

## **LEXINGTON CENTER CORPORATION \$2.75 MILLION LINE OF CREDIT FACILITY FROM CENTRAL BANK AND TRUST COMPANY**

The facilities at Central Bank Center (Convention Center and Rupp Arena) and the Lexington Opera House, owned and operated by Lexington Center Corporation (LCC) have been shuttered since early March due to the COVID-19 pandemic and nearly all revenue streams to LCC have ceased. LCC began the shutdown with approximately \$4 million of cash and reserves on hand and quickly instituted cost saving measures such as furloughing over 100 employees, salary reductions, freezing corporate pension contributions, eliminating or reducing maintenance contracts and any other operating expense that could be identified as unnecessary in the shutdown period. Presently LCC has approximately \$3.1 million cash and reserves on hand and has performed cash flow projections through the end of the calendar year using somewhat positive, but cautious, assumptions. Projections indicate that, with a resumption of operations in September for October activity, LCC will most likely run out of cash and reserves in November. LCC has taken two steps recently to solve its projected cash problem, the first was to inform over 50 furloughed employees that they will be terminated as of August 1<sup>st</sup> and the second was to negotiate a \$2.75 million working capital line of credit for the upcoming fiscal year to get LCC through cash shortfalls.

### Line of Credit Terms:

\$2,750,000 closed end line of credit for working capital purposes. Twelve month note term with quarterly interest (Central Bank Index plus 1% with a floor of 4.25%, rate is presently 4.25%) and principal and interest due at maturity. There is an origination fee of 0.25% of the note amount. The note is unsecured and **LFUCG is not a guarantor or backstop to this facility.**

The line of credit facility was structured as to amount and term to comply with existing LCC bond covenants.

On June 12, 2020, the LCC Board of Directors approved, in a resolution, the terms of the \$2.75 million line of credit from Central Bank and Trust Company.

LCC's Articles of Incorporation requires that any indebtedness be specifically approved by LFUCG through its Urban County Council.