

**MASTER DEVELOPMENT AGREEMENT**

THIS MASTER DEVELOPMENT AGREEMENT (this "AGREEMENT") dated the 1<sup>st</sup> day of August, 2013 (the "Effective Date") by and among the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, an urban county government of the Commonwealth of Kentucky ("LFUCG"), and the DEPARTMENT OF FINANCE AND ADMINISTRATION OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (the "Authority"), and Centrepointe Parking Company, LLC, a Kentucky limited liability company and its affiliates ("Developer" and, collectively, the "Parties");

RECITALS

Whereas, pursuant to the Act, as hereinafter defined, LFUCG by Ordinance No. 265-2008 (the "Development Area Ordinance"), adopted on December 4, 2008, established the Phoenix Park/Courthouse Development Area (the "Development Area") and pledged certain LFUCG Incremental Revenues, through the execution of a local participation agreement as provided in the Act, dated December 1, 2008 (the "Local Participation Agreement") to pay for project costs and redevelopment assistance within the Development Area as more specifically identified within the Local Participation Agreement, a copy of which is attached as Exhibit "A"; and

Whereas, in the Development Area Ordinance, LFUCG, established the Authority as its agency and instrumentality and constituted authority for the purpose of performing functions related to the oversight, administration, and implementation of the Development Area Ordinance and Local Participation Agreement on behalf of LFUCG; and

Whereas, after the adoption of the Development Area Ordinance and the execution of the Local Participation Agreement, the Authority applied for and received a pledge of certain State

Incremental Revenues through the State's Signature Project Program as provided in the Act, to pay for designated Approved Public Infrastructure Costs, Financing Costs for Approved Public Infrastructure Costs, and Signature Project Costs within the Development Area, as set forth and identified in a Tax Incentive Agreement dated September 24, 2009, between the Kentucky Economic Development Finance Authority ("KEDFA") and the Authority, a copy of which is attached as Exhibit "B"; and

Whereas, when the Development Area was established the primary private project planned within the Development Area was the CentrePointe Project (the "Project"), which is a mixed-use project consisting of hotel, residential, office and retail uses, together with related parking, more specifically described in Exhibit "C" attached hereto; and

Whereas, LFUCG recognizes that the redevelopment of the Development Area and the construction of Project, as contemplated by the terms of this Agreement, will not occur without a public-private partnership and financial assistance provided to the Project by LFUCG and the Commonwealth of Kentucky (the "State"); and

Whereas, the Parties desire to set forth their mutual agreements, understandings and obligations, in order to facilitate the design, financing, development and construction of the Development Area and the Project.

#### STATEMENT OF AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, and in consideration of the premises and the mutual covenants and undertakings contained in this Agreement, the Parties hereby agree and covenant as follows:

## SECTION I

### Preambles

The Parties hereto agree that the above “preambles” or “preamble clauses” (the above “Recitals”) are incorporated herein by reference as if fully restated herein and form a part of the agreement between the parties hereto.

## SECTION II

### Definitions

For the purposes of this Agreement, the following words and phrases shall have the meanings assigned in this Section II, unless the context clearly indicates that a contrary or different meaning is intended.

A. “Act”. Shall mean KRS 65.7041 to KRS 65.7083 and KRS 154.30, relating to tax increment financing of projects to promote economic development.

B. “Affiliate”. A corporation or other entity controlled by, controlling or under common control of the Developer.

C. “Agreement”. This Master Development Agreement, including all Exhibits attached hereto.

D. “Authority”. Shall mean the Department of Finance and Administration of the Lexington-Fayette Urban County Government,

E. “Bank Documents”. Shall mean those documents constituting the private provision of debt financing to private parties.

F. “Capital Expenditure”. Shall have the meaning as provided in the Act.

G. “Developer”. Has the meaning given in the introductory paragraph of this Agreement.

H. "Development Area". Shall have the meaning given in the Recitals to this Agreement.

I. "Development Schedule". Shall mean the projected phasing schedule for the Project, attached as Exhibit "D".

J. "Effective Date". Has the meaning given in the introductory paragraph of this Agreement.

K. "Incremental Revenues". Shall mean the tax revenues pledged to the Development Area by LFUCG as set forth in the Local Participation Agreement, and by the State, acting through KEDFA through the execution of the Tax Incentive Agreement with the Authority.

L. "LFUCG". The Lexington-Fayette Urban County Government, an urban county government of the Commonwealth of Kentucky created pursuant to KRS 67A.

M. "KEDFA". Shall mean the Kentucky Economic Development Finance Authority, which is assigned for administrative purposes to the Kentucky Economic Development Cabinet.

N. "Local Participation Agreement". Shall mean the agreement pledging certain LFUCG Incremental Revenues to pay for certain Project Costs within the Development Area as set forth in Local Participation Agreement, dated December 1, 2008, as it may be amended, a copy which is attached as Exhibit "A".

O. "Parking Garage". Shall mean a 3 story underground parking garage to be constructed as part of the Project on the Project Site.

P. "Private Project Elements". Shall mean the elements of the Project that shall be privately developed and owned and operated, including the Parking Garage, office, retail, residential, hotel, restaurant and other commercial aspects of the Project.

Q. “Private Financing”. Shall mean the financing needed to provide for the development and construction of the Private Project Elements or any financing received by the Developer that is not from LFUCG or State.

R. “Project”. Shall mean the CentrePointe Project within the Development Area, more specifically described in Section IV and Exhibit C attached hereto.

S. “Project Costs”. Shall mean any capital investment as defined in the Act incurred or expended to undertake the Project.

T. “Project Site”. Shall mean the entire block in downtown Lexington, Kentucky bounded by S. Upper Street, West Vine Street, South Limestone Street and W. Main Street.

U. “Signature Project”. Shall have the meaning as provided in the Act.

V. “State”. Shall mean the Commonwealth of Kentucky, including any of its agencies and departments.

W. “Tax Incentive Agreement”. Shall mean the agreement pledging certain State Incremental Revenues to pay for designated costs within the Development Area as set forth in the Tax Incentive Agreement, dated as of September 24, 2009, as it may be amended, by and between the Authority and KEDFA, which is attached hereto as Exhibit “B”.

X. “Unavoidable Delays”. Shall mean delays due to labor disputes, lockouts, acts of God, enemy action, terrorist action, civil commotion, riot, governmental regulations not in effect at the date of execution of this Agreement, conditions that could not have been reasonably foreseen by the claiming party, or unavoidable casualty, provided such matters are beyond the reasonable control of the party claiming such delay.

### SECTION III

#### Representations

A. LFUCG and the Authority. LFUCG and Authority possess the requisite authority to enter into this Agreement, and neither LFUCG nor the Authority, in this Agreement or any schedule, exhibit, document or certificate delivered in accordance with the terms of this Agreement, has made any untrue statement of a material fact or failed to state a material fact.

B. Developer Representations. The Developer represents and warrants that: (i) the Developer (a) is a Kentucky limited liability company possessing the requisite authority to enter into this Agreement; (b) is not a "foreign person" as that term is defined in Section 1445 of the Internal Revenue Code; (c) has not, in this Agreement or any schedule, exhibit, document or certificate delivered in accordance with the terms of this Agreement, made any untrue statement of a material fact or failed to state a material fact; and (d) would not enter into this Agreement to undertake and construct the Project but for the commitment of LFUCG and the Authority to provide financial and other incentives to the Project as provided in this Agreement; (ii) the execution of this Agreement and the construction of the Project by the Developer will not knowingly violate any applicable statute, law, ordinance, code, rule or regulation or any restriction or agreement binding upon or otherwise applicable to the Developer; and (iii) there are no undisclosed actions, suits or proceedings pending or threatened against the Developer which would, if adversely determined, have a material effect on the Developer's ability to enter into this Agreement or construct the Project in accordance with this Agreement.

## SECTION IV

### Project

A. The Project being undertaken by the Developer shall be constructed on the Project Site and shall substantially consist of the following Private Project Elements:

1. 286 key, full-service hotel which includes 8 condominiums
2. 96 apartments with 10,700 square feet of ground floor retail space
3. Office building with 157,710 square feet of Class A office space as well as restaurant and retail space
4. 2 story retail building with a roof top café/bar
5. Galleria
6. 3 story underground Parking Garage with approximately 700 parking spaces.

Several Affiliates have been established to develop, construct and/or operate the various Private Project Elements, and the Developer shall have the right to assign any rights created by this Agreement to one or more of the Affiliates. The anticipated Affiliates for the Project include the following entities, Fayette Land Company, LLC; Centrepointe Vertical, LLC; The Offices at Centrepointe, LLC; The Apartments at Centrepointe, LLC; The Residences at Centrepointe LLC; and The Hotel At Centrepointe, LLC. The Developer and its Affiliates shall remain in good standing with the Office of the Secretary of State for the State for the full-term of this Agreement. In addition, the Developer and its Affiliates shall provide a listing of their officers and managers to the Commissioner of Finance on or before June 30 of each year following the execution of this Agreement, with the current officer and managers of the Developer and its Affiliates being listed on Exhibit E attached hereto.

B. The Project shall be financed with Private Financing and equity provided by the Developer, and its Affiliates, subject to the pledge of State and LFUCG Incremental Revenues to reimburse the Developer for the cost of the Parking Garage as set forth in Section V of this Agreement. The Developer shall keep LFUCG informed as to the status and details of the Private

Financing for the Project, and agrees that construction of the Project shall not begin until firm commitments for the Private Financing have been provided to the Commissioner of Finance, along with a confirmation from the primary lender for each of the respective Private Project Elements that its conditions relating to its financing have been satisfied, to substantially construct the Private Project Elements of the Project, with the exception of the hotel and apartments. Upon satisfaction with the required Private Financing commitments, after due consultations with other representatives of LFUCG, the Commissioner of Finance shall give notice to the Commissioner of Planning that construction permits for the Parking Garage may be issued and construction on the Parking Garage may begin (assuming all other requirements for issuing construction permits have been met, including that the construction is feasible pursuant to the independent geotechnical report required in Section IV(D) of this Agreement.

C. The Project shall be constructed in accordance with the Final Design Plans to be approved by the Courthouse Area Design Review Board and LFUCG, and shall be consistent with the Preliminary Project Plans, attached hereto as Exhibit "C" that are planned for conditional approval by the Courthouse Area Design Review Board on August 21, 2013.

D. The Developer shall construct the Project upon the Project Site, consistent with the Final Design Plans as provided in Section IV(C) of this Agreement, and upon the acquisition of all necessary permits and approvals required by LFUCG and the State, and in accordance with this Agreement. The Developer agrees to proceed expeditiously to complete construction plans and specifications to a level adequate to obtain all permits and approvals necessary to complete construction of the Project. In addition, as part of the plan approval, the Developer shall engage an independent geotechnical engineer to be selected by LFUCG, which shall provide a report to



LFUCG and the Developer, as to the feasibility of constructing the Project, including construction of the underground Parking Garage, in relation to the depth of the water table.

E. Construction Schedule. Subject to the condition regarding obtaining the Private Financing commitment(s) before construction begins in Section IV(B) of this Agreement, the Developer agrees to use commercially reasonable efforts to construct the Project in accordance with the Development Schedule attached hereto as Exhibit "D". However, should the Developer encounter an Unavoidable Delay or be delayed by the Developer's inability to obtain necessary government or other permits or required approvals, or any other cause which the Developer and LFUCG agree is justifiable, the Development Schedule may be reasonably extended by LFUCG. For all other reasons, the Developer shall obtain the prior written approval of LFUCG for any substantial amendment to the Development Schedule, which approval shall not be unreasonably withheld.

F. Project Costs. The Developer shall document all Project Costs, Capital Expenditures, and Financing Costs, including which costs represent Approved Public Infrastructure Costs and Financing Costs for Approved Public Infrastructure Costs (which are the costs eligible to be reimbursed by the Tax Incentive Agreement and/or the Local Participation Agreement), associated with construction of the Project and submit such costs to LFUCG and the Authority in the format to be determined by the Authority and KEDFA, to enable the Authority and LFUCG to comply with its reporting requirements as set forth in the Local Participation Agreement and the Tax Incentive Agreement.

G. Parking Garage. The Developer acknowledges that the ability of the Authority and LFUCG to reimburse Developer from Incremental Revenues, as provided in Section V of this Agreement, for Capital Expenditures and financing costs for the construction of the Parking

Garage, is dependent upon the Parking Garage being considered by the State to be public infrastructure within the meaning of the Act. The Developer commits to operate the Parking Garage to provide public parking consistent with standards established by the Internal Revenue Service to qualify a public parking garage for tax exempt financing. This requirement shall be included within any Affiliate agreements relating to the Project, and shall continue so long as Incremental Revenues are being paid to reimburse the Developer for the costs of the Parking Garage as provided in Section V of this Agreement. The Developer agrees to contract with nationally recognized parking garage operator for the operation of the Parking Garage, and shall provide a copy of the contract for the operation of the Parking Garage, and any amendments thereto to the Commissioner of Finance. The Developer agrees to provide other information on the Parking Garage operator and the operation of the Parking Garage as may be requested by the Commissioner of Finance.

H. The Developer shall assist the Authority in complying with any reporting requirements mandated by the Local Participation Agreement and Tax Incentive Agreement, in computing the baseline LFUCG and State baseline "old revenues" applicable to the Development Area, and in calculating the Incremental Revenues that may be due to the Authority from LFUCG and the State. The Developer shall include provisions in any Affiliate agreements, construction agreements or leases relating to the construction or operation of the Project, to require the contractors constructing the Project and businesses operating within the Project to provide information, including federal and state tax identification numbers, etc., to the Authority or other information as may be required by the Authority, relating to the LFUCG and State taxes that may be generated from the Project.

## SECTION V

### Priority of the Use of Incremental Revenues

Pursuant to the provisions of the Act, the Local Participation Agreement and the Tax Incentive Agreement, LFUCG and the Authority intend to Activate the Development Area effective January 1, 2014, which will potentially allow for Incremental Revenues to be available to the Authority beginning in calendar year 2015. In consideration of the Developer constructing the Project and complying with the requirements and conditions of Section IV of this Agreement, LFUCG and the Authority agree that priority for the use of the Incremental Revenues received by the Authority from LFUCG and the State shall be as follows:

A. Each year following the Activation of the Development Area until its termination, \$45,000 of the Incremental Revenues received by the Authority pursuant to the Local Participation Agreement and/or Tax Incentive Agreement shall be retained by the Authority and used to cover administrative and other expenses incurred by the LFUCG or the Authority for the administration and implementation of the Development Area Ordinance, including complying with any reporting requirements set forth in the Local Participation Agreement and/or Tax Incentive Agreement, and costs for professional services related to this Agreement and/or finalizing any required amendments to the Local Participation Agreement or Tax Incentive Agreement. It is understood that if in any year the amount of Incremental Revenues received by the Authority are not sufficient to this satisfy the annual amount of \$45,000, the amount not satisfied may be recovered by the Authority from the Incremental Revenues received by the Authority in future years.

B. After the obligation set forth in Section V(A) of this Agreement has been fully satisfied, \$60,000 of the Incremental Revenues received by the Authority pursuant to the Local Participation Agreement and/or Tax Incentive Agreement for a ten (10) year period may be

expended by the Authority for incentives that may be necessary, as determined by LFUCG in its sole discretion, to pay for relocation costs or other costs to encourage tenants to locate in the Project. It is understood that if in any year the amount of Incremental Revenues received by the Authority are not sufficient to pay this \$60,000 annual amount, the amount not satisfied may be paid by the Authority from the Incremental Revenues received by the Authority in future years.

C. After the annual obligations set forth in Section V(A) and (B) of this Agreement have been fully satisfied, and the Developer meeting its obligations set forth in Section IV of this Agreement, Incremental Revenues received by the Authority pursuant to the Local Participation Agreement and/or Tax Incentive Agreement shall be annually paid to the Developer to reimburse the Developer for the Capital Expenditures of the Parking Garage, including applicable financing costs for the Parking Garage; up to the actual Capital Expenditures and financing costs for the Parking Garage, as certified by the Developer, but not to exceed \$32,000,000 in Capital Expenditures and \$19,000,000 in financing costs. No Incremental Revenues shall be paid to the Developer pursuant to this paragraph V(C) until the Developer has expended documented Project Costs to satisfy the Minimum Capital Investment of \$150,000,000 as set forth in the Tax Incentive Agreement, as amended. LFUCG agrees to amend the Local Participation Agreement to provide that the Capital Expenditures and financing costs to be eligible costs for reimbursement from LFUCG Incremental Revenues, and shall direct the Authority to request KEDFA to amend the Tax Incentive Agreement to provide the Capital Expenditures and financing costs for the Parking Garage, to be eligible for reimbursement from State Incremental Revenues as Approved Public Infrastructure Costs and Approved Financing Costs for Approved Public Infrastructure Costs.

D. After the obligations set forth in Section V(A) and (B) and (C) of this Agreement have been fully satisfied, Incremental Revenues received by the Authority pursuant to the Local Participation Agreement and/or Tax Incentive Agreement may be used by the Authority to pay for other eligible capital costs and set forth in the Local Participation Agreement and/or Tax Incentive Agreement.

E. It is understood by the Parties that after the Activation of the Development Area any State Incremental Revenues that may be generated and available to be paid by the State to the Authority pursuant to the provisions of the Tax Incentive Agreement, shall be held in escrow without interest accruing thereon, until the Minimum Capital Investment of \$150,000,000 in documented Project Costs, required for the release of State Incremental Revenues, are certified as provided in the Tax Incentive Agreement. It is further understood that the payment of State Incremental Revenues to the Authority are limited to reimbursement for the Approved Public Infrastructure Costs, and Approved Financing Costs for Approved Public Infrastructure Costs, and other approved costs identified in the Tax Incentive Agreement, that are certified by the Authority to the State and approved by the State.

F. Notwithstanding anything to the contrary, nothing in this Agreement shall be interpreted to commit LFUCG and/or the Authority to pay for or reimburse any Project Costs, except for the Incremental Revenues that may be generated within the Development Area and due to the Authority as provided in the Local Participation Agreement and the Tax Incentive Agreement.

G. The obligations of the Authority to reimburse costs to the Developer as provided in Section V(C) of this Agreement are contingent upon KEDFA amending Exhibit A of the Tax Incentive Agreement to allow the Capital Expenditures and the Financing Costs for the Parking

Garage to be reimbursed with State Incremental Revenues as Approved Public Infrastructure Costs and Approved Financing Costs for Approved Public Infrastructure Costs; and the operation of the Parking Garage by the Developer for public parking as provided in Section IV(G) of this Agreement. In addition, any obligations of LFUCG or the Authority to reimburse Project Costs from Incremental Revenues shall terminate in the event the Tax Incentive Agreement is terminated or not renewed as provided in the Act and the Tax Incentive Agreement.

## SECTION VI

### Default

If any Party or any Parties (in either case, the “Defaulting Party”) materially breaches or defaults on any of its obligations under this Agreement, the other Parties may give notice that remedial action must be taken by the Defaulting Party within sixty (60) days of the notice. The Defaulting Party shall correct such breach or default within sixty (60) days after such notice; provided, however, if (i) the default is one which cannot with due diligence be remedied by the Defaulting Party within sixty (60) days, and (ii) the Defaulting Party proceeds as promptly as reasonably possible after such notice and with all due diligence to remedy such default, the period after such notice within which to remedy such default shall be extended for such period as may be necessary to remedy the same with all due diligence. If such action is not taken, the non-defaulting parties may, in addition to all other remedies available at law or in equity (including but not limited to specific performance and/or recovery of damages, including reasonable attorneys’ fees and other costs and expenses), terminate this Agreement, or the portion of it affected by the default, by giving ten (10) days written notice to the defaulting Party or Parties.

In the event this Agreement is terminated, LFUCG and the Authority shall be (i) relieved of any executory obligations under this Agreement, (ii) released from undertaking any additional obligations as provided in this Agreement.

## SECTION VII

### Miscellaneous Provisions

A. Term; Survival; Termination. The term of this Agreement shall be from the date of this Agreement until the earliest of (i) the final payment of the Incremental Revenues and the use of such Incremental Revenues pursuant to this Agreement, the Local Participation Agreement and the Tax Incentive Agreement, or (ii) the termination of this Agreement in accordance with its terms or (iii) the termination of the Local Participation Agreement and the Tax Incentive Agreement. This Agreement shall not terminate upon the execution of any agreements required or contemplated by this Agreement, or referred to in this Agreement, and the provisions of this Agreement shall not be deemed to be merged into any such agreements, it being the intent of the Parties that this Agreement shall survive the execution and delivery of any such agreements and shall continue throughout the entire development of the Development Area.

B. Governing Law. The laws of the State shall govern as to the interpretation, validity and effect of this Agreement.

C. Severability. If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be held in any proceeding to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it was held to be invalid or unenforceable, shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law, but only if and to the extent such enforcement would not materially and adversely frustrate the parties' essential objectives as expressed herein.

D. Force Majeure. LFUCG, Authority or Developer shall not be deemed to be in default in the performance of any obligation on such parties' part to be performed under this

Agreement, other than an obligation requiring the payment of a sum of money, if and so long as the non-performance of such obligation shall be directly caused by Unavoidable Delays; provided, that within fifteen (15) days after the commencement of such Unavoidable Delay, the non performing party shall notify the other party in writing of the existence and nature of any such Unavoidable Delay and the steps, if any, which the non-performing party shall have taken or planned to take to eliminate such Unavoidable Delay (provided, however, that a failure to give such notice timely shall not be a default hereunder or impair the non-performing party's immunities hereunder or account of Unavoidable Delay, unless the failure to give such notice timely actually prejudices the other party). Thereafter, the non-performing party shall, from time to time, on written request of the other party, keep the other party fully informed, in writing, of further developments concerning such Unavoidable Delay and the effort being made by the non-performing party to perform such obligation as to which it is in default.

E. Notices. Any notice to be given under this Agreement shall be in writing, shall be addressed to the party to be notified at the address set forth below or at such other address as each party may designate for itself from time to time by notice hereunder, and shall be deemed to have been given upon the earliest of (i) three (3) days following deposit in the U.S. Mail with proper postage prepaid, Certified or Registered, Return Receipt Requested, (ii) the next business day after delivery to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement, satisfactory with such carrier, made for the payment of such fees, or (iii) receipt of notice given by telecopy or personal delivery:

If to LFUCG:

Mayor Jim Gray  
Government Center  
200 East Main Street  
Lexington, Kentucky 40507



With Copies to: Kevin Atkins, Chief Development Officer  
Government Center  
200 East Main Street  
Lexington, Kentucky 40507

Janet M. Graham  
Commissioner of Law  
Government Center  
200 East Main Street  
Lexington, Kentucky 40507

If to the Authority: William O'Mara  
Commissioner of Finance and Administration  
Government Center  
200 East Main Street  
Lexington, Kentucky 40507

With a Copy to: Janet M. Graham  
Commissioner of Law  
Government Center  
200 East Main Street  
Lexington, Kentucky 40507

If to Developer: R. Dudley Webb, Chairman  
CentrepoinTE Parking Company, LLC  
250 West Main Street  
Suite 3000  
Lexington, KY 40507

With Copies  
(which shall not  
constitute notice) to: Woodford Webb  
CentrepoinTE Parking Company, LLC  
250 West Main Street  
Suite 3000  
Lexington, KY 40507

Ron Tritschler  
CentrepoinTE Parking Company, LLC  
250 West Main Street  
Suite 3000  
Lexington, KY 40507

F. Approvals. Whenever a party to this Agreement is required to consent to, or approve, an action by the other party, or to approve any such action to be taken by another party, unless the context clearly specifies a contrary intention, or a specific time limitation, such approval or consent shall be given within ten (10) business days and shall not be unreasonably withheld, conditioned or delayed by the party from whom such approval or consent is required.

G. Entirety of Agreement. As used herein, the term "Agreement" shall mean this Master Development Agreement and the Exhibits attached hereto. This Agreement embodies the entire agreement and understanding of the parties hereto with respect to the subject matter herein contained, and supersedes all prior agreements, correspondence, arrangements, and understandings relating to the subject matter hereof. No representation, promise, inducement, or statement of intention has been made by any party which has not been embodied in this Agreement or the previous agreements that are referenced herein, and no party shall be bound by or be liable for any alleged representation, promise, inducement, or statement of intention not so set forth. This Agreement may be amended, modified, superseded, or cancelled only by a written instrument signed by all of the Parties hereto, and any of the terms, provisions, and conditions hereof may be waived only by a written instrument signed by the waiving party. Failure of any party at any time or times to require performance of any provision hereof shall not be considered to be a waiver of any succeeding breach of any such provision by any party.

H. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

I. Headings. The headings in this Agreement are included for purposes of convenience only and shall not be considered a part of this Agreement in construing or interpreting any provision hereof.

J. Exhibits. All exhibits to this Agreement shall be deemed to be incorporated herein by reference and made a part hereof, above the signatures of the parties hereto, as if set out in full herein.

K. No Waiver. No waiver of any condition or covenant of this Agreement to be satisfied or performed by LFUCG, Authority or Developer shall be deemed to imply or constitute a further waiver of the same, or any like condition or covenant, and nothing contained in this Agreement nor any act of either party, except a written waiver signed by such party, shall be construed to be a waiver of any condition or covenant to be performed by the other party.

L. Construction. No provisions of this Agreement shall be construed against a Party by reason of such Party having drafted such provisions.

M. Multiple Counterparts. This Agreement may be executed in multiple counterparts, each of which shall constitute an original document.

N. Relationship of the Parties. Except as expressly stated and provided for herein, neither anything contained in this Agreement nor any acts of the Parties hereto shall be deemed or construed by the Parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of association between any of the Parties of this Agreement.

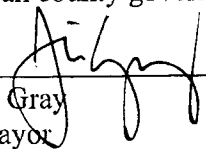
O. No Third Party Beneficiary. Except as otherwise specified herein, the provisions of this Agreement are for the exclusive benefit of LFUCG, Authority and the Developer, any lender providing financing to Developer, and their successors and permitted assigns, and not for the benefit of any other person or entity, nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any other person or entity.

P. Diligent Performance. With respect to any duty or obligation imposed on a party to this Agreement, unless a time limit is specified for the performance of such duty or obligation, it shall be the duty or obligation of such party to commence and perform the same in a diligent and workmanlike manner and to complete the performance of such duty or obligation as soon as reasonably practicable after commencement of the performance thereof. Notwithstanding the above, time is of the essence with respect to any time limit specified herein.

Q. Assignment of Rights and Delegation of Duties. Neither LFUCG nor the Authority shall assign this Agreement without the prior written consent of the Developer, which shall not be unreasonably withheld. The Developer shall have the right to assign this Agreement, or any part hereof, to an Affiliate, provided the assignee shall assume all assigned liabilities and obligations of the Developer hereunder and LFUCG provides its consent in advance in writing, which consent shall not be unreasonably withheld.

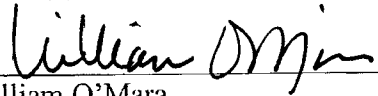
**IN WITNESS WHEREOF**, the parties hereto have hereunto set their hands on the date and year first above set forth herein, to be effective as of the Effective Date.

LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
An urban county government of the Commonwealth of Kentucky

By:  \_\_\_\_\_  
Jim Gray  
Its: Mayor

Date:

Department of Finance and Administration of the Lexington-Fayette Urban County Government.

By:  \_\_\_\_\_  
William O'Mara  
Its: Commissioner of Finance and Administration

Date:

Centrepointe Parking Company, LLC

By: 

R. Dudley Webb  
Its: Chairman

Date: **JULY 8, 2013**

Exhibit A  
Local Participation Agreement

**LOCAL PARTICIPATION AGREEMENT**  
**FOR**  
**PHOENIX PARK/COURTHOUSE DEVELOPMENT AREA**  
**BY AND BETWEEN**  
**LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**  
**A Kentucky Urban County Government**  
**AND**  
**DEPARTMENT OF FINANCE AND ADMINISTRATION FOR**  
**THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**

**December 1, 2008**

**Exhibit A – The Development Area**  
**Exhibit B – The Project, including an estimate of costs of construction, acquisition and development**  
**Exhibit C – The Elements of the Project to be supported with Incremental Revenues**  
**Exhibit D – The Plan for Financing the Project**  
**Exhibit E – Listing of Old Revenues Collected from Development Area**  
**Exhibit F – Listing of Anticipated Incremental Revenues for the LFUCG**

{W1417055.3}

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INDEX  
TO  
LOCAL PARTICIPATION AGREEMENT  
FOR  
PHOENIX PARK/COURTHOUSE DEVELOPMENT AGREEMENT  
DATED  
December 01, 2008  
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT  
AND  
DEPARTMENT OF FINANCE AND ADMINISTRATION FOR THE LEXINGTON-  
FAYETTE URBAN COUNTY GOVERNMENT

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**LOCAL PARTICIPATION AGREEMENT  
FOR**

**PHOENIX PARK/COURTHOUSE DEVELOPMENT AGREEMENT**

THIS LOCAL PARTICIPATION AGREEMENT (this "Agreement") is made as of the 1<sup>st</sup> day of December, 2008 (the "Effective Date") by and among the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, a Kentucky urban county government (the "LFUCG"), and the DEPARTMENT OF FINANCE AND ADMINISTRATION OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (the "Agency"), collectively (the "Parties");

RECITALS

WHEREAS, pursuant to the Act, as hereinafter defined, the LFUCG has on the 4th day of December, 2008, adopted Ordinance Number 265-2008, (the "Development Area Ordinance"), whereby it established the Phoenix Park/Courthouse Development Area (the "Development Area") for the purpose of promoting a mixed use redevelopment of the LFUCG's downtown area; and

WHEREAS, the LFUCG recognizes and determines that the real property that constitutes the Development Area has been and is presently characterized by vacant parcels and deteriorated structures, that continuation of the physical deterioration within the Development Area will discourage and interfere with the LFUCG's growth and the improvement of areas surrounding the Development Area, and that the acquisition, financing, construction and development of those improvements and buildings, as identified in Exhibit B herein (collectively, the "Project"), will contribute to the public welfare of the citizens of the LFUCG and the Commonwealth of Kentucky (the "State") and will thereby materially enhance the area and be in furtherance of the general health and welfare of the citizens of the LFUCG and the State; and

WHEREAS, the Parties recognize that the redevelopment of the Development Area, will not occur without a public-private partnership and financial assistance provided to the Project by the LFUCG and the State; and

WHEREAS, the Parties desire to set forth the duties and responsibilities of the Parties with respect to the administration, financing and pledging of Incremental Revenues in support of the development of the Project within the Development Area; and

WHEREAS, pursuant to Ordinance Number 265-2008, adopted on the 4th day of December 2008, the Council of the LFUCG has authorized the Mayor to execute and enter into this Agreement with the Agency and the LFUCG desires to enter into this Agreement; and

WHEREAS, pursuant to Ordinance Number 265-2008, adopted on the 4th day of December 2008, the Council of the LFUCG has authorized the Commissioner of Finance to execute and enter into this Agreement with the LFUCG and the Agency desires to enter into this Agreement; and

WHEREAS, pursuant to the Act (as hereinafter defined), the LFUCG and the Agency desire to set forth their mutual agreements, understandings and obligations in this Local Participation Agreement, in order to facilitate development of the Project within the Development Area.

Page 3 Left Blank Intentionally

STATEMENT OF AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties hereto, and in consideration of the premises and the mutual covenants and undertakings contained herein, it is agreed and covenanted by and among the Parties hereto as follows:

SECTION I  
Preambles

The Parties hereto agree that the above "preambles" or "preamble clauses" are incorporated herein by reference as if fully restated herein and form a part of the agreement among the Parties hereto.

SECTION II  
Definitions

For the purposes of this Agreement, the following words and phrases shall have the meanings assigned in this Section II, unless the context clearly indicates that a contrary or different meaning is intended.

1. "Act" or "the Act". Shall mean KRS 65.7041 to KRS 65.7083, KRS 154.30-010-154.30-090 and KRS 139.515.
2. "Agreement". Shall mean this Local Participation Agreement, including all Exhibits attached hereto.
3. "Approved Public Infrastructure Costs". Shall have the meaning as provided in the Act.
4. "Approved Signature Project Costs". Shall have the meaning as provided in the Act.

5. "Bonds". Shall mean the Increment Bonds or notes issued by the LFUCG to finance projects within the Development Area, in accordance with the Financing Plan.
6. "Bond Documents". Shall mean all of the documents constituting the bond transcript of proceedings in connection with the Bonds.
7. "Developer" or "Master Developer". Shall mean Centrepointe, LLC.
8. "Development Area". Shall have the meaning given in the Recitals to this Agreement.
9. "Development Area Ordinance." Shall mean Ordinance No. 265-2008, adopted by the LFUCG on December 4, 2008.
10. "Effective Date". Shall have the meaning given in the introductory paragraph of this Agreement.
11. "Excess Incremental Revenues". Means Incremental Revenues in excess of the amounts required to support the payment of Increment Bonds and to meet any coverage tests set forth in the Bond Documents.
12. "Financing Costs". Shall have the meaning as provided in the Act.
13. "Financing Plan". Shall mean the plan for financing the Project as described in Section X of this Agreement and in Exhibit D attached hereto, as it may be amended with the approval of the of the LFUCG.
14. "Increment Bonds". Shall mean the bonds or notes issued by the LFUCG pursuant to the Act to pay for Approved Public Infrastructure Costs, Approved Signature Project Costs, Redevelopment Assistance or Financing Costs within the Development Area as approved by the issuer of the Increment Bonds, the payment of which shall be supported by Incremental Revenues pledged by the LFUCG and the State, and other revenues.

15. "Incremental Revenues". Shall mean the amount of revenues received by the LFUCG with respect to the Development Area and the State with respect to the Footprint (as defined in the Act) by subtracting Old Revenues (as defined in the Act) from New Revenues (as defined in the Act) in a calendar year, less amounts designated by the LFUCG for the Transit Authority of LFUCG and Lexington, Kentucky and the Lexington Public Library District.

16. "KEDFA". Shall mean the Kentucky Economic Development Finance Authority.

17. "LFUCG". Shall mean the Lexington-Fayette Urban County Government, a Kentucky urban county government organized under the provisions of Chapter 67A of the Kentucky Revised Statutes.

18. "LFUCG Authorizations". Shall mean those necessary governmental authorizations, resolutions, orders, hearings, notices, ordinances, and other acts, required by laws, rules, or regulations to provide the LFUCG and its officers with the proper authority to perform all obligations of the LFUCG resulting from this Agreement, and perform all other obligations of the LFUCG made necessary by, or resulting from the establishment of the Development Area.

19. "New Revenues". Shall have the meaning as provided in the Act.

20. "Old Revenues". Shall have the meaning as provided in the Act.

21. "Project". Shall mean the comprehensive development described in Exhibit B, attached hereto, within the Development Area, more specifically described in Exhibit A, attached hereto.

22. "Redevelopment Assistance". Shall have the same meaning as provided in the Act.

23. "Special Fund". Shall mean the Phoenix Park/Courthouse Development Area  
265-2008  
Special Fund established in Ordinance Number \_\_\_\_\_, for the purpose of holding the LFUCG's  
Incremental Revenues pledged herein in connection with the development of the Project.

24. "State". Shall mean the Commonwealth of Kentucky, including any of its  
agencies and departments.

25. "Unavoidable Delays". Shall mean delays due to labor disputes, lockouts, acts of  
God, enemy action, civil commotion, riot, governmental regulations not in effect at the date of  
execution of this Agreement, conditions that could not have been reasonably foreseen by the  
claiming party, inability to obtain construction materials or energy, fire, or unavoidable casualty,  
provided such matters are beyond the reasonable control of the party claiming such delay.

SECTION III  
Parties

The parties to this Agreement shall be the LFUCG and the Agency.

SECTION IV  
Duties and Responsibilities of LFUCG

The LFUCG shall have the following duties and responsibilities in connection with the  
development of the Development Area:

1. Provide for the establishment of the LFUCG Special Fund for the collection of  
Incremental Revenues pledged herein from LFUCG real *ad valorem* taxes and occupational taxes  
(consisting of business occupational taxes and payroll taxes), within the Development Area from  
the Project, which Special Fund is established in Ordinance Number 265-2008.

2. Pledge eighty percent (80%) of the LFUCG's Incremental Revenues from  
LFUCG real *ad valorem* taxes and occupational taxes (consisting of business occupational taxes  
and payroll taxes), generated within the Development Area to support the payment of the Bonds  
for up to a thirty (30) year period issued to pay for Approved Public Infrastructure Costs,

Approved Signature Project Costs, Redevelopment Assistance or Financing Costs or to pay for such costs directly with pledged and available Incremental Revenue from the Development Area in the event that Bonds are not issued, which pledge is made in Section VI herein

3. Determine which Approved Public Infrastructure Costs, Signature Project Costs, Redevelopment Assistance or Financing Costs associated with the Development Area will be funded from the Incremental Revenues generated within the Development Area and pledged under this Agreement. The anticipated projects to be funded with the Incremental Revenues pledged herein is attached as Exhibit "C".

4. Act as the issuer of the Increment Bonds in the event that Bonds are issued to pay for Approved Public Infrastructure Costs, Signature Project Costs, Redevelopment Assistance or Financing Costs associated with the Development Area.

5. Make, in participation with the Agency and the Developer, application to the KEDFA requesting State participation under the "signature project program" in accordance with applicable provisions of the Act. The application shall request State participation, as provided in the Financing Plan.

6. Designate the Agency as the entity responsible for the oversight, administration, and implementation of the Development Area Ordinance.

7. Meet at least quarterly with the Developer and the Agency for the purpose of reviewing the progress of the development of the Development Area and prepare an analysis of such progress for distribution to the Agency and the State in accordance with the Act.

8. Require its Department of Finance and Administration, as the "agency" for purposes of the Act, to prepare by no later than March 1 of each year during the term of this Agreement an annual report and provide same to the LFUCG and KEDFA including, but not



limited to: (a) the total real property taxes, business occupational license taxes and business employee payroll taxes collected within the Development Area during the previous calendar year; (b) a determination of New Revenues collected within the Development Area during the previous calendar year; (c) a summary of debt service paid on outstanding Increment Bonds during the previous calendar year; (d) the amount , if any, of Increment Bonds issued during the previous calendar year, and (e) if no Increment Bonds are issued, the amount, if any, of Incremental Revenues spent from the Special Fund on Approved Public Infrastructure Costs, Signature Project Costs, Redevelopment Assistance in connection with the Project.

SECTION V  
Duties and Responsibilities of the Agency

The Agency shall have the following duties and responsibilities in connection with the development of the Development Area:

1. Act as the entity responsible for the oversight, administration, and implementation of the Development Area Ordinance.
2. Participate with the LFCUG and Developer in the application to KEDFA, requesting State participation under the "signature project program" in accordance with the applicable provisions of the Act. The application shall request State participation, as provided in the Financing Plan.
3. Meet at least quarterly with the Developer and the LFUCG for the purpose of reviewing the progress of the development of the Development Area and prepare an analysis of such progress for distribution to the Agency and the State in accordance with the Act.
4. Prepare by no later than March 1 of each year during the term of this Agreement an annual report and provide same to the LFUCG and KEDFA including, but not limited to: (a) the total real property taxes, business occupational license taxes and business employee payroll

taxes collected within the Development Area during the previous calendar year; (b) a determination of New Revenues collected within the Development Area during the previous calendar year; (c) a summary of debt service paid on outstanding Increment Bonds during the previous calendar year; (d) the amount , if any, of Increment Bonds issued during the previous calendar year, and (e) if no Increment Bonds are issued, the amount, if any, of Incremental Revenues spent from the Special Fund on Approved Public Infrastructure Costs, Signature Project Costs or Redevelopment Assistance in connection with the Project.

5. Comply with any requirements and carry out any duties and responsibilities as the Agency under the terms of a Tax Incentive Agreement (as defined in the Act) with KEDFA

SECTION VI  
Identification and Pledge of Incremental Revenues

1. The LFUCG hereby pledges eighty percent (80%) of the LFUCG's Incremental Revenues, from LFUCG real *ad valorem* taxes and occupational taxes (consisting of business occupational taxes and payroll taxes) generated within the Development Area to support the payment of the Bonds issued to pay for, Redevelopment Assistance, Approved Public Infrastructure Costs, Approved Signature Project Costs and Financing Costs related to the development of the Project as provided in the approved Financing Plan or to pay for such costs directly as Incremental Revenues are generated in the event that Bonds are not issued, for up to a thirty (30) year period; provided, however, that the pledge of LFUCG Incremental Revenues shall be conditioned upon the approval of State participation as a "signature project" as provided in the Act. The Incremental Revenues shall be determined by calculating the New Revenues collected from the Development Area, and subtracting the Old Revenues collected from within the Development Area for the base year, which is the calendar year 2007. A listing of the Old

Revenues collected by the LFUCG from within the Development Area is attached hereto on Exhibit E.

2. Incremental Revenues pledged by the LFUCG in this Section shall be deposited annually, no later than each March 1st after the first calendar year of activation, to the Special Fund and used solely for payment of Approved Public Infrastructure Costs, Approved Signature Project Costs, Redevelopment Assistance or Financing Costs or for the principal, interest and premium, if any, on the Bonds issued in support of the Project and for no other purpose. Such Special Fund shall be continued and maintained until the Termination Date (as defined in the Development Area Ordinance) of the Development Area. Amounts in the Special Fund, together with interest accruing thereon, are hereby irrevocably pledged for the payment of the principal, interest and premium, if any, on Bonds issued to pay for Redevelopment Assistance, Approved Public Infrastructure Costs, Approved Signature Project Costs and Financing Costs related to the development of the Project as provided in the approved Financing Plan or to pay for such costs as Incremental Revenues are generated in the event that Bonds are not issued. Amounts in the Special Fund shall be held by the LFUCG or, if Bonds are issued, paid as directed by the Agency to the sinking or other funds established in the Bond Documents for payment of debt service on the Bonds at the times and in the amounts required by the Bond Documents,

3. If Increment Bonds are issued, this Agreement may be pledged and assigned by the LFUCG and Agency to a Trustee under a certain Trust Indenture for the Increment Bonds, by and between the LFUCG, Agency and the Trustee, as it may be amended or restated from time to time, and made a part of the trust estate established thereunder for the security of the Bonds as more particularly set forth therein.

4. If Increment Bonds are issued, Excess Incremental Revenues may be used by the LFUCG to pay directly for Redevelopment Assistance, Approved Public Infrastructure Costs, Approved Signature Project Costs and the payment of the administrative expenses relating to the development of the Project as provided in the approved Financing Plan

5. At the Termination Date (as defined in the Development Area Ordinance) all amounts remaining in the Special Fund shall be transferred to the General Fund of the LFUCG. It is also agreed that the Bond Documents shall include provisions requiring that, upon payment in full of all the Bonds issued in support of the Project, all sums remaining in funds and accounts established by the LFUCG and in the Bond Documents (and not needed for rebate payments to the Internal Revenue Service) shall be transferred to the Special Fund until the Termination Date and at the Termination Date to the General Fund of the LFUCG.

SECTION VII  
Anticipated Benefits to the LFUCG

The LFUCG anticipates receiving substantial benefits as a result of the pledge of their Incremental Revenues to support development of the Development Area as set forth herein. Detailed summaries of Old Revenues and projected New Revenues for the LFUCG on an annual basis during the term of this Agreement is attached as Exhibit E hereto. The maximum amount of Incremental Revenues to be paid by the LFUCG shall be eighty percent (80%) of the Incremental Revenues generated from the Development Area, and the maximum number of years the payment of Incremental Revenues to support the development of the Development Area will be made is thirty (30) years. A listing of the anticipated Incremental Revenues for the LFUCG, is attached as Exhibit F.

SECTION VIII  
Description of Development Area

A detailed description of the Development Area is set forth in Exhibit A hereto.

SECTION IX  
Description of Project; Costs

A detailed description of the individual projects that collectively constitute the Project is set forth in Exhibit B hereto. Also included in Exhibit B is an estimate of the costs of construction, acquisition and development of such proposed projects. The elements of the Project planned to be supported or paid for with Incremental Revenues are listed on the attached Exhibit C, subject to amendment approved by the LFUCG.

SECTION X  
Financing Plan

The financing for the Project shall generally be in accordance with the Financing Plan set forth in Exhibit D attached hereto. It is understood that the Financing Plan for the Project may be modified as development of the Project progresses and that more specific details of the nature of each aspect of financing the Project shall be more particularly contained in the Bond Documents and other documents at the time that each aspect of the financing needed for the Project is obtained. However, the pledge of Incremental Revenues herein to support payment of the Increment Bonds issued for the Project or to directly support construction of the Project shall not be modified without the specific approval of the LFUCG and State.

**IT IS UNDERSTOOD BY THE PARTIES THAT THE NOTES OR BONDS ISSUED BY THE LFUCG PURSUANT TO THIS AGREEMENT AND SECURED SOLELY BY INCREMENTAL REVENUES SHALL NOT CONSTITUTE A DEBT OF THE LFUCG, THE AGENCY OR THE STATE OR A PLEDGE OF THE FULL FAITH AND CREDIT OF THE LFUCG, THE AGENCY OR THE STATE AND THE LFUCG, THE AGENCY AND THE STATE SHALL HAVE NO OBLIGATION TOWARD THE PAYMENT OF SUCH BONDS BEYOND THE PLEDGE OF INCREMENTAL REVENUES AS PROVIDED FOR IN THIS AGREEMENT.**

SECTION XI

Commencement Date; Activation Date; Termination Date

This Agreement shall commence and be effective as of the date of execution hereof by the LFUCG. The activation date for the pledge of Incremental Revenues as set forth in Section VII hereof shall be determined by the LFUCG and Developer in accordance with the Act. This Agreement shall terminate 30 years after the activation date as set forth above. This Agreement shall not terminate upon the execution of any deeds or other agreements required or contemplated by this Agreement, or referred to herein, and the provisions of this Agreement shall not be deemed to be merged into the deeds, or any other such deeds or other agreements, it being the intent of the parties hereto that this Agreement shall survive the execution and delivery of any such agreements.

SECTION XII

Default

If the LFUCG (a "Defaulting Party") shall default in its obligation to make payments of Incremental Revenues set forth herein or in the Bond Documents, the Agency (unless it is the Defaulting Party) and/or the indenture trustee or trustees for outstanding Bonds secured by such Incremental Revenues shall have the power to enforce the provisions of this Agreement and the Bond Documents against the Defaulting Party. If the LFUCG materially breaches or defaults on any of its non payment related obligations under this Agreement, any other party and/or the indenture trustee or trustees for the outstanding Bonds may give notice that remedial action must be taken within thirty (30) days. The Defaulting Party shall correct such breach or default within thirty (30) days after such notice, provided however that if (i) the default is one which cannot with due diligence be remedied by the Defaulting Party within thirty (30) days and (ii) the Defaulting Party proceeds as promptly as reasonably possible after such notice and with all due diligence to remedy such default, the period after such notice within which to remedy the default

shall be extended for such period of time as may be necessary to remedy the same with all due diligence.

SECTION XIII  
Governing Law

The laws of the State shall govern as to the interpretation, validity and effect of this Agreement.

SECTION XIV  
Severability

If any provision of this Agreement or the application thereof to any person or circumstance shall to any extent be held in any proceeding to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it was held to be invalid or unenforceable, shall not be affected thereby, and shall be valid and enforceable to the fullest extent permitted by law, but only if and to the extent such enforcement would not materially and adversely frustrate the parties essential objectives as expressed herein.

SECTION XV  
Force Majeure

The LFUCG shall not be deemed to be in default in the performance of any obligation on such parties' part to be performed under this Agreement, other than an obligation requiring the payment of a sum of money, if and so long as the non performance of such obligation shall be directly caused by Unavoidable Delays; provided, that within fifteen (15) days after the commencement of such Unavoidable Delay, the non performing party shall notify the other party in writing of the existence and nature of any such Unavoidable Delay and the steps, if any, which the non-performing party shall have taken or planned to take to eliminate such Unavoidable Delay. Thereafter, the non-performing party shall, from time to time, on written request of the

other party, keep the other party fully informed, in writing, of further developments concerning such Unavoidable Delay and the effort being made by the non-performing party to perform such obligation as to which it is in default. All provisions of any construction schedule shall be adjusted in accordance with such Unavoidable Delay.

SECTION XVI  
Notices

Any notice to be given under this Agreement shall be in writing, shall be addressed to the party to be notified at the address set forth below or at such other address as each party may designate for itself from time to time by notice hereunder, and shall be deemed to have been given upon the earliest of (i) three (3) days following deposit in the U.S. Mail with proper postage prepaid, Certified or Registered, (ii) the next business day after delivery to a regularly scheduled overnight delivery carrier with delivery fees either prepaid or an arrangement, satisfactory with such carrier, made for the payment of such fees, or (iii) receipt of notice given by telecopy or personal delivery:

If to the LFUCG:	Mayor James Newberry 200 East Main Street Lexington, Kentucky 40588
With a Copy to:	Logan Askew 200 East Main Street Lexington, Kentucky 40588
If to the Agency:	Kyna Koch 200 East Main Street Lexington, KY

SECTION XVII  
Approvals

Whenever a party to this Agreement is required to consent to, or approve, an action by the other party, or to approve any such action to be taken by another party, unless the context clearly specifies a contrary intention, or a specific time limitation, such approval or consent shall



be given within thirty (30) business days and shall not be unreasonably withheld or delayed by the party from whom such approval or consent is required.

SECTION XVIII  
Entirety of Agreement

As used herein, the term "Agreement" shall mean this Local Participation Agreement and the Exhibits attached hereto. This Agreement embodies the entire agreement and understanding of the parties hereto with respect to the subject matter herein contained, and supersedes all prior agreements, correspondence, arrangements, and understandings relating to the subject matter hereof. No representation, promise, inducement, or statement of intention has been made by any party which has not been embodied in this Agreement, and no party shall be bound by or be liable for any alleged representation, promise, inducement, or statement of intention not so set forth. This Agreement may be amended, modified, superseded, or cancelled only by a written instrument signed by all of the parties hereto, and any of the terms, provisions, and conditions hereof may be waived only by a written instrument signed by the waiving party. Failure of any party at any time or times to require performance of any provision hereof shall not be considered to be a waiver of any succeeding breach of any such provision by any part.

SECTION XIX  
Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

SECTION XX  
Headings and Index

The headings in this Agreement and the Index are included for purposes of convenience only and shall not be considered a part of this Agreement in construing or interpreting any provision hereof.

SECTION XXI  
Exhibits

All exhibits to this Agreement shall be deemed to be incorporated herein by reference and made a part hereof, above the signatures of the parties hereto, as if set out in full herein.

SECTION XXII

No Waiver

No waiver of any condition or covenant of this Agreement to be satisfied or performed by the LFUCG shall be deemed to imply or constitute a further waiver of the same, or any like condition or covenant, and nothing contained in this Agreement nor any act of either party, except a written waiver signed by such party, shall be construed to be a waiver of any condition or covenant to be performed by the other party.

SECTION XXIII  
Construction

No provisions of this Agreement shall be construed against a party by reason of such party having drafted such provisions.

SECTION XXIV  
Multiple Counterparts

This Agreement may be executed in multiple counterparts, each of which shall constitute an original document.

SECTION XXV  
Relationship of the Parties

Except as expressly stated and provided for herein, neither anything contained in this Agreement nor any acts of the parties hereto shall be deemed or construed by the Parties hereto, or any of them, or by any third person, to create the relationship of principal and agent, or of partnership, or of joint venture, or of association among any of the Parties of this Agreement.

SECTION XXVI  
No Third Party Beneficiary

Except as otherwise specified herein, the provisions of this Agreement are for the exclusive benefit of the LFUCG and the Agency and their successors and permitted assigns, and not for the benefit of any other person or entity, nor shall this Agreement be deemed to have conferred any rights, express or implied, upon any other person or entity.

SECTION XXVII  
Diligent Performance

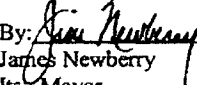
With respect to any duty or obligation imposed on a party to this Agreement, unless a time limit is specified for the performance of such duty or obligation, it shall be the duty or obligation of such party to commence and perform the same in a diligent and workmanlike manner and to complete the performance of such duty or obligation as soon as reasonably practicable after commencement of the performance thereof. Notwithstanding the above, time is of the essence with respect to any time limit specified herein.

SECTION XXVIII  
Assignment of Rights and Delegation of Duties

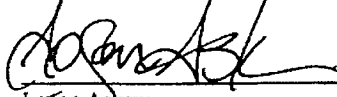
No Party to this Agreement may assign this Agreement, or any part hereof without the prior written consent of the other Parties.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands on the date and year first above set forth herein, to be effective as of the Effective Date.

LEXINGTON-FAYETTE URBAN COUNTY  
GOVERNMENT  
a Kentucky urban county government

By:  \_\_\_\_\_  
James Newberry  
Its: Mayor

Approval as to Form:

 \_\_\_\_\_  
Logan Askew  
Commissioner of Law for the  
Lexington-Fayette Urban County  
Government

DEPARTMENT OF FINANCE AND  
ADMINISTRATION

By: Kyna Koch  
Kyna Koch

Its: Commissioner of Finance and Administration

**EXHIBITS**

**Exhibit A: Development Area Map and Description**

**Exhibit B: The Project**

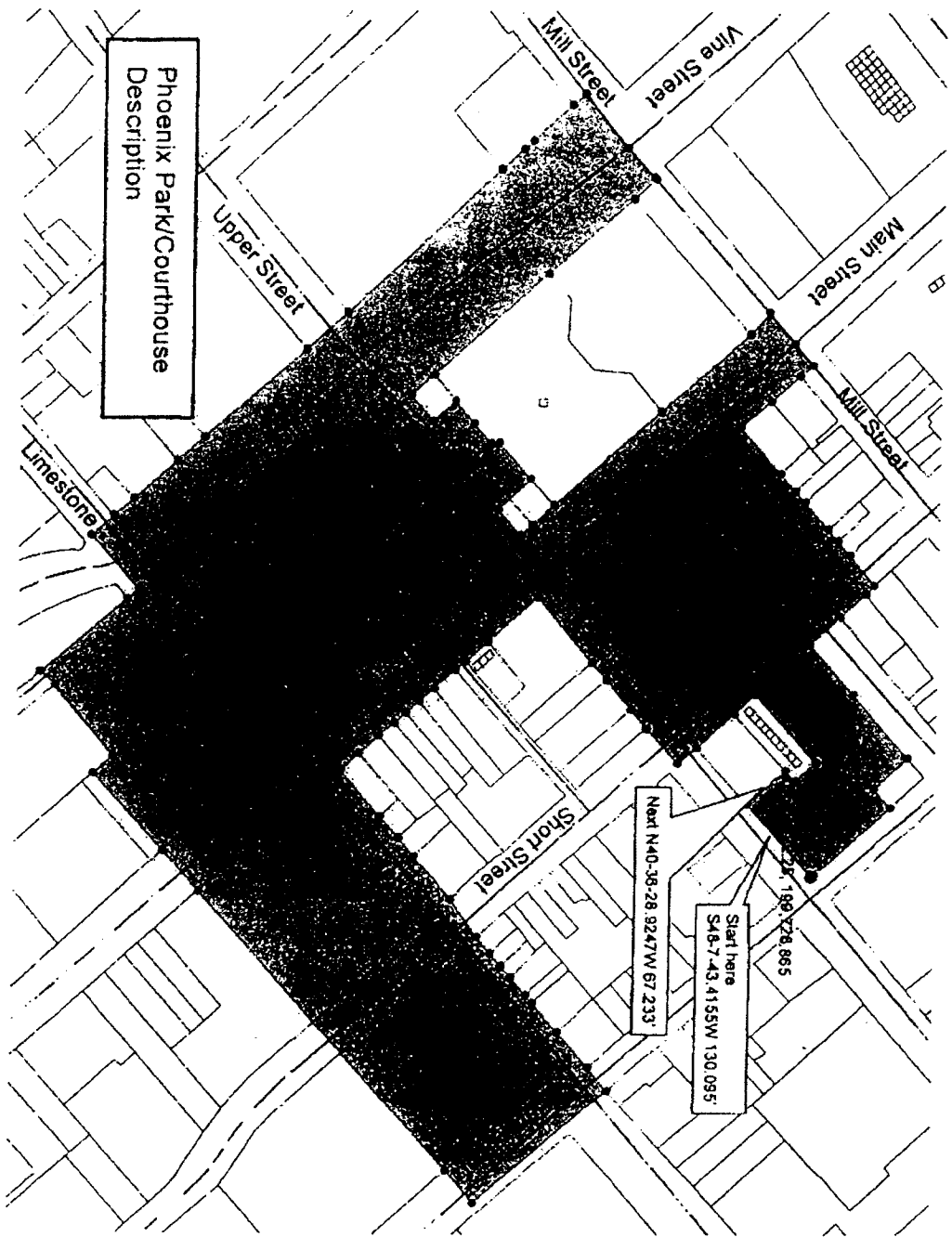
**Exhibit C: Elements of Project to be Financed with Incremental Revenues**

**Exhibit D: Financing Plan**

**Exhibit E: Listing of Old Revenues Collected by the LFUCG from Development Area**

**Exhibit F: Listing of Anticipated Incremental Revenues for the LFUCG**

**LFUCG Ordinance Approving LPA**



Phoenix Park/Courthouse  
Description

EXHIBIT A

Start here  
S48-7-43.4155W 130.095'

Next N40-38-28.9247W/67.233'

24,199,728,865

## Phoenix Park/Courthouse District Description

Starting is the East Corner of 221 W. Short Street S48-7-43.4155W 130.095'

N40-36-28.9247W 67.233'

N47-1-27.3605E 17.099'

N39-48-12.4370W 36.108'

S47-2-47.1092W 119.224'

S42-15-45.4032E 36.244'

S42-20-33.7867E 65.139'

S41-29-46.8045E 31.385' Short and Upper

S47-41-29.6179W 61.333'

S49-20-6.8780W 32.642'

S49-23-21.9716W 48.89'

S49-16-58.3624W 30.181'

S49-18-42.7757W 111.095' Upper and Main

S41-51-9.3727E 87.334'

S40-38-9.8033E 39.107'

S35-55-22.6065E 17.648'

S40-18-58.5673E 38.157'

S39-57-14.8152E 25.207'

S40-5-7.9900E 23.472'

S41-41-36.4212E 19.028'

S40-35-46.9928E 26.381'

S40-17-50.3205E 34.499'

S43-20-25.6877E 32.555' Main and Limestone

N48-44-20.9765E 80.192'

N48-4-24.2646E 38.054'

N50-21-42.2787E 31.057'

N48-25-20.8284E 76.128'

N53-16-21.1494E 61.175'

N48-22-37.1423E 28.26'

N48-21-35.1957E 22.246'

N48-16-56.1443E 19.426'

N48-18-29.5687E 30.633'

N48-22-37.8270E 13.879'

N48-20-44.0995E 49.855'

N48-20-50.8152E 62.568'

N52-6-4.0634E 39.444' Limestone and Barr Street

S40-34-12.0753E 229.755'

S48-24-28.2908W 56.732'

S47-33-44.4968W 495.372'

S47-53-37.3222W 72.493'

S47-18-55.4795W 138.743'

N41-52-10.0928W 34.663'

S48-59-10.8303W 119.939'

S41-39-52.4255W 25.202'

---

N39-46-18.1587W 148.3'  
N38-28-21.8824W 19.15' Water Street and S. Limestone  
S47-1-19.9943W 94.482' S. Limestone and Vine Street  
N40-48-15.6612W 39.345'  
N40-48-15.6610W 34.431'  
N40-49-4.1119W 75.345'  
N40-50-23.5371W 47.213'  
N40-51-35.3458W 175.784'  
N41-33-38.0956W 71.333'  
N41-54-59.5873W 273.73'  
N41-48-29.2741W 38.892'  
N42-11-46.0489W 16.563'  
N41-54-42.2585W 68.77'  
N37-28-9.7767W 21.696' S. Mill Street and Vine Street (south side)  
N50-33-42.1066E 88.858'  
N46-58-29.7625E 51.296'  
N48-38-55.6143E 4.951' S. Mill Street and Vine Street (north side)  
S40-35-55.0430E 37.7'  
S40-35-55.0571E 145.6'  
S40-36-18.6214E 200.317'  
S40-35-37.7021E 40.571' S. Upper Street and Vine Street  
N48-51-47.1538E 45.093'  
N41-21-18.5148W 40.67'  
N48-46-28.1897E 39.721'  
N48-44-51.1392E 34.597'  
S34-42-28.9769E 8.781'  
N52-27-54.6871E 1.077'  
N52-44-27.8745E 5.523'  
N39-56-36.1005W 18.301'  
N47-35-37.7802E 64.321'  
S42-11-41.5725E 58.883'  
N47-42-38.0846E 44.72' E. Main and Upper Street  
N41-20-51.9980W 20.814'  
N41-40-11.6411W 38.167'  
N41-35-2.8580W 184.566'  
N41-35-29.8858W 151.397'  
N46-1-54.0373W 36.833' E. Main and Mill Street (south side)  
N48-38-55.6142E 51.133'  
N49-29-46.8867E 38.004' E. Main and Mill Street (north side)  
S39-31-54.6791E 22.158'  
S40-59-48.9252E 49.906'  
S41-3-11.2499E 51.579' E. Main and Cheapside  
N48-31-48.2109E 79.073'  
N48-31-47.5322E 30.028'  
N48-29-29.8104E 20.197'  
N48-32-55.0025E 46.53'

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N48-32-41.1592E 20.014'  
N48-31-48.6264E 24.523'  
N48-56-29.4881E 52.169' Cheapside and E. Short Street (north side)  
S41-23-13.3925E 16.71'  
S41-23-49.1927E 44.422'  
S42-12-26.2714E 53.214' E. Short and Market  
N47-38-34.7783E 86.735'  
N47-38-34.4231E 111.178'  
S41-37-24.8492E 59.655'  
N48-10-4.9014E 33.72'  
S41-22-37.6907E 139.18' Starting point

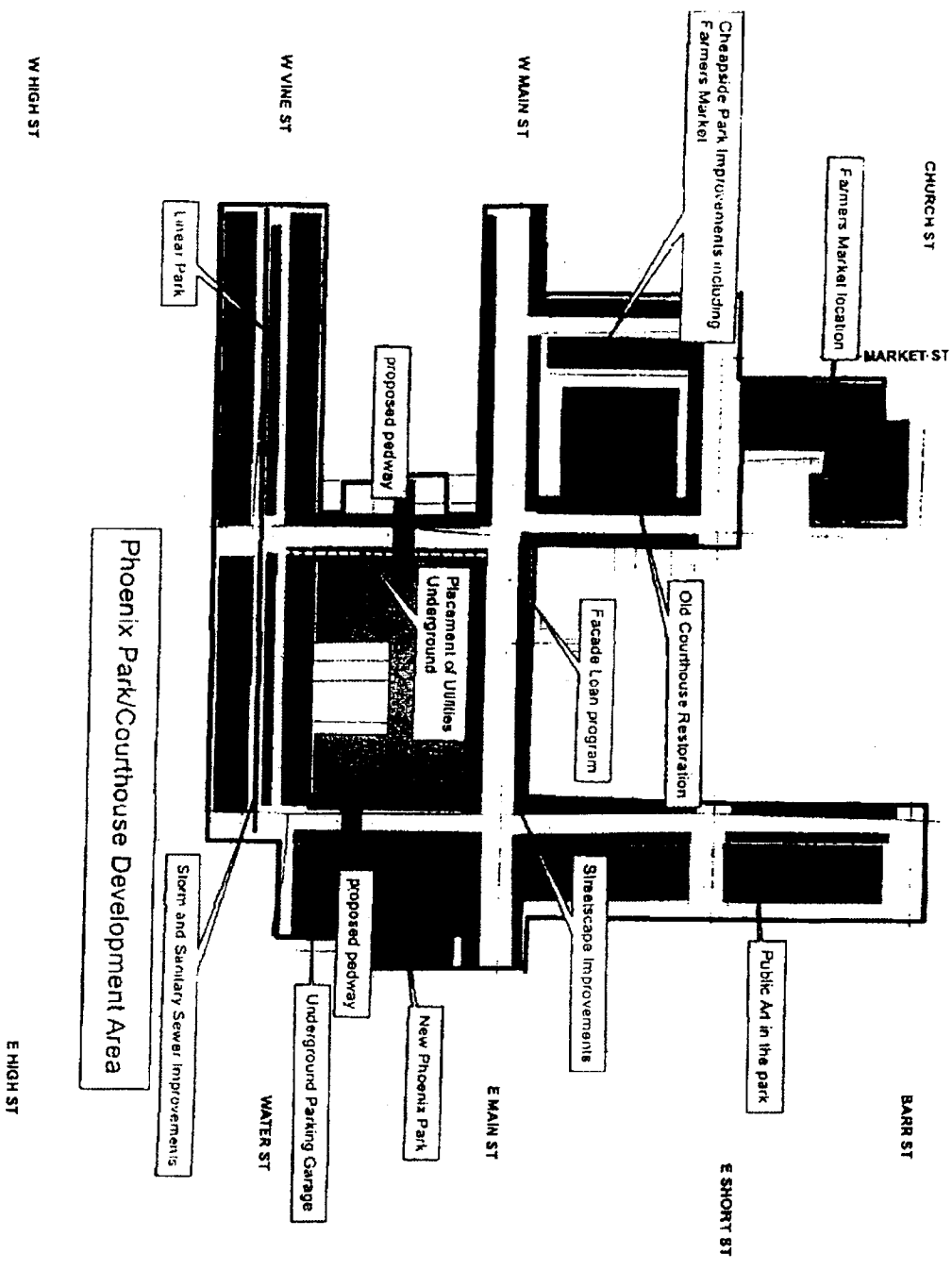
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## EXHIBIT B

### Phoenix Park/Courthouse Development Area Project

The Phoenix Park/Courthouse Development Area Project involves the CentrePointe Development, a private mixed-use development consisting of a hotel, condominium residences, office, retail and restaurant uses; and other public improvements within the Development Area set forth on the attached map and Exhibit C to the Local Participation Agreement.

EXHIBIT B



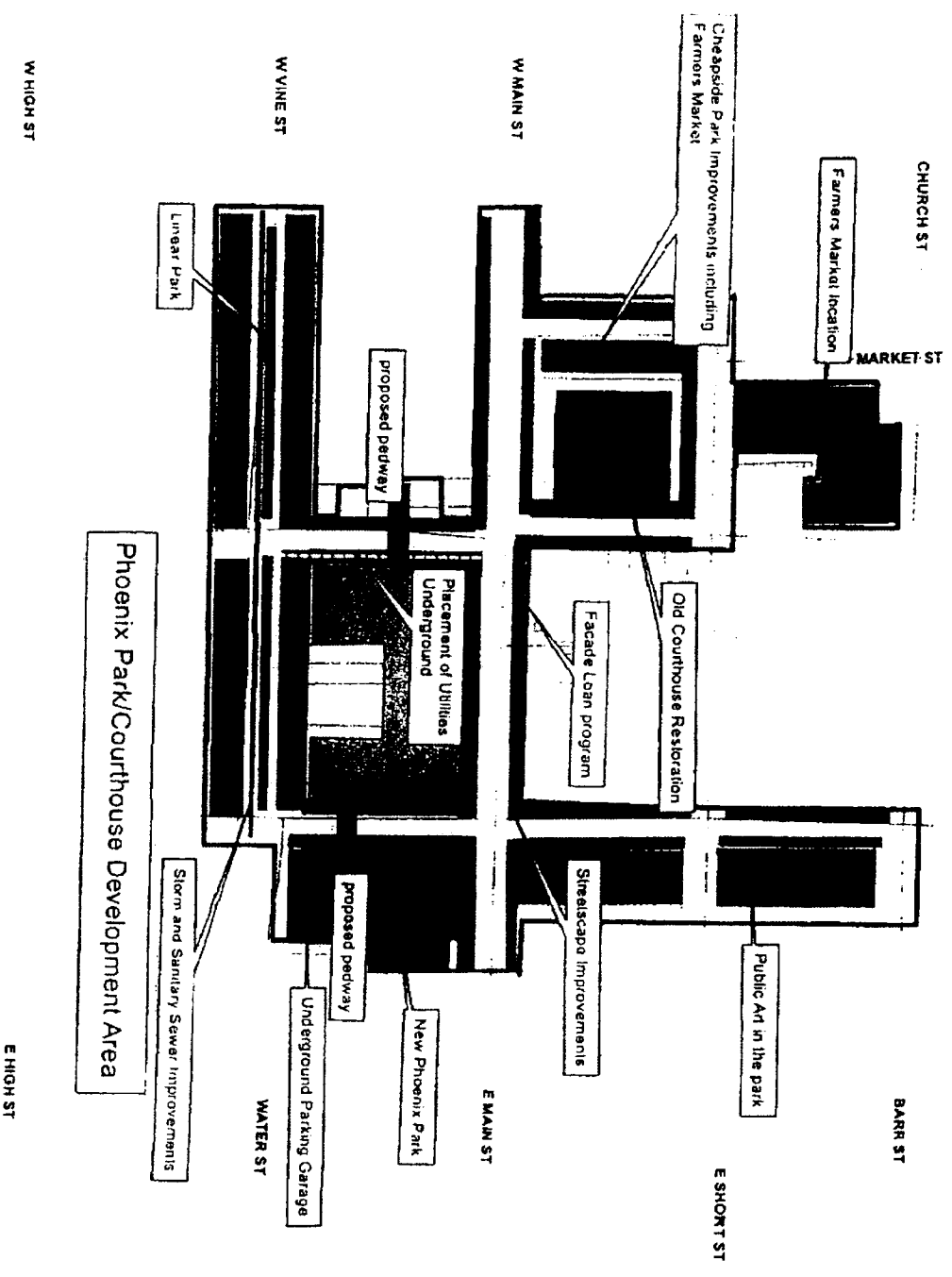
W HIGH ST

E HIGH ST

EXHIBIT C

PHOENIX PARK/COURTHOUSE-DEVELOPMENT AREA	
	Estimated Cost
<b>SANITARY IMPROVEMENTS AND UNDERGROUND UTILITIES</b>	
ESTIMATE	\$1,000,000
<b>PUBLIC PARKING BELOW PHOENIX PARK</b>	
UNDERGROUND PARKING GARAGE @ PHOENIX PARK (3 underground levels)	
331 SPACES @ \$30,000 PER SPACE	\$9,930,000
City owned parking facility (Option: 2 levels @ \$30,000/sp & 7.5 m <sup>2</sup> )	
<b>PHOENIX PARK ENHANCEMENTS</b>	
NEW PHOENIX PARK PLAZA, MONUMENTS, FOUNTAINS, SCULPTURES, ETC.	\$4,000,000
Fountain Feature, Public Art, Bandstand	
<b>FARMER'S MARKET</b>	
LFUCG Corporation acquires property for new Farmer's Market	\$1,500,000
(\$50 PSF x 30,000 SF)	
CONSTRUCT NEW "COVERED MARKET" WITH ROLLOUT DOORS ON SITE	\$1,500,000
INCLUDING OFFICES/RESTROOMS/RETAIL SPACE ON SITE FOR YEAR AROUND	
<b>OLD COURTHOUSE IMPROVEMENTS</b>	
MAKEOVER OF OLD COURTHOUSE PLAZA - EXTERIOR ELEMENTS AND PARK	\$2,000,000
(REMOVE TREES AND MOVE MONUMENTS, INSTALL PAVERS, ETC.)	
Permanently close Cheapside Road and incorporate into design	
MAJOR RENOVATION OF OLD COURTHOUSE BUILDING AND INFRASTRUCTURE	\$14,000,000
(NEW ROOF, WINDOWS, ATRIUM, COMMON AREA IMPROVEMENTS)	
<b>PHOENIX PARK/COURTHOUSE DEVELOPMENT AREA STREETScape ENHANCEMENTS</b>	
ADD NEW SIDEWALKS & STREETScape ELEMENTS	\$5,750,000
Public art, sculpture, sidewalks	
<b>PUBLIC ART ELEMENT FOR DOWNTOWN</b>	
EXARTS TO ANNOUNCE A DOWNTOWN PERMANENT PUBLIC ART ELEMENT	\$2,500,000
FOR DOWNTOWN (HORSE MANIA?)	
<b>PUBLIC PEDWAY ENHANCEMENTS</b>	
PEDEWAY FROM REAR OF PHOENIX PARK/LFUCG BLDG TO OPT (150')	\$1,500,000
Enhance total downtown walking experience	
PEDEWAY FROM CENTREPOINTE TO FINANCIAL CENTER GARAGE (150')	\$1,500,000
Enhance total downtown walking experience	
<b>NEW COURTHOUSE PLAZA</b>	
ENHANCEMENT IMPROVEMENT MONIES FOR NEW COURTHOUSE PLAZAS	\$2,000,000
<b>ENTERTAINMENT VENUE</b>	
LFUCG CORPORATION PURCHASES A SITE FOR NEW BUILDING	\$1,000,000
(10,000 sf @ \$100 psf)	
CONSTRUCT MUSIC VENUE/ENTERTAINMENT ROW OF NIGHTCLUBS ALONG LIMESTONE	\$2,000,000
Revenues from sub market lease rents goes to LFUCG	
<b>FAÇADE IMPROVEMENT LOAN PROGRAM</b>	
Facade loan program for buildings on the edge of the TIF District	\$1,500,000
<b>JUMBOTRON @ PHOENIX PARK FOR FRIDAY NIGHT MOVIES, 2016 GAMES</b>	\$1,000,000
Enhanced awards ceremonies for 2010 Alltech WEG's	
<b>LEGAL AND ADMINISTRATIVE</b>	
LEGAL, ADMINISTRATIVE AND UNDERWRITING COSTS OF THE TIF APPLICATION	\$1,000,000
AND BOND UNDERWRITING	
<b>Total Estimated Cost</b>	<b>\$53,680,000</b>

EXHIBIT B



W HIGH ST

E HIGH ST

EXHIBIT C

PHOENIX PARK/COURTHOUSE-DEVELOPMENT AREA	
	Estimated Cost
SANITARY IMPROVEMENTS AND UNDERGROUND UTILITIES ESTIMATE	\$1,000,000
PUBLIC PARKING BELOW PHOENIX PARK UNDERGROUND PARKING GARAGE @ PHOENIX PARK (3 underground levels) 331 SPACES @ \$30,000 PER SPACE City owned parking facility (Option, 2 levels @ \$30,000/sp @ 17.5 m <sup>2</sup> )	\$9,930,000
PHOENIX PARK ENHANCEMENTS NEW PHOENIX PARK PLAZA, MONUMENTS, FOUNTAINS, SCULPTURES, ETC. Fountain Feature, Public Art, Bandstand	\$4,000,000
FARMER'S MARKET LFUCG Corporation acquires property for new Farmer's Market (\$50 PSF x 30,000 SF)	\$1,500,000
CONSTRUCT NEW "COVERED MARKET" WITH ROLLDOWN DOORS ON SITE INCLUDING OFFICES/RESTROOMS/RETAIL SPACE ON SITE FOR YEAR AROUND	\$1,500,000
OLD COURTHOUSE IMPROVEMENTS MAKEOVER OF OLD COURTHOUSE PLAZA - EXTERIOR ELEMENTS AND PARK (REMOVE TREES AND MOVE MONUMENTS, INSTALL PAVERS, ETC.) Permanently close Cheapside Road and incorporate into design	\$2,000,000
MAJOR RENOVATION OF OLD COURTHOUSE BUILDING AND INFRASTRUCTURE (NEW ROOF, WINDOWS, ATRIUM, COMMON AREA IMPROVEMENTS)	\$14,000,000
PHOENIX PARK/COURTHOUSE DEVELOPMENT AREA STREETSCAPE ENHANCEMENTS ADD NEW SIDEWALKS & STREETSCAPE ELEMENTS Public art, sculpture, sidewalks	\$5,750,000
PUBLIC ART ELEMENT FOR DOWNTOWN LEXARTS TO ANNOUNCE A DOWNTOWN PERMANENT PUBLIC ART ELEMENT FOR DOWNTOWN (HORSE MANIA?)	\$2,500,000
PUBLIC PEDWAY ENHANCEMENTS PEDWAY FROM REAR OF PHOENIX PARK/LFUCG BLDG. TO CPT (150') Enhance total downtown walking experience	\$1,500,000
PEDWAY FROM CENTREPOINTE TO FINANCIAL CENTER GARAGE (150') Enhance total downtown walking experience	\$1,500,000
NEW COURTHOUSE PLAZA ENHANCEMENT IMPROVEMENT MONIES FOR NEW COURTHOUSE PLAZAS	\$2,000,000
ENTERTAINMENT VENUE LFUCG CORPORATION PURCHASES A SITE FOR NEW BUILDING (10,000 sf @ \$100 psf)	\$1,000,000
CONSTRUCT MUSIC VENUE/ENTERTAINMENT ROW OF NIGHTCLUBS ALONG LIMESTONE Revenues from sub market lease rents goes to LFUCG	\$2,000,000
FACADE IMPROVEMENT LOAN PROGRAM Facade loan program for buildings on the edge of the TIF District	\$1,500,000
JUMBOTRON @ PHOENIX PARK FOR FRIDAY NIGHT MOVIES, 2010 GAMES Enhanced awards ceremonies for 2010 Alltech WEG's	\$1,000,000
LEGAL AND ADMINISTRATIVE LEGAL, ADMINISTRATIVE AND UNDERWRITING COSTS OF THE TIF APPLICATION AND BOND UNDERWRITING	\$1,000,000
Total Estimated Cost	\$53,660,000

\$50,380,000

CentrePointe Development, Lexington Kentucky  
Tax Increment Financing Revenue Bonds  
at 1.5x Coverage

Sources & Uses

Dated 10/01/2009 | Delivered 10/01/2009

<b>Sources Of Funds</b>	
Par Amount of Bonds.....	\$50,380,000.00
<b>Total Sources.....</b>	<b>\$50,380,000.00</b>
<b>Uses Of Funds</b>	
Deposit to Debt Service Reserve Fund (DSRF).....	5,038,000.00
Deposit to Capitalized Interest (CIF) Fund.....	5,541,800.00
Rounding Amount.....	39,800,200.00
<b>Total Uses.....</b>	<b>\$50,380,000.00</b>

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**\$50,388,000**  
**CentralPublic Development, Lexington Kentucky**  
**Tax Increment Financing Revenue Bonds**  
**At 1.5% Coverage**

Preliminary

**Net Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+I	DSR	CFP	Net New D/S	Fiscal Total
10/01/2005	-	-	-	-	-	-	-	-
04/01/2010	-	-	1,385,450.00	1,385,450.00	-	(1,385,450.00)	-	-
10/01/2010	-	-	1,385,450.00	1,385,450.00	-	(1,385,450.00)	-	-
04/01/2011	-	-	1,385,450.00	1,385,450.00	-	(1,385,450.00)	-	-
10/01/2011	100,000.00	5.500%	1,385,450.00	1,485,450.00	-	(1,385,450.00)	100,000.00	-
04/01/2012	-	-	1,382,700.00	1,382,700.00	-	-	1,382,700.00	-
06/30/2012	-	-	-	-	-	-	-	1,482,700.00
10/01/2012	100,000.00	5.500%	1,382,700.00	1,482,700.00	-	-	1,482,700.00	-
04/01/2013	-	-	1,379,950.00	1,379,950.00	-	-	1,379,950.00	-
06/30/2013	-	-	-	-	-	-	-	2,862,650.00
10/01/2013	260,000.00	5.500%	1,379,950.00	1,639,950.00	-	-	1,639,950.00	-
04/01/2014	-	-	1,372,800.00	1,372,800.00	-	-	1,372,800.00	-
06/30/2014	-	-	-	-	-	-	-	3,012,450.00
10/01/2014	410,000.00	5.500%	1,372,800.00	1,782,800.00	-	-	1,782,800.00	-
04/01/2015	-	-	1,361,525.00	1,361,525.00	-	-	1,361,525.00	-
06/30/2015	-	-	-	-	-	-	-	3,144,325.00
10/01/2015	565,000.00	5.500%	1,361,525.00	1,926,525.00	-	-	1,926,525.00	-
04/01/2016	-	-	1,345,987.50	1,345,987.50	-	-	1,345,987.50	-
06/30/2016	-	-	-	-	-	-	-	3,272,512.50
10/01/2016	715,000.00	5.500%	1,345,987.50	2,060,987.50	-	-	2,060,987.50	-
04/01/2017	-	-	1,326,325.00	1,326,325.00	-	-	1,326,325.00	-
06/30/2017	-	-	-	-	-	-	-	3,387,312.50
10/01/2017	860,000.00	5.500%	1,326,325.00	2,186,325.00	-	-	2,186,325.00	-
04/01/2018	-	-	1,302,675.00	1,302,675.00	-	-	1,302,675.00	-
06/30/2018	-	-	-	-	-	-	-	3,489,800.00
10/01/2018	1,020,000.00	5.500%	1,302,675.00	2,322,675.00	-	-	2,322,675.00	-
04/01/2019	-	-	1,274,625.00	1,274,625.00	-	-	1,274,625.00	-
06/30/2019	-	-	-	-	-	-	-	3,997,300.00
10/01/2019	1,190,000.00	5.500%	1,274,625.00	2,464,625.00	-	-	2,464,625.00	-
04/01/2020	-	-	1,241,900.00	1,241,900.00	-	-	1,241,900.00	-
06/30/2020	-	-	-	-	-	-	-	3,706,525.00
10/01/2020	1,385,000.00	5.500%	1,241,900.00	2,626,900.00	-	-	2,626,900.00	-
04/01/2021	-	-	1,203,812.50	1,203,812.50	-	-	1,203,812.50	-
06/30/2021	-	-	-	-	-	-	-	3,830,712.50
10/01/2021	1,595,000.00	5.500%	1,203,812.50	2,798,812.50	-	-	2,798,812.50	-
04/01/2022	-	-	1,159,950.00	1,159,950.00	-	-	1,159,950.00	-
06/30/2022	-	-	-	-	-	-	-	3,954,762.50
10/01/2022	1,820,000.00	5.500%	1,159,950.00	2,979,950.00	-	-	2,979,950.00	-
04/01/2023	-	-	1,109,900.00	1,109,900.00	-	-	1,109,900.00	-
06/30/2023	-	-	-	-	-	-	-	4,089,850.00
10/01/2023	2,065,000.00	5.500%	1,109,900.00	3,174,900.00	-	-	3,174,900.00	-
04/01/2024	-	-	1,053,112.50	1,053,112.50	-	-	1,053,112.50	-
06/30/2024	-	-	-	-	-	-	-	4,238,012.50
10/01/2024	2,330,000.00	5.500%	1,053,112.50	3,383,112.50	-	-	3,383,112.50	-
04/01/2025	-	-	989,037.50	989,037.50	-	-	989,037.50	-
06/30/2025	-	-	-	-	-	-	-	4,372,150.00
10/01/2025	2,610,000.00	5.500%	989,037.50	3,599,037.50	-	-	3,599,037.50	-
04/01/2026	-	-	917,262.50	917,262.50	-	-	917,262.50	-
06/30/2026	-	-	-	-	-	-	-	4,516,300.00
10/01/2026	2,915,000.00	5.500%	917,262.50	3,832,262.50	-	-	3,832,262.50	-
04/01/2027	-	-	837,100.00	837,100.00	-	-	837,100.00	-
06/30/2027	-	-	-	-	-	-	-	4,649,362.50
10/01/2027	3,240,000.00	5.500%	837,100.00	4,077,100.00	-	-	4,077,100.00	-
04/01/2028	-	-	748,000.00	748,000.00	-	-	748,000.00	-
06/30/2028	-	-	-	-	-	-	-	4,825,100.00
10/01/2028	3,590,000.00	5.500%	748,000.00	4,338,000.00	-	-	4,338,000.00	-
04/01/2029	-	-	649,275.00	649,275.00	-	-	649,275.00	-
06/30/2029	-	-	-	-	-	-	-	4,987,275.00
10/01/2029	3,970,000.00	5.500%	649,275.00	4,619,275.00	-	-	4,619,275.00	-
04/01/2030	-	-	540,100.00	540,100.00	-	-	540,100.00	-
06/30/2030	-	-	-	-	-	-	-	5,159,375.00
10/01/2030	4,370,000.00	5.500%	540,100.00	4,910,100.00	-	-	4,910,100.00	-
04/01/2031	-	-	419,925.00	419,925.00	-	-	419,925.00	-
06/30/2031	-	-	-	-	-	-	-	5,330,025.00
10/01/2031	4,805,000.00	5.500%	419,925.00	5,224,925.00	-	-	5,224,925.00	-
04/01/2032	-	-	287,787.50	287,787.50	-	-	287,787.50	-
06/30/2032	-	-	-	-	-	-	-	5,512,712.50
10/01/2032	5,270,000.00	5.500%	287,787.50	5,557,787.50	-	-	5,557,787.50	-
04/01/2033	-	-	142,862.50	142,862.50	-	-	142,862.50	-
06/30/2033	-	-	-	-	-	-	-	5,700,650.00
10/01/2033	5,195,000.00	5.500%	142,862.50	5,337,862.50	(5,014,000.00)	-	299,862.50	-
06/30/2034	-	-	-	-	-	-	-	299,862.50
<b>Total</b>	<b>\$50,388,000.00</b>		<b>\$49,075,025.00</b>	<b>\$100,015,075.00</b>	<b>(\$,038,000.00)</b>	<b>(\$,541,800.00)</b>	<b>\$49,475,225.00</b>	

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**\$58,380,000**

*CentrePointe Development, Lexington Kentucky*  
*Tax Increment Financing Revenue Bonds*  
*at 1.5x Coverage*

**Coverage Ratio**

Date	Total Revenues	Total D/S	Coverage
06/30/2010	-	1,385,450.00	-
06/30/2011	4,807,450.00	2,770,900.00	1.7349778x
06/30/2012	6,715,900.00	2,868,150.00	2.3415442x
06/30/2013	4,294,000.00	2,862,650.00	1.5000087x
06/30/2014	4,521,000.00	3,012,750.00	1.5006224x
06/30/2015	4,717,000.00	3,144,325.00	1.5001630x
06/30/2016	4,910,000.00	3,272,512.50	1.5003762x
06/30/2017	5,083,000.00	3,387,312.50	1.5005997x
06/30/2018	5,237,000.00	3,489,000.00	1.5010032x
06/30/2019	5,397,000.00	3,597,300.00	1.5002919x
06/30/2020	5,561,000.00	3,706,525.00	1.5003271x
06/30/2021	5,747,000.00	3,830,712.50	1.5002431x
06/30/2022	5,940,000.00	3,958,762.50	1.5004689x
06/30/2023	6,139,000.00	4,089,850.00	1.5010330x
06/30/2024	6,345,000.00	4,228,012.50	1.5007051x
06/30/2025	6,559,000.00	4,372,150.00	1.5001773x
06/30/2026	6,779,000.00	4,516,300.00	1.5010075x
06/30/2027	7,007,000.00	4,669,362.50	1.5006331x
06/30/2028	7,243,000.00	4,825,100.00	1.5011088x
06/30/2029	7,487,000.00	4,987,275.00	1.5012206x
06/30/2030	7,740,000.00	5,159,375.00	1.5001817x
06/30/2031	8,001,000.00	5,330,025.00	1.5011187x
06/30/2032	8,271,000.00	5,512,712.50	1.5003503x
06/30/2033	8,551,000.00	5,700,650.00	1.5000044x
06/30/2034	8,840,000.00	5,337,862.50	1.6560936x
06/30/2035	9,139,000.00	-	-
06/30/2036	9,448,000.00	-	-
06/30/2037	9,768,000.00	-	-
06/30/2038	10,099,000.00	-	-
06/30/2039	10,442,000.00	-	-
06/30/2040	10,797,000.00	-	-
<b>Total</b>	<b>\$211,585,350.00</b>	<b>\$100,015,025.00</b>	<b>-</b>

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EXHIBIT E

C.H. JOHNSON CONSULTING, INC.  
EXPERTS IN CONSTRUCTION, SPORT AND REAL ESTATE CONSULTING

**TAX INCREMENT FINANCING REVENUE PROJECTIONS**

This section presents the calculation of the potential Tax Increment Financing (TIF) revenues generated by the TIF District development project and the potential bonding capacity from such TIF revenues. The calculation is based on the fiscal impact analysis described in Section 4 and Section 5 of this report.

Table 6-1 shows the estimated current tax collections from the existing site that serve as the baseline for the TIF calculation, as previously analyzed in Section 3 of this report.

**Table 6-1**

Downtown TIF District Development, Lexington, Kentucky Baseline Tax Collections	
	Tax Revenues
<b>State Tax Revenues</b>	
State Property Tax	\$8,277
State Sales and Use Tax Revenues	284,700
State Individual Income Tax	18,131
State Corporate Income and LLE Tax	4,748
<b>Total State Tax Revenues</b>	<b>\$315,855</b>
<b>Local Tax Revenues</b>	
Local Property Tax*	\$24,089
School District Property Tax	39,647
Local Occupational License Tax (i)	17,508
Local Occupational License Tax (ii)	14,243
<b>Total Local Tax Revenues</b>	<b>\$95,487</b>
<b>Total Tax Revenues</b>	<b>\$411,342</b>

\*Includes County and Special District property tax  
(i) Reflects salary-based local Occupational License tax. (ii) net profit-based  
Source: Kentucky Department of Revenues, Fayette County, CentrePointe LLC  
Johnson Consulting

As shown in Table 6-1, baseline tax collections from site is \$411,342 as of end of 2007.

Table 6-2 through Table 6-4 show the fiscal impact of the TIF District project and the projected TIF revenues that is resulted from the development in a 30-year period, including two first years in which construction takes place.

EXHIBIT F

C.H. JOHNSON CONSULTING, INC.  
EXPERTS IN CONVENTION, SPORT AND REAL ESTATE DEVELOPMENT

Table 6-2

DownTown TIF District Development, Lexington, Kentucky Incremental Tax Revenues Generated from Project (In \$499's)												
Baseline	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
As of and 2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Estimated Tax Revenues from Project</b>												
1 State Tax Revenue	19	59	124	124	124	124	124	124	124	124	124	124
2 State Sales and Use Tax Revenue	1,454	2,808	2,822	2,748	2,822	2,808	2,822	2,808	2,822	2,808	2,822	2,808
3 State General Excise Tax Revenue	1,126	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252
4 State Corporate Income Tax Revenue	26	52	52	52	52	52	52	52	52	52	52	52
5 Total State Tax Revenue	\$2,764	\$5,786	\$5,786	\$5,786	\$5,786	\$5,786	\$5,786	\$5,786	\$5,786	\$5,786	\$5,786	\$5,786
6 Local Tax Revenue	126	126	126	126	126	126	126	126	126	126	126	126
7 School District Property Tax	41	42	42	42	42	42	42	42	42	42	42	42
8 Local Occupational License Tax (L)	1,126	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252	2,252
9 Total Local Tax Revenue	\$1,244	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400	\$2,400
10 Total Tax Revenue	\$4,008	\$8,186	\$8,186	\$8,186	\$8,186	\$8,186	\$8,186	\$8,186	\$8,186	\$8,186	\$8,186	\$8,186
<b>Undeveloped "At-Risk" Tax Revenues</b>												
11 State Tax Revenue	11	33	66	66	66	66	66	66	66	66	66	66
12 State Property Tax	26	52	52	52	52	52	52	52	52	52	52	52
13 State Sales and Use Tax Revenue	11	22	22	22	22	22	22	22	22	22	22	22
14 State Corporate Income Tax Revenue	1	2	2	2	2	2	2	2	2	2	2	2
15 Total State Tax Revenue	\$49	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142	\$142
16 Local Tax Revenue	126	126	126	126	126	126	126	126	126	126	126	126
17 Local Property Tax (incl. School District Tax)	40	41	41	41	41	41	41	41	41	41	41	41
18 Local Occupational License Tax (L)	18	36	36	36	36	36	36	36	36	36	36	36
19 Total Local Tax Revenue	\$126	\$126	\$126	\$126	\$126	\$126	\$126	\$126	\$126	\$126	\$126	\$126
20 Total Tax Revenue	\$175	\$288	\$288	\$288	\$288	\$288	\$288	\$288	\$288	\$288	\$288	\$288
21 Estimated Incremental Tax Revenue	\$4,183	\$8,474	\$8,474	\$8,474	\$8,474	\$8,474	\$8,474	\$8,474	\$8,474	\$8,474	\$8,474	\$8,474
<b>Rate</b>												
22 50.000%	20	94	193	193	193	193	193	193	193	193	193	193
23 0.000%	0	0	0	0	0	0	0	0	0	0	0	0
24 0.001%	0	0	0	0	0	0	0	0	0	0	0	0
25 0.002%	0	0	0	0	0	0	0	0	0	0	0	0
26 0.003%	0	0	0	0	0	0	0	0	0	0	0	0
27 0.004%	0	0	0	0	0	0	0	0	0	0	0	0
28 0.005%	0	0	0	0	0	0	0	0	0	0	0	0
29 0.006%	0	0	0	0	0	0	0	0	0	0	0	0
30 0.007%	0	0	0	0	0	0	0	0	0	0	0	0
31 0.008%	0	0	0	0	0	0	0	0	0	0	0	0
32 0.009%	0	0	0	0	0	0	0	0	0	0	0	0
33 0.010%	0	0	0	0	0	0	0	0	0	0	0	0
34 20%	846	846	846	846	846	846	846	846	846	846	846	846
35 25%	230	459	459	459	459	459	459	459	459	459	459	459
36 30%	\$1,780	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560	\$3,560
37 40%	\$1,080	\$2,160	\$2,160	\$2,160	\$2,160	\$2,160	\$2,160	\$2,160	\$2,160	\$2,160	\$2,160	\$2,160
38 50%	\$120	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240	\$240

**C.H. JOHNSON CONSULTING, INC.**  
 EXPERTS IN CONSULTING, SOLE AND REAL ESTATE CONSULTING

**Table 6-3**

**Downtown TIF District Development, Lexington, Kentucky  
 Incremental Tax Revenues Generated from Project (in \$000's) (Cont.)**

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29	Year 30
<b>Estimated Tax Revenues from Project</b>																				
1 State Property Tax	1758	1949	2140	2331	2522	2713	2904	3095	3286	3477	3668	3859	4050	4241	4432	4623	4814	5005	5196	5387
2 State Sales and Use Tax Revenues	3799	3804	4074	4218	4362	4506	4650	4794	4938	5082	5226	5370	5514	5658	5802	5946	6090	6234	6378	6522
3 State Income Tax Revenues	500	518	537	556	575	594	613	632	651	670	689	708	727	746	765	784	803	822	841	860
4 State Corporate Income Tax (C.I.T.)	81	82	84	85	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102
5 Total State Tax Revenues	3119	3332	3541	3749	3957	4165	4373	4581	4789	4997	5205	5413	5621	5829	6037	6245	6453	6661	6869	7077
<b>Local Tax Revenues</b>																				
6 Local Property Tax (Includes School District tax)	11,043	11,013	11,008	11,003	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000	11,000
7 School District Property Tax	1,715	1,703	1,692	1,682	1,672	1,662	1,652	1,642	1,632	1,622	1,612	1,602	1,592	1,582	1,572	1,562	1,552	1,542	1,532	1,522
8 Local Occupational License Tax (L)	483	500	518	536	554	572	590	608	626	644	662	680	698	716	734	752	770	788	806	824
9 Local Occupational License Tax (H)	368	362	365	368	371	374	377	380	383	386	389	392	395	398	401	404	407	410	413	416
10 Total Local Tax Revenues	13,607	13,722	13,829	13,900	14,004	14,104	14,204	14,304	14,404	14,504	14,604	14,704	14,804	14,904	15,004	15,104	15,204	15,304	15,404	15,504
11 Total Tax Revenues	16,826	17,054	17,370	17,649	17,951	18,255	18,561	18,867	19,173	19,479	19,785	20,091	20,397	20,703	21,009	21,315	21,621	21,927	22,233	22,539
<b>Undeveloped "No-In" Tax Revenues</b>																				
12 State Property Tax	512	513	513	513	514	514	514	514	515	515	515	515	515	515	515	515	515	515	515	515
13 State Sales and Use Tax Revenues	418	431	444	457	471	485	499	514	530	546	562	578	594	610	626	642	658	674	690	706
14 State Income Tax Revenues	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27	27
15 State Corporate Income Tax (C.I.T.)	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
16 Total State Tax Revenues	964	978	992	1007	1022	1038	1054	1070	1086	1102	1118	1134	1150	1166	1182	1198	1214	1230	1246	1262
<b>Local Tax Revenues</b>																				
17 Local Property Tax (Includes School District tax)	526	528	528	528	529	529	529	529	529	529	529	529	529	529	529	529	529	529	529	529
18 School District Property Tax	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84	84
19 Local Occupational License Tax (L)	28	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29	29
20 Local Occupational License Tax (H)	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21	21
21 Total Local Tax Revenues	139	142	142	142	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143	143
22 Total Tax Revenues	17,865	18,096	18,512	18,931	19,353	19,778	20,206	20,637	21,070	21,505	21,942	22,381	22,822	23,264	23,708	24,154	24,601	25,049	25,498	25,948
23 Estimated Incremental Tax Revenues	17,352	17,582	17,923	18,282	18,649	19,022	19,399	19,780	20,164	20,551	20,941	21,333	21,727	22,122	22,519	22,918	23,319	23,721	24,124	24,528
24 (1) Retained for Lexington Public Library	1,138	1,144	1,148	1,152	1,157	1,162	1,167	1,172	1,177	1,182	1,187	1,192	1,197	1,202	1,207	1,212	1,217	1,222	1,227	1,232
25 (2) Retained for Ballast Water Conservation	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1
26 (3) Retained for Lexington Services	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9	9
27 (4) Retained for Lexington Department	78	80	82	84	86	88	90	92	94	96	98	100	102	104	106	108	110	112	114	116
28 (5) Retained for Lexington Transportation	182	184	186	188	190	192	194	196	198	200	202	204	206	208	210	212	214	216	218	220
29 (6) Retained for School District	1,827	1,829	1,831	1,833	1,835	1,837	1,839	1,841	1,843	1,845	1,847	1,849	1,851	1,853	1,855	1,857	1,859	1,861	1,863	1,865
30 Not Estimated Incremental Tax Revenues	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670	49,670
31 (1) Retained by State	885	885	885	885	885	885	885	885	885	885	885	885	885	885	885	885	885	885	885	885
32 (2) Retained by Local	283	283	283	283	283	283	283	283	283	283	283	283	283	283	283	283	283	283	283	283
33 Net Inc. Tax Rev. Available for Debt Service	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526	44,526
34 Incr. Tax Rev. Available for State TIF Program	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400	42,400
35 Incr. Tax Rev. Available for Local Participation	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124	11,124

All figures are estimates and should be used as a guide only. For more information, please contact Johnson Consulting.

Downtown TIF District Development, Lexington, Kentucky  
 Impact Analysis and Tax Incremental Financing (TIF) Revenue Projections

**C.H. JOHNSON CONSULTING, INC.**  
 EXPERTS IN UNIVERSITY, SPORT AND REAL ESTATE CONSULTING

**Table 6-4**

**Downtown TIF District Development, Lexington, Kentucky**  
**Incremental Tax Revenues Generated from Project (in \$000's) (Cont.)**

	Year 21 2026	Year 22 2027	Year 23 2028	Year 24 2029	Year 25 2030	Year 26 2031	Year 27 2032	Year 28 2033	Year 29 2034	Year 30 2035	Total
<b>Estimated Tax Revenues from Project</b>											
<b>State Tax Revenues</b>											
1 State Property Tax	5491	5486	5511	5526	5542	5558	5575	5592	5610	5628	112,054
2 State Sales and Use Tax Revenues	5,991	5,944	5,895	5,846	5,797	5,748	5,699	5,650	5,601	5,552	143,312
3 State Individual Income Tax	711	727	744	761	778	795	812	829	846	863	17,871
4 State Corporate Income and LLE Tax	85	86	87	88	89	90	91	92	93	94	2,256
5 Total State Tax Revenues	12,328	12,243	12,247	12,250	12,256	12,262	12,268	12,274	12,280	12,286	256,789
<b>Local Tax Revenues</b>											
6 Local Property Tax (incl. School District)	11,461	11,443	11,426	11,409	11,392	11,375	11,358	11,341	11,324	11,307	230,841
7 Local Property Tax (excl. School District)	2,205	2,204	2,203	2,202	2,201	2,200	2,199	2,198	2,197	2,196	60,632
8 Local Individual Income Tax (I)	67	67	67	67	67	67	67	67	67	67	1,802
9 Local Occupational License Tax (O)	625	644	663	682	701	720	739	758	777	796	21,682
10 Total Local Tax Revenues	14,358	14,357	14,359	14,361	14,363	14,365	14,367	14,369	14,371	14,373	315,165
11 Total Tax Revenues	26,686	26,600	26,606	26,611	26,618	26,627	26,635	26,643	26,651	26,659	571,954
<b>Undeveloped "Pie-in-the-Sky" Tax Revenues</b>											
<b>State Tax Revenues</b>											
12 State Property Tax	118	117	117	118	118	118	118	118	118	118	1,180
13 State Sales and Use Tax Revenues	562	578	594	611	627	644	661	678	695	712	15,386
14 State Individual Income Tax	26	27	28	29	30	31	32	33	34	35	871
15 State Corporate Income and LLE Tax	9	10	10	10	11	11	11	12	12	12	281
16 Total State Tax Revenues	815	832	849	867	885	903	921	939	957	975	17,725
<b>Local Tax Revenues</b>											
17 Local Property Tax (incl. School District)	148	148	150	152	154	156	157	158	160	162	1,620
18 Local Property Tax (excl. School District)	78	81	83	86	89	91	93	96	99	101	2,144
19 Local Individual Income Tax (I)	28	28	28	28	28	28	28	28	28	28	720
20 Local Occupational License Tax (O)	118	120	122	124	126	128	130	132	134	136	3,024
21 Total Local Tax Revenues	372	377	381	386	390	394	398	402	406	410	9,508
22 Total Tax Revenues	1,187	1,209	1,230	1,253	1,275	1,297	1,319	1,341	1,363	1,385	27,250
<b>23 Estimated Incremental Tax Revenues</b>											
24 (1) Retained for Lexington Public Library	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	1,027	10,270
25 (2) Retained for Soil and Water Conservation	1	1	1	1	1	1	1	1	1	1	10
26 (3) Retained for Extension Services	105	106	107	108	109	110	111	112	113	114	1,114
27 (4) Retained for Health Department	228	230	232	234	236	238	240	242	244	246	2,454
28 (5) Retained for Lexington Transportation	2,227	2,234	2,241	2,248	2,255	2,262	2,269	2,276	2,283	2,290	22,900
29 (6) Retained for School District	18,017	18,201	18,385	18,569	18,753	18,937	19,121	19,305	19,489	19,673	196,800
30 Net Estimated Incremental Tax Revenue	11,208	11,242	11,276	11,310	11,344	11,378	11,412	11,446	11,480	11,514	115,385
31 (1) Retained by State	304	304	304	304	304	304	304	304	304	304	3,040
32 (2) Retained by Local	10,904	10,938	10,972	11,006	11,040	11,074	11,108	11,142	11,176	11,210	112,345
<b>33 Net Incr. Tax Rev. Available for Debt Service</b>											
34 Incr. Tax Rev. Available for State TIF Program	54,828	55,010	55,192	55,374	55,556	55,738	55,920	56,102	56,284	56,466	564,771
35 Incr. Tax Rev. Available for Local Participation	11,278	11,313	11,348	11,383	11,418	11,453	11,488	11,523	11,558	11,593	116,941
36 Total Net Incr. Tax Rev. Available for Debt Service	66,106	66,323	66,540	66,761	66,982	67,203	67,424	67,645	67,866	68,087	681,712

**C. H. JOHNSON CONSULTING, INC.**

EXPERTS IN CONVENTIONS, SPORTS AND REAL ESTATE CONSULTING

Table 6-2 through Table 6-4 clearly show that the potential tax revenues associated with the TIF District development far exceed the "as-is" baseline tax collections. Throughout the projection period, the TIF District project is estimated to generate a total of \$312.3 million of State and local tax revenues. These amounts far exceed the baseline \$22.2 million of State and local tax revenues if the site remains "as-is" and undeveloped.

The resulted incremental tax revenues are estimated to amount to \$290 million during the projection period. Some components of the property tax are not available for TIF purposes - they include taxes for Lexington Public Library, Soil and Water Conservation, Extension Services, Health Department, Lexington Transportation, and School District. The State and local government then retain the remaining of the incremental tax revenues. After these obligations are satisfied, total cash flow available for TIF program is estimated to amount to \$174.1 million in 30 years. This includes \$130.4 million for State TIF program and \$43.7 million for local participation.

EXHIBIT C  
DEVELOPMENT PLAN

{W1410971.4}  
10330111.1

CERTIFICATION

The undersigned, Susan Lamb, Clerk of Council of the Lexington-Fayette Urban County Government, hereby certifies as follows:

1. The foregoing Ordinance No. 265-2008 was introduced in writing and read to the Council of the Lexington-Fayette Urban County Government at regular or special meetings thereof held on the 20th day of November, 2008, and the 4th day of December, 2008, at which quorums were present; and said Ordinance was enacted by the LFUCG Council upon the affirmative vote of at least a majority of a quorum thereof, at the meeting thereof on the 4th day of December, 2008, with the vote of each member of the LFUCG Council entered upon the official record of such meeting; and

2. After passage and adoption of the foregoing Ordinance by the LFUCG Council, it was submitted to the Mayor of the LFUCG who affixed his signature thereto within ten (10) days after the submission thereof to him; and

3. The foregoing Ordinance was published on the 11th day of December, 2008, in a newspaper qualified pursuant to the provisions of Chapter 424 of the Kentucky Revised Statutes, as amended, to publish summaries of ordinances of the Lexington-Fayette Urban County Government.


  
\_\_\_\_\_  
Susan Lamb, Clerk of Council



Exhibit B  
Tax Incentive Agreement

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**TAX INCENTIVE AGREEMENT**

THIS TAX INCENTIVE AGREEMENT (the "Agreement") dated as of September 24, 2009, is made by and between (i) the KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY (the "Authority") on behalf of the COMMONWEALTH OF KENTUCKY (the "Commonwealth") and (ii) the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (the "LFUCG"), is an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes that serves as the merged government of the city of Lexington and Fayette County, Kentucky (collectively the "Parties").

**RECITALS**

WHEREAS, KEDFA has been created and established as a public body, corporate and politic, under KRS Section 154.20-010 and has all the powers, duties and responsibilities delegated to it by law and is empowered by KRS 154.30-030 to review and approve applications for the Commonwealth's participation in tax increment financing programs and to pledge all, or a portion of, the incremental state tax revenues attributable to Signature Projects approved pursuant to KRS 154.30-050; and

WHEREAS, the LFUCG has established a development area pursuant to KRS 65.7053 and has submitted an application to the Authority pursuant to KRS 154.30-050 seeking state participation in the development of a 14.25 acre Signature Project designated as the Phoenix Park/Courthouse Signature Project, including infrastructure, renovation of existing historic structures, streetscape improvements, and tunnel access related to Centrepointe, a 35-story, mixed use, private development (the "Project"); and

WHEREAS, KEDFA adopted Resolution No. TIF-08-03 on February 6, 2009 (the "Preliminary Resolution") preliminarily approving the Project and authorizing the execution of a Memorandum of Agreement, dated February 6, 2009, to enter into a Tax Incentive Agreement pending verification of the net positive economic impact upon the Commonwealth; and

WHEREAS, the Authority has determined that the Project meets the minimum requirements for a Signature Project Program pursuant to KRS 154.30-050 and, having received certification from the Office of State Budget Director and the Finance & Administration Cabinet that it is projected that the Project will produce a net positive economic impact upon the Commonwealth; and

WHEREAS, the Authority has determined the amount of Approved Infrastructure Costs, Approved Signature Project Costs, and Approved Financing Costs, identified specific State Tax Revenues pledged for Incremental Revenues (as defined below), set forth the percentage of the pledged Incremental Revenues that will be payable (the "Increment") and identified a particular footprint and discreet assets and improvements within the footprint of the Project; and

WHEREAS, the total cost of the Project is estimated to exceed Two Hundred Ninety-Eight Million, Six Hundred Eighty Thousand Dollars (\$298,680,000.00), and the Authority has determined that the Commonwealth's participation in, and pledge of State Tax Revenues for, the Project shall not exceed Thirty-Five Million, Seven Hundred and Sixty Thousand Dollars (\$35,760,000.00) for public infrastructure costs, One Million, One Hundred, Twenty-Five Thousand Dollars (\$1,125,000.00) for Signature Project Costs, plus up to Thirty-Two Million, Eight Hundred Ninety-Three Thousand Dollars (\$32,893,000.00) for the recovery of financing costs; and

WHEREAS, KEDFA adopted Resolution No. TIF-F-09-\_\_\_\_\_ (the "Resolution") on September 24, 2009, authorizing KEDFA to enter into this Agreement;

NOW, THEREFORE, in consideration of the premises and the terms and conditions hereinafter set forth, the parties to this Agreement hereby agree as follows:

#### SECTION 1 DEFINITIONS

In addition to the terms defined in the above recitals, the following additional terms used in this Agreement shall have the meanings assigned in this Section 1 unless the context clearly indicates that a contrary meaning is intended.

1.1 "Account Numbers" shall have the meaning set forth in Section 3.1 of this Agreement.

1.2 "Activation Date" means the date on which the time period for the pledge of incremental revenues shall commence. For purposes of this Agreement, the Activation Date shall be set within two years from Commencement Date of this Agreement. The Commonwealth may extend the two-year period to establish the Activation Date to no more than four years in accordance with KRS 154.30-010(1) upon written application by the LFUCG requesting the extension, approval of the application by the Authority and the execution of a written amendment to this Agreement.

1.3 "Approved Financing Costs" means the financing costs, as defined in KRS 154.30-010(15), that were incurred within the Footprint and that were reviewed and approved by the Authority for recovery from the available Increment. The Approved Financing Costs are identified with particularity in Exhibit A, which is incorporated into this Agreement by reference, and shall not exceed \$32,893,000.00, as set forth in Section 4.1 of this Agreement.

1.4 "Approved Public Infrastructure Costs" means the costs described in KRS 154.30-010(3) that were incurred within the Footprint and that were reviewed and approved by the Authority for recovery from the available Increment. The Approved Public Infrastructure Costs are identified with particularity in Exhibit A, which is incorporated into this Agreement by reference, and shall not exceed \$35,760,000.00, as set forth in Section 4.1 of this Agreement.

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1.5 "Approved Signature Project Costs" means the costs described in KRS 154.30-010(4) that were incurred within the Footprint and that were reviewed and approved by the Authority for recovery from the available Increment. The Approved Signature Project Costs are identified with particularity in Exhibit F, which is incorporated into this Agreement by reference, and shall not exceed \$1,125,000.00, as set forth in Section 4.1 of this Agreement.

1.6 "Annual Termination Date" means December 31 of each year, beginning with the year of the Activation Date, and each December 31 thereafter during the term established by Section 6 of this Agreement.

1.7 "Area Business" means (i) a holder of a Kentucky sales tax permit collecting and/or remitting sales tax within the Footprint pursuant to KRS 139.200 or (ii) an employer (as that term is defined in KRS Chapter 141) with a Physical Presence Within the Increment Footprint, or (iii) an Individual, Corporation, Sole Proprietorship or Pass-Through Entity with a Physical Presence Within the Footprint.

1.8 "Capital Investment" means:

(a) Obligations incurred for labor and to contractors, subcontractors, builders and materialmen in connection with the acquisition, construction, installation, equipping and rehabilitation of the Project;

(b) The cost of acquiring land or rights in land within the development area on the Footprint of the Project, and any cost incident thereto, including recording fees;

(c) The cost of contract bonds and of insurance of all kinds that may be required or necessary during the course of acquisition, construction, installation, equipping and rehabilitation of the Project which is not paid by the contractor or contractors or otherwise provided;

(d) All costs of architectural and engineering services, including test borings, surveys, estimates, plans, specifications, preliminary investigations, supervision of construction, and the performance of all the duties required by or consequent upon the acquisition, construction, installation, equipping and rehabilitation of the Project;

(e) All costs that are required to be paid under the terms of any contract(s) for the acquisition, construction, installation, equipping and rehabilitation of the Project; and

(f) All other costs of a nature comparable to those described in paragraphs (a) through (e), above, that are incurred relative to improvements within the Footprint.

1.9 "Corporation" is defined in Section 7701(a)(3) of the Internal Revenue Code.

1.10 "Commencement Date" shall mean September 24, 2009.

1.11 "CPI" means the nonseasonally adjusted Consumer Price Index for all urban consumers, all items, base year computed for 1982 to 1984 equals one hundred (100), published by the United States Department of Labor, Bureau of Labor Statistics.

1.12 "Footprint" means the actual perimeter of the Project and is identified and described in Exhibit B – Project Development Area and Footprint Map, which is incorporated into this Agreement by reference.

1.13 "Increment" means eighty percent (80%) of Incremental Revenues, which is the amount payable to the LFUCG if all conditions contained in this Agreement have been met.

1.14 "Incremental Revenues" means the amount of revenues received by the Commonwealth as determined by subtracting Old Revenues from New Revenues in a calendar year with respect to the Footprint of the Project.

1.15 "New Revenues" means the amount received by the Commonwealth with respect to:

- (a) Sales Taxes attributed to sales within the Footprint;
- (b) Ad Valorem Property Taxes on real property located within the Footprint;
- (c) Income Taxes that are paid by any employee of an Area Business in the form of withholding tax pursuant to KRS Chapter 141, and attributable to work or services performed within the Footprint, or within and without the Footprint if the services performed without the Footprint is incidental to the Area Employee's service within the Footprint;

in the first year after the Activation Date or any year thereafter. The projected New Revenues for the Project are attached as Exhibit C – Projected New Revenues to this Agreement.

1.16 "New Revenues Determination" shall have that meaning as set forth in Section 4.5 of this Agreement.

1.17 "Old Revenues," for calendar year 2008 (the "Base Year"), is equal to the amount determined in Section 5 of this Agreement. The Old Revenues shall be adjusted each calendar year after the Base Year by adding the Old Revenues calculated for the previous calendar year, multiplied by the CPI, to the amount of Old Revenues calculated for the previous calendar year. This adjusted amount is the Old Revenues for the current calendar year.

1.18 "Pass-Through Entity" means a partnership, S-corporation or multi-member limited liability company taxed as a partnership or S-corporation for federal income tax purposes.

1.19 "Physical Presence Within The Footprint" means owning or leasing real or tangible personal property within the Increment Footprint.

~~1.20~~ "Project" shall mean the Project as defined in the above recitals and described in Exhibit A, which is incorporated into this Agreement by reference.

1.21 "Sole Proprietorship" means an unincorporated business with one individual as the owner, including an individually owned single member limited liability company that is disregarded as an entity separate from its owner for federal income tax purposes.

1.22 "Termination Date" shall mean the earlier of the Annual Termination Date or December 4, 2048, whichever is earlier.

~~1.23~~ "Total Approved Cost" means the maximum amount of recoverable cost approved by the Authority for the Project and is set forth in detail in Section 4, but shall not exceed \$69,778,000 for this Project, which includes \$35,760,000.00 for Approved Public Infrastructure Costs and \$1,125,000.00 for Signature Project Program Costs, plus \$32,893,000.00 for Approved Financing Costs.

## SECTION 2 REPRESENTATIONS & WARRANTIES

2.1 Representations and Warranties of LFUCG. The LFUCG hereby represents and warrants to the Commonwealth as follows:

(a) Existence. The LFUCG is an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes that serves as the merged government of the city of Lexington and Fayette County, Kentucky.

(b) Authority to Act. The LFUCG has the requisite power, capacity and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Agreement, in accordance with its terms and conditions. The officers and officials executing and delivering this Agreement on behalf of the LFUCG have been or are otherwise duly authorized to enter into this Agreement on behalf of the LFUCG.

(c) Validity of Agreement; Compliance with Law. This Agreement is the legal, valid and binding obligation of the LFUCG and is enforceable in accordance with its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by the LFUCG of the terms and conditions thereof, do not and will not materially violate any provisions of the LFUCG's Code of Ordinances, its regulations or any laws applicable to the LFUCG.

(d) Litigation. No litigation or proceeding involving the LFUCG is pending or, to the best of the LFUCG's knowledge, is threatened in any court or administrative agency which, if determined adversely to the LFUCG, could have a materially adverse

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impact on the ability of the LFUCG to perform any of its obligations under this Agreement.

(e) Conflicting Transactions. The consummation of the transactions contemplated hereby and the performance of the obligations of the LFUCG under and by virtue of this Agreement shall not result in any material breach of, or constitute a default under, any contract, agreement, lease, indenture, bond, note, loan or credit agreement to which it is a party or by which it is bound.

(f) Disclosure. This Agreement does not contain any false or misleading statement of or omission of any material fact.

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(g) Development Area. The Development Area outlined in the application for TIF incentives meets the requirements of KRS 65.7049 and the Ordinances presented as part of the application are consistent with the requirements of KRS 65.7053.

2.2 Representations and Warranties of the Authority on behalf of the Commonwealth. The Authority hereby represents and warrants to the LFUCG as follows:

(a) Authority to Act. The Authority has the requisite power, capacity and authority to execute and deliver this Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Agreement in accordance with its terms and conditions. Each of the officials executing and delivering this Agreement on behalf of the Authority has been and is duly authorized to enter into this Agreement on behalf of the Commonwealth.

(b) Validity of Agreement; Compliance with Law. This Agreement is the legal, valid and binding obligation of the Authority and the Commonwealth enforceable in accordance with its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by the Commonwealth of the terms and conditions thereof, do not and will not violate any provisions of the Commonwealth's Constitution, or any laws applicable to the Commonwealth.

### SECTION 3 LFUCG COVENANTS

3.1 New Revenues Requirement. The LFUCG shall use reasonable efforts to have each Area Business maintain separate tax numbers for each business situs in the Footprint (the "Account Numbers") where the Area Business generates State Taxes as defined and identified in Section 4.3 from locations or activities from both within and without the Footprint. The Account Numbers shall be used exclusively to report State Taxes received by the Commonwealth with respect to the Footprint.

3.2 Minimum Capital Investment.

(a) The Parties agree that the minimum Capital Investment for the Project is \$200 million (the "Minimum Capital Investment").

(b) The date by which the Minimum Capital Investment is expected to occur is December 31, 2016 (the "Capital Investment Date").

(c) The LFUCG shall certify it has met the Minimum Capital Investment requirement on or before the Capital Investment Date by submitting Exhibit D within 30 days of the Capital Investment Date or as soon as the Minimum Capital Investment has been made, whichever occurs first.

~~3.3 Verification of Approved Public Infrastructure Costs, Approved Financing Costs and Approved Signature Project Costs.~~ The LFUCG must submit to the Authority quarterly reports beginning with the Commencement Date, evidencing the actual expenditures made with respect to (i) Approved Public Infrastructure Costs, (ii) Approved Financing Costs, and (iii) Approved Signature Project Costs during the previous quarter (for example, the January 31, 2009 report would contain documentation pertaining to the three (3) month period beginning with the Commencement Date and ending December 31, 2008). The LFUCG shall continue to submit these quarterly reports to the Authority each quarter beginning on or after the Commencement Date. This documentation shall clearly tie each expenditure made to a particular item of (i) Approved Public Infrastructure Costs, (ii) Approved Financing Costs, or (iii) Approved Signature Project Costs, and shall include supporting detail, including the block and specific facility to which the expenditure was related. The LFUCG shall include documentation of other non-recoverable Capital Investment as well with similar detail. Such documentation shall continue to be submitted by the LFUCG on a quarterly basis to the Authority until the earlier of: (i) the date on which the LFUCG has documented that the Total Approved Cost has been expended; or (ii) the date on which the LFUCG has documented all of the expenditures with respect to the Approved Public Infrastructure Costs, Approved Financing Costs and Approved Signature Costs have been made. The quarterly report shall be made using a form substantially similar to Exhibit E attached and incorporated herein.

3.4 Approved Signature Costs. Approved Signature Costs must be identified in detail as required in KRS 154.30-050(2)a.3.d. Therefore, the Approved Signature Costs for the Project are identified in Exhibit E, attached hereto.

3.5 Duplication Prohibited. Notwithstanding any other provision in this Agreement, the LFUCG shall not count any one cost in more than one category or attempt to recover the same cost more than once.

3.6 Request for Disbursement of Increment. The LFUCG shall submit all information required by this Section 3 as well as a Request for Disbursement in a form substantially similar to Exhibit G in order to be eligible for Increment disbursement as provided in Section 4.



SECTION 4  
INCREMENT DISBURSEMENT

4.1 Total Approved Cost. The Authority has approved the following costs for recovery by the LFUCG related to the Project: a maximum of \$35,760,000.00 for Approved Public Infrastructure Costs, \$1,125,000 for Approved Signature Project Costs, and \$32,893,000.00 for Approved Financing Costs. The LFUCG shall be eligible to recover expenses verified by the Authority as qualifying public infrastructure costs, signature project costs, and financing costs. The Total Approved Cost shall be equal to the lesser of (i) Total Approved Cost as set forth herein, or (ii) the actual amount of ~~Approved Public Infrastructure Costs, Approved Financing Costs and Approved Signature Project Costs~~ as verified by the Authority pursuant to Section 3.3 of this Agreement and contingent upon compliance with all terms of this Agreement.

4.2 Increment Payment. The Commonwealth agrees to pay to the LFUCG, and the LFUCG agrees to accept from the Commonwealth an amount equivalent to the Approved Costs identified above as recoverable from the available Increment each calendar year after the Activation Date, with the understanding that no increment shall be payable until the Minimum Capital Investment is confirmed by the Authority as set forth in Section 4.6, and for successive calendar years continuing automatically thereafter until the earliest of (i) the date that all bonds or debt obligations allocable to the Incremental Revenues are paid, redeemed or defeased (not including bonds or debt obligations that are refinanced); (ii) the termination of this Agreement pursuant to Section 6; or (iii) the date on which the aggregate Increment paid to the LFUCG by the Commonwealth on a cumulative basis during the term of the Agreement equals the Total Approved Cost. Neither the LFUCG nor the Commonwealth shall have any obligation to make payments if there is no Increment available for distribution or to pay more than the amount available for distribution. All recovery of Approved Costs and payment from the Commonwealth is contingent upon available Increment.

4.3 Increment. The Increment shall be eighty percent (80%) of Incremental Revenues (difference between New Revenues and Old Revenues) as defined in Section 1. Incremental Revenues shall include state revenues resulting from the following taxes:

- (a) Ad Valorem Property Taxes levied under KRS 132.020(1)(a) (the "Ad Valorem Property Taxes");
- (b) Individual income taxes levied under KRS 141.020 ("Income Taxes"); and
- (c) Sales taxes levied under KRS 139.200 ("Sales Taxes")

(the taxes identified in this Section 4.3 shall be collectively referred to as the "State Taxes") which were identified and approved by the Authority for the Project. The determination of Old Revenues and New Revenues shall be based upon the State Taxes identified in this Section 4.3 for the Project Footprint from the Commencement Date.

4.4 Old Revenue Determination. Because Incremental Revenues are measured by subtracting Old Revenues from New Revenues, a determination of Old Revenue is necessary prior to a distribution of the Increment. Notwithstanding anything in this Agreement to the contrary, before the Commonwealth shall be required to pay to the LFUCG any Increment to which the LFUCG shall be eligible for each year during the term of this Agreement, the Old Revenue Determination described in Section 5 of this Agreement must be calculated and set forth as Exhibit I to this Agreement. Exhibit I shall set forth the amounts which are deemed to be Old Revenue for the Base Year and shall set forth the CPI or other adjustments to be made annually.

4.5 New Revenue Determination. The projected New Revenues as set forth in the application ~~are set forth in Exhibit C and are attached and incorporated herein.~~ The requirements set forth in Section 3 hereof shall be used by the LFUCG to calculate in each calendar year during the term of this Agreement, with reasonable accuracy, the amount of actual New Revenues for that calendar year (the "New Revenues Determination"). The LFUCG shall submit the New Revenues Determination in writing to the Authority for review, along with a report which includes (i) the name of each Area Business and (ii) all state tax account numbers used by each Area Business in connection with the Footprint. The submission by the LFUCG of complete and accurate information required under this Section along with a Request for Disbursement (substantially in the form of Exhibit G) shall constitute a formal request for the Increment. The Authority, with assistance from the Department of Revenue, shall review and verify the information submitted and shall certify the verified amount pursuant to KRS 154.30-090.

4.6 Minimum Capital Investment. Notwithstanding anything in this Agreement to the contrary, the LFUCG shall not receive any disbursement of the Increment until the Minimum Capital Investment is confirmed. The Minimum Capital Investment shall be reported to the Authority on the form prescribed in Exhibit D of this Agreement. If the Minimum Capital Investment is not certified by the Capital Investment Date, the Incremental Revenues shall be forfeited to the Commonwealth.

4.7 Time of Payment. For each calendar year beginning with the calendar year after the calendar year in which the Activation Date occurs, ninety (90) days after the Authority notifies the LFUCG that the information submitted in connection with a Request for Disbursement of Increment is complete and in order, the Commonwealth agrees to pay to the LFUCG the Increment, provided that all conditions provided in Section 4 of this Agreement have been met.

4.8 Compliance Certification. Notwithstanding anything in this Agreement to the contrary, if the Authority has not notified the Finance and Administration Cabinet pursuant to KRS 154.30-090 that the LFUCG is in compliance with the terms of this Agreement, the Incremental Revenues shall not be disbursed until such time as the certification has been provided by the Authority.

4.9 Use of Increment. The LFUCG covenants and agrees that it will use the Increment received pursuant to this Agreement solely for Approved Public Infrastructure

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Costs, Approved Signature Project Costs and Approved Financing Costs, in connection with the Project. If the Increment is used to support notes, bonds or other debt obligations with respect to the Project, the LFUCG shall utilize the Increment received in a given year to (1) pay the current Financing Costs, and (2) maintain a fully funded reserve. Any excess beyond that used for the purposes in the preceding sentence shall be used to provide for the retirement or defeasance of all or a portion of the remaining Financing Costs secured by the Increment. If, as of the Termination Date, the Increment calculated and paid over the term of this Agreement is insufficient to pay off the notes, bonds or other debt obligations, the parties acknowledge and agree that neither the Authority nor the Commonwealth shall have any liability with regard to the remainder of the notes, bonds or other debt obligations.

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4.10 Certification of Use of Increment. The LFUCG shall provide to the Commonwealth, no later than ninety (90) days after the end of each calendar year during the term of this Agreement, a certification, substantially in the form of Exhibit H attached hereto, as to the amount and use of the Increment received pursuant to this Agreement during the preceding year. The LFUCG acknowledges and agrees that this disclosure shall be a matter of public record that may be subject to disclosure to the General Assembly, provided in response to requests for public records pursuant to the Kentucky Open Records Act or published by the Authority at its sole discretion for the purpose of issuing public reports, publications or any other documentation that the Authority deems necessary.

## SECTION 5 OLD REVENUE

5.1 Base Year. The Base Year for the Project shall be 2008, the last calendar year ending prior to the Commencement Date. Upon receipt of the information required in Section 5.3 and 5.4, the Authority shall determine, in consultation with the Department of Revenue, whether the Base Year is a true and accurate depiction of historic revenues for the Footprint. Pursuant to KRS 154.30-010(23), the Authority may consider the three years prior to the Commencement Date (the "Three Year Base") as an alternative to a single Base Year.

5.2 Old Revenue Adjustment. The Old Revenues shall be adjusted each year by the percentage increase, if any, of the CPI or a comparable index, or an alternative percentage increase determined appropriate by the Authority as set forth in KRS 154.30-010.

5.3 LFUCG Requirements. The LFUCG shall calculate with reasonable accuracy the Old Revenues for the Base Year, and in doing so, the LFUCG may make such assumptions as may reasonably be required, so long as those assumptions are properly documented and supported. The LFUCG shall submit its calculations of the Old Revenues for the Base Year to the Authority for review and approval, along with a report

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including; (i) the name of each Area Business, and (ii) all state tax account numbers used by each Area Business in connection with the Increment Footprint.

5.4 Determination of Old Revenue. The Authority shall review the information submitted by the LFUCG with regard to Old Revenues and shall determine, in consultation with the Department of Revenue, the amounts which are deemed to be Old Revenue for the Base Year and indicate any applicable annual adjustments. The determination of Base Year, Old Revenues and annual adjustments shall be set forth in Exhibit I and incorporated into this Agreement. Neither the amount set forth as Old Revenue for the Base Year nor the set adjustment shall be subject to change without a written Amendment to this Agreement executed by the parties hereto.

## SECTION 6 TERMINATION

The term of this Agreement shall commence on September 24, 2009 (the "Commencement Date"). The Agreement shall then automatically renew for twenty-nine (29) additional one-year terms pursuant to KRS 154.30-070 beginning with the first Annual Termination Date, unless either party gives written notice of their desire to discontinue the Project at least sixty (60) days prior to the Annual Termination Date for that year. Notwithstanding the above, in no event shall the term of this Agreement extend beyond December 4, 2048. Notwithstanding this Section 6 and the default remedies of Section 7, KRS 65.7079 prohibits the withholding by any party to this Agreement of any incremental revenues if incremental bonds are outstanding that are secured by a pledge of those incremental revenues.

## SECTION 7 DEFAULT

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

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

(b) Covenants, Warranties and Representations. If any warranty or representation made by the LFUCG in this Agreement shall at any time be false or misleading in any material respect, or the LFUCG shall fail to keep, observe or perform

any of the terms, covenants, representations or warranties set forth in this Agreement or is unable or unwilling to meet its obligations thereunder; or

(c) Obligations to the Authority. If the LFUCG shall fail to observe, perform or comply with the terms, obligations, covenants, agreements, conditions or other provisions of this Agreement or any other agreement, document or instrument related to the Project.

7.2 Remedies of the Authority Upon Events of Default. Notwithstanding anything to the contrary set forth herein, upon the occurrence of an Event of Default, the Authority, in its sole discretion and without notice to the LFUCG, may at any time exercise any one or more of the following rights and remedies:

(a) the right to suspend payment of Increment with the exception of the portion of the Increment necessary for payment of increment bonds or securing of increment bonds in which case suspension is prohibited by KRS 154.30-070(1)(b);

(b) the right to seek an appropriate legal or equitable action to enforce the LFUCG's performance of the terms, covenants and conditions of this Agreement; and/or

(c) the right to exercise any other rights or remedies that may be available to Authority pursuant to this Agreement or under applicable laws.

## SECTION 8 MISCELLANEOUS

8.1 Notices. All notices or other communications hereunder from any party shall be sufficiently given, and shall be deemed given, when delivered or mailed by certified mail, postage prepaid, return receipt requested, to the other parties at their respective addresses as follows:

If to Commonwealth  
Or the Authority:

Kentucky Economic Development Finance Authority  
c/o Cabinet for Economic Development  
Old Capitol Annex  
300 West Broadway  
Frankfort, KY 40602  
Attn: Commissioner of Department of Financial Incentives

If to the LFUCG:

Lexington-Fayette Urban County Government  
Office of the Mayor  
200 East Main Street  
Lexington, KY 40507  
Attn: Joe Kelly, Senior Advisor

8.2 Binding Effect. This Agreement shall be binding upon the Parties hereto and upon their respective successors and assigns.

8.3 Severability. If any clause, provision, or section of this Agreement be ruled invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such clause, provision, or section shall not affect any of the remaining clauses, provisions or sections hereof.

8.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky and enforceable in courts of competent jurisdiction.

8.5 Entire Agreement; Modifications. This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter of this Agreement. This Agreement shall not be modified, amended, cancelled or terminated except by an agreement in writing signed by the Parties hereto.

8.6 Counterparts. This Agreement may be executed in any number of counterparts by some or all of the parties hereto, each of which shall be an original and all of which shall together constitute one and the same instrument.

8.7 Further Assurances. Each of the Parties hereto shall use reasonable efforts and cooperate fully with each other in order to promptly and fully carry out the terms and provisions of this Agreement. Each party hereto shall from time to time execute and deliver such other agreements, documents or instruments and take such other actions as may be reasonably necessary or desirable to effectuate the terms of this Agreement.

8.8 Mutual Termination. In addition to any other provisions relating to termination of this Agreement contained herein, this Agreement shall terminate upon the written agreement of all the parties hereto.

8.9 Sections. References to "Sections" shall be to sections of this Agreement, unless otherwise expressly designated.

8.10 Section Headings. Section headings are for reference only and shall have no interpretative weight or value.

8.11 Plural. The plural and singular form of words shall import either or both a plural and/or singular meaning, as the case may be.

8.12 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, (a) the courts of the Commonwealth of Kentucky situated in Frankfort, Franklin County, Kentucky, or (b) 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.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their officers and officials thereunto duly authorized as of the date first written above.

LEXINGTON-FAYETTE URBAN  
COUNTY GOVERNMENT

Approved as to Form and Legality:

By: [Signature]  
Name: LOREN ASKEW  
Title: COUN. OF LAW  
LFUG

By: [Signature]  
Name: JIM NEWBERRY  
Title: MAYOR

KENTUCKY ECONOMIC  
DEVELOPMENT FINANCE  
AUTHORITY FOR  
COMMONWEALTH OF KENTUCKY

Approved as to Form and Legality:

By: [Signature]  
Name: Michael D. Kalinyak  
Title: Attorney

By: [Signature]  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

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INDEX OF EXHIBITS

Exhibit A	Project Description
Exhibit B	Development Area and State Footprint Map
Exhibit C	Projected State New Revenues
Exhibit D	Minimum Capital Investment Form
Exhibit E	Quarterly Report
Exhibit F	Approved Signature Costs
Exhibit G	Request For Disbursement
Exhibit H	Certification of Increment Use
Exhibit I	Old Revenues

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## EXHIBIT A

### PHOENIX PARK/COURTHOUSE TAX INCREMENT FINANCING PROJECT DESCRIPTION

The Phoenix Park/Courthouse Project is a 14.25 acre project in Downtown Lexington that will leverage the construction and private development of CentrePointe, a 35-story mixed use development consisting of hotel, commercial office, retail and residential condominium uses. The Project's total new investment is estimated at \$298,680,000.

The project will consist of the following:

- Tunnel connecting Phoenix Park to CentrePointe
- Pedway connecting Financial Center Garage to CentrePointe
- Phoenix Park Garage – 331 space underground public parking structure
- Phoenix Park Redevelopment – New Phoenix Park that will include new monuments, fountains, sculptures, bandstand and public art.
- Restoration of Fayette County Courthouse and Cheapside Park/Courthouse Plaza – Makeover of historic old courthouse building including new roof, windows, atrium and infrastructure. In addition, the courthouse plaza will be redeveloped to include the proposed closing of Cheapside Road.
- Permanent Display Space and Building for Lexington Farmer's Market – Include the construction of new covered market with roll down doors on site including offices, restrooms, retail space on site for year round use.
- Streetscape Improvements including Public Art

After negotiations between KEDFA staff and LFUCG representatives, the costs available for recovery through Tax Increment Financing are as follows:

#### Public Infrastructure

▪ Public Buildings	\$12,750,000
▪ Sewers and Storm Drainage	\$ 600,000
▪ Curb, Sidewalks, Promenades and Pedways	\$ 6,562,000
▪ Provision of Utilities	\$ 150,000
▪ Public Spaces and Parks	\$ 7,500,000
▪ Public Parking	\$ 7,448,000
▪ <u>Other (Legal and Administrative)</u>	<u>\$ 750,000</u>
<b>Total Public Infrastructure Costs</b>	<b>\$35,760,000</b>

#### Signature Costs

▪ <u>Land Acquisition for Farmer's Market Site</u>	<u>\$1,125,000</u>
<b>Total Signature Costs</b>	<b>\$1,125,000</b>

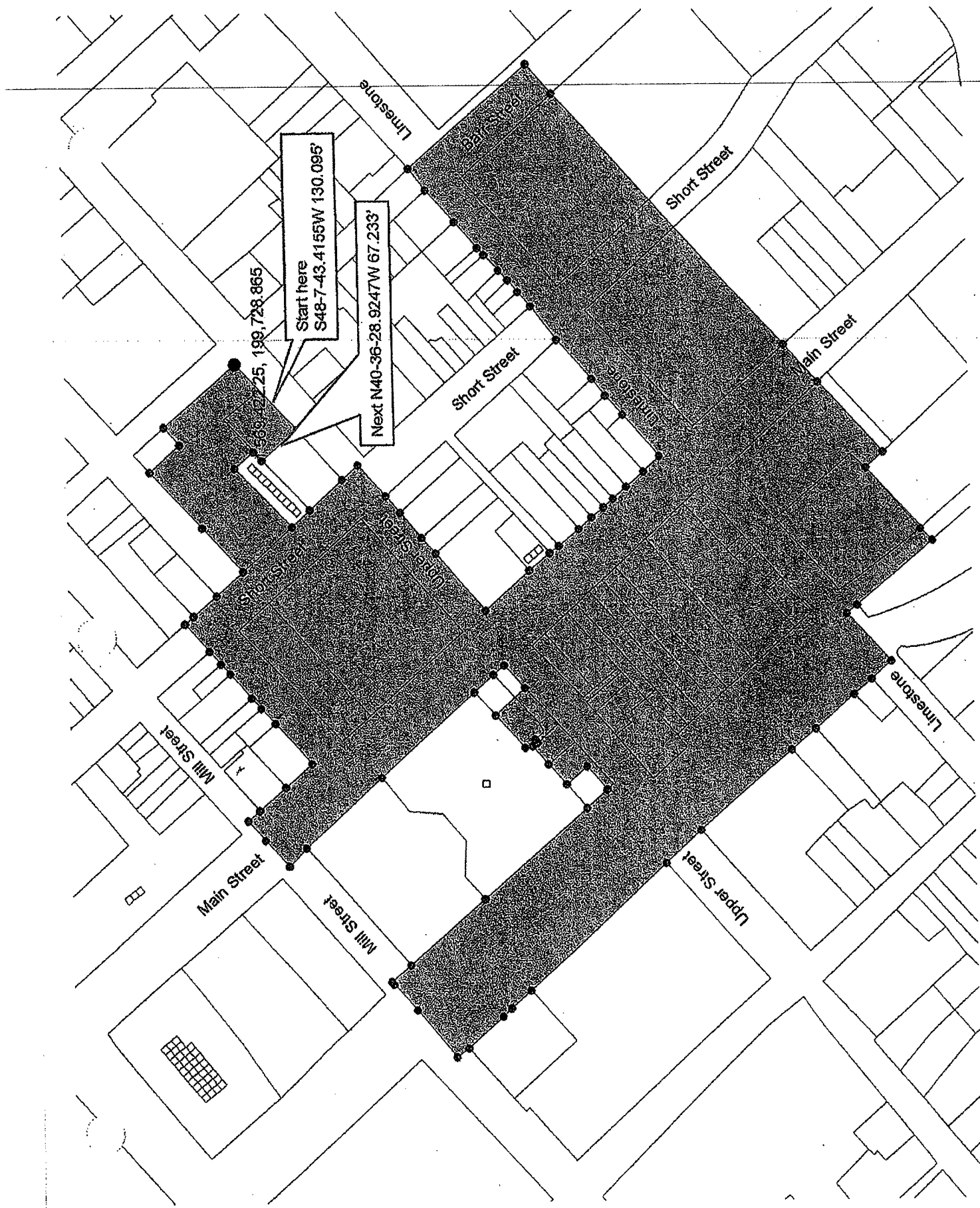
#### Financing Costs

▪ <u>Eligible Public Infrastructure Financing Costs</u>	<u>\$32,893,000</u>
<b>Total Financing Costs</b>	<b>\$32,893,000</b>

**Total Costs Approved for TIF Recovery** **\$69,778,000**

**Exhibit B - Phoenix Park/Courthouse Signature Tax Increment Financing Project  
Development Area and State Footprint**

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Start here  
S48-7-43.4155W 130.095'

Next N40-36-28.9247W 67.233'

666-27-25, 199,728,865

16225-16210

30105-30110

Mill Street

Main Street

Mill Street

Upper Street

Limestone

Short Street

Short Street

Main Street

Limestone

## Phoenix Park/Courthouse District Description

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Starting is the East Corner of 221 W. Short Street S48-7-43.4155W 130.095'

N40-36-28.9247W 67.233'  
N47-1-27.3605E 17.099'  
N39-48-12.4370W 36.108'  
S47-2-47.1092W 119.224'  
S42-15-45.4032E 36.244'  
S42-20-33.7867E 65.139'  
S41-29-46.8045E 31.385'  
S47-41-29.6179W 61.333'  
S49-20-6.8780W 32.642'  
S49-23-21.9716W 48.89'  
S49-16-58.3624W 30.181'  
S49-18-42.7757W 111.095'  
S41-51-9.3727E 87.334'  
S40-38-9.8033E 39.107'  
S35-55-22.6065E 17.648'  
S40-18-58.5673E 38.157'  
S39-57-14.8152E 25.207'  
S40-5-7.9900E 23.472'  
S41-41-36.4212E 19.028'  
S40-35-46.9928E 26.381'  
S40-17-50.3205E 34.499'  
S43-20-25.6877E 32.555'  
N48-44-20.9765E 80.192'  
N48-4-24.2646E 38.054'  
N50-21-42.2787E 31.057'  
N48-25-20.8284E 76.128'  
N53-16-21.1494E 61.175'  
N48-22-37.1423E 28.26'  
N48-21-35.1957E 22.246'  
N48-16-56.1443E 19.426'  
N48-18-29.5687E 30.633'  
N48-22-37.8270E 13.879'  
N48-20-44.0995E 49.855'  
N48-20-50.8152E 62.568'  
N52-6-4.0634E 39.444'  
S40-34-12.0753E 229.755'  
S48-24-28.2908W 56.732'  
S47-33-44.4968W 495.372'  
S47-53-37.3222W 72.493'  
S47-18-55.4795W 138.743'  
N41-52-10.0928W 34.663'  
S48-59-10.8303W 119.939'  
S41-39-52.4255W 25.202'

N39-46-18.1587W 148.3'  
N38-28-21.8824W 19.15'  
S47-1-19.9943W 94.482'  
N40-48-15.6612W 39.345'  
N40-48-15.6610W 34.431'  
N40-49-4.1119W 75.345'  
N40-50-23.5371W 47.213'  
N40-51-35.3458W 175.784'  
N41-33-38.0956W 71.333'  
N41-54-59.5873W 273.73'  
N41-48-29.2741W 38.892'  
N42-11-46.0489W 16.563'  
N41-54-42.2585W 68.77'  
N37-28-9.7767W 21.696'  
N50-33-42.1066E 88.858'  
N46-58-29.7625E 51.296'  
N48-38-55.6143E 4.951'  
S40-35-55.0430E 37.7'  
S40-35-55.0571E 145.6'  
S40-36-18.6214E 200.317'  
S40-35-37.7021E 40.571'  
N48-51-47.1538E 45.093'  
N41-21-18.5148W 40.67'  
N48-46-28.1897E 39.721'  
N48-44-51.1392E 34.597'  
S34-42-28.9769E 8.781'  
N52-27-54.6871E 1.077'  
N52-44-27.8745E 5.523'  
N39-56-36.1005W 18.301'  
N47-35-37.7802E 64.321'  
S42-11-41.5725E 58.883'  
N47-42-38.0846E 44.72'  
N41-20-51.9980W 20.814'  
N41-40-11.6411W 38.167'  
N41-35-2.8580W 184.566'  
N41-35-29.8858W 151.397'  
N46-1-54.0373W 36.833'  
N48-38-55.6142E 51.133'  
N49-29-46.8867E 38.004'  
S39-31-54.6791E 22.158'  
S40-59-48.9252E 49.906'  
S41-3-11.2499E 51.579'  
N48-31-48.2109E 79.073'  
N48-31-47.5322E 30.028'  
N48-29-29.8104E 20.197'  
N48-32-55.0025E 46.53'

N48-32-41.1592E 20.014'

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N48-31-48.6264E 24.523'

N48-56-29.4881E 52.169'

S41-23-13.3925E 16.71'

S41-23-49.1927E 44.422'

S42-12-26.2714E 53.214'

N47-38-34.7783E 86.735'

N47-38-34.4231E 111.178'

S41-37-24.8492E 59.655'

N48-10-4.9014E 33.72'

S41-22-37.6907E 139.18'

## EXHIBIT C

### PHOENIX PARK/COURTHOUSE TAX INCREMENT FINANCING PROJECTED NEW REVENUES

Year	Real Property Tax	Sales Tax	Individual Income Tax via Withholding	Projected New Revenues*
1	\$ 232,000	\$ 1,942,000	\$ 249,000	\$ 2,423,000
2	\$ 255,000	\$ 2,202,000	\$ 313,000	\$ 2,770,000
3	\$ 273,000	\$ 2,418,000	\$ 341,000	\$ 3,032,000
4	\$ 281,000	\$ 2,592,000	\$ 363,000	\$ 3,236,000
5	\$ 290,000	\$ 2,733,000	\$ 384,000	\$ 3,407,000
6	\$ 299,000	\$ 2,868,000	\$ 402,000	\$ 3,569,000
7	\$ 307,000	\$ 2,980,000	\$ 417,000	\$ 3,704,000
8	\$ 317,000	\$ 3,071,000	\$ 431,000	\$ 3,819,000
9	\$ 327,000	\$ 3,166,000	\$ 444,000	\$ 3,937,000
10	\$ 336,000	\$ 3,263,000	\$ 457,000	\$ 4,056,000
11	\$ 346,000	\$ 3,381,000	\$ 473,000	\$ 4,200,000
12	\$ 356,000	\$ 3,503,000	\$ 491,000	\$ 4,350,000
13	\$ 367,000	\$ 3,630,000	\$ 509,000	\$ 4,506,000
14	\$ 378,000	\$ 3,762,000	\$ 527,000	\$ 4,667,000
15	\$ 389,000	\$ 3,898,000	\$ 546,000	\$ 4,833,000
16	\$ 401,000	\$ 4,039,000	\$ 565,000	\$ 5,005,000
17	\$ 413,000	\$ 4,187,000	\$ 586,000	\$ 5,186,000
18	\$ 425,000	\$ 4,339,000	\$ 607,000	\$ 5,371,000
19	\$ 439,000	\$ 4,496,000	\$ 629,000	\$ 5,564,000
20	\$ 451,000	\$ 4,659,000	\$ 657,000	\$ 5,767,000
21	\$ 465,000	\$ 4,829,000	\$ 675,000	\$ 5,969,000
22	\$ 479,000	\$ 5,005,000	\$ 700,000	\$ 6,184,000
23	\$ 494,000	\$ 5,187,000	\$ 726,000	\$ 6,407,000
24	\$ 508,000	\$ 5,376,000	\$ 752,000	\$ 6,636,000
25	\$ 524,000	\$ 5,573,000	\$ 780,000	\$ 6,877,000
26	\$ 539,000	\$ 5,776,000	\$ 808,000	\$ 7,123,000
27	\$ 555,000	\$ 5,987,000	\$ 837,000	\$ 7,379,000
28	\$ 572,000	\$ 6,206,000	\$ 868,000	\$ 7,646,000
29	\$ 589,000	\$ 6,432,000	\$ 900,000	\$ 7,921,000
30	\$ 607,000	\$ 6,668,000	\$ 932,000	\$ 8,207,000
	\$ 12,214,000	\$ 124,168,000	\$ 17,369,000	\$ 153,751,000

\* To determine amounts eligible for TIF recovery, the Projected New Revenues must be reduced by 20% and Old Revenues (Exhibit I)

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## Exhibit D - Minimum Capital Investment Form

Phoenix Park/Courthouse Signature TIF Minimal Capital Investment Exhibit must be submitted annually by January 30 for the preceding year until the \$200,000,000 Minimal Capital Investment Threshold has been reached. The final exhibit must be made on January 30, 2015.

### Annual Capital Investment Made Within Development Area

2009	\$ _____
2010	\$ _____
2011	\$ _____
2012	\$ _____
2013	\$ _____
2014	\$ _____
Total	\$ _____

By signing this exhibit, I agree that I have proper authority to act on behalf of Lexington-Fayette Urban County Government with regards to the Tax Incentive Agreement for the Phoenix Park/Courthouse Signature TIF. I also understand that this exhibit certifies that capital investment in the amounts shown above has been expended within the Development Area as required by KRS 154-30.050.

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Jim Newberry, Mayor  
Lexington Fayette Urban County Government





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## Exhibit F

### Approved Signature Costs for Phoenix Park Signature Tax Increment Financing Project

▪ <u>Acquisition of land for Farmer's Market</u>	\$ 1,125,000
<b>Total Approved Signature Costs</b>	<b>\$ 1,125,000</b>

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**Exhibit G**  
**Request for Disbursement**

Phoenix Park/Courthouse Signature TIF

This Exhibit must be submitted annually by April 30 to make a Request for Disbursement of State Tax Increments for the preceding calendar year. The Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. LFUCG shall not be eligible for disbursement of Increment until it has certified that the \$200,000,000 Minimal Capital Investment has been made.

LFUCG must provide the applicable questionnaire for any and every business or individual whose revenues are included in the calculation of Increment. Tax Increment Financing Business Questionnaires must be submitted for any business that operates within the Footprint and Tax Increment Financing Resident Questionnaires must be submitted for any individual that lives within the Footprint.

**Tax Year Associated With Increment Request** \_\_\_\_\_

**Increment Request \$** \_\_\_\_\_

By signing this exhibit, I agree that I have proper authority to act on behalf of Lexington Fayette Urban County Government with regards to the Tax Increment Financing Project Grant Agreement for the Phoenix Park/Courthouse Signature TIF. I certify that this exhibit has been calculated using sound accounting principles and is subject to review and audit by the commonwealth or assigned agent. I also understand that no increments will be disbursed until the Authority receives certification that the \$200,000,000 Minimal Capital Investment Threshold has been reached as required by KRS 154.30-050. Failure to reach the Minimal Capital Investment Threshold by December 31, 2014 will result in the forfeiture of all accrued increments.

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Jim Newberry, Mayor  
Lexington Fayette Urban County Government



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**Exhibit H**  
**Certification of Increment Use**

Phoenix Park/Courthouse Signature TIF

This Exhibit must be submitted annually by April 30 to certify the use of State Tax Increments for the preceding calendar year. Failure to submit this annual exhibit by the due date will result in a delay in processing of outstanding Request for Disbursements.

Year in which Increment was received: \_\_\_\_\_

Amount of Increment Received: \$ \_\_\_\_\_

Increment was spent for the following:

Public Infrastructure \$ \_\_\_\_\_

Signature Costs \$ \_\_\_\_\_

Financing Costs \$ \_\_\_\_\_

Amount of Increment Unspent \$ \_\_\_\_\_

By signing this exhibit, I agree that I have proper authority to act on behalf of Lexington Fayette Urban County Government with regards to the Tax Incentive Agreement for the Phoenix Park/Courthouse Signature TIF. I certified that amounts reflected above have been expended within the Development Area of the Project as required by KRS 154-30.050.

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Jim Newberry, Mayor  
Lexington Fayette Urban County Government

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**Exhibit I**  
**Old Revenues (Base Year)**

Phoenix Park/Courthouse Signature TIF

This Exhibit must be submitted by June 30, 2010. The Cabinet for Economic Development will forward the exhibit to the Department of Revenue for further processing. Upon completion of the review, the Department of Revenue will issue a certification detailing the base year amounts for all taxes covered under the Tax Incentive Agreement.

**For Business Taxpayers:** This exhibit must be accompanied by the Tax Increment Financing Business Questionnaires for any business that operates within the footprint during the calendar year. In addition to the required Questionnaires, the Agency must submit the Old Revenues (Base Year) Spreadsheet. Failure to provide the questionnaire for any businesses operating within the footprint will result in the potential increment available to be calculated without regards to the tax receipts from the noncompliant business.

**For Individual Taxpayers:** This exhibit must be accompanied by the Tax Increment Financing Individual Questionnaires for any individual that lives within the footprint during the calendar year. In addition to the required Questionnaires, the Agency must submit the Old Revenues (Base Year) Spreadsheet. Failure to provide the questionnaire for any individual living within the footprint will result in the potential increment available to be calculated without regards to the tax receipts from the noncompliant individual.

By signing this exhibit, I agree that I have proper authority to act on behalf of Lexington Fayette Urban County Government with regards to the Tax Increment Financing Project Grant Agreement for the Phoenix Park/Courthouse Signature TIF. I certify that this exhibit has been calculated using sound accounting principles and is subject to review and audit by the commonwealth or assigned agent.

---

Jim Newberry, Mayor  
Lexington Fayette Urban County Government

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**Exhibit I - Estimated Old Revenues (Base Year)**

Real Estate Property Tax \$ \_\_\_\_\_

Assumptions: \_\_\_\_\_

\_\_\_\_\_

Corporation Income Tax \$ \_\_\_\_\_

Assumptions: \_\_\_\_\_

\_\_\_\_\_

Limited Liability Entity Tax \$ \_\_\_\_\_

Assumptions: \_\_\_\_\_

\_\_\_\_\_

Sales Tax \$ \_\_\_\_\_

Assumptions: \_\_\_\_\_

\_\_\_\_\_

Withholding Tax \$ \_\_\_\_\_

Assumptions: \_\_\_\_\_

\_\_\_\_\_

Individual Income Tax of Residents \$ \_\_\_\_\_

Assumptions: \_\_\_\_\_

\_\_\_\_\_





# Tax Increment Financing (TIF) Business Questionnaire

For Official Use Only
Block Number _____
Local Agent Initials _____

This form is distributed by the local TIF development authority for use in determining amounts eligible for TIF. The form must be completed by all businesses operating within the state footprint of an approved TIF project and returned to the local TIF development authority. If you have any questions, please contact the local TIF development authority.

Business Name: \_\_\_\_\_

DBA (If Applicable): \_\_\_\_\_

Location Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Telephone Number: \_\_\_\_\_

Contact Person: \_\_\_\_\_ E-Mail: \_\_\_\_\_

Date operations began at this location \_\_\_\_ / \_\_\_\_ / \_\_\_\_

## Tax Identification Numbers (If Applicable):

FEIN or SSN \_\_\_\_\_

KY Corporation Tax \_\_\_\_\_  Check Box If Multiple Locations File Under This Tax ID  
For Corporation Income Tax Purposes is all income earned at the site of the business location?  Y  N  
For Corporation Income Tax Purposes what type of return is filed?  Separate  Consolidated

KY Withholding \_\_\_\_\_  Check Box If Multiple Locations File Under This Tax ID

KY Sales Tax \_\_\_\_\_  Check Box If Multiple Locations File Under This Tax ID

If a Box was checked for Multiple Locations, please list the addresses of other business locations: \_\_\_\_\_

Provide a brief business description: \_\_\_\_\_

Was the business previously operated under a different owner or name?  Y  N

If YES, please list:

Date of acquisition: \_\_\_\_ / \_\_\_\_ / \_\_\_\_

Name of previous owner: \_\_\_\_\_

Former business name: \_\_\_\_\_

I understand that the information contained on this sheet will be confidential and will be shared only with the Commonwealth of Kentucky's Department of Revenue and the Cabinet for Economic Development for use with the state approved Tax Increment Financing project.

\_\_\_\_\_  
Signature of Responsible Party

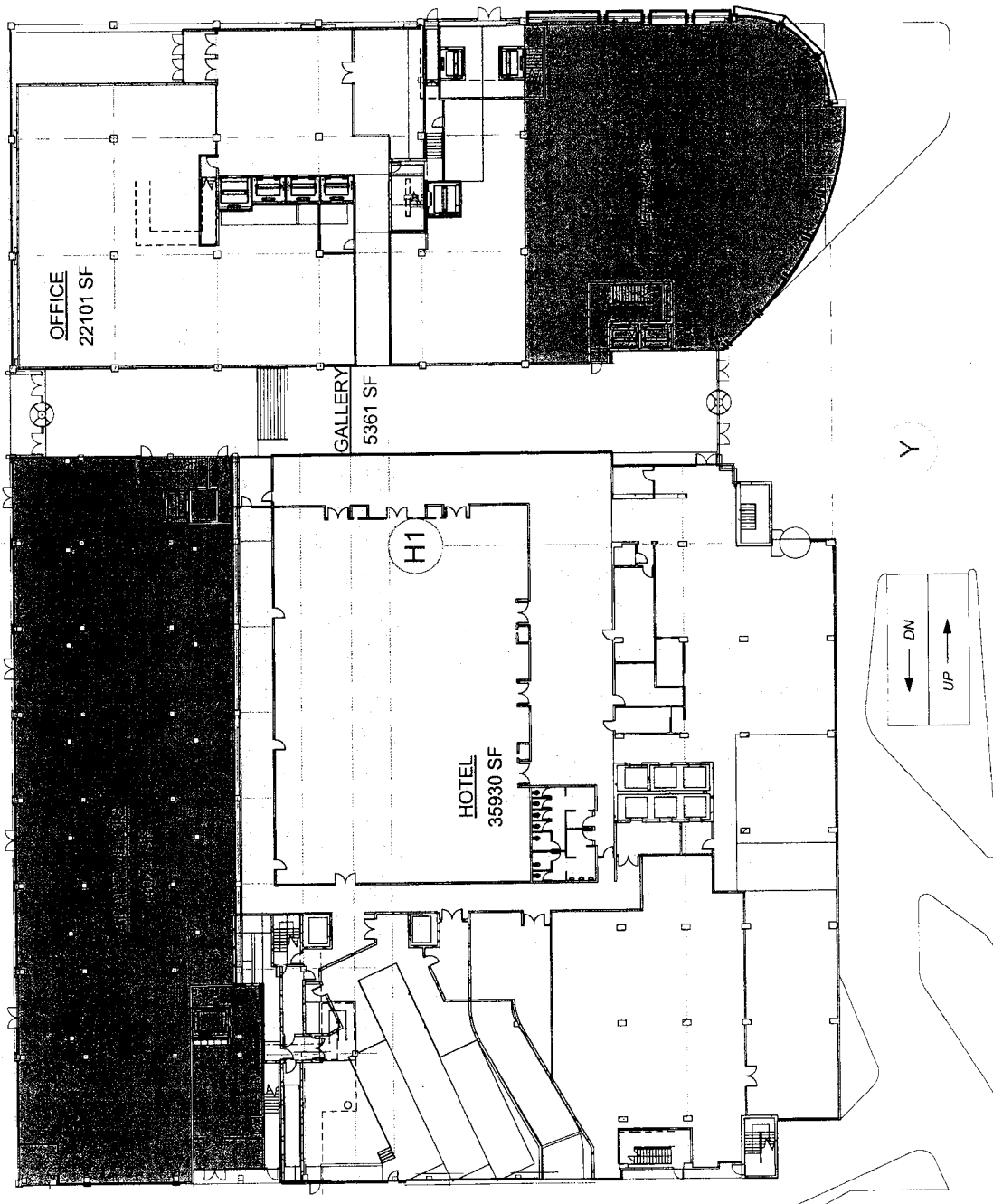
\_\_\_\_\_  
Date

Exhibit C

Preliminary Design Plans for CentrePointe

Q R S T U V W X Y K L M N

1 2 3 4 5 6 7 8 9



1.6  
2.5  
3.2  
3.8  
4.2  
4.6  
UPPER STREET

H2

1 ILLUSTRATIVE SITE PLAN  
SD1.0 SCALE: 1/32" = 1'-0"

VINE STREET

LIMESTONE STREET



NORTH



7/8/2013 12:42:03 PM

CENTREPOINTE

Exhibit D  
Project Schedule



## EXHIBIT E

### Officers and Managers of Developer and its Affiliates

1. Centrepointe Parking Company, LLC
  - a) Chairman: R. Dudley Webb
  - b) Co-Manager: Ronald C. Tritschler, Trustee
  - c) Co-Manager: Joe L. Rosenberg
  
2. Fayette Land Company, LLC
  - a) Chairman: R. Dudley Webb
  - b) Co-Manager: Ronald C. Tritschler, Trustee
  - c) Co-Manager: Joe L. Rosenberg
  
3. Centrepointe Vertical, LLC
  - a) Chairman: R. Dudley Webb
  - b) Co-Manager: Ronald C. Tritschler, Trustee
  - c) Co-Manager: Joe L. Rosenberg
  
4. The Offices at Centrepointe, LLC
  - a) Chairman: R. Dudley Webb
  - b) Co-Manager: Ronald C. Tritschler, Trustee
  - c) Co-Manager: Joe L. Rosenberg
  
5. The Apartments at Centrepointe, LLC
  - a) Chairman: R. Dudley Webb
  - b) Co-Manager: Ronald C. Tritschler, Trustee
  - c) Co-Manager: Joe L. Rosenberg
  
6. The Hotel At Centrepointe, LLC
  - a) Chairman: R. Dudley Webb
  - b) Co-Manager: Ronald C. Tritschler, Trustee
  - c) Co-Manager: Joe L. Rosenberg
  
7. The Residences at Centrepointe, LLC
  - a) Chairman: R. Dudley Webb
  - b) Co-Manager: Ronald C. Tritschler, Trustee
  - c) Co-Manager: Joe L. Rosenberg