLEDGES THAT BUT FOR THE TRUTH OF THE REPRESENTATIONS AND WARRANTIES MADE HEREIN AND IN THE GRANT AGREEMENT, THE CABINET WOULD NOT MAKE THE DISBURSEMENT OF THE GRANT PROCEEDS REQUESTED HEREIN. THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT ACKNOWLEDGES AND AGREES THAT THE CABINET IS REASONABLY ENTITLED TO RELY UPON THE REPRESENTATIONS AND WARRANTIES OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT SET FORTH HEREIN AND IN THE GRANT AGREEMENT.

IN WITNESS WHEREOF, the undersigned Lexington-Fayette Urban County Government, by its duly authorized representative, has executed this Request for Disbursement as of the date written above.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT,
a Kentucky political subdivision

BY: _____

PRINTED NAME: _____

TITLE: _____

FOR CABINET USE ONLY

Original Grant Amount: _____

Account #: _____

Disbursements To Date: _____

Approved by: _____

Amount of Request: _____

Approval Date: _____

New Account Balance: _____

Comments: _____

EXHIBIT B

**CABINET FOR ECONOMIC DEVELOPMENT
PROGRAM EMPLOYMENT AND WAGE VERIFICATION CERTIFICATE**

Pursuant to Section 7.7 of that certain Grant Agreement dated as of the 30th day of June, 2016 ("Grant Agreement") with the Cabinet for Economic Development (the "Cabinet"), Ashland, Inc., a Kentucky corporation, (the "Company"), as part of its leasing and equipping of an approximately One Hundred Sixty-Five Thousand (165,000) square foot facility to serve as the headquarters for the Company's Valvoline unit, to be located in Lexington, Fayette County, Kentucky, was required to maintain Six Hundred and Sixteen (616) permanent Full-Time Jobs for Kentucky residents, as defined in the Grant Agreement at the Facility for one (1) year from the date of approval of the Grant by the Kentucky Economic Development Finance Authority ("First Compliance Date") and maintain those jobs for an additional three (3) year period. The Company was further required to maintain an average hourly wage of Forty-Two Dollars (\$42.00), excluding benefits, for these permanent Full-Time Jobs until the First Compliance Date and continuing through the final employment monitoring period, three (3) years from the First Compliance Date.

The following information MUST be completed by the Company:

As of _____, 20____ the Company had maintained _____ (_____) permanent Full-Time Jobs paying an average hourly wage of _____ Dollars and _____ Cents (\$_____) as indicated in the attached schedules.

Address _____

Contact Person _____

Telephone _____

Facsimile _____

Federal ID # _____

Fiscal Year End _____

The undersigned, _____, in his/her capacity as _____ and as a duly authorized representative of the Company, hereby certifies that the foregoing disclosures are true, accurate, and correct as of the date first written above.

IN WITNESS WHEREOF, the undersigned has executed this Certificate on this _____ day of _____, 20____.

ASHLAND, INC.

By: _____

SCHEDULE A TO EXHIBIT C

PROGRAM EMPLOYMENT AND WAGE VERIFICATION CERTIFICATE

COMPANY NAME: ASHLAND, INC.

	<u>Employee Identification Name or Number</u>	<u>Employee Address</u>	<u>Date of Hire</u>	<u>Title</u>	<u>Hours Worked Per Week</u>	<u>Hourly Wage Excluding Benefits</u>
1.						
2.						
3.						
4.						
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6.						
7.						
8.						
9.						
10.						
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31.						
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33.						
34.						
35.						

Maureen Watson

From: David Barberie
Sent: Monday, June 06, 2016 5:18 PM
To: Maureen Watson; Janet Graham
Cc: Martha Allen
Subject: RE: FW: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement
Attachments: ATT00003.jpg; image001.jpg

Yes

~~From: Maureen Watson~~

~~Sent: Monday, June 6, 2016 4:37 PM
To: Janet Graham; David Barberie
Cc: Martha Allen
Subject: FW: FW: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement~~

~~Shall I print these documents and send to Council Clerk to process for Mayor's signature?~~

Maureen Watson
Executive Assistant to Mayor Gray
200 East Main St.
Lexington, KY 40507
859.258.3112

From: Kevin Atkins
Sent: Monday, June 06, 2016 4:35 PM
To: Maureen Watson
Subject: FW: FW: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement

Dave has reviewed and OKd so we now need Mayor's signature.

From: Julie M O'Daniel [mailto:JMODaniel@ashland.com]
Sent: Monday, June 06, 2016 2:55 PM
To: Back, Tim (CED)
Cc: Phillips, Debra (CED); John S. Riley; Bevington, John (CED); Enochs, John (CED); Kevin Atkins; Kraig A Kunkemoeller; Christopher M Barber
Subject: RE: FW: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement

Thanks Tim. We will get them signed and back to you right away.

Julie

Julie M. O'Daniel
Chief Counsel, Valvoline
Valvoline Law Department

3499 Blazer Parkway
Lexington, Kentucky 40509
(859) 357-2591 (Direct)
(859) 230-2211 (Mobile)
(859) 357-2117 (Fax)
Jmodaniel@ashland.com<mailto:Jmodaniel@ashland.com>
[cid:image001.jpg@01D1C011.61A734A0]

From: "Back, Tim (CED)" <Tim.Back@ky.gov<mailto:Tim.Back@ky.gov>>
To: Julie M O'Daniel/Law/CORP/Ashland@Ashland, ""katkins@lexingtonky.gov"
<katkins@lexingtonky.gov<mailto:katkins@lexingtonky.gov>>
Cc: "Phillips, Debra (CED)" <Debra.Phillips@ky.gov<mailto:Debra.Phillips@ky.gov>>, John S.
Riley/Plaza/NA/Herc@Ashland, "Bevington, John (CED)"
<John.Bevington@ky.gov<mailto:John.Bevington@ky.gov>>, Kraig A
Kunkemoeller/RealEstate/CORP/Ashland@Ashland, Vinson W Barber/IT/CORP/Ashland@Ashland,
"Enochs, John (CED)" <john.enochs@ky.gov<mailto:john.enochs@ky.gov>>
Date: 06/06/2016 02:26 PM
Subject: RE: FW: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic
Development Bond Grant Agreement

Julie and Kevin,

It is my understanding that Ashland, Inc. and the Lexington-Fayette Urban County Government are both ready to move forward on the above referenced Economic Development Bond (EDB) Grant Agreement project. Attached are final copies of the EDB Grant Agreement documents for review and signature by both parties. The date listed in the grant agreement (June 30, 2016) is the date of our next available Kentucky Economic Development Finance Authority (KEDFA) board meeting. If authorized representatives from both Ashland and LFUCG sign and return the EDB grant agreement to me no later than Friday, June 10, 2016, we will recommend this project for approval at the June 30, 2016 KEDFA board meeting. I need the document returned by June 10th because several additional steps must take place in-house before we take this project to the KEDFA board. If either party cannot email a signed copy of the agreement to me by June 10th, please let me know as I will need to modify the documents and prepare them for the July KEDFA board meeting instead.

I am requesting that an authorized representative of both Ashland and LFUCG print, sign (on page 19) and return via email a scanned full copy of the attached EDB Grant Agreement to tim.back@ky.gov<mailto:tim.back@ky.gov>. Ashland's copy of the grant agreement only needs to be signed by Ashland, and LFUCG's copy only needs to be signed by the city. I need to receive a scanned/signed copy from each party no later than Friday, June 10th, to meet deadlines for the June 30th KEDFA board meeting. After KEDFA approval, the project must also receive approval from the State Property and Buildings Commission and the Capital Projects and Bond Oversight Committee.

After emailing a scanned/signed copy of the agreement, please print four copies of the attached Ashland EDB Grant Agreement Signature Page and sign an original signature on behalf of your organization to each page (total of 4 original signatures) and mail the 4 signature pages to me via regular mail at my address below. I don't need these original signature pages by June 10th, but please send them as soon as possible. Four signed original signature pages are requested so that

we can provide each party to the agreement (Ashland, LFUCG, the Cabinet for Economic Development, and the State Property and Buildings Commission) with a fully executed document with original signatures from all parties at the completion of this process.

No signatures are required on Exhibit A or Exhibit B at this time. Exhibit A will be used by LFUCG to request disbursement of grant funds after the grant agreement is in place and Ashland has expended funds on eligible project expenses. Exhibit B will be used by Ashland to report the project wage and employment levels at each of the four grant compliance measurement dates. The first compliance measurement date starts one year after KEDFA approval unless accelerated at Ashland's discretion.

Chris can contact John Enochs (john.enochs@ky.gov<<mailto:john.enochs@ky.gov>>; 502-782-5814) in our Office of Legal Services regarding the EDB amendment process.

Please let me know if you have any questions or comments.

Thanks,
Tim Back
Staff Assistant
Kentucky Cabinet for Economic Development Old Capitol Annex
300 West Broadway
Frankfort, KY 40601
P (502) 782-1967
tim.back@ky.gov<<mailto:tim.back@ky.gov>>
www.thinkkentucky.com<<http://www.thinkkentucky.com/>>

From: Julie M O'Daniel [<mailto:JMODaniel@ashland.com>]
Sent: Thursday, June 02, 2016 4:41 PM
To: Back, Tim (CED)
Cc: Phillips, Debra (CED); John S. Riley; Bevington, John (CED); 'katkins@lexingtonky.gov'; Kraig A Kunkemoeller; Vinson W Barber
Subject: Re: FW: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement

Tim,

The version containing your latest changes is acceptable to us. At your convenience, please send me a clean version for execution.

By way of this e-mail, I am introducing Chris Barber from our legal department. Chris will be working on the amendment we will be seeking, which will likely be later this year. It will be important that upon Valvoline's separation from Ashland we quickly get the Amendment signed, so I have asked Chris to connect with someone to determine what we will need to do to get that completed. Our goal is to have that ready to go at the time of the separation.

Thanks, and I apologize for the long delay in getting this finalized. Please feel free to call me if you have any questions, and let us know who Chris should call about the amendment.

Julie

Julie M. O'Daniel

Chief Counsel, Valvoline
Valvoline Law Department
3499 Blazer Parkway
Lexington, Kentucky 40509
(859) 357-2591 (Direct)
(859) 230-2211 (Mobile)
(859) 357-2117 (Fax)
Jmodaniel@ashland.com<mailto:Jmodaniel@ashland.com>
[cid:_2_0C71C6B81024905C0067EE0D85257FCA]

From: "Back, Tim (CED)" <Tim.Back@ky.gov<mailto:Tim.Back@ky.gov>>
To: Julie M O'Daniel/Law/CORP/Ashland@Ashland
Cc: John S. Riley/Plaza/NA/Herc@Ashland, "katkins@lexingtonky.gov"
<katkins@lexingtonky.gov<mailto:katkins@lexingtonky.gov>>, Kraig A
Kunkemoeller/RealEstate/CORP/Ashland@Ashland, "Bevington, John (CED)"
<John.Bevington@ky.gov<mailto:John.Bevington@ky.gov>>, "Phillips, Debra (CED)"
<Debra.Phillips@ky.gov<mailto:Debra.Phillips@ky.gov>>
Date: 04/18/2016 09:49 AM
Subject: FW: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic
Development Bond Grant Agreement

Julie,
To place the Ashland Economic Development Bond project on the May 26th KEDFA board agenda, the following steps need to take place as soon as possible, but no later than Friday, May 6th (so that additional required internal actions can take place prior to the KEDFA board meeting):
1. An authorized representative from Ashland Inc. sends me an email confirming that the most recent draft EDB grant agreement is acceptable
2. An authorized representative from the Lexington-Fayette Urban County Government sends me an email confirming that the most recent draft EDB grant agreement is acceptable (this step has been completed)
3. Upon completion of steps one and two, I will send a final version of the EDB grant agreement for signature by both parties
4. An authorized representative from Ashland Inc. signs and returns a copy of the final EDB grant agreement
5. An authorized representative from the Lexington-Fayette Urban County Government signs and returns a copy of the final EDB grant agreement

Please let me know if you have additional questions or comments.

Thanks,
Tim Back
Kentucky Cabinet for Economic Development Old Capitol Annex
300 West Broadway
Frankfort, KY 40601
P (502) 782-1967
tim.back@ky.gov<mailto:tim.back@ky.gov>
www.thinkkentucky.com<http://www.thinkkentucky.com/>

From: Back, Tim (CED)
Sent: Friday, April 01, 2016 10:44 AM
To: Julie M O'Daniel (JMODaniel@ashland.com<mailto:JMODaniel@ashland.com>)
Cc: John S. Riley (jsriley@ashland.com<mailto:jsriley@ashland.com>); 'katkins@lexingtonky.gov'; kakunkemoeller@ashland.com<mailto:kakunkemoeller@ashland.com>; Bevington, John (CED); Phillips, Debra (CED)
Subject: FW: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement

Julie,
To place the Ashland Economic Development Bond project on the April 28th KEDFA board agenda, the following steps need to take place as soon as possible, but no later than Monday, April 11th (so that additional required internal actions can take place prior to the KEDFA board meeting):
1. An authorized representative from Ashland Inc. sends me an email confirming that the most recent draft EDB grant agreement is acceptable
2. An authorized representative from the Lexington-Fayette Urban County Government sends me an email confirming that the most recent draft EDB grant agreement is acceptable
3. Upon completion of steps one and two, I will send a final version of the EDB grant agreement for signature by both parties
4. An authorized representative from Ashland Inc. signs and returns a copy of the final EDB grant agreement
5. An authorized representative from the Lexington-Fayette Urban County Government signs and returns a copy of the final EDB grant agreement

If the April 11th time frame does not provide sufficient time to complete the steps above, we can work to place the project on the agenda for the May KEDFA board meeting.

Please let me know if you have additional questions or comments.

Thanks,
Tim Back
Kentucky Cabinet for Economic Development Old Capitol Annex
300 West Broadway
Frankfort, KY 40601
P (502) 782-1967
tim.back@ky.gov<mailto:tim.back@ky.gov>
www.thinkkentucky.com<http://www.thinkkentucky.com/>

From: Back, Tim (CED)
Sent: Wednesday, March 09, 2016 3:49 PM
To: 'Julie M O'Daniel'
Cc: John S. Riley; 'katkins@lexingtonky.gov'; Kraig A Kunkemoeller; Grisanti, Nick (CED)
Subject: RE: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement

Julie.
The revised draft is attached with comments from our Senior Attorney, John Enochs. Based upon John's comments, while Ashland has disclosed its intent to divest/spin off its Valvoline unit, it has not yet identified which Valvoline entity would assume the obligations under the agreement and ultimately obtain the incentives.

A blanket right to assign the agreement to an unnamed entity that has not been identified in the application and has not provided all required disclosures would violate the regulations governing this program. Nonetheless, after the incentive agreement has been entered, there is no reason why Ashland could not later request an amendment allowing the proposed Valvoline unit to claim incentives under the agreement. At that time, since the project will have been already approved, the amendment process should be relatively straightforward and uncomplicated. As long as there are no material changes to the project, we foresee no reason why a request for an amendment would not be recommended to the board for approval. These types of amendments are routinely granted.

Aside from the assignment issue, the remaining revisions should be fairly self-explanatory. However, if it would be helpful to you, I would be happy to set up a telephone conference during which we can discuss the revisions with our attorney.

Please let me know if the attached revisions are acceptable. If so, we will generate a final version of the grant agreement in PDF format and forward to Ashland and the Lexington-Fayette Urban County Government for signature.

To place this project on the March 31st KEDFA board agenda, the following steps need to take place as soon as possible, but no later than Wednesday, March 16th (so that additional required internal actions can take place prior to the KEDFA board meeting).

1. An authorized representative from Ashland Inc. sends me an email confirming that the most recent draft EDB grant agreement is acceptable
2. An authorized representative from the Lexington-Fayette Urban County Government sends me an email confirming that the most recent draft EDB grant agreement is acceptable
3. Upon completion of steps one and two, I will send a final version of the EDB grant agreement for signature by both parties
4. An authorized representative from Ashland Inc. signs and returns a copy of the final EDB grant agreement
5. An authorized representative from the Lexington-Fayette Urban County Government signs and returns a copy of the final EDB grant agreement

If the March 16th deadline does not provide sufficient time to complete the steps above, we can work to place the project on the agenda for the April KEDFA board meeting.

Please let me know if you have additional questions or comments.

Thanks,
Tim Back
Kentucky Cabinet for Economic Development Old Capitol Annex
300 West Broadway
Frankfort, KY 40601
P (502) 782-1967
tim.back@ky.gov<mailto:tim.back@ky.gov>
www.thinkkentucky.com<http://www.thinkkentucky.com/>

From: Julie M O'Daniel [mailto:JMODaniel@ashland.com]
Sent: Friday, March 04, 2016 5:10 PM
To: Back, Tim (CED)
Cc: John S. Riley; 'katkins@lexingtonky.gov'; Kraig A Kunkemoeller; Grisanti, Nick (CED)
Subject: RE: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement

Tim,

Attached are Valvoline's comments on the Agreement. There are just a few, but they are important given our upcoming separation from Ashland. Upon your approval of the changes we will execute it and get it back to you right away. If you have any questions feel free to give me a call.

Thank you, and my apologies for the delay.

Julie

Julie M. O'Daniel
Chief Counsel, Valvoline
Valvoline Law Department
3499 Blazer Parkway
Lexington, Kentucky 40509
(859) 357-2591 (Direct)
(859) 230-2211 (Mobile)
(859) 357-2117 (Fax)
jmodaniel@ashland.com<mailto:jmodaniel@ashland.com>
[cid:_1_0DF188780DF185780079B98D85257F6C]

From: "Back, Tim (CED)" <Tim.Back@ky.gov<mailto:Tim.Back@ky.gov>>
To: Kraig A Kunkemoeller/RealEstate/CORP/Ashland@Ashland, John S. Riley/Plaza/NA/Herc@Ashland, "Grisanti, Nick (CED)" <Nick.Grisanti@ky.gov<mailto:Nick.Grisanti@ky.gov>>
Cc: Julie M O'Daniel/Law/CORP/Ashland@Ashland, "'katkins@lexingtonky.gov'" <katkins@lexingtonky.gov<mailto:katkins@lexingtonky.gov>>
Date: 02/26/2016 10:28 AM
Subject: RE: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement

This is just a reminder regarding the Ashland Inc. EDB grant agreement. To place this project on the agenda for the March 31st KEDFA board meeting, we will need signed agreements from Ashland and the Lexington-Fayette Urban County Government as soon as possible but no later than Tuesday, March 15, 2016. If additional time is needed, the next available KEDFA board meeting date is April 28th (would need signed agreements from both parties no later than April 12th to place on the April KEDFA agenda).

As a preliminary step, I need an authorized representative from each party to the agreement to review and confirm (by email response) if the draft grant agreement is acceptable as presented. If either party wants to propose changes, please submit the proposed changes to me as soon as possible so

that they can be reviewed by our legal staff. Once we have received confirmation that all parties are in agreement on the grant documents, I will send a final copy of the grant agreement for signature.

To recap, here are the steps that need to take place before this project can be taken to our KEDFA board for recommended approval:

1. An authorized representative from Ashland Inc. sends me an email confirming that the draft EDB grant agreement is acceptable
2. An authorized representative from the Lexington-Fayette Urban County Government sends me an email confirming that the draft EDB grant agreement is acceptable
3. Upon completion of steps one and two, I will send a final version of the EDB grant agreement for signature by both parties
4. An authorized representative from Ashland Inc. signs and returns a copy of the final EDB grant agreement
5. An authorized representative from the Lexington-Fayette Urban County Government signs and returns a copy of the final EDB grant agreement

Please let me know if you have any questions.

Thanks,

Tim Back
Staff Assistant
Kentucky Cabinet for Economic Development Old Capitol Annex
300 West Broadway
Frankfort, KY 40601
P (502) 782-1967
tim.back@ky.gov<mailto:tim.back@ky.gov>
www.thinkkentucky.com<http://www.thinkkentucky.com/>

From: Kraig A Kunkemoeller [mailto:KAKunkemoeller@ashland.com]
Sent: Tuesday, February 02, 2016 9:27 AM
To: John S. Riley; Grisanti, Nick (CED)
Cc: Julie M O'Daniel; 'katkins@lexingtonky.gov'; Back, Tim (CED)
Subject: Re: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement

John (and Nick),

I saw Julie yesterday after the Town Hall - she will be reviewing and providing comments / feedback to the original draft shortly.

Thanks

Kraig

Kraig A. Kunkemoeller
Director, Corporate Real Estate

ASHLAND INC.
PH: (859) 357-2372
From: John S. Riley
Sent: Tuesday, February 2, 2016 8:39 AM
To: Grisanti, Nick (CED)

Cc: Julie M O'Daniel; 'katkins@lexingtonky.gov'; Kraig A Kunkemoeller; Back, Tim (CED)
Subject: RE: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic
Development Bond Grant Agreement

Kraig, Julie, is someone getting back to Nick on this?

John S. Riley
Director, Government Relations
of: (302) 594-5252
cell: (302) 354-1835
jsriley@ashland.com<mailto:jsriley@ashland.com>

Please be advised that this transmittal may be privileged or confidential. If you are not the intended recipient, please do not read, copy or re-transmit this communication. If you have received this communication in error, please notify us by e-mail (jriley@herc.com<mailto:jriley@herc.com>) and delete this message and any attachments. Thank you in advance for your cooperation and assistance.

"Grisanti, Nick (CED)" ---02/01/2016 03:51:38 PM---Good afternoon Kraig and Julie, I wanted to check in with you to see if you had been able to review

From: "Grisanti, Nick (CED)" <Nick.Grisanti@ky.gov<mailto:Nick.Grisanti@ky.gov>>
To: Kraig A Kunkemoeller/RealEstate/CORP/Ashland@Ashland, Julie M O'Daniel/Law/CORP/Ashland@Ashland
Cc: "'katkins@lexingtonky.gov'" <katkins@lexingtonky.gov<mailto:katkins@lexingtonky.gov>>, John S. Riley/Plaza/NA/Herc@Ashland, "Back, Tim (CED)" <Tim.Back@ky.gov<mailto:Tim.Back@ky.gov>>
Date: 02/01/2016 03:51 PM
Subject: RE: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement

Good afternoon Kraig and Julie,

I wanted to check in with you to see if you had been able to review the ED Bond agreement that Tim sent on Jan 5th. As Tim said below, we'll need to review and blend any acceptable changes from both Ashland and LFUCG into a unified version of the agreement that's signed by all parties before taking it to the KEDFA board for approval. We could potentially still get it on the agenda for the

February 25th meeting, but would need to receive either a signed version without changes or a marked up version ASAP.

Please let us know if you have any questions.

Nick Grisanti

Project Manager

Kentucky Cabinet for Economic Development Old Capitol Annex | 300 West Broadway | Frankfort, KY 40601

Office: 502-782-1947 | Mobile: 502-229-4191 nick.grisanti@ky.gov<<mailto:nick.grisanti@ky.gov>>

|[LinkedIn](http://www.linkedin.com/pub/nick-grisanti/19/47/a5/)<<http://www.linkedin.com/pub/nick-grisanti/19/47/a5/>> |

[ThinkKentucky.com](http://www.thinkkentucky.com/)<<http://www.thinkkentucky.com/>>

From: Kraig A Kunkemoeller [<mailto:KAKunkemoeller@ashland.com>]

Sent: Tuesday, January 5, 2016 5:47 PM

To: Back, Tim (CED) <Tim.Back@ky.gov<<mailto:Tim.Back@ky.gov>>>; Julie M O'Daniel

<JMODaniel@ashland.com<<mailto:JMODaniel@ashland.com>>>

Cc: 'katkins@lexingtonky.gov' <katkins@lexingtonky.gov<<mailto:katkins@lexingtonky.gov>>>;

Grisanti, Nick (CED) <Nick.Grisanti@ky.gov<<mailto:Nick.Grisanti@ky.gov>>>; John S. Riley

<jsriley@ashland.com<<mailto:jsriley@ashland.com>>>

Subject: Re: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic Development Bond Grant Agreement

Tim,

I have been out of the office the last couple days but trying to keep up with my emails. I will review the attached agreement and related exhibits in the next couple days but am also forwarding them now to our lead counsel, Julie O'Daniel, also addressed above, so that she may review them and sign off on them or provide any comments or desired edits she feels are necessary. Otherwise, if all are acceptable as they are written, either Julie or another authorized agent of Ashland will provide such confirmation via email as requested.

Thanks and Happy New Year.

Kraig

Kraig A. Kunkemoeller
Director, Corporate Real Estate
859-357-2372

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Fax: 859-357-7869

ashland.com

From: "Back, Tim (CED)" <Tim.Back@ky.gov<mailto:Tim.Back@ky.gov>>
To: Kraig A Kunkemoeller/RealEstate/CORP/Ashland@Ashland, "'katkins@lexingtonky.gov'"
<katkins@lexingtonky.gov<mailto:katkins@lexingtonky.gov>>
Cc: "Grisanti, Nick (CED)" <Nick.Grisanti@ky.gov<mailto:Nick.Grisanti@ky.gov>>
Date: 01/04/2016 10:43 AM
Subject: Ashland Inc. and Lexington-Fayette Urban County Government Draft Economic
Development Bond Grant Agreement _____

Attached you will find draft Economic Development Bond (EDB) Grant Agreement documents for the Ashland Inc. project in Lexington. These documents are in draft form and are not ready for signature until they have been reviewed and accepted by both Ashland Inc. and the Lexington-Fayette Urban County Government.

As a preliminary step, I need an authorized representative from each party to the agreement to review and confirm (by email response) if the documents are acceptable as presented. If you want to propose changes, please submit the proposed changes to me as soon as possible so that they can be reviewed by our legal staff. Once we have received confirmation that all parties are in agreement on the grant documents, I will send a final copy of the grant agreement for signature.

After I receive signed agreements from Ashland Inc. and the Lexington-Fayette Urban County Government, the project will be placed on the agenda for recommended approval at the next available Kentucky Economic Development Finance Authority (KEDFA) board meeting. Note that the attached draft grant agreement is dated January 28, 2016, which is the date of the next KEDFA board meeting. If I receive signed agreements from both parties no later than Tuesday, January 12th, we should be able to place this project on the agenda for the January 28th KEDFA board meeting. If additional time is needed to review and sign the documents, we can move the project to the next KEDFA board meeting on February 25th.

To recap, here are the steps that need to take place before this project can be taken to our KEDFA board for recommended approval:

1. An authorized representative from Ashland Inc. sends me an email confirming that the draft EDB grant agreement is acceptable
2. An authorized representative from the Lexington-Fayette Urban County Government sends me an email confirming that the draft EDB grant agreement is acceptable
3. Upon completion of steps one and two, I will send a final version of the EDB grant agreement for signature by both parties
4. An authorized representative from Ashland Inc. signs and returns a copy of the final EDB grant agreement
5. An authorized representative from the Lexington-Fayette Urban County Government signs and returns a copy of the final EDB grant agreement

Please let me know if you have any questions.

Thanks,

Tim Back
Staff Assistant