

Contract #74-2010

AMENDED AND RESTATED LOCAL PARTICIPATION AGREEMENT
FOR
TURFLAND TOWN CENTER 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
September 1, 2014

Exhibit A – The Development Area

Exhibit B – The Project, including an estimate of costs of construction, acquisition and development

Exhibit C – Listing of Old Revenues Collected from Development Area

Exhibit D – Listing of Anticipated Incremental Revenues for the LFUCG

Exhibit E – Master Development Agreement

INDEX
TO
AMENDED AND RESTATED LOCAL PARTICIPATION AGREEMENT
DATED
September 1, 2014
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AND
DEPARTMENT OF FINANCE AND ADMINISTRATION FOR THE LEXINGTON-
FAYETTE URBAN COUNTY GOVERNMENT

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AMENDED AND RESTATED LOCAL PARTICIPATION AGREEMENT

THIS AMENDED AND RESTATED LOCAL PARTICIPATION AGREEMENT (this "Agreement") is made as of the 1st day of September, 2014 (the "Effective Date") by and between the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, a Kentucky urban county government (the "LFUCG"), and the DEPARTMENT OF FINANCE OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (the "Agency"), collectively (the "Parties");

RECITALS

Whereas, pursuant to the Act, as hereinafter defined, LFUCG by Ordinance No. 78-2010 (the "Development Area Ordinance"), adopted on May 6, 2010, established the Turfland Town Center 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 May, 1, 2010 (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; and

WHEREAS, pursuant to the Act, as hereinafter defined, the LFUCG has on the 11th day of Sept. 2014, adopted Ordinance Number 109-2014, the "Ordinance", whereby it approved the execution of this Agreement for the Development Area for the purpose of promoting a redevelopment project within the LFUCG, more fully described in this Agreement and in the Master Development Agreement, hereinafter defined; 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 Project and 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 the Ordinance, 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 the Ordinance, 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 Agreement, in order to facilitate development of the Project within the Development Area.

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.
2. “Administrative Costs”. Shall mean those costs set forth the Master Development Agreement at Section V(A) to be retained by the Agency before reimbursing any costs to the Developer for Public Infrastructure Improvements.
3. “Agreement”. Shall mean this Amended and Restated Local Participation Agreement, including all Exhibits attached hereto.

4. “Approved Public Infrastructure Costs”. Shall be the Capital Investment as defined in the Act, and approved by KEDFA, for reimbursement from State Incremental Revenues in the Tax Incentive Agreement.

5. “Developer” or “Master Developer”. Shall mean Turf Development, LLC, a Kentucky limited liability company..

6. “Development Area”. Shall have the meaning given in the Recitals to this Agreement.

7. “Effective Date”. Shall have the meaning given in the introductory paragraph of this Agreement.

8. “Financing Plan”. Shall mean the plan for financing the Project as described in Section X of this Agreement, as it may be amended with the approval of the LFUCG.

9. “Incremental Revenues”. Shall have the meaning as provided in the Act, except that Incremental Revenues shall not include any portion of the real ad valorem tax rate of the LFUCG designated for the Lexington Public Library District.

10. “KEDFA”. Shall mean the Kentucky Economic Development Finance Authority.

11. “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.

12. “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.

13. “Master Development Agreement” shall mean the Master Development Agreement dated September 1, 2014, among LFUCG, the Agency and the Developer relating to the Project, attached as Exhibit “E”.

14. “State Real Property Tax Program”. Shall mean the Commonwealth Participation Program for State Real Property Ad Valorem Tax Revenues as described in the Act.

15. “New Revenues”. Shall have the meaning as provided in the Act.

16. “Old Revenues”. Shall have the meaning as provided in the Act.

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

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

19. “Public Infrastructure Improvements”. Shall mean the Capital Investment related to the Project, which includes the Approved Public Infrastructure Costs, that is identified in the Master Development Agreement for reimbursement to the Developer from Incremental Revenues from this Agreement and the Tax Incentive Agreement and which shall not exceed \$8,500,000.

20. “Redevelopment Assistance”. Shall have the same meaning as provided in the Act.

21. “Special Fund”. Shall mean the Turfland Town Center Development Area Special Fund established in the Development Area Ordinance, for the purpose of holding the LFUCG and State Incremental Revenues pledged herein in connection with the development of the Project.

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

23. “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.

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 pay for Administrative Costs, and Public Infrastructure Improvements, and after those costs are paid, to provide other Redevelopment Assistance within the Development Area as determined by LFUCG, for up to a twenty (20) year period which pledge is made in Section VI herein.

3. Make, in participation with the Agency and the Developer, application to the KEDFA requesting State participation under the "State Real Property Tax Program" in accordance with applicable provisions of the Act. The application shall request State participation, as provided in the Financing Plan.

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

4. 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.

5. Require its Department of Finance, as the "agency" for purposes of the Act, to prepare by no later than June 1, or such other date to meet the reporting schedule of KEDFA, or the State to receive State Incremental Revenues under the Tax Incentive Agreement, 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; and (c) the amount, if any, of Incremental Revenues spent from the Special Fund on Administrative Costs, Public Infrastructure Improvements, or 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 LFUCG and Developer in the application to KEDFA, requesting State participation under the "State Real Property Tax 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 June 1, or such other date as may be required of KEDFA or the State to receive State Incremental Revenues under the Tax Incentive Agreement, 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; and (c) the amount, if any, of Incremental Revenues spent from the Special Fund on Administrative Costs, Public Infrastructure Improvements, 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 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 from the Project to support the payment Administrative Costs, Public Infrastructure Improvements, and after those costs are paid, Redevelopment Assistance as determined by LFUCG, for up to a twenty (20) year period; provided, however, that the pledge of LFUCG Incremental Revenues shall be conditioned upon the approval of a Tax Incentive Agreement by KEDFA under the State participation as a "Real Property Tax Program" 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 2013. A listing of the Old Revenues collected by the LFUCG from within the Development Area is attached hereto on Exhibit C.

2. Incremental Revenues pledged by the LFUCG in this Section shall be deposited at least annually, no later than each June 1st after the first calendar year of

activation, to the Special Fund and used solely for payment of Administrative Costs, Public Infrastructure Improvements, and/or Redevelopment Assistance 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 costs as provided in this Section VI of this Agreement, and for no other purpose.

3. 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.

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 are attached as Exhibits C and D 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 twenty (20) years.

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.

SECTION X
Financing Plan

The financing for the Project shall generally be structured as private debt financing through credit lines established by the Developer. 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 any Private Financing 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 Public Infrastructure Improvements for 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 PRIVATE FINANCING FOR THE PROJECT AS PROVIDED IN THIS AGREEMENT 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, WHATSOEVER, TOWARD THE PAYMENT OF SUCH PAY FOR ANY DEVELOPER'S COSTS FOR THE PROJECT 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 VI hereof shall be determined by the LFUCG and Developer in accordance with the Act. This Agreement shall terminate twenty (20) 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, the Agency (unless it is the Defaulting Party) shall have the power to enforce the provisions of this Agreement 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 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 Jim Gray
200 East Main Street
Lexington, Kentucky 40507 |
| With a Copy to: | Commissioner of Law Janet M. Graham
200 East Main Street
Lexington, Kentucky 40507 |
| With additional Copy to: | Kevin Atkins, Director of Development
200 East Main Street
Lexington, Kentucky 40507 |
| If to the Agency: | Commissioner of Finance William O'Mara
200 East Main Street
Lexington, Kentucky 40507 |

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 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.

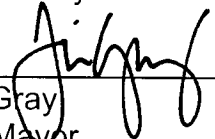
Notwithstanding the above, time is of the essence with respect to any time limit specified herein.

SECTION XXVIII
Assignment of Rights and Delegation of Duties

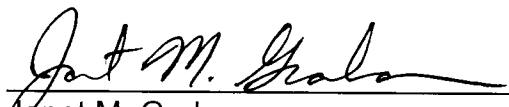
No Party to this Agreement may assign this Agreement, or any part hereof, except as provided herein, without the prior written consent of the other Parties.

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.

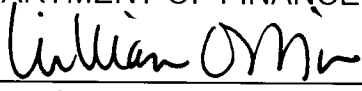
LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT
a Kentucky urban county government

By: 
Jim Gray
Its: Mayor

Approval as to Form:


Janet M. Graham
Commissioner of Law for the
Lexington-Fayette Urban County
Government

DEPARTMENT OF FINANCE

By: 
William O'Mara
Commissioner of Finance

EXHIBITS

Exhibit A: Development Area Map and Description

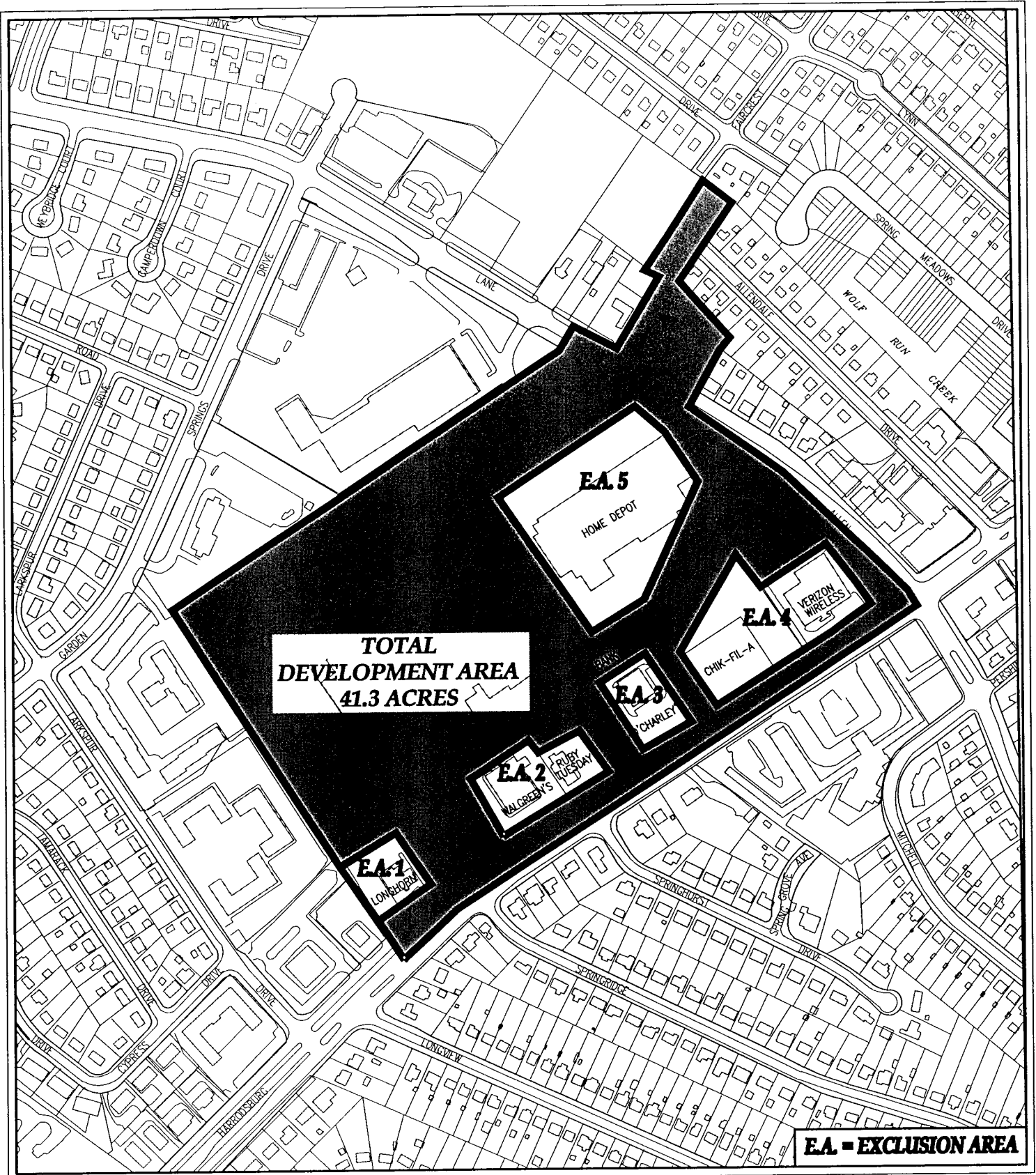
Exhibit B: The Project

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

Exhibit D: Listing of Anticipated Incremental Revenues for the LFUCG

Exhibit E: Master Development Agreement

LFUCG Ordinance Approving LPA



DEVELOPMENT AREA - 41.3 ACRES

Sherman-Carter-Barnhart

ARCHITECTURE • INTERIORS • LANDSCAPE ARCHITECTURE • CIVIL ENGINEERING

2405 HARRODSBURG ROAD • LEXINGTON, KY 40505-3329 • PHONE: 859.224.1351 • FAX: 859.224.8446

DATE 02/08/10

PROJECT NO. 0988

DRAWN

SCALE: 1"=400'

PROJECT NAME

TURFLAND MALL REDEVELOPMENT

PROJECT LOCATION

LEXINGTON, KY

BOUNDARY DESCRIPTION DEVELOPMENT AREA

All that tract or parcel of land being situated northeasterly of and adjacent to US 68 (Harrodsburg Road) in Lexington, Fayette County, Kentucky and being more particularly described as follows:

Beginning at a point in the centerline of US 68 (Harrodsburg Road), said point being the common line of Turfland Mall Development and Garden Springs Subdivision extended, thence with the common line of Turfland Mall Development and Garden Springs Subdivision, N 33°08' W – 144.5 feet, more or less to a point, N 35°06' W – 202.0 feet, more or less to a point, N 32°40' W – 946.2 feet, more or less to a point, thence with the common line of Turfland Mall Development and Garden Springs Subdivision and continuing with the line common line of Turfland Mall Development and Savage Lumber and Manufacturing Company, Inc., N 56°42' E – 1430.6 feet, more or less to a point on the southerly right-of-way of Lane Allen Road, thence N 30°39' E – 87.6 feet, more or less to a point on the northerly right-of-way of Lane Allen Road, thence with the northerly right-of-way of Lane Allen Road, S 62°38' E – 147.7 feet, more or less to a point, thence leaving the northerly right-of-way of Lane Allen Road, N 31°04' E – 254.1 feet, more or less to a point, N 65°07' W – 47.9 feet, more or less to a point, N 34°12' E – 126.1 feet, more or less to a point, N 32°59' E – 202.8 feet, more or less to a point in Wolf Run Creek, thence with Wolf Run Creek, S 52°39' E – 112.5 feet, more or less to a point, thence leaving Wolf Run Creek, S 34°12' W – 290.2 feet, more or less to a point, S 41°41' E – 231.9 feet, more or less to a point, S 39°49' W – 49.5 feet, more or less to a point and S 28°46' W – 197.6 feet, more or less to a point in the centerline of Lane Allen Road, thence with the centerline of Lane Allen Road, S 55°00' E – 353.4 feet, more or less to a point, S 46°24' E – 528.5 feet, more or less to a point and S 30°59' E – 55.2 feet, more or less to a point in the centerline of US 68 (Harrodsburg Road), thence with the centerline of US 68 (Harrodsburg Road) S 56°57' W – 1696.6 feet, more or less to a point and S 47°03' W – 228.0 feet, more or less to the beginning and containing 53.5 acres (gross), more or less, minus the exclusion areas (12.2 acres net) equals a total development area of 41.3 acres (net), more or less.

There is excluded from the above described tract of land the following parcels:

Exclusion Area 1

Beginning at a point on the common line of Turfland Mall Development and Garden Springs Subdivision and being on the northerly right-of-way of US 68 (Harrodsburg Road), thence with said common line, N 35°06' W – 202.0 feet, more or less to a point, thence leaving the common line of Turfland Mall Development and Garden Springs Subdivision, and continuing through the lands of Turfland Mall Development, N 59°03' E – 201.4 feet, more or less to a point, S 33°52' E – 189.3 feet, more or less to a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the northerly right-of-way of US 68 (Harrodsburg Road), S 55°26' W – 196.8 feet, more or

less to a point and containing 0.9 acres, more or less and being further know as Outlot "A" of the Turfland Mall Development.

Exclusion Area 2

Beginning at a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the line of Outlot "B" of Turfland Mall Development, N 29°23' W – 203.6 feet, more or less to a point, N 56°54' E – 213.1 feet, more or less to a point and S 38°23' E – 47.5 feet, more or less to a point, corner to Outlot "C" of Turfland Mall Development, thence leaving the line of Outlot "B" and continuing with the line of Outlot "C", N 62°03' E – 142.4 feet, more or less to a point and S 35°09' E – 153.7 feet, more or less to a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the northerly right-of-way of US 68 (Harrodsburg Road) S 58°29' W – 378.1 feet, more or less to the beginning and containing 1.6 acres, more or less and being further known as Outlot "B" and Outlot "C" of the Turfland Mall Development.

Exclusion Area 3

Beginning at a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the line of Outlot "E" of Turfland Mall Development, N 32°48' W – 243.7 feet, more or less to a point, N 57°40' E – 165.4 feet, more or less to a point and S 34°07' E – 252.7 feet, more or less to a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the northerly right-of-way of US 68 (Harrodsburg Road) S 60°38' W – 171.5 feet, more or less to the beginning and containing 1.0 acres, more or less and being further known as Outlot "E" of the Turfland Mall Development.

Exclusion Area 4

Beginning at a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the line of Outlot "F" of Turfland Mall Development, N 34°17' W – 199.0 feet, more or less to a point, thence leaving the line of Outlot "F" and continuing through the lands of Tract 1 of Turfland Mall Development and Rubloff, GTE, LLC and Waites/Moore Limited Partnership properties, N 30°08' E – 344.4 feet, more or less to a point, S 37°24' E – 125.6 feet, more or less to a point and N 56°57' E – 240.6 feet, more or less to a point on the westerly right-of-way of Lane Allen Road, thence with the westerly right-of-way of Lane Allen Road, S 38°25' E – 149.4 feet, more or less to a point and S 34°09' E – 79.7 feet, more or less to a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the northerly right-of-way of US 68 (Harrodsburg Road), S 54°08' W – 148.2 feet, more or less to a point and S 57°51' W – 420.7 feet, more or less to the beginning and containing 3.4 acres more or less and being further known as Outlot "F" of the Turfland Mall Development, a portion of Tract 1 of the Turfland Mall Development and a portion of the Rubloff, GTE, LLC and Waites/Moore Limited Partnership property.

Exclusion Area 5

Beginning at a point on the common line of Tract 2 and Tract 1 of the Turfland Mall Development, thence with said common line, N 34°14' W – 502.1 feet, more or less to a point, thence leaving the common line and continuing through the lands of Tract 1 of

Turfland Mall Development, N 56°34' E – 503.7 feet, more or less to a point, S 49°11' E – 119.0 feet, more or less to a point, S 33°43' E – 183.5 feet, more or less to a point, S 24°58' W – 399.1 feet, more or less to a point and S 58°07' W – 189.9 feet, more or less to the beginning and containing 5.3 acres, more or less and being further known as a portion of Tract 1 of the Turfland Mall Development.

EXHIBIT B

Turfland Town Center Project		
	Square Feet	Cost Estimate
Office Building		
Remodeled Dillards Building		
Finished Square Feet	170,020	\$15,800,000
Total	170,020	\$15,800,000
Retail and Restaurant		
Main Retail and Restaurant Building Estimate		
Finished Square Feet	114,122	\$9,800,000
Outparcel Restaurant Estimate		
Finished Square Feet	3,262	\$975,000
Total	117,384	\$10,775,000
Other Costs		
Land Acquisition		\$6,025,000
Public Infrastructure Costs		\$8,500,000
Total Other Costs		\$14,525,000
TOTAL COST ESTIMATE		\$41,100,000

EXHIBIT C

Old Revenues from Development Area

Property	PIDN#	Assessed Valuation		
		2011	2012	2013
2195 Harrodsburg Rd	12703755	\$2,302,000	\$2,302,000	\$2,302,000
2097 Harrodsburg Rd.	19993160	\$140,000	\$140,000	\$140,000
2033 Harrodsburg Rd.	12703750	\$5,500,000	\$5,500,000	\$3,583,000
775 Lane Allen Rd	23634700	\$0	\$0	\$0
Total		\$7,942,000	\$7,942,000	\$6,025,000

“Old Revenues” to LFUCG from real estate taxes shall be the 2013 assessed valuation of real property within the Development Area of \$6,025,000, multiplied by the 2013 County General Real Estate tax rate to LFUCG, not including the \$.05 rate per hundred valuation allocated to the Library, of \$.03 per each \$100 in valuation, which is \$1,808.

“Old Revenues” to LFUCG, from occupational taxes (net profits and payroll taxes) from the Development Area shall be based on the calendar year receipts to LFUCG for 2013 from the Development Area.

**Turfland Town Center
Incremental Tax Revenues Generated for Project**

Total	Year 1	Year 2	Year 3	Year 4	Year 5
\$1,360,447	\$50,630	\$52,149	\$53,713	\$55,325	\$56,985
\$1,360,447	\$50,630	\$52,149	\$53,713	\$55,325	\$56,985
\$331,312	\$12,330	\$12,700	\$13,081	\$13,473	\$13,878
\$24,207,945	\$492,951	\$660,062	\$836,756	\$969,591	\$1,054,160
\$24,539,257	\$505,281	\$672,762	\$849,836	\$983,064	\$1,068,038
\$25,899,704	\$555,911	\$724,911	\$903,550	\$1,038,389	\$1,125,022
\$215,825	\$8,032	\$8,273	\$8,521	\$8,777	\$9,040
\$215,825	\$8,032	\$8,273	\$8,521	\$8,777	\$9,040
\$53,072	\$1,975	\$2,034	\$2,095	\$2,158	\$2,223
\$1,023,999	\$38,109	\$39,252	\$40,430	\$41,643	\$42,892
\$1,077,071	\$40,084	\$41,286	\$42,525	\$43,801	\$45,115
\$1,292,896	\$48,116	\$49,560	\$51,046	\$52,578	\$54,155
\$24,606,808	\$507,795	\$675,351	\$852,504	\$985,811	\$1,070,867
at 0%	\$0	\$0	\$0	\$0	\$0
at 20%	\$4,692,437	\$93,040	\$126,295	\$161,462	\$187,853
\$19,914,371	\$414,756	\$549,056	\$691,041	\$797,958	\$866,283
at 100%	\$1,144,622	\$42,598	\$43,876	\$45,192	\$46,548
at 80%	\$18,769,749	\$372,158	\$505,180	\$645,849	\$751,410
					\$818,338

MASTER DEVELOPMENT AGREEMENT

This MASTER DEVELOPMENT AGREEMENT (this "AGREEMENT") is made as of the 1st day of September, 2014 (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 OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (the "Agency"), and Turf Development, 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. 78-2010 (the Development Area Ordinance"), adopted on May 6, 2010, established the Turfland Town Center 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 May 1, 2010 (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, and

Whereas, subsequent to the adoption of the Development Area Ordinance there was a need to amend the Local Participation Agreement through the adoption of an Amended and Restated Local Participation Agreement, dated September 1, 2014 (the "Amended and Restated Local Participation Agreement"), to pay for certain project costs and redevelopment assistance within the Development Area, as set forth in the Amended and Restated Local Participation Agreement, a copy of which is attached as Exhibit A, and in accordance with this Agreement; and

Whereas, in the Development Area Ordinance, LFUCG, designated the Agency 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 the Amended and Restated Local Participation Agreement on behalf of LFUCG; and

Whereas, the primary private project planned within the Development Area is the Turfland Town Center Project (the “Project”), which is a mixed-use project consisting of office, restaurant, and retail uses, together with related parking, more specifically described in Exhibit “B” attached hereto; and

Whereas, to support the Project, the Developer has requested LFUCG and the Agency to pay for certain project costs related to the Project from the Incremental Revenues pledged to the Development Area in the Amended and Restated Local Participation Agreement and Tax Incentive Agreement, as herewith defined; 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. “Activation”. Shall mean the date the Development Area or Tax Incentive Agreement is activated pursuant to the Act for the purpose of computing Incremental Revenues.

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

D. “Agency”. Shall mean the Department of Finance of the Lexington-Fayette Urban County Government.

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

F. “Amended and Restated 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 the Amended and Restated Local Participation

Agreement, dated September 1, 2014, as it may be amended, a copy which is attached as Exhibit “A”.

G. “Application”. Shall mean the State application to KEDFA seeking a pledge of State Incremental Revenues.

H. “Approved Public Infrastructure Costs”. Shall have the meaning as provided in the Amended and Restated Local Participation Agreement.

I. “Capital Investment”. Shall have the meaning as provided in the Act.

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

K. “Development Area”. Shall have the meaning given in the Recitals to this Agreement.

L. “Effective Date”. Has the meaning given in the introductory paragraph of this Agreement.

M. “Incremental Revenues”. Shall mean the tax revenues pledged to the Development Area by LFUCG as set forth in the Amended and Restated Local Participation Agreement, and by the State, acting through KEDFA, through the execution of the Tax Incentive Agreement with the Agency.

N. “LFUCG”. Shall mean the Lexington-Fayette Urban County Government, an urban county government of the Commonwealth of Kentucky created pursuant to KRS 67A.

O. “KEDFA”. Shall mean the Kentucky Economic Development Finance Authority, which is assigned for administrative purposes to the Kentucky Economic Development Cabinet.

P. “Public Infrastructure Improvements”. Shall mean the public improvements and infrastructure constructed within the Development Area, which shall include the Approved

Public Infrastructure Costs, including storm water and sanitary sewer facilities, public parking, roads, sidewalks, street lighting and other improvements outlined in Exhibit “B” to the Amended and Restated Local Participation Agreement and in Exhibit “D” to this Agreement.

Q. “Private Project Elements”. Shall mean the elements of the Project that shall be privately developed and owned and operated, including office, retail, restaurant and other commercial aspects of the Project.

R. “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.

S. “Project”. Shall mean the Turfland Town Center Project within the Development Area, more specifically described in Section IV and Exhibit “B” attached hereto.

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

U. “Project Site”. Shall mean the property located along Harrodsburg Road in Lexington, Kentucky and as more fully described in Exhibit “A” to the Amended and Restated Local Participation Agreement.

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

W. “State Real Property Tax Program”. Shall mean the Commonwealth Participation Program for State Real Property Ad Valorem Tax Revenues as described in the Act.

X. “Tax Incentive Agreement”. Shall mean the agreement pledging certain State Incremental Revenues to pay for designated costs within the Development Area which will be set

forth in a Tax Incentive Agreement, as it may be amended, by and between the Agency and KEDFA.

Y. “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 Agency. LFUCG and Agency possess the requisite authority to enter into this Agreement, and neither LFUCG nor the Agency, 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 Agency 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 that the Developer shall construct on the Project Site shall substantially consist of approximately 85,000 square feet of office space, an 85,000 square foot medical clinic, and 117,400 square feet of retail and restaurant uses, which are to be considered the Private Project Elements.

Several Affiliates will be 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 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 "D" 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 certain Capital Investments 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.

C. The Project shall be constructed in accordance with the Final Design Plans to be approved by LFUCG, and shall be consistent with the Preliminary Project Plans, attached hereto as Exhibit “B”.

D. The Project shall be constructed in accordance with a certified Final Development Plan, and as it may be amended, that will be approved by the Planning Commission.

E. Project Costs. The Developer shall document all Project Costs and Capital Investment, including which costs represent Public Infrastructure Improvements, associated with construction of the Project and submit such costs to LFUCG and the Agency in the format to be determined by the Agency and KEDFA, to enable the Agency and LFUCG to comply with its reporting requirements as set forth in the Amended and Restated Local Participation Agreement and the Tax Incentive Agreement.

F. The Public Infrastructure Improvements are itemized in Exhibit “C” to this Agreement and are eligible to be fully reimbursed by the Agency according to the terms of the Amended and Restated Local Participation Agreement, and it is anticipated that a portion of the costs associated with such improvements will be eligible costs for reimbursement from State Incremental Revenues under the Tax Incentive Agreement as Approved Public Infrastructure Costs.

G. The Developer shall assist the Agency in complying with any reporting requirements mandated by the Amended and Restated Local Participation Agreement and Tax Incentive Agreement and in calculating the Incremental Revenues that may be due to the Agency 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 Agency or other information as may be required by the Agency, relating to the LFUCG and State taxes that may be generated from the Project.

H. The Developer agrees to notify the LFUCG, in writing, when it intends to request Activation of the Development Area and/or if it intends to request an extension or delay of Activation of the Development Area. The Developer agrees to provide the LFUCG with a statement of Project Costs and expenditures incurred for every six (6) month period upon preliminary approval of the State Application and prior to activation of the TIF in compliance with the reporting requirements required by the Tax Incentive Agreement.

SECTION V

Priority of the Use of Incremental Revenues

Pursuant to the provisions of the Act and the Amended and Restated Local Participation Agreement, LFUCG and the Agency intend to activate the Development Area on January 1, 2015, which will potentially allow for Incremental Revenues to be available to the Agency beginning in calendar year 2016. In consideration of the Developer constructing the Project and complying with the requirements and conditions of Section IV of this Agreement, LFUCG and the Agency agree that priority for the use of the Incremental Revenues received by the Agency from LFUCG and the State shall be as follows:

A. Each year following the Activation of the Development Area until its termination, an administrative charge of \$8,200.00, will be retained by the Agency from the Incremental Revenues received by the Agency pursuant to the Amended and Restated Local Participation Agreement and/or Tax Incentive Agreement to cover administrative and other expenses incurred by the LFUCG or the Agency for the administration and implementation of the Development Area Ordinance, including complying with any reporting requirements set forth in the Amended

and Restated 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 Amended and Restated Local Participation Agreement or Tax Incentive Agreement. It is understood that if in any year the amount of Incremental Revenues received by the Agency are not sufficient to satisfy the annual charge of \$8,200, the amount not satisfied may be recovered by the Agency from the Incremental Revenues received by the Agency in future years.

B. After the annual obligations set forth in Section V(A) 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 Agency pursuant to the Amended and Restated Local Participation Agreement and/or Tax Incentive Agreement shall be annually paid to the Developer to reimburse the Developer for the Capital Investment costs of the Public Infrastructure Improvements, up to the actual Capital Investment for the Public Infrastructure Improvements as certified by the Developer, provided, however the total reimbursement to Developer from Incremental Revenues from the Amended and Restated Local Participation Agreement and the Tax Incentive Agreement to pay for Capital Investment for Public Infrastructure Improvement shall not exceed \$8,500,000. No Incremental Revenues shall be paid to the Developer pursuant to this paragraph until the Developer has expended documented Project Costs to satisfy the Minimum Capital Investment in the Tax Incentive Agreement of \$10,000,000.

C. Upon the execution of this Agreement and the Amended and Restated Local Participation Agreement, the Agency shall make Application to KEDFA, provided that Developer shall pay for any application fee, administrative fees, or other out of pocket fees charged by KEDFA (including KEDFA's attorneys fees), requesting a pledge of State

Incremental Revenues to pay for Approved Public Infrastructure Costs pursuant to the Real Property Tax Program; and upon approval by KEDFA, the Agency shall execute a Tax Incentive Agreement with KEDFA that provides for the pledge of certain State Incremental Revenues to reimburse Developer for the Public Infrastructure Improvements within the Development Area as set forth in Section V(B) of this Agreement.

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

E. It is understood by the Parties that after the Activation of the Tax Incentive Agreement any State Incremental Revenues that may be generated and available to be paid by the State to the Agency pursuant to the provisions of the Tax Incentive Agreement, shall be held in escrow without interest accruing thereon, until the Minimum Capital Investment of \$10,000,000 in documented Project Costs, required for the release of State Incremental Revenues, are certified and approved as may be provided in the Tax Incentive Agreement. It is further understood that the payment of State Incremental Revenues to the Agency are limited to reimbursement for the Approved Public Infrastructure Costs, and other approved costs that will be identified in the Tax Incentive Agreement, that are certified by the Agency 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 Agency to pay for or reimburse any Project Costs, except from the Incremental Revenues that may be generated within the Development Area and

due to the Agency as provided in the Amended and Restated Local Participation Agreement and the Tax Incentive Agreement.

G. The obligations of the Agency to reimburse costs to the Developer as provided in Section V of this Agreement are contingent upon KEDFA approving Tax Increment Financing for this Project to allow any portion of the Capital Investment costs for the Public Infrastructure Improvements to be reimbursed with State Incremental Revenues as Approved Public Infrastructure Costs. In addition, any obligations of LFUCG or the Agency 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. However, this Agreement shall continue in full force and effect to reimburse the Developer for Public Infrastructure Improvement costs set out in Exhibit "C" herein, even if the State reimbursement has reached its maximum cap, as provided in 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 Agency 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 Amended and Restated 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 Amended and Restated 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, Agency 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 Agency: William O'Mara
Commissioner of Finance
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: Ron Switzer
Turf Development, LLC
Switzer, McGaughey & King, PSC
811 Corporate Drive
Suite 303
Lexington, Kentucky 40503

With Copies
(which shall not
constitute notice) to: John S. Talbott
301 East Main Street
Suite 600
Lexington, Kentucky 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, Agency 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, Agency 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.

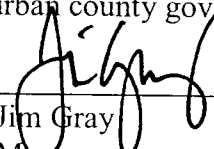
Q. Assignment of Rights and Delegation of Duties. Neither LFUCG nor the Agency shall assign this Agreement without the prior written consent of the Developer, which shall not be unreasonably withheld. The Developer shall have the right to assign this Agreement, or any part hereof, to an Affiliate, provided 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.

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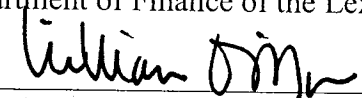
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands on the date and year first above set forth herein, to be effective as of the Effective Date.

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

By:  _____
Jim Gray
Its: Mayor

Date:

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

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

Date:

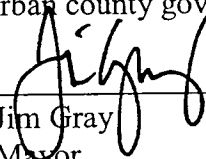
Turf Development, LLC

By: _____
Ronald Switzer
Its: President

Date:

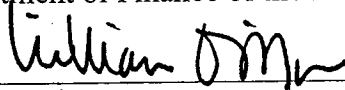
IN WITNESS WHEREOF, the parties hereto have hereunto set their hands on the date and year first above set forth herein, to be effective as of the Effective Date.

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

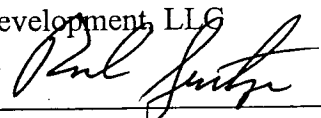
By: 
Jim Gray
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Department of Finance of the Lexington-Fayette Urban County Government.

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

Date:

Turf Development, LLC
By: 
Ronald Switzer
Its: President

Date:

Exhibit A

Amended and Restated Local Participation Agreement

Exhibit B

Preliminary Development Plan for the Project

AMENDED AND RESTATED LOCAL PARTICIPATION AGREEMENT
FOR
TURFLAND TOWN CENTER 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
September 1, 2014

- Exhibit A – The Development Area**
- Exhibit B – The Project, including an estimate of costs of construction, acquisition and development**
- Exhibit C – Listing of Old Revenues Collected from Development Area**
- Exhibit D – Listing of Anticipated Incremental Revenues for the LFUCG**
- Exhibit E – Master Development Agreement**

INDEX
TO
AMENDED AND RESTATED LOCAL PARTICIPATION AGREEMENT
DATED
September 1, 2014
LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT
AND
DEPARTMENT OF FINANCE AND ADMINISTRATION FOR THE LEXINGTON-
FAYETTE URBAN COUNTY GOVERNMENT

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AMENDED AND RESTATED LOCAL PARTICIPATION AGREEMENT

THIS AMENDED AND RESTATED LOCAL PARTICIPATION AGREEMENT (this "Agreement") is made as of the 1st day of September, 2014 (the "Effective Date") by and between the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT, a Kentucky urban county government (the "LFUCG"), and the DEPARTMENT OF FINANCE OF THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (the "Agency"), collectively (the "Parties");

RECITALS

Whereas, pursuant to the Act, as hereinafter defined, LFUCG by Ordinance No. 78-2010 (the "Development Area Ordinance"), adopted on May 6, 2010, established the Turfland Town Center 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 May, 1, 2010 (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; and

WHEREAS, pursuant to the Act, as hereinafter defined, the LFUCG has on the __ day of August, 2014, adopted Ordinance Number _____, the "Ordinance", whereby it approved the execution of this Agreement for the Development Area for the purpose of promoting a redevelopment project within the LFUCG, more fully described in this Agreement and in the Master Development Agreement, hereinafter defined; 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 Project and 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 the Ordinance, 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 the Ordinance, 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 Agreement, in order to facilitate development of the Project within the Development Area.

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.
2. "Administrative Costs". Shall mean those costs set forth the Master Development Agreement at Section V(A) to be retained by the Agency before reimbursing any costs to the Developer for Public Infrastructure Improvements.
3. "Agreement". Shall mean this Amended and Restated Local Participation Agreement, including all Exhibits attached hereto.

4. "Approved Public Infrastructure Costs". Shall be the Capital Investment as defined in the Act, and approved by KEDFA, for reimbursement from State Incremental Revenues in the Tax Incentive Agreement.
5. "Developer" or "Master Developer". Shall mean Turf Development, LLC, a Kentucky limited liability company..
6. "Development Area". Shall have the meaning given in the Recitals to this Agreement.
7. "Effective Date". Shall have the meaning given in the introductory paragraph of this Agreement.
8. "Financing Plan". Shall mean the plan for financing the Project as described in Section X of this Agreement, as it may be amended with the approval of the LFUCG.
9. "Incremental Revenues". Shall have the meaning as provided in the Act, except that Incremental Revenues shall not include any portion of the real ad valorem tax rate of the LFUCG designated for the Lexington Public Library District.
10. "KEDFA". Shall mean the Kentucky Economic Development Finance Authority.
11. "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.
12. "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.

13. "Master Development Agreement" shall mean the Master Development Agreement dated September 1, 2014, among LFUCG, the Agency and the Developer relating to the Project, attached as Exhibit "E".

14. "State Real Property Tax Program". Shall mean the Commonwealth Participation Program for State Real Property Ad Valorem Tax Revenues as described in the Act.

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

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

17. "Private Financing". Shall mean the financing needed to provide for the development and construction of the Project elements or any financing received by the Developer that is not from LFUCG or the State.

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

19. "Public Infrastructure Improvements". Shall mean the Capital Investment related to the Project, which includes the Approved Public Infrastructure Costs, that is identified in the Master Development Agreement for reimbursement to the Developer from Incremental Revenues from this Agreement and the Tax Incentive Agreement and which shall not exceed \$8,500,000.

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

21. "Special Fund". Shall mean the Turfand Town Center Development Area Special Fund established in the Development Area Ordinance, for the purpose of holding the LFUCG and State Incremental Revenues pledged herein in connection with the development of the Project.

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

23. "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.

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 pay for Administrative Costs, and Public Infrastructure Improvements, and after those costs are paid, to provide other Redevelopment Assistance within the Development Area as determined by LFUCG, for up to a twenty (20) year period which pledge is made in Section VI herein.

3. Make, in participation with the Agency and the Developer, application to the KEDFA requesting State participation under the "State Real Property Tax Program" in accordance with applicable provisions of the Act. The application shall request State participation, as provided in the Financing Plan.

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

4. 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.

5. Require its Department of Finance, as the "agency" for purposes of the Act, to prepare by no later than June 1, or such other date to meet the reporting schedule of KEDFA, or the State to receive State Incremental Revenues under the Tax Incentive Agreement, 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; and (c) the amount, if any, of Incremental Revenues spent from the Special Fund on Administrative Costs, Public Infrastructure Improvements, or 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 LFUCG and Developer in the application to KEDFA, requesting State participation under the "State Real Property Tax 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 June 1, or such other date as may be required of KEDFA or the State to receive State Incremental Revenues under the Tax Incentive Agreement, 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; and (c) the amount, if any, of Incremental Revenues spent from the Special Fund on Administrative Costs, Public Infrastructure Improvements, 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 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 from the Project to support the payment Administrative Costs, Public Infrastructure Improvements; and after those costs are paid, Redevelopment Assistance as determined by LFUCG, for up to a twenty (20) year period; provided, however, that the pledge of LFUCG Incremental Revenues shall be conditioned upon the approval of a Tax Incentive Agreement by KEDFA under the State participation as a " 'Real Property Tax Program' 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 2013. A listing of the Old Revenues collected by the LFUCG from within the Development Area is attached hereto on Exhibit C.

2. Incremental Revenues pledged by the LFUCG in this Section shall be deposited at least annually, no later than each June 1st after the first calendar year of

activation, to the Special Fund and used solely for payment of Administrative Costs, Public Infrastructure Improvements, and/or Redevelopment Assistance 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 costs as provided in this Section VI of this Agreement, and for no other purpose.

3. 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.

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 are attached as Exhibits C and D 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 twenty (20) years.

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.

SECTION X
Financing Plan

The financing for the Project shall generally be structured as private debt financing through credit lines established by the Developer. 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 any Private Financing 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 Public Infrastructure Improvements for 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 PRIVATE FINANCING FOR THE PROJECT AS PROVIDED IN THIS AGREEMENT 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, WHATSOEVER, TOWARD THE PAYMENT OF SUCH PAY FOR ANY DEVELOPER'S COSTS FOR THE PROJECT 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 VI hereof shall be determined by the LFUCG and Developer in accordance with the Act. This Agreement shall terminate twenty (20) 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, the Agency (unless it is the Defaulting Party) shall have the power to enforce the provisions of this Agreement 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 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 Jim Gray 200 East Main Street Lexington, Kentucky 40507
With a Copy to:	Commissioner of Law Janet M. Graham 200 East Main Street Lexington, Kentucky 40507
With additional Copy to:	Kevin Atkins, Director of Development 200 East Main Street Lexington, Kentucky 40507
If to the Agency:	Commissioner of Finance William O'Mara 200 East Main Street Lexington, Kentucky 40507

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 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.

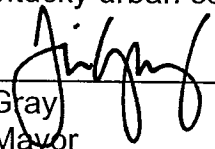
Notwithstanding the above, time is of the essence with respect to any time limit specified herein.

SECTION XXVIII
Assignment of Rights and Delegation of Duties

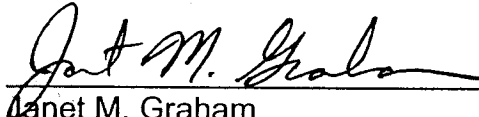
No Party to this Agreement may assign this Agreement, or any part hereof, except as provided herein, without the prior written consent of the other Parties.

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.

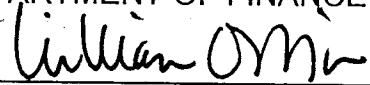
LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT
a Kentucky urban county government

By: 
Jim Gray
Its: Mayor

Approval as to Form:


Janet M. Graham
Commissioner of Law for the
Lexington-Fayette Urban County
Government

DEPARTMENT OF FINANCE

By: 
William O'Mara
Commissioner of Finance

EXHIBITS

Exhibit A: Development Area Map and Description

Exhibit B: The Project

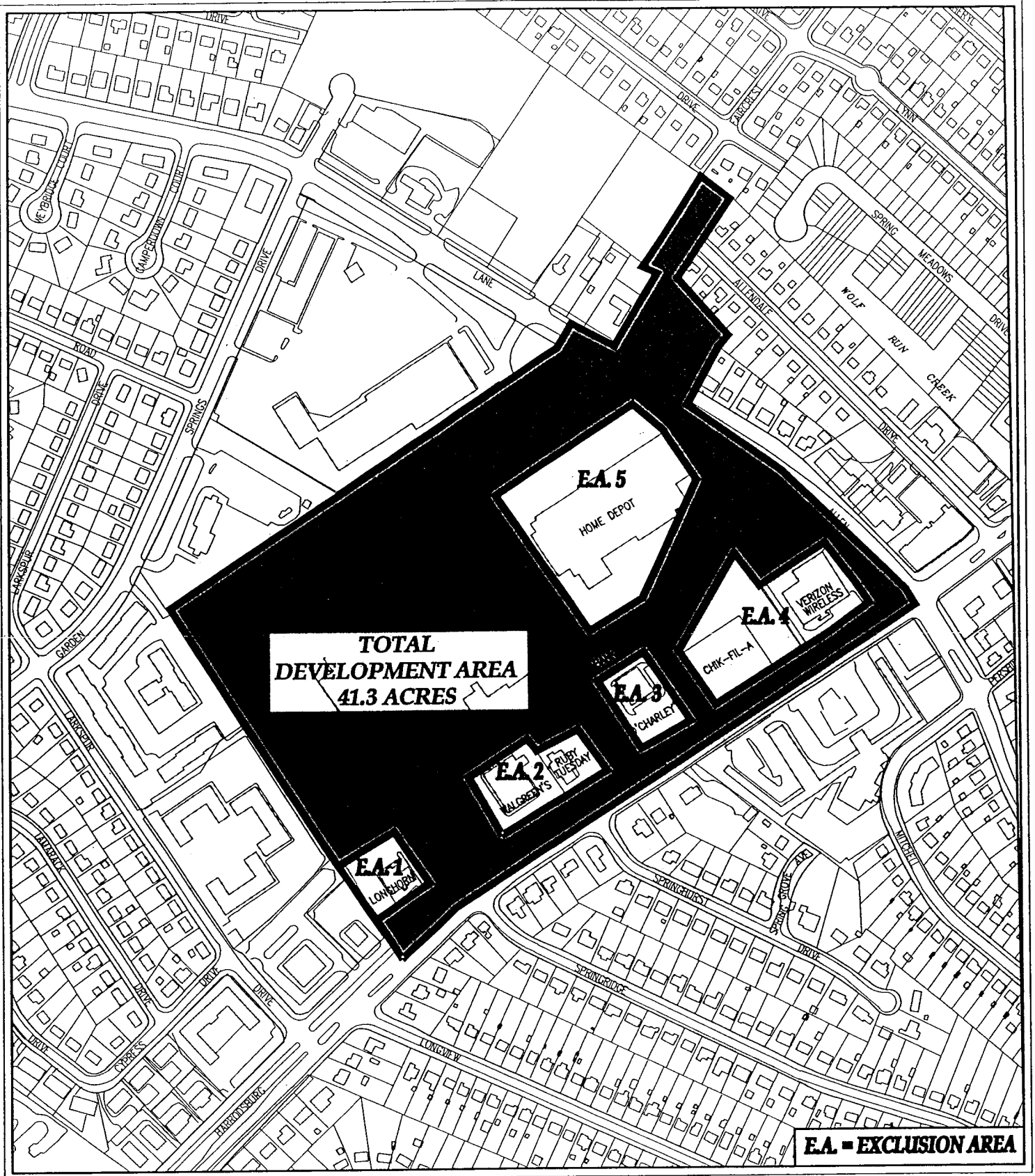
Exhibit C: Listing of Old Revenues Collected by the LFUCG from Development Area

Exhibit D: Listing of Anticipated Incremental Revenues for the LFUCG

Exhibit E: Master Development Agreement

LFUCG Ordinance Approving LPA

EXHIBIT A



DEVELOPMENT AREA - 41.3 ACRES

Sherman Carter Barnhart P.S.C.

ARCHITECTURE • INTERIORS • LANDSCAPE ARCHITECTURE • CIVIL ENGINEERING

2405 HARRODSBURG ROAD • LEXINGTON, KY 40505-3329 • PHONE: 859.224.1351 • FAX: 859.224.8446

DATE 02/08/10

PROJECT NO. 0988

DRAWN

SCALE: 1"=400'

PROJECT NAME

TURFLAND MALL REDEVELOPMENT

PROJECT LOCATION

LEXINGTON, KY

BOUNDARY DESCRIPTION DEVELOPMENT AREA

All that tract or parcel of land being situated northeasterly of and adjacent to US 68 (Harrodsburg Road) in Lexington, Fayette County, Kentucky and being more particularly described as follows:

Beginning at a point in the centerline of US 68 (Harrodsburg Road), said point being the common line of Turfland Mall Development and Garden Springs Subdivision extended, thence with the common line of Turfland Mall Development and Garden Springs Subdivision, N 33°08' W – 144.5 feet, more or less to a point, N 35°06' W – 202.0 feet, more or less to a point, N 32°40' W – 946.2 feet, more or less to a point, thence with the common line of Turfland Mall Development and Garden Springs Subdivision and continuing with the line common line of Turfland Mall Development and Savage Lumber and Manufacturing Company, Inc., N 56°42' E – 1430.6 feet, more or less to a point on the southerly right-of-way of Lane Allen Road, thence N 30°39' E – 87.6 feet, more or less to a point on the northerly right-of-way of Lane Allen Road, thence with the northerly right-of-way of Lane Allen Road, S 62°38' E – 147.7 feet, more or less to a point, thence leaving the northerly right-of-way of Lane Allen Road, N 31°04' E – 254.1 feet, more or less to a point, N 65°07' W – 47.9 feet, more or less to a point, N 34°12' E – 126.1 feet, more or less to a point, N 32°59' E – 202.8 feet, more or less to a point in Wolf Run Creek, thence with Wolf Run Creek, S 52°39' E – 112.5 feet, more or less to a point, thence leaving Wolf Run Creek, S 34°12' W – 290.2 feet, more or less to a point, S 41°41' E – 231.9 feet, more or less to a point, S 39°49' W – 49.5 feet, more or less to a point and S 28°46' W – 197.6 feet, more or less to a point in the centerline of Lane Allen Road, thence with the centerline of Lane Allen Road, S 55°00' E – 353.4 feet, more or less to a point, S 46°24' E – 528.5 feet, more or less to a point and S 30°59' E – 55.2 feet, more or less to a point in the centerline of US 68 (Harrodsburg Road), thence with the centerline of US 68 (Harrodsburg Road) S 56°57' W – 1696.6 feet, more or less to a point and S 47°03' W – 228.0 feet, more or less to the beginning and containing 53.5 acres (gross), more or less, minus the exclusion areas (12.2 acres net) equals a total development area of 41.3 acres (net), more or less.

There is excluded from the above described tract of land the following parcels:

Exclusion Area 1

Beginning at a point on the common line of Turfland Mall Development and Garden Springs Subdivision and being on the northerly right-of-way of US 68 (Harrodsburg Road), thence with said common line, N 35°06' W – 202.0 feet, more or less to a point, thence leaving the common line of Turfland Mall Development and Garden Springs Subdivision, and continuing through the lands of Turfland Mall Development, N 59°03' E – 201.4 feet, more or less to a point, S 33°52' E – 189.3 feet, more or less to a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the northerly right-of-way of US 68 (Harrodsburg Road), S 55°26' W – 196.8 feet, more or

less to a point and containing 0.9 acres, more or less and being further know as Outlot "A" of the Turfland Mall Development.

Exclusion Area 2

Beginning at a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the line of Outlot "B" of Turfland Mall Development, N 29°23' W – 203.6 feet, more or less to a point, N 56°54' E – 213.1 feet, more or less to a point and S 38°23' E – 47.5 feet, more or less to a point, corner to Outlot "C" of Turfland Mall Development, thence leaving the line of Outlot "B" and continuing with the line of Outlot "C", N 62°03' E – 142.4 feet, more or less to a point and S 35°09' E – 153.7 feet, more or less to a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the northerly right-of-way of US 68 (Harrodsburg Road) S 58°29' W – 378.1 feet, more or less to the beginning and containing 1.6 acres, more or less and being further known as Outlot "B" and Outlot "C" of the Turfland Mall Development.

Exclusion Area 3

Beginning at a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the line of Outlot "E" of Turfland Mall Development, N 32°48' W – 243.7 feet, more or less to a point, N 57°40' E – 165.4 feet, more or less to a point and S 34°07' E – 252.7 feet, more or less to a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the northerly right-of-way of US 68 (Harrodsburg Road) S 60°38' W – 171.5 feet, more or less to the beginning and containing 1.0 acres, more or less and being further known as Outlot "E" of the Turfland Mall Development.

Exclusion Area 4

Beginning at a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the line of Outlot "F" of Turfland Mall Development, N 34°17' W – 199.0 feet, more or less to a point, thence leaving the line of Outlot "F" and continuing through the lands of Tract 1 of Turfland Mall Development and Rubloff, GTE, LLC and Waites/Moore Limited Partnership properties, N 30°08' E – 344.4 feet, more or less to a point, S 37°24' E – 125.6 feet, more or less to a point and N 56°57' E – 240.6 feet, more or less to a point on the westerly right-of-way of Lane Allen Road, thence with the westerly right-of-way of Lane Allen Road, S 38°25' E – 149.4 feet, more or less to a point and S 34°09' E – 79.7 feet, more or less to a point on the northerly right-of-way of US 68 (Harrodsburg Road), thence with the northerly right-of-way of US 68 (Harrodsburg Road), S 54°08' W – 148.2 feet, more or less to a point and S 57°51' W – 420.7 feet, more or less to the beginning and containing 3.4 acres more or less and being further known as Outlot "F" of the Turfland Mall Development, a portion of Tract 1 of the Turfland Mall Development and a portion of the Rubloff, GTE, LLC and Waites/Moore Limited Partnership property.

Exclusion Area 5

Beginning at a point on the common line of Tract 2 and Tract 1 of the Turfland Mall Development, thence with said common line, N 34°14' W – 502.1 feet, more or less to a point, thence leaving the common line and continuing through the lands of Tract 1 of

Turfland Mall Development, N 56°34' E – 503.7 feet, more or less to a point, S 49°11' E – 119.0 feet, more or less to a point, S 33°43' E – 183.5 feet, more or less to a point, S 24°58' W – 399.1 feet, more or less to a point and S 58°07' W – 189.9 feet, more or less to the beginning and containing 5.3 acres, more or less and being further known as a portion of Tract 1 of the Turfland Mall Development.

EXHIBIT B

Turfland Town Center Project		
	Square Feet	Cost Estimate
Office Building		
Remodeled Dillards Building		
Finished Square Feet	170,020	\$15,800,000
Total	170,020	\$15,800,000
Retail and Restaurant		
Main Retail and Restaurant Building Estimate		
Finished Square Feet	114,122	\$9,800,000
Outparcel Restaurant Estimate		
Finished Square Feet	3,262	\$975,000
Total	117,384	\$10,775,000
Other Costs		
Land Acquisition		\$6,025,000
Public Infrastructure Costs		\$8,500,000
Total Other Costs		\$14,525,000
TOTAL COST ESTIMATE		\$41,100,000

EXHIBIT C

Old Revenues from Development Area

Property	PIDN#	Assessed Valuation		
		2011	2012	2013
2195 Harrodsburg Rd	12703755	\$2,302,000	\$2,302,000	\$2,302,000
2097 Harrodsburg Rd.	19993160	\$140,000	\$140,000	\$140,000
2033 Harrodsburg Rd.	12703750	\$5,500,000	\$5,500,000	\$3,583,000
775 Lane Allen Rd	23634700	\$0	\$0	\$0
Total		\$7,942,000	\$7,942,000	\$6,025,000

"Old Revenues" to LFUCG from real estate taxes shall be the 2013 assessed valuation of real property within the Development Area of \$6,025,000, multiplied by the 2013 County General Real Estate tax rate to LFUCG, not including the \$.05 rate per hundred valuation allocated to the Library, of \$.03 per each \$100 in valuation, which is \$1,808.

"Old Revenues" to LFUCG, from occupational taxes (net profits and payroll taxes) from the Development Area shall be based on the calendar year receipts to LFUCG for 2013 from the Development Area.

EXHIBIT D

**Turfland Town Center
Incremental Tax Revenues Generated for Project**

Total	Year 1	Year 2	Year 3	Year 4	Year 5	
\$1,360,447	\$50,630	\$52,149	\$53,713	\$55,325	\$56,985	
\$1,360,447	\$50,630	\$52,149	\$53,713	\$55,325	\$56,985	
\$331,312	\$12,330	\$12,700	\$13,081	\$13,473	\$13,878	
\$24,207,945	\$492,951	\$660,062	\$836,756	\$969,591	\$1,054,160	
\$24,539,257	\$505,281	\$672,762	\$849,836	\$983,064	\$1,068,038	
\$25,899,704	\$555,911	\$724,911	\$903,550	\$1,038,389	\$1,125,022	
\$215,825	\$8,032	\$8,273	\$8,521	\$8,777	\$9,040	
\$215,825	\$8,032	\$8,273	\$8,521	\$8,777	\$9,040	
\$53,072	\$1,975	\$2,034	\$2,095	\$2,158	\$2,223	
\$1,023,999	\$38,109	\$39,252	\$40,430	\$41,643	\$42,892	
\$1,077,071	\$40,084	\$41,286	\$42,525	\$43,801	\$45,115	
\$1,292,896	\$48,116	\$49,560	\$51,046	\$52,578	\$54,155	
\$24,606,808	\$507,795	\$675,351	\$852,504	\$985,811	\$1,070,867	
at 0%	\$0	\$0	\$0	\$0	\$0	
at 20%	\$4,692,437	\$93,040	\$126,295	\$161,462	\$187,853	\$204,585
at 100%	\$19,914,371	\$414,756	\$549,056	\$691,041	\$797,958	\$866,283
at 80%	\$1,144,622	\$42,598	\$43,876	\$45,192	\$46,548	\$47,944
at 80%	\$18,769,749	\$372,158	\$505,180	\$645,849	\$751,410	\$818,338



PROPOSED

TURF DEVELOPMENT

EXHIBIT C

Turfland Town Center Public Infrastructure Improvements	
Land Preparation	\$250,000
Demolition and Clearance	\$1,750,000
Site Preparation	\$250,000
Remediation	\$50,000
Utilities	\$400,000
Sanitary Sewers	\$750,000
Storm Sewers	\$2,500,000
Parking	\$1,100,000
Landscaping	\$300,000
Fencing	\$75,000
Water Lines, Meters, Hydrants	\$250,000
Sidewalk Replacement	\$100,000
Survey and Geotechnical Services	\$75,000
Street Lighting	\$200,000
Soft Costs	\$135,000
Contingency	\$315,000
Total	\$8,500,000

Exhibit C

Public Infrastructure Improvements

EXHIBIT D

Officers and Managers of Developer and its Affiliates

1. Turf Development, LLC
 - a. Manager: Switzer Properties, Inc.
 - b. Organizer: John S. Talbott

2. Switzer Properties, Inc.
 - a. President & Director: Ronald Switzer
 - b. Secretary & Director: Claudette Switzer