

EXHIBIT D-2

Affidavit of Capital Investment and Approved Public Infrastructure Costs

The Lexington-Fayette Urban County Government (the "LFUCG", as defined in the Tax Incentive Agreement - TIF dated April 26, 2012) shall submit this Affidavit of Capital Investment and Approved Public Infrastructure Costs Exhibit for the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project semi-annually by January 30th and July 31st each year throughout the Term of the Agreement until the Minimum Capital Investment is made. Once the Minimum Capital Investment is achieved, this report shall be filed annually on July 31st of each year. The Affidavit of Capital Investment and Approved Public Infrastructure Costs shall be accompanied by the attached Appendix To Exhibit D-2 - Certificate of Independent Public Accountants of Capital Investment when: (i) the \$20,000,000 Minimum Capital Investment Threshold has been reached, (ii) the investment in Approved Public Infrastructure Costs equals or exceeds Total Approved Costs, or total expenditures for Approved Public Infrastructure Costs are completed, whichever occurs first, and (iii) the development of the Project is completed and the total expenditures for Capital Investment and Approved Public Infrastructure Costs have been made.

The undersigned, Erin Hensley, after having first being duly sworn, deposes and states as follows:

As Finance Commissioner (Title) of the LFUCG, I am authorized to submit this Affidavit to the Kentucky Economic Development Finance Authority ("Authority") on behalf of the Lexington-Fayette Urban County Government with respect to the Tax Incentive Agreement by and between the Authority and the "LFUCG". All capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Agreement.

As of June 30, 2020, "LFUCG" is reporting the following:

Summary of the Total Capital Investment Made To-Date Within the Footprint

Block	Public Infrastructure Costs	Other Capital Investment	TOTAL
1	\$ 327,022.86	\$ 31,602,395.08	\$ 31,929,417.94
2	1,072,462.71	194,053.50	1,266,516.21
3	1,179,779.48	37,719,121.07	38,898,900.55
4	5,203,813.55	71,607.85	5,275,421.40
5	150,878.69	64,921.68	215,800.37
6	181,473.16	412,136.58	593,609.74
7	194,200.97	537,553.27	731,754.24
8	1,274,132.84	65,444.80	1,339,577.64
TOTAL	\$ 9,583,764.27	\$ 70,667,233.83	\$ 80,250,998.10

See Attachment 1 for detail of the investment costs.

Has the Minimum Capital Investment Threshold of \$20,000,000 been achieved? ☒ YES ☐ NO
If yes, it was achieved on: _____, 20__

Has there been any changes or modifications to the proposed project as described in Exhibit A to the Tax Incentive Agreement? ☐ YES ☐ NO If yes, please list the changes below by block:

Block #	New Description

Please Note: Failure to build out the project as described in the application and reflected in Exhibit A to the Agreement may result in a default or a reduction in the Commonwealth's participation in the Project and the amount of any Increment(s) payable.

The amounts reported in this affidavit are true and accurate to the best of my knowledge. Evidence of the amounts reported is kept by the LFUCG and is available for review by a representative of the Authority at any time pursuant to the Agreement.

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT

Erin Hensley
[Signature of Individual]

ERIN HENSLEY
[Printed Name]

9/1/2021
[Date]

STATE OF: Kentucky)
COUNTY OF: Fayette)

The foregoing instrument was subscribed, sworn to and acknowledged before me this 1st day of September 2021, by Erin Hensley as Commonwealth [Title] of the Lexington-Fayette Urban County Government, a Kentucky municipal corporation.

My commission expires:

02/22/2022
Dina R Melvin #505991
NOTARY PUBLIC

(SEAL)



Red Mile

	PI	Other Capital Investment	Total
1 \$	327,022.86	\$ 31,602,395.08	\$ 31,929,417.94
2 \$	1,072,462.71	\$ 194,053.50	\$ 1,266,516.21
3 \$	1,179,779.48	\$ 37,719,121.07	\$ 38,898,900.55
4 \$	5,203,813.55	\$ 71,607.85	\$ 5,275,421.40
5 \$	150,878.69	\$ 64,921.68	\$ 215,800.37
6 \$	181,473.16	\$ 412,136.58	\$ 593,609.74
7 \$	194,200.97	\$ 537,553.27	\$ 731,754.24
8 \$	1,274,132.84	\$ 65,444.80	\$ 1,339,577.64
TOTAL \$	9,583,764.27	\$ 70,667,233.83	\$ 80,250,998.10

		Next Period Addition
As of	6/30/2020 \$	79,509,580.18 \$ 741,417.92
	6/30/2021 \$	80,250,998.10

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The undersigned, Erin Hensley, after having first being duly sworn, deposes and states as follows:

As Finance Commissioner (Title) of the LFUCG, I am authorized to submit this Affidavit to the Kentucky Economic Development Finance Authority ("Authority") on behalf of the Lexington-Fayette Urban County Government with respect to the Tax Incentive Agreement by and between the Authority and the "LFUCG". All capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Agreement.

As of June 30, 2022 LFUCG" is reporting the following:

Summary of the Total Capital Investment Made To-Date Within the Footprint

Block	Public Infrastructure Costs	Other Capital Investment	TOTAL
1	\$ 327,022.86	\$ 31,602,395.08	\$ 31,929,417.94
2	1,344,661.04	697,354.50	2,042,015.54
3	1,451,977.81	37,881,588.07	39,333,565.88
4	5,468,511.88	71,607.85	5,540,119.73
5	150,878.69	64,921.68	215,800.37
6	196,304.48	418,236.58	614,541.06
7	205,930.97	543,653.27	749,584.24
8	1,274,132.84	65,444.80	1,339,577.64
TOTAL	\$ 10,419,420.58	\$ 71,345,201.83	\$ 81,764,622.41

See Attachment 1 for detail of the investment costs.

Has the Minimum Capital Investment Threshold of \$20,000,000 been achieved? ☒ YES ☐ NO
If yes, it was achieved on: March 1, 2023

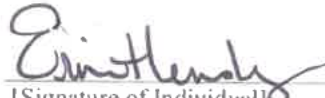
Has there been any changes or modifications to the proposed project as described in Exhibit A to the Tax Incentive Agreement? ☐ YES ☐ NO If yes, please list the changes below by block:

Block #	New Description

Please Note: Failure to build out the project as described in the application and reflected in Exhibit A to the Agreement may result in a default or a reduction in the Commonwealth's participation in the Project and the amount of any Increment(s) payable.

The amounts reported in this affidavit are true and accurate to the best of my knowledge. Evidence of the amounts reported is kept by the LFUCG and is available for review by a representative of the Authority at any time pursuant to the Agreement.

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT


[Signature of Individual]

ERIN HENSLEY
[Printed Name]

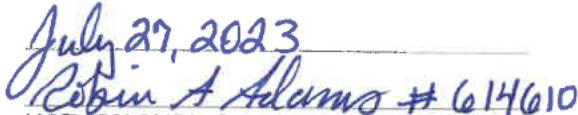
8/31/2022
[Date]

STATE OF: Kentucky)

COUNTY OF: Fayette)

The foregoing instrument was subscribed, sworn to and acknowledged before me this 31 day of August, 2022, by Erin Hensley as Commissioner [Title] of the Lexington-Fayette Urban County Government, a Kentucky municipal corporation.

My commission expires:

July 27, 2023
 # 614610
NOTARY PUBLIC

(SEAL)

Please submit this report to the following address:

Cabinet for Economic Development
Compliance Division
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

EXHIBIT D-2

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The Lexington-Fayette Urban County Government (the "LFUCG", as defined in the Tax Incentive Agreement - TIF dated April 26, 2012) shall submit this Affidavit of Capital Investment and Approved Public Infrastructure Costs Exhibit for the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project semi-annually by January 30th and July 31st each year throughout the Term of the Agreement until the Minimum Capital Investment is made. Once the Minimum Capital Investment is achieved, this report shall be filed annually on July 31st of each year. The Affidavit of Capital Investment and Approved Public Infrastructure Costs shall be accompanied by the attached Appendix To Exhibit D-2 - Certificate of Independent Public Accountants of Capital Investment when: (i) the \$20,000,000 Minimum Capital Investment Threshold has been reached, (ii) the investment in Approved Public Infrastructure Costs equals or exceeds Total Approved Costs, or total expenditures for Approved Public Infrastructure Costs are completed, whichever occurs first, and (iii) the development of the Project is completed and the total expenditures for Capital Investment and Approved Public Infrastructure Costs have been made.

The undersigned, Erin Hensley, after having first being duly sworn, deposes and states as follows:

As Finance Commissioner (Title) of the LFUCG, I am authorized to submit this Affidavit to the Kentucky Economic Development Finance Authority ("Authority") on behalf of the Lexington-Fayette Urban County Government with respect to the Tax Incentive Agreement by and between the Authority and the "LFUCG". All capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Agreement.

As of June 30, 2024, "LFUCG" is reporting the following:

Summary of the Total Capital Investment Made To-Date Within the Footprint

Block	Public Infrastructure Costs	Other Capital Investment	TOTAL
1	\$ 327,022.86	\$ 31,602,395.08	\$ 31,929,417.94
2	1,379,491.04	4,388,518.50	5,768,009.54
3	1,451,977.81	39,722,408.07	41,174,385.88
4	5,552,340.55	71,607.85	5,623,948.40
5	150,878.69	64,921.68	215,800.37
6	280,133.15	418,236.58	698,369.73
7	605,484.64	543,653.27	1,149,137.91
8	1,369,502.84	65,444.80	1,434,947.64
TOTAL	\$ 11,116,831.58	\$ 76,877,185.83	\$ 87,994,017.41

See Attachment 1 for detail of the investment costs.

Has the Minimum Capital Investment Threshold of \$20,000,000 been achieved? ☒ YES ☐ NO
If yes, it was achieved on: March, 2013

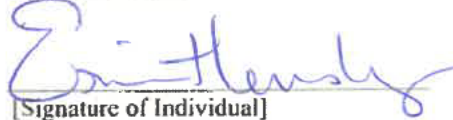
Has there been any changes or modifications to the proposed project as described in Exhibit A to the Tax Incentive Agreement? ☐ YES ☐ NO If yes, please list the changes below by block:

Block #	New Description

Please Note: Failure to build out the project as described in the application and reflected in Exhibit A to the Agreement may result in a default or a reduction in the Commonwealth's participation in the Project and the amount of any Increment(s) payable.

The amounts reported in this affidavit are true and accurate to the best of my knowledge. Evidence of the amounts reported is kept by the LFUCG and is available for review by a representative of the Authority at any time pursuant to the Agreement.

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT


[Signature of Individual]

ERIN HENSLEY
[Printed Name]

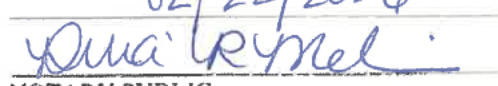
FEBRUARY 4, 2025
[Date]

STATE OF: _____)

COUNTY OF: _____)

The foregoing instrument was subscribed, sworn to and acknowledged before me this 4th day of February, 2025 by Erin Hensley as Finance Comm. [Title] of the Lexington-Fayette Urban County Government, a Kentucky municipal corporation.

My commission expires:

02/22/2026

NOTARY PUBLIC

(SEAL)



Please submit this report to the following address:

Cabinet for Economic Development
Compliance Division
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

As of June 30, 2023

	Public Infrastructure Costs	Other Capital Investment	TOTAL
1 \$	327,022.86	31,602,395.08	\$ 31,929,417.94
2 \$	1,379,491.04	4,388,518.50	\$ 5,768,009.54
3 \$	1,451,977.81	38,167,416.07	\$ 39,619,393.88
4 \$	5,468,511.88	71,607.85	\$ 5,540,119.73
5 \$	150,878.69	64,921.68	\$ 215,800.37
6 \$	196,304.48	418,236.58	\$ 614,541.06
7 \$	205,930.97	543,653.27	\$ 749,584.24
8 \$	1,369,502.84	65,444.80	\$ 1,434,947.64
\$	10,549,620.58	75,322,193.83	\$ 85,871,814.41

As of June 30, 2023

	Public Infrastructure	Other Capital Investment	TOTAL
1	\$	\$	\$ -
2 \$	34,830.00	3,691,164.00	\$ 3,725,994.00
3	\$	285,828.00	\$ 285,828.00
4			\$ -
5			\$ -
6			\$ -
7			\$ -
8 \$	95,370.00		\$ 95,370.00
\$	130,200.00	3,976,992.00	\$ 4,107,192.00

As of June 30, 2024

	Public Infrastructure Costs	Other Capital Investment	TOTAL
1 \$	327,022.86	31,602,395.08	\$ 31,929,417.94
2 \$	1,379,491.04	4,388,518.50	\$ 5,768,009.54
3 \$	1,451,977.81	39,722,408.07	\$ 41,174,385.88
4 \$	5,552,340.55	71,607.85	\$ 5,623,948.40
5 \$	150,878.69	64,921.68	\$ 215,800.37
6 \$	280,133.15	418,236.58	\$ 698,369.73
7 \$	605,484.64	543,653.27	\$ 1,149,137.91
8 \$	1,369,502.84	65,444.80	\$ 1,434,947.64
\$	11,116,831.58	76,877,185.83	\$ 87,994,017.41

As of June 30, 2024

	Public Infrastructure	Other Capital Investment	TOTAL
1			\$ -
2			\$ -
3		1,554,992.00	\$ 1,554,992.00
4 \$	83,828.67		\$ 83,828.67
5			\$ -
6 \$	83,828.67		\$ 83,828.67
7 \$	399,553.67		\$ 399,553.67
8			\$ -
\$	567,211.00	1,554,992.00	\$ 2,122,203.00

EXHIBIT D-2

Affidavit of Capital Investment and Approved Public Infrastructure Costs

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The undersigned, Erin Hensley, after having first being duly sworn, deposes and states as follows:

As Finance Commissioner (Title) of the LFUCG, I am authorized to submit this Affidavit to the Kentucky Economic Development Finance Authority ("Authority") on behalf of the Lexington-Fayette Urban County Government with respect to the Tax Incentive Agreement by and between the Authority and the "LFUCG". All capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Agreement.

As of June 30, 2023, "LFUCG" is reporting the following:

Summary of the Total Capital Investment Made To-Date Within the Footprint

Block	Public Infrastructure Costs	Other Capital Investment	TOTAL
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2	1,379,491.04	4,388,518.50	5,768,009.54
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4	5,468,511.88	71,607.85	5,540,119.73
5	150,878.69	64,921.68	215,800.37
6	196,304.48	418,236.58	614,541.06
7	205,930.97	543,653.27	749,584.24
8	1,369,502.84	65,444.80	1,434,947.64
TOTAL	\$ 10,549,620.57	\$ 75,322,193.83	\$ 85,871,814.40

See Attachment 1 for detail of the investment costs.

Has the Minimum Capital Investment Threshold of \$20,000,000 been achieved? ☒ YES ☐ NO
If yes, it was achieved on: March 1, 2013

Has there been any changes or modifications to the proposed project as described in Exhibit A to the Tax Incentive Agreement? ☐ YES ☐ NO If yes, please list the changes below by block:

Block #	New Description

Please Note: Failure to build out the project as described in the application and reflected in Exhibit A to the Agreement may result in a default or a reduction in the Commonwealth's participation in the Project and the amount of any Increment(s) payable.

The amounts reported in this affidavit are true and accurate to the best of my knowledge. Evidence of the amounts reported is kept by the LFUCG and is available for review by a representative of the Authority at any time pursuant to the Agreement.

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT

Erin Hensley
[Signature of Individual]

ERIN HENSLEY
[Printed Name]

7/31/2023
[Date]

STATE OF: Kentucky)
COUNTY OF: Fayette)

The foregoing instrument was subscribed, sworn to and acknowledged before me this 31 day of July, 2023, by Erin Hensley as Commissioner [Title] of the Lexington-Fayette Urban County Government, a Kentucky municipal corporation.

My commission expires:

July 27, 2027
Robin Ann Adams KYNP 65529
NOTARY PUBLIC

(SEAL)

Please submit this report to the following address:

Cabinet for Economic Development
Compliance Division
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

EXHIBIT D-2

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The Lexington-Fayette Urban County Government (the "LFUCG", as defined in the Tax Incentive Agreement - TIF dated April 26, 2012) shall submit this Affidavit of Capital Investment and Approved Public Infrastructure Costs Exhibit for the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project semi-annually by January 30th and July 31st each year throughout the Term of the Agreement until the Minimum Capital Investment is made. Once the Minimum Capital Investment is achieved, this report shall be filed annually on July 31st of each year. The Affidavit of Capital Investment and Approved Public Infrastructure Costs shall be accompanied by the attached Appendix To Exhibit D-2 - Certificate of Independent Public Accountants of Capital Investment when: (i) the \$20,000,000 Minimum Capital Investment Threshold has been reached, (ii) the investment in Approved Public Infrastructure Costs equals or exceeds Total Approved Costs, or total expenditures for Approved Public Infrastructure Costs are completed, whichever occurs first, and (iii) the development of the Project is completed and the total expenditures for Capital Investment and Approved Public Infrastructure Costs have been made.

The undersigned, William O'Mara, after having first being duly sworn, deposes and states as follows:

As Commissioner (Title) of the LFUCG, I am authorized to submit this Affidavit to the Kentucky Economic Development Finance Authority ("Authority") on behalf of the Lexington-Fayette Urban County Government with respect to the Tax Incentive Agreement by and between the Authority and the "LFUCG". All capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Agreement.

As of July 27th, 2020 "LFUCG" is reporting the following:

Summary of the Total Capital Investment Made To-Date Within the Footprint

Block	Public Infrastructure Costs	Other Capital Investment	TOTAL
1	\$327,022.86	\$31,602,395.08	\$31,929,417.94
2	1,072,442.71	194,053.50	1,266,516.21
3	1,179,779.48	37,719,121.07	38,898,900.55
4	519,765.22	71,607.85	5,269,573.07
5	133,590.36	60,551.68	194,142.04
6	181,473.16	60,551.68	242,024.84
7	188,352.64	185,968.37	374,321.01
8	1,274,132.84	60,551.68	1,334,684.52
TOTAL	\$9,554,775.27	\$69,954,800.91	\$79,509,576.18

See Attachment 1 for detail of the investment costs.

Has the Minimum Capital Investment Threshold of \$20,000,000 been achieved? ☒ YES ☐ NO
If yes, it was achieved on: _____, 20__

Has there been any changes or modifications to the proposed project as described in Exhibit A to the Tax Incentive Agreement? ☐ YES ☐ NO If yes, please list the changes below by block:

Block #	New Description

Please Note: Failure to build out the project as described in the application and reflected in Exhibit A to the Agreement may result in a default or a reduction in the Commonwealth's participation in the Project and the amount of any Increment(s) payable.

The amounts reported in this affidavit are true and accurate to the best of my knowledge. Evidence of the amounts reported is kept by the LFUCG and is available for review by a representative of the Authority at any time pursuant to the Agreement.

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT

William O'Mara
[Signature of Individual]

William O'Mara
[Printed Name]

7/29/20
[Date]

STATE OF: Kentucky)
COUNTY OF: Fayette)

The foregoing instrument was subscribed, sworn to and acknowledged before me this 29 day of July, 2020, by William O'Mara as Commissioner [Title] of the Lexington-Fayette Urban County Government, a Kentucky municipal corporation.

My commission expires:

January 27, 2023
Robin Adams # 014610
NOTARY PUBLIC

(SEAL)

Red Mile

	PI	Other Capital Investment	Total
1	327,022.86	31,602,395.08	31,929,417.94
2	1,072,462.71	194,053.50	1,266,516.21
3	1,179,779.48	37,719,121.07	38,898,900.55
4	5,197,965.22	71,607.85	5,269,573.07
5	133,590.36	60,551.68	194,142.04
6	181,473.16	60,551.68	242,024.84
7	188,352.64	185,968.37	374,321.01
8	1,274,132.84	60,551.68	1,334,684.52
TOTAL	9,554,779.27	69,954,800.91	79,509,580.18

EXHIBIT E

RED MILE LEXINGTON MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT

Request for Disbursement

This Exhibit must be submitted by April 30th of each year to make a Request for Disbursement of the Increment for the preceding calendar year. Provided that the Minimum Capital Investment is confirmed by the Authority as set forth in Section 4.7 of the Agreement, and the Project has activated in accordance with Section 4.2 of the Agreement, and the Agency has incurred Approved Public Infrastructure Costs that have been verified by the Authority pursuant to Section 3.3 of the Agreement, and the Agency has otherwise complied with the terms of the Agreement, the Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. Please note any available increments will be held in escrow pending certification that the \$20,000,000 Minimal Capital Investment threshold has been reached. The failure to achieve the Minimal Capital Investment threshold by the Activation Date will result in the forfeiture of all accrued Increment(s) to the Commonwealth.

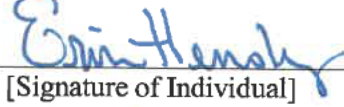
For Business Taxpayers: This exhibit must be **accompanied by the Tax Increment Financing Business Questionnaire for any business that operates within the footprint during the calendar year.** Failure to provide the questionnaire for any businesses operating within the footprint will cause the Increment to be calculated without regard to the tax receipts from the noncompliant business.

	Withholding	Property	Sales	Grand Total
New Revenues received for calendar year	437,520.33	56,873.52	175,476.95	669,870.80
Less Old Revenues	94,376.75	13,429.10	122,021.10	229,826.95
Equals Tax receipts available for Increment	343,143.58	43,444.42	53,455.85	440,043.85
Multiplied by [80] %	[80]%	[80]%	[80]%	[80]%
Requested increment disbursement	\$274,514.87	\$34,755.54	\$42,764.68	\$ 352,035.08

Grand Total Increment Disbursement Request: \$352,035.08

By signing this exhibit, the undersigned agrees that he or she has the proper authority to act on behalf of the Lexington-Fayette Urban County Government Finance Department with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT


[Signature of Individual]


[Printed Name]


[Date]

Please submit this report to the following address:

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

EXHIBIT E

RED MILE LEXINGTON MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT

Request for Disbursement

This Exhibit must be submitted by April 30th of each year to make a Request for Disbursement of the Increment for the preceding calendar year. Provided that the Minimum Capital Investment is confirmed by the Authority as set forth in Section 4.7 of the Agreement, and the Project has activated in accordance with Section 4.2 of the Agreement, and the Agency has incurred Approved Public Infrastructure Costs that have been verified by the Authority pursuant to Section 3.3 of the Agreement, and the Agency has otherwise complied with the terms of the Agreement, the Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. Please note any available increments will be held in escrow pending certification that the \$20,000,000 Minimal Capital Investment threshold has been reached. The failure to achieve the Minimal Capital Investment threshold by the Activation Date will result in the forfeiture of all accrued Increment(s) to the Commonwealth.

For Business Taxpayers: This exhibit must be **accompanied by the Tax Increment Financing Business Questionnaire for any business that operates within the footprint during the calendar year.** Failure to provide the questionnaire for any businesses operating within the footprint will cause the Increment to be calculated without regard to the tax receipts from the noncompliant business.

	Withholding	Property	Sales	Grand Total
New Revenues received for calendar year	437,520.33	56,873.52	175,476.95	669,870.80
Less Old Revenues	94,376.75	13,429.10	122,021.10	229,826.95
Equals Tax receipts available for Increment	343,143.58	43,444.42	53,455.85	440,043.85
Multiplied by [80] %	[80]%	[80]%	[80]%	[80]%
Requested increment disbursement	\$274,514.87	\$34,755.54	\$42,764.68	\$ 352,035.08

Grand Total Increment Disbursement Request: \$352,035.08

By signing this exhibit, the undersigned agrees that he or she has the proper authority to act on behalf of the Lexington-Fayette Urban County Government Finance Department with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT

Erin Hensley

[Signature of Individual]

ERIN HENSLEY

[Printed Name]

4/21/2022

[Date]

Please submit this report to the following address:

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

[illegible]

Property	Parcel #	2021 Taxable Value	Total Tax Rate	State Tax Rate	Early Pay Discount	Total Tax Bill	State Bill	LFUGC Tax - Gen Svcs + Full/Partial Services	LFUGC Received	PD Date per FCSO	Total w/ Discount
1101 Winbak Way	13867650	\$ 11,200,000.00	1.2727	0.119 N		\$ 142,542.40	\$ 13,328.00	0.2031	\$ 22,747.20	12/23/2021	\$ 139,691.55
843 S Broadway	19309780	\$ 83,667,700.00	1.2727	0.119 Y		\$ 428,488.82	\$ 39,263.27	0.2031	\$ 67,011.52	10/29/2021	\$ 419,919.04
459 Nelms Ave	13088200	\$ 10,000.00	1.2727	0.119 N		\$ 127.27	\$ 11.90	0.2031	\$ 20.31	12/23/2021	\$ 124.72
790 Red Mile Road	16983800	\$ 132,000.00	1.2727	0.119 N		\$ 1,679.96	\$ 157.08	0.2031	\$ 268.09	12/23/2021	\$ 1,646.36
463 Nelms Ave	10856500	\$ 20,000.00	1.2727	0.119 N		\$ 254.54	\$ 23.80	0.2031	\$ 40.62	12/23/2021	\$ 249.45
449 Nelms Ave	13867000	\$ 7,000.00	1.2727	0.119 N		\$ 89.09	\$ 8.33	0.2031	\$ 14.22	12/23/2021	\$ 87.31
451 Nelms Ave	13867100	\$ 4,000.00	1.2727	0.119 N		\$ 50.91	\$ 4.76	0.2031	\$ 8.12	12/23/2021	\$ 49.89
1212 Embury Ave	13867500	\$ 10,000.00	1.2727	0.119 N		\$ 127.27	\$ 11.90	0.2031	\$ 20.31	12/23/2021	\$ 124.72
780 Red Mile Rd	13867600	\$ 200,000.00	1.2727	0.119 N		\$ 2,545.40	\$ 238.00	0.2031	\$ 406.20	12/23/2021	\$ 2,494.49
441 Nelms Ave	13867700	\$ 7,000.00	1.2727	0.119 N		\$ 89.09	\$ 8.33	0.2031	\$ 14.22	12/23/2021	\$ 87.31
439 Nelms Ave	13867800	\$ 8,000.00	1.2727	0.119 N		\$ 101.82	\$ 9.52	0.2031	\$ 16.25	12/23/2021	\$ 99.78
445 Nelms Ave	13867900	\$ 15,200.00	1.2727	0.119 N		\$ 193.45	\$ 18.09	0.2031	\$ 30.87	12/23/2021	\$ 189.58
455 Nelms Ave	13868000	\$ 91,500.00	1.2727	0.119 N		\$ 1,164.52	\$ 108.89	0.2031	\$ 185.84	12/23/2021	\$ 1,141.23
765 Bennett Ave	14166900	\$ 18,000.00	1.2727	0.119 N		\$ 229.09	\$ 21.42	0.2031	\$ 36.56	12/23/2021	\$ 224.50
761 Bennett Ave	16085600	\$ 18,000.00	1.2727	0.119 N		\$ 229.09	\$ 21.42	0.2031	\$ 36.56	12/23/2021	\$ 224.50
Tangible	83868100					\$ -	\$ 3,509.82	0.2031	\$ 694.17	Per Submittal	\$ -
471 Nelms Ave	13856050	\$ 98,400.00	1.2727	0.119 N		\$ 1,252.34	\$ 117.10	0.2031	\$ 199.85	12/23/2021	\$ 1,227.29
461 Nelms Ave	14496700	\$ 10,000.00	1.2727	0.119 N		\$ 127.27	\$ 11.90	0.2031	\$ 20.31	12/23/2021	\$ 124.72
			1.2727	0.119		\$ -	\$ -	0.2031	\$ -		\$ -
			1.2727	0.119		\$ -	\$ -	0.2031	\$ -		\$ -
			1.2727	0.119		\$ -	\$ -	0.2031	\$ -		\$ -

TOTAL CONFIRMED PAYMENTS

\$ 56,873.52

\$ 91,771.21

Sales and Use Tax Summary - 2021
Detail on supporting schedules, as noted

	LTBA*	KRM	RED*	RE FENNEL*	LSYS	Total by Category	* SEE SUPPORTING TABs
Sales Tax Paid on Revenue:	1,805.57	140.72	151,345.42	14,868.00	7,317.24	175,476.95	
Sales Tax Paid on CONSTRUCTION	-	-	-	-	-	-	
TOTAL SALES TAX PAID	-	140.72	151,345.42	14,868.00	7,317.24	175,476.95	

EXHIBIT E

RED MILE LEXINGTON MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT

Request for Disbursement

This Exhibit must be submitted by April 30th of each year to make a Request for Disbursement of the Increment for the preceding calendar year. Provided that the Minimum Capital Investment is confirmed by the Authority as set forth in Section 4.7 of the Agreement, and the Project has activated in accordance with Section 4.2 of the Agreement, and the Agency has incurred Approved Public Infrastructure Costs that have been verified by the Authority pursuant to Section 3.3 of the Agreement, and the Agency has otherwise complied with the terms of the Agreement, the Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. Please note any available increments will be held in escrow pending certification that the \$20,000,000 Minimal Capital Investment threshold has been reached. The failure to achieve the Minimal Capital Investment threshold by the Activation Date will result in the forfeiture of all accrued Increment(s) to the Commonwealth.

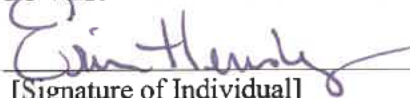
For Business Taxpayers: This exhibit must be **accompanied by the Tax Increment Financing Business Questionnaire for any business that operates within the footprint during the calendar year**. Failure to provide the questionnaire for any businesses operating within the footprint will cause the Increment to be calculated without regard to the tax receipts from the noncompliant business.

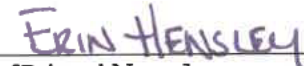
	Withholding	Property	Sales	Grand Total
New Revenues received for calendar year	522,957.81	62,365.77	281,504.62	866,828.20
Less Old Revenues	99,702.01	14,186.85	128,906.22	242,795.08
Equals Tax receipts available for Increment	423,255.80	48,178.93	152,598.40	624,033.12
Multiplied by [80] %	[80]%	[80]%	[80]%	[80]%
Requested increment disbursement	\$338,604.64	\$38,543.14	\$122,078.72	\$499,226.50

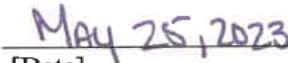
Grand Total Increment Disbursement Request: \$499,226.50

By signing this exhibit, the undersigned agrees that he or she has the proper authority to act on behalf of the Lexington-Fayette Urban County Government Finance Department with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT


[Signature of Individual]


[Printed Name]


[Date]

Please submit this report to the following address:

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

Redmile TIF Reimbursement Calculations - Payroll, Property Tax and Sales Tax

Agency/Revenue Type	Local Increment Calculation	State Increment Calculation
2022 Revenue		
Payroll Withholding		522,957.81
Property Tax		62,365.77
Sales Tax		281,504.62
Total Incremental Revenue		866,828.20
2009 Base Year*		
Payroll Withholding		99,702.01
Property Tax		14,186.85
Sales Tax		128,906.22
Total Base Year		242,795.08
Incremental Income		624,033.12
LFUCG Admin Fee 5% (if Applicable)		-
Net Incremental Fee		624,033.12
Pledge % of Increment		80%
80% Pledge		499,226.50 <----- Payment

State Baseline	2021 Letter Values	2022 CPI (KCED)	New Baseline
Property Tax	13,135.97	0.08	14,186.85
Payroll Withholding	92,316.68	0.08	99,702.01
Sales Tax	119,357.61	0.08	128,906.22

Property	Parcel #	2022 Taxable		Total Tax		State Tax Rate		Early Pay		Total Tax Bill	State Bill
		Value		Rate				Discount			
1101 Winbak Way	13867650	\$ 11,200,000.00		1.2846				0.115 Y		\$ 143,875.20	\$ 12,622.40
843 S Broadway	19309780	\$ 33,667,700.00		1.2846				0.115 Y		\$ 432,495.27	\$ 37,943.50
459 Nelms Ave	13088200	\$ 10,000.00		1.2846				0.115 Y		\$ 128.46	\$ 11.27
790 Red Mile Road	16983800	\$ 132,000.00		1.2846				0.115 Y		\$ 1,695.67	\$ 148.76
463 Nelms Ave	10856500	\$ 20,000.00		1.2846				0.115 Y		\$ 256.92	\$ 22.54
449 Nelms Ave	13867000	\$ 7,000.00		1.2846				0.115 Y		\$ 89.92	\$ 7.89
451 Nelms Ave	13867100	\$ 4,000.00		1.2846				0.115 Y		\$ 51.38	\$ 4.51
1212 Embury Ave	13867500	\$ 10,000.00		1.2846				0.115 Y		\$ 128.46	\$ 11.27
780 Red Mile Rd	13867600	\$ 200,000.00		1.2846				0.115 Y		\$ 2,569.20	\$ 225.40
441 Nelms Ave	13867700	\$ 7,000.00		1.2846				0.115 Y		\$ 89.92	\$ 7.89
439 Nelms Ave	13867800	\$ 8,000.00		1.2846				0.115 Y		\$ 102.77	\$ 9.02
445 Nelms Ave	13867900	\$ 15,200.00		1.2846				0.115 Y		\$ 195.26	\$ 17.13
455 Nelms Ave	13868000	\$ 171,800.00		1.2846				0.115 Y		\$ 2,206.94	\$ 193.62
765 Bennett Ave	14166900	\$ 18,000.00		1.2846				0.115 Y		\$ 231.23	\$ 20.29
761 Bennett Ave	16085600	\$ 18,000.00		1.2846				0.115 Y		\$ 231.23	\$ 20.29
Tangible	83868100	\$ 2,489,306.52		1.4622				0.45 Y		\$ 36,398.64	\$ 10,977.84
471 Nelms Ave	13856050	\$ 98,400.00		1.2846				0.115 Y		\$ 1,264.05	\$ 110.90
461 Nelms Ave	14496700	\$ 10,000.00		1.2846				0.115 Y		\$ 128.46	\$ 11.27
				1.2846				0.115		\$ -	\$ -
				1.2846				0.115		\$ -	\$ -
				1.2846				0.115		\$ -	\$ -

TOTAL CONFIRMED PAYMENTS \$ 62,365.77

TANGIBLE BILLS		Face Value	Pd On
	116767	25420.35	11/3/2022 KRM Wagering
	117027	10978.29	11/3/2022 Lexington Trots Breeders
		36398.64	

[illegible]

Sales and Use Tax Summary - 2022
 Detail on supporting schedules, as noted

Total This Page
 281,504.62

	LTBA*	KRM	RED*	RE FENNEL*	LSYS	WG&T & CONTRACTORS	Total by Category	* SEE SUPPORTING TABs
Sales Tax Paid on Revenue:	3,145.01	16,334.58	190,171.78	17,018.82	11,460.00		238,130.19	
Sales Tax Paid on CONSTRUCTION	-	-	-	-	-	43,374.43	43,374.43	
TOTAL SALES TAX PAID	-	16,334.58	190,171.78	17,018.82	11,460.00	43,374.43	281,504.62	

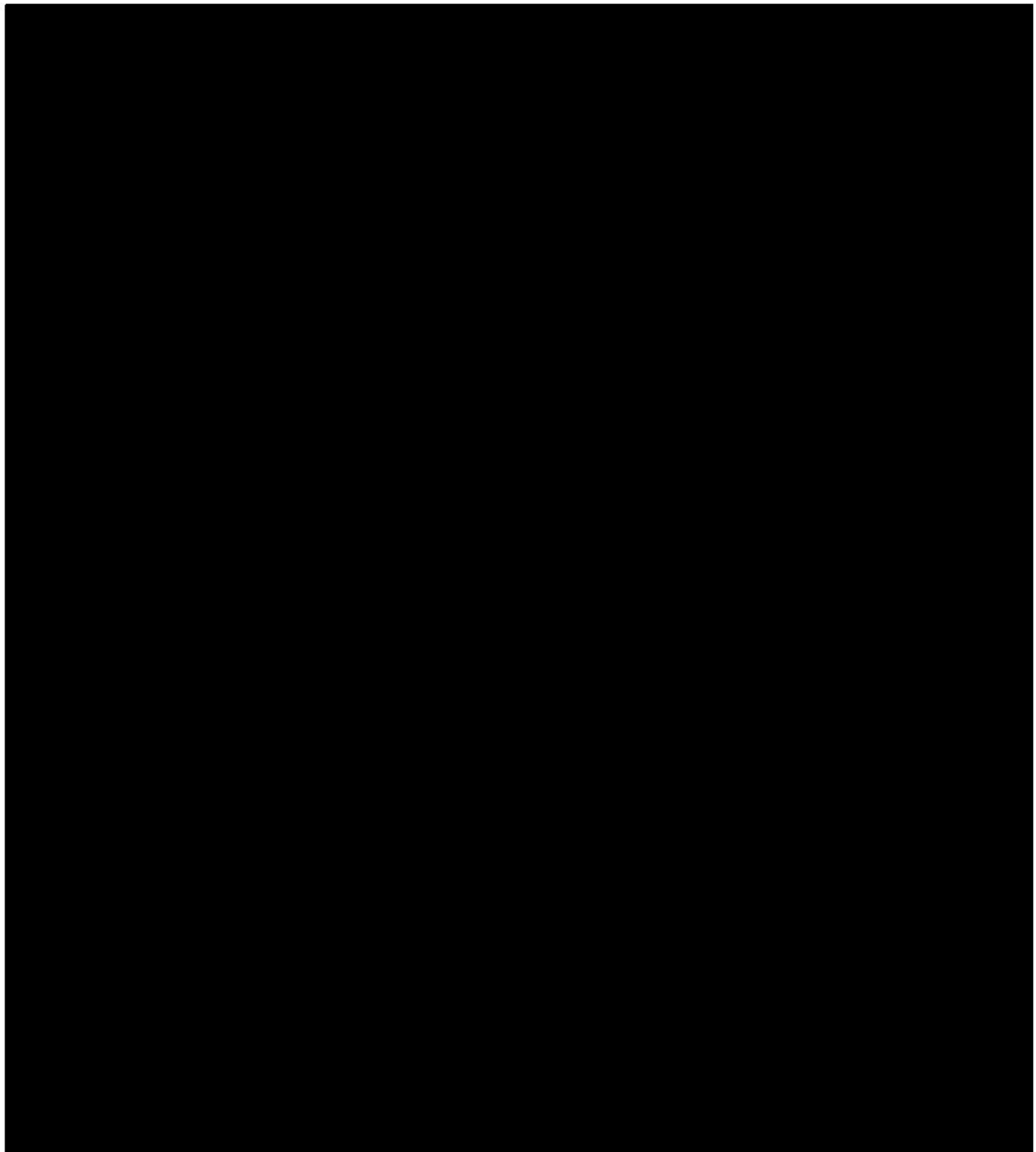
RED MILE TIF PROJECT - TAXES 2022

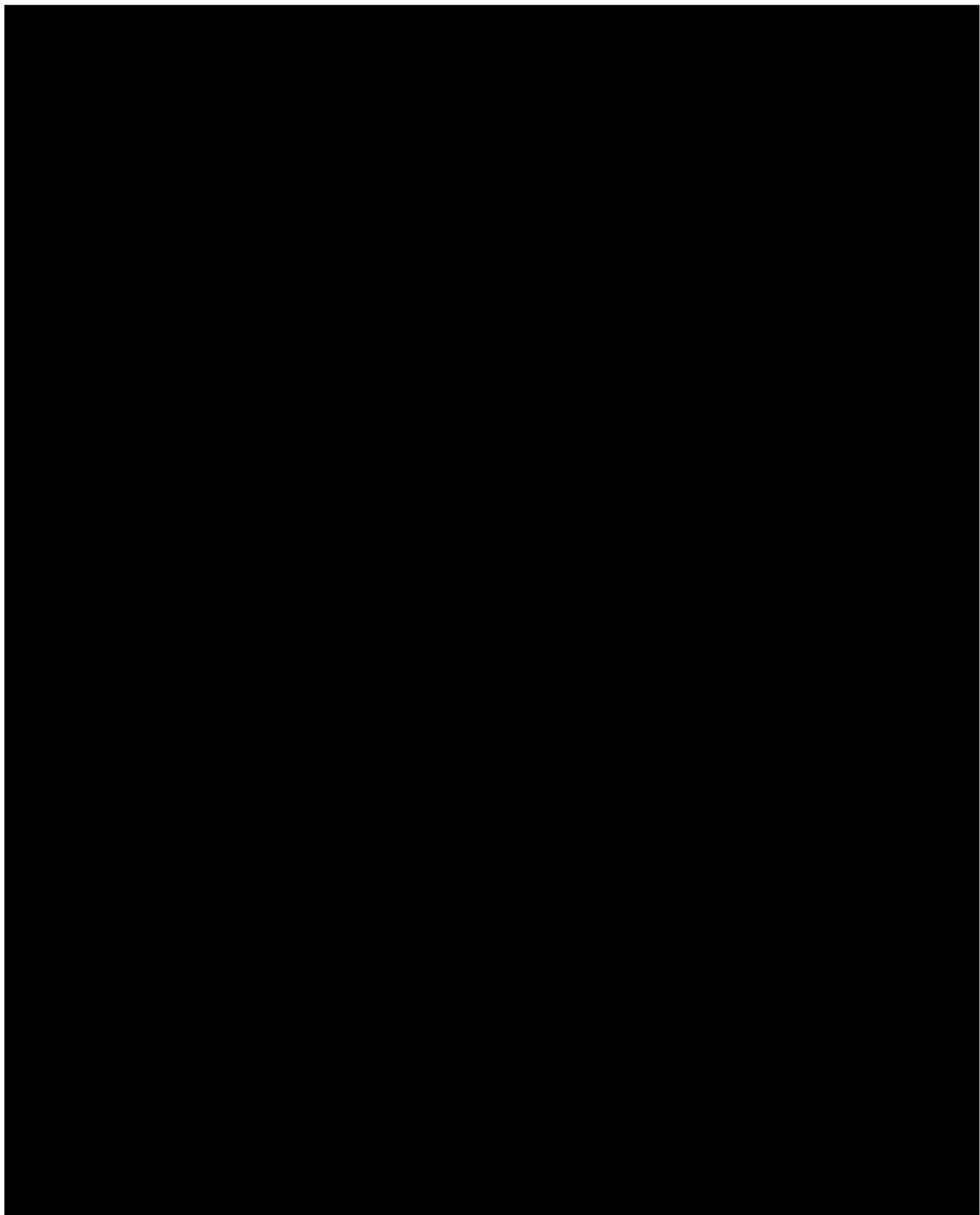
Total This Page
226,670.19

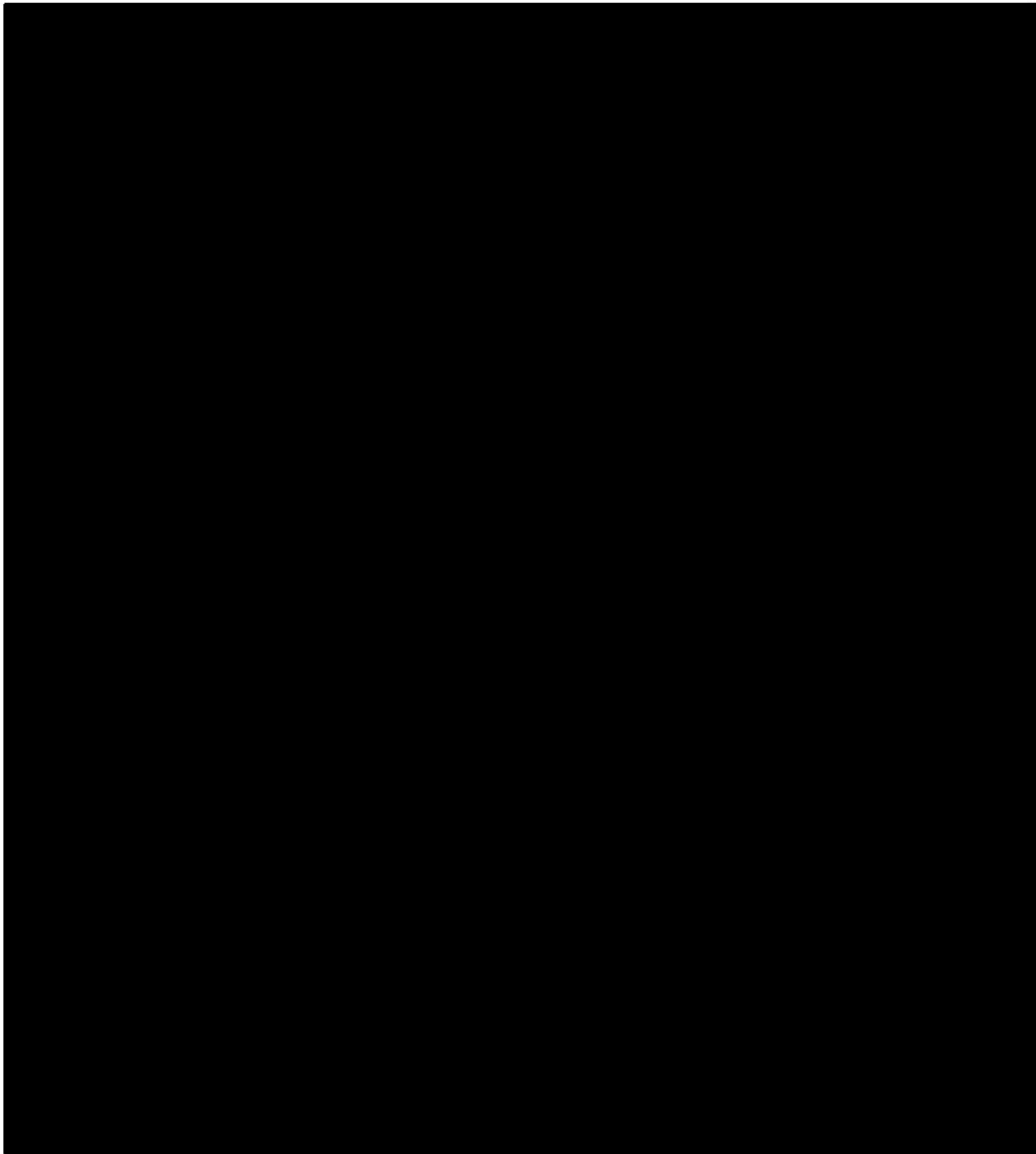
TOTAL		3,145.01	16,334.58	190,171.78	17,018.82	-	-
Period and/or Invoice Paid		Date Paid	Lexington Trots Breeders Assn, llc	KRM Wagering, llc	Red Mile Inc	RE FENNELL*	DW Wilburn* WG & T
Item/Vendor/Description							* SEE SUPPORTING TAB
00KENSTA 22121K		1/31/2022			14,349.78		
00KENSTA 220223 sales tax		2/28/2022			12,752.16		
00KENSTA 220324 February 2022 Sales tax		3/31/2022			13,894.86		
00KENSTA 022502 sales tax		5/31/2022			15,429.52		
00KENSTA 22520K sales tax		5/31/2022			16,659.78		
00KENSTA 220621 May 2022 sales tax		6/30/2022			20,133.42		
00KENSTA 22722K sales tax		7/31/2022			14,536.68		
00KENSTA 220822K sales tax		8/31/2022			16,903.02		
00KENSTA 220922 sales tax		9/30/2022			16,185.18		
00KENSTA 221022 sales tax		10/31/2022			16,336.86		
00KENSTA 221121 sales tax		11/30/2022			18,581.52		
00KENSTA 221226 Nov sales tax		12/31/2022			14,409.00		
00KYREVE ST0120 SALES TAX 10-1-21 TO 12-31-21		1/20/2022	1,214.66				
00KYREVE ST0422 SALES TAX 010122 TO 033122		4/20/2022	64.75				
00KYREVE ST0722 SALES TAX 040122 TO 063022		7/20/2022	80.38				
00KYREVE ST0822 JUL 2022 SALES TAX		8/20/2022	54.79				
00KYREVE ST0922 AUG 2022 SALES TAX		9/20/2022	180.51				
00KYREVE ST1022 SEP 2022 SALES TAX		10/18/2022	1,206.28				
00KYREVE ST1122 OCT 2022 SALES TAX		11/21/2022	343.64				

LSYS	KY SALES	KY	LFUCG
	TAX	PAYROLL	PAYROLL
		TAX	TAX
	11,460.00	13,372.98	5,924.70

KRM	Should be date "Paid"		8,736.19
2022 PAID SALES TAX			
VENDOR	PAID DATE	INVOICE #	SALES TAX PAID
BEER MAN	8/29/2022	1082	702.48
C WORTH	7/20/2022	11562	2,064.34
C WORTH	9/12/2022	PROGRESS-2	2,064.34
C WORTH	9/12/2022	PROGRESS-3	2,064.34
46 SOLUTIONS	12/8/2022	640901	397.80
46 SOLUTIONS	10/7/2022	607883	1,442.89







KEENELAND

State ID: 10046

2022 Amounts:

Taxable Gross 2022

KY State	416,985.21
Lexington	417,681.51
Fayette-Co	199,934.89

2022 Count:

227

2022 Tax Withholding Amounts:

KY State	20,644.19
Lexington	9,399.52
Fayette-Co	1,000.31

RE FENNEL

For Calendar year 2022

Month tax was incurred

	<u>Sales Tax Paid</u>	<u>LFUCG Payroll Tax Paid</u>	<u>State Payroll Tax Paid</u>
Jan-2022	\$791.22	\$241.54	\$662.97
Feb-2022	\$861.78	\$253.94	\$690.52
Mar-2022	\$919.80	\$274.93	\$732.37
Apr-2022	\$811.26	\$362.21	\$940.08
May-2022	\$906.78	\$282.40	\$739.09
Jun-2022	\$973.68	\$288.59	\$768.07
Jul-2022	\$1,673.52	\$352.38	\$1,022.60
Aug-2022	\$2,136.18	\$310.95	\$877.71
Sep-2022	\$2,751.42	\$375.63	\$1,060.58
Oct-2022	\$3,442.20	\$302.64	\$849.99
Nov-2022	\$1,019.58	\$292.49	\$832.71
Dec-2022	\$731.40	\$435.68	\$1,070.91
Total Tax Paid	\$17,018.82	\$3,773.38	\$10,247.60

WG&T Builders - Red Mile Smoking Patio #2 and Clubhouse Renovations

14,890.31

Materials**Portable Restroom Rental****Flooring
Materials****Equipment Rental****Materials****Equipment Rental**

Vendor	Inv#	Sales Tax
84 Lumber	790655	45.10
84 Lumber	795280	127.47
84 Lumber	799109	20.57
A1 Portables <i>Storage Containers Purchased</i>	13839	498.00
A1 Portables	139244	6.51
A1 Portables	139247	6.24
A1 Portables	139245	6.24
A1 Portables	139246	6.24
A1 Portables	139712	5.64
A1 Portables	139710	5.64
A1 Portables	139709	5.88
A1 Portables	139711	5.64
A1 Portables	140252	5.64
A1 Portables	140251	5.64
A1 Portables	140250	5.88
A1 Portables	140253	5.64
A1 Portables	140869	5.64
A1 Portables	140868	5.64
A1 Portables	140870	5.64
A1 Portables	140867	5.88
A1 Portables	141061	-1.47
A1 Portables	141062	-1.41
A1 Portables	141063	-1.41
A1 Portables	141064	-1.20
Anderson Carpet	35035	47.25
Atlas Companies	1205901	238.34
Atlas Companies	1206506	875.83
Atlas Companies	1205751	131.04
Boyd Cat Rental	R80396-003	163.75
Boyd Cat Rental	R80396-004	163.75
Boyd Cat Rental	R80396-005	32.52
Builders Steel	1107	36.00
ByPass Rental Center	418990-4	18.90
ByPass Rental Center	422629-4	3.84

Landscape Materials**Materials****Materials**

Hillenmeyer Landscape	31536	1,139.04
Hillenmeyer Landscape	31945	329.54
Interspace	45122	3,627.00
Interspace	45238	2,100.00
Interspace	45239	430.50
Kwik Set	10579845	9.35
Kwik Set	10580132	0.85
Kwik Set	10580133	5.90
Kwik Set	10580134	27.54
Kwik Set	10580696	5.76
Kwik Set	10580538	75.54
Kwik Set	10580539	0.72
Kwik Set	10581032	11.57
Kwik Set	10581033	3.47
Kwik Set	10580248	3.66
Kwik Set	10581726	11.24
Kwik Set	10581727	11.60
Kwik Set	10581861	3.55
Kwik Set	10581862	1.19
Kwik Set	10581860	11.25
Kwik Set	10582166	7.07
Kwik Set	10582578	2.97
Kwik Set	10582796	-3.88
Kwik Set	10582797	0.82
Kwik Set	10582433	5.95
Kwik Set	10582925	2.34
Kwik Set	10583193	4.38
Kwik Set	10583194	4.75
Kwik Set	10583641	10.31
Kwik Set	10583642	3.95
Kwik Set	10583952	4.40
Kwik Set	10585070	1.46
Kwik Set	10585607	5.88
Kwik Set	10588286	3.45
Kwik Set	10587138	2.18
Kwik Set	10587823	9.27
Kwik Set	10587572	2.00

Materials**Materials****Materials****Materials****Dumpster Rentals**

Kwik Set	10588989	3.44
Kwik Set	10588988	4.66
Kwik Set	10589200	2.34
Kwik Set	10589611	2.40
Kwik Set	10589843	11.58
Kwik Set	10589962	4.85
Kwik Set	10590520	2.36
Kwik Set	10590521	1.56
Kwik Set	10591391	0.85
Kwik Set	10591726	26.94
Kwik Set	10591727	2.13
Kwik Set	10593048	1.30
Lee Building Products	F59735	9.84
Lee Building Products	F59660	25.06
Lee Building Products	F66477	2.30
Lexington Building Supply	33253	7.29
Lexington Quarry	91470	41.19
Lexington Quarry	92957	73.74
Lexington Quarry	93819	55.47
Richmond Glass & Door	Dated 7-1-22	26.25
Richmond Glass & Door	Dated 8-3-22	26.25
Robinson and Turley	546739	24.70
Robinson and Turley	547022	19.15
Robinson and Turley	548092	269.13
Robinson and Turley	548300	116.25
Rumpke	2390538	9.20
Rumpke	2386560	10.44
Rumpke	2401588	10.80
Rumpke	2416458	10.80
Rumpke	2416750	5.40
Rumpke	2433604	5.40
Rumpke	2433360	5.40
Rumpke	2447757	5.40
Rumpke	2456596	5.32
Rumpke	2453535	8.13
Rumpke	2461571	10.80
Rumpke	2476721	10.80

Materials

Sherwin Williams	3052-4	29.51
Sherwin Williams	0927-6	19.54
Sherwin Williams	3658-4	7.34
Sherwin Williams	4753-4	61.12
Sherwin Williams	4862-3	50.28
Sherwin Williams	3963-2	13.68

Equipment Rental

Sunbelt	126953919-001	145.74
Sunbelt	126881828-0001	217.50
Sunbelt	127637658-0001	18.36
Sunbelt	126953919-0003	4.42
Sunbelt	126953919-0002	116.10
Sunbelt	130985206-0001	24.12
Sunbelt	130985206-0002	24.12

Materials

Valley Interior Products	4094173-00	68.11
Valley Interior Products	4095219-00	4.79
Valley Interior Products	4095313-00	313.69
Valley Interior Products	4095451-00	53.82
Valley Interior Products	4095604-00	20.16
Valley Interior Products	4095683-00	12.54
Valley Interior Products	4095691-00	5.37
Valley Interior Products	4095899-00	12.60
Valley Interior Products	4095902-00	42.57
Valley Interior Products	4095847-00	77.28
Valley Interior Products	4095768-00	4.41
Valley Interior Products	4096012-00	64.18
Valley Interior Products	4095775-00	37.74
Valley Interior Products	4096789-00	103.20
Valley Interior Products	4096701-01	324.83
Valley Interior Products	4096701-00	109.70
Valley Interior Products	4096516-00	9.73
Valley Interior Products	4096411-00	41.22
Valley Interior Products	4096494-00	31.66
Valley Interior Products	4096136-00	44.81
Valley Interior Products	4096966-00	63.02
Valley Interior Products	4097009-00	14.71
Valley Interior Products	4097181-00	11.87
Valley Interior Products	4097237-00	19.13

Valley Interior Products	4097402-00	69.95
Valley Interior Products	4097482-00	5.67
Valley Interior Products	4097583-00	13.41
Valley Interior Products	4097330-00	91.37
Valley Interior Products	4097292-00	2.24
Valley Interior Products	4097648-00	57.26
Valley Interior Products	4097669-00	7.14
Valley Interior Products	4097717-00	2.64
Valley Interior Products	4097681-00	0.20
Valley Interior Products	4097726-00	5.13
Valley Interior Products	4097746-00	1.78
Valley Interior Products	4097915-00	13.89
Valley Interior Products	4098227-00	23.24
Valley Interior Products	4098178-00	23.05
Valley Interior Products	4097807-00	38.53
Valley Interior Products	4097965-00	37.25
Valley Interior Products	4097809-00	31.44
Valley Interior Products	4098032-00	22.66
Valley Interior Products	4098123-00	23.66
Valley Interior Products	4098069-00	79.52
Valley Interior Products	4098073-00	1.77
Valley Interior Products	4098643-00	4.84
Valley Interior Products	4098636-00	13.56
Valley Interior Products	4099272-00	18.08
Valley Interior Products	4099224-00	59.38
Valley Interior Products	4099176-00	1.63
Valley Interior Products	4099175-00	23.10
Valley Interior Products	4098492-00	11.36
Valley Interior Products	4098425-00	26.52
Valley Interior Products	4098429-00	12.90
Valley Interior Products	4099342-00	121.00
Valley Interior Products	4099409-00	96.69
Valley Interior Products	4099451-00	12.95
Valley Interior Products	4099598-00	82.19
Valley Interior Products	4100041-00	27.12
Valley Interior Products	4100452-00	57.71
Valley Interior Products	4100517-00	14.04

Materials

Valley Interior Products	4100694-00	30.13
Valley Interior Products	4097486-00	-11.85
Valley Interior Products	409854200	103.40
Waco Turf LLC	8619	184.80
Total Sales Tax		14,890.31

3,461.65

461.66

150.57

7,782.43

7,782.43563.44

3,125.53

Total Sales Tax	3,125.53
-----------------	----------

\$	1,011.63	\$	473.02
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TOTAL TAXES	\$ 1,011.63	\$ 473.02
-------------	-------------	-----------

6.705.45

0.95

[illegible]

EXHIBIT E

RED MILE LEXINGTON MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT

Request for Disbursement

This Exhibit must be submitted by April 30th of each year to make a Request for Disbursement of the Increment for the preceding calendar year. Provided that the Minimum Capital Investment is confirmed by the Authority as set forth in Section 4.7 of the Agreement, and the Project has activated in accordance with Section 4.2 of the Agreement, and the Agency has incurred Approved Public Infrastructure Costs that have been verified by the Authority pursuant to Section 3.3 of the Agreement, and the Agency has otherwise complied with the terms of the Agreement, the Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. Please note any available increments will be held in escrow pending certification that the \$20,000,000 Minimal Capital Investment threshold has been reached. The failure to achieve the Minimal Capital Investment threshold by the Activation Date will result in the forfeiture of all accrued Increment(s) to the Commonwealth.

For Business Taxpayers: This exhibit must be **accompanied by the Tax Increment Financing Business Questionnaire for any business that operates within the footprint during the calendar year.** Failure to provide the questionnaire for any businesses operating within the footprint will cause the Increment to be calculated without regard to the tax receipts from the noncompliant business.

	Withholding	Property	Sales	Grand Total
New Revenues received for calendar year	\$674,254.30	\$ 61,263.44	\$454,369.58	\$ 1,189,887.32
Less Old Revenues	\$109,576.49	\$ 15,591,.91	\$141,673.08	\$ 266,841.47
Equals Tax receipts available for Increment	\$564,677.81	\$ 45,671.53	\$312,696.50	\$ 923,045.84
Multiplied by [80] %	[80]%	[80]%	[80]%	[80]%
Requested increment disbursement	\$451,742.25	\$ 36,537.22	\$250,157.20	\$ 738,436.67

Grand Total Increment Disbursement Request: \$738,436.67

By signing this exhibit, the undersigned agrees that he or she has the proper authority to act on behalf of the Lexington-Fayette Urban County Government Finance Department with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT

Erin Hensley
[Signature of Individual]

Erin Hensley
[Printed Name]

May 28, 2024
[Date]

Please submit this report to the following address:

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

State Calculations for Exhibit E

	Withholding	Property	Sales	Grand Total
New				
Approval Year KY IIT Rate	539,403.44	61,263.44	454,369.58	1,189,887.32
Requesting Year KY IIT Rate	5.00%			
IIT Modifier Multiple	4.00%			
Modified KKY IIT New Revenue	125.00%			
Old	674,254.30			
	109,576.49	15,591.91	141,673.08	266,841.47
Increment	564,677.81	45,671.53	312,696.50	923,045.84
Disbursement	451,742.25	36,537.22	250,157.20	738,436.67

Redmile TIF Reimbursement Calculations - Payroll, Property Tax and Sales Tax

Agency/Revenue Type	State Increment Calculation
2025 Revenue	
Payroll Withholding	674,254.30
Property Tax	61,263.44
Sales Tax	454,369.58
	75%
Total Incremental Revenue	1,189,887.32
	25%
2009 Base Year*	
Payroll Withholding	109,576.49
Property Tax	15,591.91
Sales Tax	141,673.08
Total Base Year	266,841.47
Incremental Income	923,045.84
LFUCG Admin Fee 5% (if Applicable)	- No admin fee known
Net Incremental Fee	923,045.84
Pledge % of Increment	80%
80% Pledge	738,436.67 <----- Payment

EXHIBIT E

RED MILE LEXINGTON MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT

Request for Disbursement

This Exhibit must be submitted by April 30th of each year to make a Request for Disbursement of the Increment for the preceding calendar year. Provided that the Minimum Capital Investment is confirmed by the Authority as set forth in Section 4.7 of the Agreement, and the Project has activated in accordance with Section 4.2 of the Agreement, and the Agency has incurred Approved Public Infrastructure Costs that have been verified by the Authority pursuant to Section 3.3 of the Agreement, and the Agency has otherwise complied with the terms of the Agreement, the Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. Please note any available increments will be held in escrow pending certification that the \$20,000,000 Minimal Capital Investment threshold has been reached. The failure to achieve the Minimal Capital Investment threshold by the Activation Date will result in the forfeiture of all accrued Increment(s) to the Commonwealth.

For Business Taxpayers: This exhibit must be **accompanied by the Tax Increment Financing Business Questionnaire for any business that operates within the footprint during the calendar year**. Failure to provide the questionnaire for any businesses operating within the footprint will cause the Increment to be calculated without regard to the tax receipts from the noncompliant business.

	Withholding	Property	Sales	Grand Total
New Revenues received for calendar year	498,105.23	53,768.28	349,374.73	901,248.24
Less Old Revenues	103,789.80	14,768.50	134,191.38	252,749.68
Equals Tax receipts available for Increment	394,315.43	38,999.78	215,183.36	648,498.56
Multiplied by [80] %	[80]%	[80]%	[80]%	[80]%
Requested increment disbursement	\$315,452.34	\$31,199.82	\$172,146.68	\$518,798.85

Grand Total Increment Disbursement Request: \$518,798.85

By signing this exhibit, the undersigned agrees that he or she has the proper authority to act on behalf of the Lexington-Fayette Urban County Government Finance Department with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT

Sally Hamilton
[Signature of Individual]

Sally Hamilton
[Printed Name]

6/26/24
[Date]

Please submit this report to the following address:

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

Redmile TIF Reimbursement Calculations - Payroll, Property Tax and

Agency/Revenue Type	State Increment Calculation
2023 Revenue	
Payroll Withholding	498,105.23
Property Tax	53,768.28
Sales Tax	349,374.73
Total Incremental Revenue	901,248.24
2009 Base Year*	
Payroll Withholding	103,789.80
Property Tax	14,768.50
Sales Tax	134,191.38
Total Base Year	252,749.68
Incremental Income	648,498.56
LFUCG Admin Fee 5% (if Applicable)	-
Net Incremental Fee	648,498.56
Pledge % of Increment	80%
80% Pledge	518,798.85

EXHIBIT E

RED MILE LEXINGTON MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT

Request for Disbursement

This Exhibit must be submitted by April 30th of each year to make a Request for Disbursement of the Increment for the preceding calendar year. Provided that the Minimum Capital Investment is confirmed by the Authority as set forth in Section 4.7 of the Agreement, and the Project has activated in accordance with Section 4.2 of the Agreement, and the Agency has incurred Approved Public Infrastructure Costs that have been verified by the Authority pursuant to Section 3.3 of the Agreement, and the Agency has otherwise complied with the terms of the Agreement, the Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. Please note any available increments will be held in escrow pending certification that the \$20,000,000 Minimal Capital Investment threshold has been reached. The failure to achieve the Minimal Capital Investment threshold by the Activation Date will result in the forfeiture of all accrued Increment(s) to the Commonwealth.

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	Withholding	Property	Sales	Grand Total
New Revenues received for calendar year	498,105.23	53,768.28	349,374.73	901,248.24
Less Old Revenues	103,789.80	14,768.50	134,191.38	252,749.68
Equals Tax receipts available for Increment	394,315.43	38,999.78	215,183.36	648,498.56
Multiplied by [80] %	[80]%	[80]%	[80]%	[80]%
Requested increment disbursement	\$315,452.34	\$31,199.82	\$172,146.68	\$518,798.85

Grand Total Increment Disbursement Request: \$518,798.85

By signing this exhibit, the undersigned agrees that he or she has the proper authority to act on behalf of the Lexington-Fayette Urban County Government Finance Department with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT

Sally Hamilton
[Signature of Individual]

Sally Hamilton
[Printed Name]

6/26/24
[Date]

Please submit this report to the following address:

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

Redmile TIF Reimbursement Calculations - Payroll, Property Tax and

Agency/Revenue Type	State Increment Calculation
2023 Revenue	
Payroll Withholding	498,105.23
Property Tax	53,768.28
Sales Tax	349,374.73
Total Incremental Revenue	901,248.24
2009 Base Year*	
Payroll Withholding	103,789.80
Property Tax	14,768.50
Sales Tax	134,191.38
Total Base Year	252,749.68
Incremental Income	648,498.56
LFUCG Admin Fee 5% (if Applicable)	-
Net Incremental Fee	648,498.56
Pledge % of Increment	80%
80% Pledge	518,798.85

	LTBA*	KRM	RED*	RE FENNEL*	LSYS	WG&T & CONTRACTORS	Total by Category	* SEE SUPPORTING TABs
Sales Tax Paid on Revenue:	21,446.05	17,621.34	235,210.38	15,106.50	14,230.00		303,614.27	
Sales Tax Paid on CONSTRUCTION	-	12,358.01	-			33,402.45	45,760.46	
TOTAL SALES TAX PAID	-	29,979.35	235,210.38	15,106.50	14,230.00	33,402.45	349,374.73	

State Baseline	2022 Letter Values	2023 CPI (KCED)	New Baseline
Property Tax	14,186.84	0.041	14,768.50
Payroll Withholding	99,702.02	0.041	103,789.80
Sales Tax	128,906.22	0.041	134,191.38

EXHIBIT E

RED MILE LEXINGTON MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT

Request for Disbursement

This Exhibit must be submitted by April 30th of each year to make a Request for Disbursement of the Increment for the preceding calendar year. Provided that the Minimum Capital Investment is confirmed by the Authority as set forth in Section 4.7 of the Agreement, and the Project has activated in accordance with Section 4.2 of the Agreement, and the Agency has incurred Approved Public Infrastructure Costs that have been verified by the Authority pursuant to Section 3.3 of the Agreement, and the Agency has otherwise complied with the terms of the Agreement, the Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. Please note any available increments will be held in escrow pending certification that the \$20,000,000 Minimal Capital Investment threshold has been reached. The failure to achieve the Minimal Capital Investment threshold by the Activation Date will result in the forfeiture of all accrued Increment(s) to the Commonwealth.

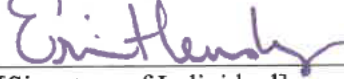
For Business Taxpayers: This exhibit must be **accompanied by the Tax Increment Financing Business Questionnaire for any business that operates within the footprint during the calendar year**. Failure to provide the questionnaire for any businesses operating within the footprint will cause the Increment to be calculated without regard to the tax receipts from the noncompliant business.

	Withholding	Property	Sales	Grand Total
New Revenues received for calendar year	\$490,941.40	\$ 48,755.75	\$397,259.03	\$ 936,956.18
Less Old Revenues	\$106,799.70	\$ 15,196.79	\$138,082.92	\$ 260,079.41
Equals Tax receipts available for Increment	\$384,141.70	\$ 33,558.96	\$259,176.11	\$ 676,876.77
Multiplied by [80] %	[80]%	[80]%	[80]%	[80]%
Requested increment disbursement	\$307,313.36	\$ 26,847.17	\$207,340.89	\$ 541,501.41

Grand Total Increment Disbursement Request: \$541,501.41

By signing this exhibit, the undersigned agrees that he or she has the proper authority to act on behalf of the Lexington-Fayette Urban County Government Finance Department with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT



[Signature of Individual]

ERIN HENSLEY

[Printed Name]

6/12/2025

[Date]

Please submit this report to the following address:

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

Redmile TIF Reimbursement Calculations - Payroll, Property Tax and Sales Tax

Agency/Revenue Type	State Increment Calculation
2024 Revenue	
Payroll Withholding	490,941.40
Property Tax	48,755.75
Sales Tax	397,259.03
Total Incremental Revenue	936,956.18
2009 Base Year*	
Payroll Withholding	106,799.70
Property Tax	15,196.79
Sales Tax	138,082.92
Total Base Year	260,079.41
Incremental Income	676,876.77
LFUCG Admin Fee 5% (if Applicable)	-
Net Incremental Fee	676,876.77
Pledge % of Increment	80%
80% Pledge	541,501.41 <----- Payment

Property	Parcel #	2024 Taxable		Total Tax Rate	State Tax Rate	Early Pay		Total Tax Bill	State Bill	PD Date per FCSO
		Value	Discount			Rate	Discount			
1101 Winbak Way	13867650	\$ 11,200,000.00		1.2583	0.109	Y		\$ 140,929.60	\$ 11,963.84	11/1/2024
843 S Broadway	19309780	\$ 33,667,700.00		1.2583	0.109	Y		\$ 423,640.67	\$ 35,963.84	10/30/2024
459 Nelms Ave	13088200	\$ 10,000.00		1.2583	0.109	Y		\$ 125.83	\$ 10.68	11/1/2024
790 Red Mile Road	16983800	\$ 132,000.00		1.2583	0.109	Y		\$ 1,660.96	\$ 141.00	11/1/2024
463 Nelms Ave	10856500	\$ 26,400.00		1.2583	0.109	Y		\$ 332.19	\$ 28.20	11/1/2024
449 Nelms Ave	13867000	\$ 7,000.00		1.2583	0.109	Y		\$ 88.08	\$ 7.48	11/1/2024
451 Nelms Ave	13867100	\$ 4,000.00		1.2583	0.109	Y		\$ 50.33	\$ 4.27	11/1/2024
1212 Embury Ave	13867500	\$ 10,000.00		1.2583	0.109	Y		\$ 125.83	\$ 10.68	11/1/2024
780 Red Mile Rd	13867600	\$ 200,000.00		1.2583	0.109	Y		\$ 2,516.60	\$ 213.64	11/1/2024
441 Nelms Ave	13867700	\$ 7,000.00		1.2583	0.109	Y		\$ 88.08	\$ 7.48	11/1/2024
439 Nelms Ave	13867800	\$ 8,000.00		1.2583	0.109	Y		\$ 100.66	\$ 8.55	11/1/2024
445 Nelms Ave	13867900	\$ 15,200.00		1.2583	0.109	Y		\$ 191.26	\$ 16.24	11/1/2024
455 Nelms Ave	13868000	\$ 171,800.00		1.2583	0.109	Y		\$ 2,161.76	\$ 183.52	11/1/2024
765 Bennett Ave	14166900	\$ 18,000.00		1.2583	0.109	Y		\$ 226.49	\$ 19.23	11/1/2024
761 Bennett Ave	16085600	\$ 18,000.00		1.2583	0.109	Y		\$ 226.49	\$ 19.23	11/1/2024
Tangible	83868100	\$ 631,491.74		1.4587	0.45	Y		\$ 9,211.57		11/1/2024
Tangible-2	60452440	\$ 2,449,534.00		1.4587	0.45	Y		\$ 35,731.35		11/1/2024
471 Nelms Ave	13856050	\$ 137,800.00		1.2583	0.109	Y		\$ 1,733.94	\$ 147.20	11/1/2024
461 Nelms Ave	14496700	\$ 10,000.00		1.2583	0.109	Y		\$ 125.83	\$ 10.68	11/1/2024
				1.2583	0.109			\$ -	\$ -	
				1.2583	0.109			\$ -	\$ -	
				1.2583	0.109			\$ -	\$ -	

TOTAL CONFIRMED PAYMENTS

\$ 48,755.75

Exhibit F Request for Disbursement

Red Mile Lexington Mixed-Use Redevelopment TIF

This Exhibit must be submitted annually by April 30 to make a Request for Disbursement of State Tax Increments for the preceding calendar year. The Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. LFUCG shall not be eligible for disbursement of Increment until it has certified that the \$20,000,000 Minimal Capital Investment has been made.

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

Tax Year Associated With Increment Request

2019

Increment Request \$

301,368.49

By signing this exhibit, I agree that I have proper authority to act on behalf of Lexington Fayette Urban County Government with regards to the Tax Increment Financing Project Grant Agreement for the Red Mile Mixed-Use Redevelopment TIF. I certify that this exhibit has been calculated using sound accounting principles and is subject to review and audit by the commonwealth or assigned agent. I also understand that no increments will be disbursed until the Authority receives certification that the \$20,000,000 Minimal Capital Investment Threshold has been reached as required by KRS 154.30-060. Failure to reach the Minimal Capital Investment Threshold by December 31, 2015 will result in the forfeiture of all accrued increments.

Linda Gorton

Linda Gorton
Jill Gray, Mayor

Lexington Fayette Urban County Government

Exhibit F - Request for Disbursement

Request for Increment of
Real Estate Property Tax

\$ 37,144.40

Tax Receipts for Calendar Year \$ 58,698.81

Less Old Revenues (Exhibit H) \$ 12,178.31

Equals Tax Receipts
Available for Increment \$ 46,430.50

Multiplied by 80% 80%

Calculated Increment \$ 37,144.40

Request for Increment of
Sales Tax

\$ 54,132.35

Tax Receipts for Calendar Year \$ 178,321.48

Less Old Revenues (Exhibit H) \$ 110,656.04

Equals Tax Receipts
Available for Increment \$ 67,665.44

Multiplied by 80% 80%

Calculated Increment \$ 54,132.35

Request for Increment of
Withholding Tax

\$ 210,091.74

Tax Receipts for Calendar Year \$ 348,201.16

Less Old Revenues (Exhibit H) \$ 85,586.49

Equals Tax Receipts
Available for Increment \$ 262,614.67

Multiplied by 80% 80%

Calculated Increment \$ 210,091.74

TIF 2019

Sales & Use Tax	\$178,321.48
LFUCG Payroll Withholding	\$206,641.82
KY State Withholding	\$348,201.16
Property Tax	\$616,934.82
<i>Total Estimate</i>	<i><u><u>\$1,350,099.28</u></u></i>

EXHIBIT I
Certification of Increment Use

**RED MILE LEXINGTON MIXED-USE REDEVELOPMENT
TAX INCREMENT FINANCING PROJECT**

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

Tax Year Associated with Increment: 2021 (Received in 2022)

Amount of Increment Received: \$ \$ 353,831.58

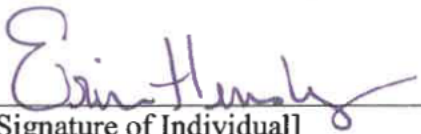
Increment was spent for the following:

Public Infrastructure Costs \$ \$353,831.58

Amount of Increment Unspent \$ \$0

By signing this exhibit, I agree that I have proper authority to act on behalf of the Lexington Fayette Urban County Government Finance Department (the "Agency") with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project and certify on behalf of the Agency that the amounts reported above have been expended within the Footprint of the Project as required by KRS 154.30-080.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT


[Signature of Individual]

ERIN HENSLEY
[Printed Name]

May 25, 2023
[Date]

STATE OF Kentucky)
)
COUNTY OF Fayette)

The foregoing instrument was subscribed, sworn to and acknowledged before me this ____ day of May 25, 2023, by Emin Hensley as Commissioner [Title] of the Lexington-Fayette Urban County Government Finance Department.

My commission expires:

01/27/2027

Robin Ann Adams KYNP 65589

NOTARY PUBLIC

(SEAL)

Please submit this report to the following address:

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



Andy Beshear
GOVERNOR

**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT OF REVENUE
OFFICE OF TAX POLICY AND REGULATION**

501 High Street, Station 1
Frankfort, Kentucky 40601
Phone: (502) 564-3226
Fax: (502) 564-9565

Holly M. Johnson
SECRETARY

Thomas B. Miller
COMMISSIONER

Gary Morris
EXECUTIVE DIRECTOR

October 27, 2022

VIA U.S. POST, FIRST CLASS MAIL

Erin Hensley, President
Lexington-Fayette Urban County Government
Department of Finance
200 East Main Street
Lexington, KY 40507

Re: Red Mile Tax Increment Financing Project – 2021 Preliminary Increment Calculation

Dear Ms. Hensley:

This letter is in response to the Lexington-Fayette Urban County Government's request for Tax Increment Financing ("TIF") amounts arising from the Red Mile Mixed-Used Redevelopment TIF Project for the 2021 calendar year (the "Request").

The Department of Revenue (the "Department") has reviewed the Request. The Department was unable to verify the increment amount of \$352,035.08 that was requested. The following is the Department's preliminary calculation of the 2021 increment broken down by tax:

Property Tax

2021 New Revenues (Real Property Tax)	\$	53,308.96
Minus Old Revenues (CPI adjusted)	-	13,135.97
Receipts Available for Increment	\$	40,172.99
80% Adjustment		.80
2021 Increment	\$	32,138.39

Individual Income Tax – Withholding

2021 New Revenues	\$ 438,398.55
Minus Old Revenues (CPI adjusted)	<u>- 92,316.68</u>
Receipts Available for Increment	\$ 346,081.87
80% Adjustment	<u>.80</u>
2021 Increment	\$ 276,865.49

Sales Tax

2021 New Revenues	\$ 175,392.24
Minus Old Revenues (CPI adjusted)	<u>- 119,357.61</u>
Receipts Available for Increment	\$ 56,034.63
80% Adjustment	<u>.80</u>
2021 Increment	\$ 44,827.70

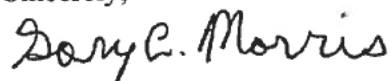
Combined Increment Calculation

Property Tax	\$ 32,138.39
Individual Income Tax – Withholding	\$ 276,865.49
Sales Tax	<u>\$ 44,827.70</u>
Net Increment Due	\$ 353,831.58

If you agree with the Department's preliminary increment calculation, please let us know as soon as possible in writing so we can issue a final increment letter and checks for Individual Income Tax – Withholding, Sales Tax, and Property Tax.

Please let me know if you have any questions.

Sincerely,



Gary C. Morris, Executive Director
Office of Tax Policy & Regulation
(502)564-0424

cc: Richard Dobson
Tim Bennett
Barbra Quackenboss
Christy Kinney
Tom Crawford
Melissa Klink
Katie Smith
B. Leigh Powers

EXHIBIT I
Certification of Increment Use

**RED MILE LEXINGTON MIXED-USE REDEVELOPMENT
TAX INCREMENT FINANCING PROJECT**

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

Tax Year Associated with Increment: 2020

Amount of Increment Received: \$ \$242,296.50

Increment was spent for the following:

Public Infrastructure Costs \$ \$242,296.50

Amount of Increment Unspent \$ \$0

By signing this exhibit, I agree that I have proper authority to act on behalf of the Lexington Fayette Urban County Government Finance Department (the "Agency") with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project and certify on behalf of the Agency that the amounts reported above have been expended within the Footprint of the Project as required by KRS 154.30-080.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT


[Signature of Individual]

Erin Hensley
[Printed Name]

6/21/2022
[Date]

STATE OF Kentucky)
COUNTY OF Fayette)

The foregoing instrument was subscribed, sworn to and acknowledged before me this 21 day of June, 2022, by Erin Blesley as Finance Commissioner [Title] of the Lexington-Fayette Urban County Government Finance Department.

My commission expires:

January 27, 2023
Robin Adams #614610
NOTARY PUBLIC
(SEAL)

Please submit this report to the following address:

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





Andy Beshear
GOVERNOR

**FINANCE AND ADMINISTRATION CABINET
DEPARTMENT OF REVENUE
OFFICE OF TAX POLICY AND REGULATION**

501 High Street, Station 1
Frankfort, Kentucky 40601
Phone: (502) 564-3226
Fax: (502) 564-9565

Holly M. Johnson
SECRETARY

Thomas B. Miller
COMMISSIONER

Gary Morris
EXECUTIVE DIRECTOR

March 7, 2022

Via First Class Mail

Linda Gorton, Mayor
Lexington-Fayette Urban County Government
200 East Main Street
Lexington, Kentucky 40507

Re: Red Mile Tax Increment Financing – Final 2020 Increment Calculation

Dear Mayor Gorton:

This letter is in response to the request from the Lexington-Fayette Urban County Government for Tax Increment Financing (“TIF”) amounts arising from the Red Mile Mixed-Use Redevelopment TIF Project for calendar year 2020 (the “Request”).

The Department of Revenue (the “Department”) has reviewed the Request. The Department was unable to verify the increment amount of \$323,616.58 that was requested. The following is the Department’s final calculation of the 2020 increment broken down by tax:

Property Tax

2020 New Revenues (Real Property Tax)	\$ 55,474.43
Minus Old Revenues (CPI adjusted)	<u>12,546.29</u>
Receipts Available for Increment	\$ 42,928.14
80% Adjustment	<u>.80</u>
2020 Increment	\$ 34,342.51

Individual Income Tax – Withholding

2020 New Revenues	\$ 354,134.68
Minus Old Revenues (CPI adjusted)	<u>88,172.57</u>
Receipts Available for Increment	\$ 265,962.11
80% Adjustment	<u>.80</u>
2020 Increment	\$ 212,769.69

Sales Tax

2020 New Revenues	\$ 107,980.00
Minus Old Revenues (CPI adjusted)	<u>113,999.63</u>
Receipts Available for Increment	\$ -6,019.63
80% Adjustment	<u>.80</u>
2020 Increment	\$ -4,815.70

Combined Increment Calculation

Property Tax	\$ 34,342.51
Individual Income Tax – Withholding	\$ 212,769.69
Sales Tax	<u>\$ -4,815.70</u>
Net Increment Due	\$ 242,296.50

The Sales Tax calculation resulted in a negative increment of (\$-4,815.70) which was offset against the Individual Income Tax – Withholding increment. Therefore, the Department's final increment calculation for 2020 is **\$242,296.50**.

Two checks totaling **\$242,296.50** will be issued and sent to your office. Please let me know if you have any questions.

Sincerely,

Gary C. Morris

Gary C. Morris, Executive Director
Office of Tax Policy & Regulation
(502)564-0424

cc: Richard Dobson
Tim Bennett
Jessica Johnston
Christy Kinney
Tom Crawford
Katie Smith
Jennifer Stosberg



CABINET FOR ECONOMIC DEVELOPMENT

Steven L. Beshear
Governor

Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601
ThinkKentucky.com

Larry M. Hayes
Secretary

March 8, 2011

Joe Costa, President
The Red Mile
1200 Red Mile Road
Lexington, KY 40504

Dear Mr. Costa:

Thank you for your recent correspondence regarding instant racing and the potential impact that would have on the proposed Red Mile Mixed-Use TIF project.

Please be advised that cabinet staff has had detailed discussions regarding all aspects of this project, including but not limited to the inclusion of instant racing terminals, with the project stakeholders and others engaged in the review. We value the potential economic impact that a project such as the Red Mile TIF would have on Lexington and the Commonwealth of Kentucky.

Once the completed report is received from the independent consultant firm, we will contact Mayor Gray's office to continue moving forward with the application process. Please be assured that all pertinent information regarding projects for consideration is presented to the KEDFA board for its review and action.

Please feel free to contact Brad Thomas at (502) 564-4554, extension 3402 or via e-mail at Brad.Thomas@ky.gov, or me if you have any questions or if we may be of assistance. We look forward to working with you on this very important project for the Red Mile, its community and the Commonwealth.

Sincerely,

A handwritten signature in cursive script that reads "Donna E. Duncan".

Donna E. Duncan, Commissioner
Department of Financial Incentives

pc: Governor Steven Beshear
Secretary Larry Hayes
Mayor Jim Gray
Brad Thomas

EXHIBIT E

RED MILE LEXINGTON MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT

Request for Disbursement

This Exhibit must be submitted by April 30th of each year to make a Request for Disbursement of the Increment for the preceding calendar year. Provided that the Minimum Capital Investment is confirmed by the Authority as set forth in Section 4.7 of the Agreement, and the Project has activated in accordance with Section 4.2 of the Agreement, and the Agency has incurred Approved Public Infrastructure Costs that have been verified by the Authority pursuant to Section 3.3 of the Agreement, and the Agency has otherwise complied with the terms of the Agreement, the Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. Please note any available increments will be held in escrow pending certification that the \$20,000,000 Minimal Capital Investment threshold has been reached. The failure to achieve the Minimal Capital Investment threshold by the Activation Date will result in the forfeiture of all accrued Increment(s) to the Commonwealth.

For Business Taxpayers: This exhibit must be **accompanied by the Tax Increment Financing Business Questionnaire for any business that operates within the footprint during the calendar year**. Failure to provide the questionnaire for any businesses operating within the footprint will cause the Increment to be calculated without regard to the tax receipts from the noncompliant business.

	Withholding	Property	Sales	Grand Total
New Revenues received for calendar year	\$370,369.87	\$72,469.45	\$116,589.84	\$559,429.16
Less Old Revenues	35,158.97	18,730.50	101,018.97	154,908.44
Equals Tax receipts available for Increment	335,210.90	53,738.95	15,570.87	404,520.72
Multiplied by [80] %	[80]%	[80]%	[80]%	[80]%
Requested increment disbursement	\$268,168.72	\$42,991.16	\$12,456.70	\$ 323,616.58

Grand Total Increment Disbursement Request: 323,616.58

By signing this exhibit, the undersigned agrees that he or she has the proper authority to act on behalf of the Lexington Fayette Urban County Government Finance Department with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT

Erin Hensley
[Signature of Individual]

Erin Hensley
[Printed Name]

MAY 4, 2021
[Date]

Please submit this report to the following address:

Cabinet for Economic Development
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 4060

EXHIBIT I
Certification of Increment Use

**RED MILE LEXINGTON MIXED USE REDEVELOPMENT
TAX INCREMENT FINANCING PROJECT**

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

Tax Year Associated with Increment : 2019 (RECEIVED IN 2020)

Amount of Increment Received: \$ 277,593.96

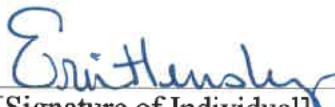
Increment was spent for the following:

Public Infrastructure Costs \$ \$277,593.96

Amount of Increment Unspent \$ 0

By signing this exhibit, I agree that I have proper authority to act on behalf of the Lexington Fayette Urban County Government (the "Agency") with regard to the Tax Incentive Agreement for the Red Mile Lexington Mixed-Use Redevelopment Tax Increment Financing Project and certify on behalf of the Agency that the amounts reported above have been expended within the Footprint of the Project as required by KRS 154.30-080.

LEXINGTON FAYETTE URBAN COUNTY
GOVERNMENT FINANCE DEPARTMENT


[Signature of Individual]

Erin Hensley
[Printed Name]

May 4, 2021
[Date]

STATE OF Kentucky)
COUNTY OF Fayette)

The foregoing instrument was subscribed, sworn to and acknowledged before me this 4 day of May, 2021, by Erin Hensley as Finance Commissioner [Title] of the Lexington Fayette Urban County Government Finance Department.

My commission expires: January 27, 2023 Robin A. Adams
Robin Adams # 614610
NOTARY PUBLIC
(SEAL)

Please submit this report to the following address:

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

From: [Dever, Rachael L \(CED\)](#)
To: [Morris, Gary C \(DOR\)](#); [Kohler, Rachel E \(DOR\)](#)
Cc: [Kinney, Christy \(DOR\)](#); [Dobson, Richard \(DOR\)](#); [Tunstall, Tracy M \(DOR\)](#); [Klink, Melissa R \(DOR\)](#); [Mayes, Leslie A \(DOR\)](#); [Clark, Tawnya R \(DOR\)](#); [Puckett, Justin M \(DOR\)](#); [Taylor, Jessica M \(DOR\)](#); [Howard, Marla R \(DOR\)](#); [Powers, Leigh L \(Finance\)](#); [Detjen, Mark A \(DOR\)](#); [Gordon, David L \(DOR\)](#); [Travis, Deborah G \(DOR\)](#); [Hoque, Tania \(DOR\)](#)
Subject: Red Mile and Midland Increment requests 2025
Date: Thursday, May 28, 2026 3:00:00 PM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)
[image004.png](#)
[image005.png](#)

Good afternoon DOR TIF Team,

Please find Red Mile and Midland 2025 increment requests out on the shared drive. Happy to answer any questions you may have.

Thank you and have a wonderful weekend!

Kind regards,

Rachael Dever

Senior Compliance Manager

Department for Financial Services - Compliance Division

Kentucky Cabinet for Economic Development

Office: (502) 782-1952 | Cell: (502) 330-6265

Mayo-Underwood Building

500 Mero Street 5th Floor | Frankfort, KY 40601



Confidentiality Notice:

This e-mail message, together with any attachments, is intended only for the personal and confidential and exclusive use of the intended recipient(s) named above. This message may be an attorney-client communication or work product, and as such is privileged and confidential. If you are not the intended recipient(s), you are hereby notified that you have received this document in error and that any review, dissemination, distribution, or copying of this message is strictly prohibited and may be unlawful. If you have received this message in error, please return it to the sender, notify the sender immediately by telephone (502) 782-1952 or by return e-mail, and delete or destroy this message, along with any attachments, from your computer. It should be understood that the Office of Legal Services for the Cabinet for Economic Development cannot guarantee the security of the transmission and assumes no responsibility for intentional or accidental receipt by a third party.



RECEIVED

FEB 24 2011

ECONOMIC DEVELOPMENT
FINANCIAL INCENTIVES

February 14, 2011

Ms Donna Duncan
Commissioner
Department for Financial Incentives
Economic Development Cabinet
Old Capitol Annex
300 W. Broadway
Frankfort, Kentucky 40601

RE: Instant Racing at the Red Mile Mixed-Use Development TIF Project

Dear Commissioner Duncan:

As you are aware, the Red Mile Mixed-Use Development (the Project) that is proposed at the Red Mile Racetrack in Lexington has received preliminary approval through the State's Mixed-Use Tax Increment Financing (TIF) Program. An independent consultant (AECOM), as required by the TIF program, has been contracted to perform an economic and fiscal impact study which analyzes the affects that our proposed Project will have on business throughout the Commonwealth. Because this study will ultimately guide the Cabinet in its decision to award funding, we feel it is critical that the study take into full consideration every aspect that the Project will offer.

Currently, the Project plans to include Instant Racing Terminals. The economic and fiscal impacts that the addition of Instant Racing Terminals to the Red Mile Project will have throughout the region are expected to be quite significant. Not only will the Instant Racing Terminals generate tax revenue directly, but they will draw visitors to the Project that will bolster economic activity throughout the rest of the development and the Bluegrass Region as a whole. This would significantly increase the project's expected economic and fiscal impacts throughout the Commonwealth, and therefore

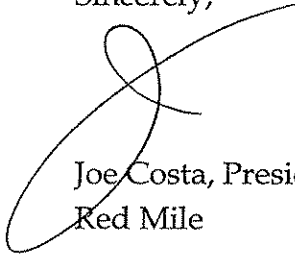
their addition will likely impact the level of TIF funding awarded by the Economic Development Cabinet.

While the initial ruling regarding the constitutionality of Instant Racing Terminals in Kentucky was in favor of allowing their use, the ruling is currently awaiting appeal in the Commonwealth's Supreme Court. We understand that AECOM is currently in the process of considering the economic and fiscal impacts that the Project will have throughout the Commonwealth for both scenarios, with and without Instant Racing Terminals on-site. Because timing is critical in developing the Project, we cannot afford to delay the TIF approval process any longer if at all possible. Therefore, we are making a formal request that the Cabinet and KEDFA review AECOM's report on net new impact for both scenarios, with and without Instant Racing Terminals.

While it is critical to the Project's feasibility that it receives the full amount requested for TIF funding, we would certainly understand if the Cabinet made two distinct approval levels. Under this scenario, the different final approval amounts listed in the TIF grant contract agreement between the Cabinet and the applicant would ultimately be contingent on the pending ruling at the Supreme Court. This method of contingent TIF approval will be a significant step to allow the Project to move forward in discussions with its design, project planning, lending institutions and future tenants.

Please let me know if you have any questions or would like additional information. I thank you for your time and consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Joe Costa", with a large, stylized loop at the end.

Joe Costa, President
Red Mile

Cc: Steve Beshear, Governor
Jim Gray, Mayor
Brad Thomas

SECOND AMENDMENT TO THE TAX INCENTIVE AGREEMENT - TIF

THIS SECOND AMENDMENT TO THE TAX INCENTIVE AGREEMENT – TIF (the “Second Amendment”) dated as of September 26, 2013, is made by and between (i) the KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY (the “Authority”) on behalf of the COMMONWEALTH OF KENTUCKY (the “Commonwealth”) and (ii) the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (the “LFUCG”), an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes that serves as the merged government of the city of Lexington and Fayette County, Kentucky (collectively the “Parties”).

RECITALS

WHEREAS, the Authority has been created and established as a public body, corporate and politic, under KRS Section 154.20-010 and has all the powers, duties and responsibilities delegated to it by law and is empowered by KRS Chapter 154.30 to govern the Commonwealth’s participation in Mixed-Use Redevelopment in Blighted Urban Areas projects that are approved pursuant to KRS 154.30-060; and

WHEREAS, the LFUCG previously established a development area pursuant to KRS 65.7053 and submitted an application to the Authority pursuant to KRS 154.30-030 seeking state participation in the development of an 80-acre Mixed-Use Redevelopment project designated as the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project, which involves the acquisition, installation, construction, or reconstruction of public infrastructure, improvements to existing public infrastructure and land preparation, demolition and clearance in connection with the renovation of the historic Red Mile Standardbred racing track, the development of a trackside hotel connected to the Red Mile, approximately 277,000 square feet of retail and restaurant space, 24,000 square feet of office space and 295,000 square feet of residential apartment space, which will attract new retail, residential, office, restaurant and hospitality business to a blighted urban area of downtown Lexington (the “Project” as defined in Section 1.6 of the Agreement); and

WHEREAS, the Authority adopted Resolution No. TIF-F-11-01 (the “Resolution”) on August 25, 2011, granting final approval to the Commonwealth’s participation in the project, as described above, and authorized the execution of a Tax Incentive Agreement – TIF, which was executed by the parties on August 25, 2011 (the “Agreement”), and which pledged State Tax Revenues for the Approved Public Infrastructure Costs of the project in an amount that is based upon whether instant racing is a legal activity within the Commonwealth, as follows: i) the Commonwealth’s participation in the Project shall not exceed Twenty Five Million, Three Hundred Twenty-One Thousand Dollars (\$25,321,000) provided that the legality of instant racing is upheld, or ii) in the event of a final determination that instant racing is illegal within the Commonwealth, then the Commonwealth’s participation in the Project shall not

exceed Thirteen Million, Seven Hundred Eighty-Six Thousand Dollars (\$13,786,000); and

WHEREAS, subsequent to the final approval of the project, the Authority adopted Amended Resolution No. TIF-F-11-01A approving the expansion of the Project Footprint (as defined in Section 1.8 of the Agreement, as amended), to correspond with the LFUCG's expansion of the Red Mile Development Area pursuant to KRS 65.7047 to include property adjacent to the original boundary of the development area and which contains the Tattersalls horse sales arena and barns, and approving the execution and delivery of the First Amendment to the Tax Incentive Agreement - TIF (the "First Amendment"); and

WHEREAS, Section 1.1 of the Agreement requires the LFUCG to establish an Activation Date for the Project within two years of the Commencement Date (as defined in Section 1.7 of the Agreement) of the Project, unless the LFUCG requests, and the Authority approves, a two-year extension of the Activation Date deadline pursuant to KRS 154.30-010(1); and

WHEREAS, the Authority adopted Amended Resolution No. TIF-F-11-01B approving the LFUCG's request for a two-year extension to the Activation Date deadline and authorized the execution and delivery of this Second Amendment; and

NOW, THEREFORE, in consideration of the premises and the terms and conditions hereinafter set forth, the Parties agree that the Agreement shall be amended in accordance with the terms of this Amendment, as follows:

1. Activation Date. Section 1.2 of the Agreement shall be amended to read as follows:

comm DT = 8/25/11
+ 4
8/25/15

"Activation Date" means the date on which the time period for the pledge of incremental revenues shall commence. For purposes of this Agreement, the Activation Date shall be set within four years from Commencement Date of this Agreement.

To establish the Activation Date, the LFUCG shall notify the Authority by submitting the Notice of Activation attached as Exhibit I-2 to this Second Amendment.

2. Certification of Minimum Capital Investment. The attached Exhibit D-2 to this Second Amendment shall replace Exhibit D to the Agreement. All references in the Agreement to Exhibit D, specifically within Sections 3.2 and 4.6 of the Agreement shall mean and refer to Exhibit D-2 to this Second Amendment.

3. Verification of Approved Public Infrastructure Costs. Section 3.3 of the Agreement shall be amended to read as follows:

The LFUCG shall submit an Affidavit of Capital Investment substantially in the form of Exhibit D-2, certifying to the Authority the Capital

Investment made in the Project, and shall include a summary of the actual expenditures made with respect to Approved Public Infrastructure Costs during the period for which the report is due (for example, the January 31, 2014 report would contain documentation pertaining to Capital Investment and Approved Public Infrastructure Costs incurred during the six (6) month period beginning August 1, 2013 and ending January 31, 2014). The documentation shall clearly tie each expenditure made to a particular item of Approved Public Infrastructure Costs and shall include supporting detail, including the block and specific facility to which the expenditure was related. The LFUCG shall include documentation of other non-recoverable Capital Investment as well with similar detail. The Affidavit of Capital Investment shall be verified by an independent certified public accountant when: (i) the Minimum Capital Investment threshold is achieved, (ii) the investment in Approved Public Infrastructure Costs equals or exceeds Total Approved Costs, and (iii) the development of the Project is completed and the total expenditures for Capital Investment and Approved Public Infrastructure Costs have been made. The report required by this section shall be submitted by the LFUCG on a semi-annual basis, commencing with the report due January 31, 2014, until the Minimum Capital Investment is achieved. Once the Minimum Capital Investment is achieved, the report required by this section shall be filed annually on July 31st of each until the Project is completed and the total expenditures for Capital Investment and Approved Public Infrastructure Costs have been made. The report shall be made using a form substantially similar to Exhibit D-2 attached to this Agreement.

4. Disclosure of Information and Reports. A new Section 8.13 shall be added to the Agreement, which shall provide the following:

Disclosure of Information and Reports. The Agency by execution of this Agreement hereby authorizes and agrees that any information reported to the Authority in any Exhibit to this Agreement may be disclosed in any public forum, report or documentation deemed beneficial to public interest, with the exception of information that is not a public record or is confidential under Kentucky law.

5. Other Terms and Conditions of the Agreement. Except as expressly amended by the First Amendment or this Second Amendment, all terms and conditions of the Agreement are hereby ratified and confirmed and represent the obligations of the Parties under the Agreement, as amended. The parties each agree to perform and observe the obligations, covenants, and agreements of the Agreement, as amended pursuant to the First Amendment and this Second Amendment.

6. Governing Law. The laws of the Commonwealth of Kentucky shall govern the construction of this Second Amendment and the rights and remedies and duties of the parties hereto.

7. Severability. If any part, term, or provision of the Second Amendment is unenforceable or prohibited by any law applicable to the Second Amendment, the rights and obligations of the parties shall be construed and enforced with that part, term, or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if the Second Amendment did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term, or provision of the Second Amendment is unenforceable or prohibited by law shall not affect the validity of such part, term, or provision in any other jurisdiction.

8. Multiple counterparts. The Second Amendment may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same instrument.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

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

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT**

Approved as to Form and Legality:

By: David J. Barbieri

Name: David J. Barbieri

Title: Managing Attorney

By: [Signature]

Name: Jim Gray

Title: Mayor

**KENTUCKY ECONOMIC
DEVELOPMENT FINANCE
AUTHORITY FOR THE
COMMONWEALTH OF KENTUCKY**

Approved as to Form and Legality:

By: Michael D. Kalinayuk

Name: Michael D. Kalinayuk

Title: Attorney for KEDFA

By: [Signature]

Name: Katie Smith

Title: Executive Director

INDEX OF EXHIBITS

Exhibit D-2	Affidavit of Capital Investment and Approved Public Infrastructure Costs
Exhibit I-2	Notice of Activation

EXHIBIT D-2

Affidavit of Capital Investment and Approved Public Infrastructure Costs

The Lexington-Fayette Urban County Government (the "LFUCG", as defined in the Tax Incentive Agreement - TIF dated April 26, 2012) shall submit this Affidavit of Capital Investment and Approved Public Infrastructure Costs Exhibit for the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project semi-annually by January 30th and July 31st each year throughout the Term of the Agreement until the Minimum Capital Investment is made. Once the Minimum Capital Investment is achieved, this report shall be filed annually on July 31st of each year. The Affidavit of Capital Investment and Approved Public Infrastructure Costs shall be accompanied by the attached Appendix To Exhibit D-2 - Certificate of Independent Public Accountants of Capital Investment when: (i) the \$20,000,000 Minimum Capital Investment Threshold has been reached, (ii) the investment in Approved Public Infrastructure Costs equals or exceeds Total Approved Costs, or total expenditures for Approved Public Infrastructure Costs are completed, whichever occurs first, and (iii) the development of the Project is completed and the total expenditures for Capital Investment and Approved Public Infrastructure Costs have been made.

The undersigned, _____, after having first being duly sworn, deposes and states as follows:

As _____ (Title) of the LFUCG, I am authorized to submit this Affidavit to the Kentucky Economic Development Finance Authority ("Authority") on behalf of the Lexington-Fayette Urban County Government with respect to the Tax Incentive Agreement by and between the Authority and the "LFUCG". All capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Agreement.

As of _____, 20__, "LFUCG" is reporting the following:

Summary of the Total Capital Investment Made To-Date Within the Footprint

Block	Public Infrastructure Costs	Other Capital Investment	TOTAL
1	\$	\$	\$
2			
3			
4			
5			
6			
7			
8			
TOTAL	\$	\$	\$

See Attachment 1 for detail of the investment costs.

Has the Minimum Capital Investment Threshold of \$20,000,000 been achieved? ☐ YES ☐ NO
If yes, it was achieved on: _____, 20__

Has there been any changes or modifications to the proposed project as described in Exhibit A to the Tax Incentive Agreement? ☐ YES ☐ NO If yes, please list the changes below by block:

Block #	New Description

Please Note: Failure to build out the project as described in the application and reflected in Exhibit A to the Agreement may result in a default or a reduction in the Commonwealth's participation in the Project and the amount of any Increment(s) payable.

The amounts reported in this affidavit are true and accurate to the best of my knowledge. Evidence of the amounts reported is kept by the LFUCG and is available for review by a representative of the Authority at any time pursuant to the Agreement.

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT**

[Signature of Individual]

[Printed Name]

[Date]

STATE OF: _____)

COUNTY OF: _____)

The foregoing instrument was subscribed, sworn to and acknowledged before me this _____ day of _____, 20____, by _____ as _____ [Title] of the Lexington-Fayette Urban County Government, a Kentucky municipal corporation.

My commission expires: _____

NOTARY PUBLIC

(SEAL)

Please submit this report to the following address:

Cabinet for Economic Development
Compliance Division
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

APPENDIX TO EXHIBIT D-2

Certificate of Independent Public Accountants of Capital Investment

The Lexington-Fayette County Government's Affidavit of Capital Investment Exhibit for the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project must be certified by an independent CPA at the following dates when: (i) the \$20,000,000 Minimum Capital Investment Threshold has been reached, (ii) the investment in Approved Public Infrastructure Costs equals or exceeds Total Approved Costs, and (iii) the development of the Project is completed and the total expenditures for Capital Investment and Approved Public Infrastructure Costs have been made.

The undersigned, being the independent certified public accounts for the Lexington-Fayette County Government, hereby certify as of this ____ day of _____, 20__, to the Kentucky Economic Development Finance Authority (the "Authority") that after reasonable due diligence they have determined as follows:

- 1) The aggregate amount of Capital Investment (as defined in the Agreement), Approved Public Infrastructure Costs (as defined in the Agreement) and Other Costs paid since the Commencement Date of the Project through _____, 20__, is:

Public Infrastructure Costs	Other Capital Investment	TOTAL
\$ _____	\$ _____	\$ _____

- 2) The Minimum Capital Investment Threshold of \$20,000,000 was achieved on _____, 20__.
The final capital investment for the Project was incurred on _____, 20__.
- 3) The aggregate amount of capital investment costs incurred since the commencement of the Project were for the Project as described in Exhibit A to the Tax Incentive Agreement.

By: _____

Title: _____

EXHIBIT I-2

NOTICE OF ACTIVATION

The undersigned, _____, after having first being duly sworn, deposes and states as follows:

As _____ (Title) of the Lexington-Fayette Urban County Government (the "LFUCG"), I am authorized to submit this Notice of Activation to the Kentucky Economic Development Finance Authority (the "Authority") on behalf of the LFUCG, as required by the Tax Incentive Agreement - TIF between the Authority and the LFUCG dated August 25, 2011 ("Agreement"), as amended by the First Amendment to the Tax Incentive Agreement - TIF, dated April 26, 2012 and the Second Amendment to the Tax Incentive Agreement - TIF, dated September 26, 2013.

Pursuant to Section 1.2 of the Agreement, as amended, the Activation Date must be set on or before August 25, 2015.

The LFUCG hereby designates _____, 20__ as the Activation Date pursuant to Section 1.2 of the Agreement, as amended, which is within four years of the Commencement Date.

**LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT**

By: _____

Title: _____

STATE OF _____)

COUNTY OF _____)

Subscribed and sworn to before me by _____, the _____ of the Lexington-Fayette Urban County Government, this ____ day of _____, 20__.

My commission expires: _____.

NOTARY PUBLIC

TAX INCENTIVE AGREEMENT - TIF

THIS TAX INCENTIVE AGREEMENT (the "Agreement") dated as of August 25, 2011, is made by and between (i) the KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY (the "Authority") on behalf of the COMMONWEALTH OF KENTUCKY (the "Commonwealth") and (ii) the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (the "LFUCG"), an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes that serves as the merged government of the city of Lexington and Fayette County, Kentucky (collectively the "Parties").

RECITALS

WHEREAS, the Authority has been created and established as a public body, corporate and politic, under KRS Section 154.20-010 and has all the powers, duties and responsibilities delegated to it by law and is empowered by KRS 154.30-030 to review and approve applications for the Commonwealth's participation in tax increment financing programs and to pledge all, or a portion of, the incremental state tax revenues attributable to Mixed-Use Redevelopment in Blighted Urban Areas projects that are approved pursuant to KRS 154.30-060; and

WHEREAS, the LFUCG has established a development area pursuant to KRS 65.7053 and has submitted an application to the Authority pursuant to KRS 154.30-030 seeking state participation in the development of an 80 acre Mixed-Use Redevelopment project designated as the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project, which will involve the acquisition, installation, construction, or reconstruction of public infrastructure, improvements to existing public infrastructure and land preparation, demolition and clearance in connection with the renovation of the historic Red Mile Standardbred racing track, the development of a trackside hotel connected to the Red Mile, approximately 277,000 square feet of retail and restaurant space, 24,000 square feet of office space and 295,000 square feet of residential apartment space, which will attract new retail, residential, office, restaurant and hospitality business to a blighted urban area of downtown Lexington (the "Project"); and

WHEREAS, the Authority adopted Resolution No. TIF-I-10-03 on May 27, 2010 (the "Preliminary Resolution") preliminarily approving the Project and authorizing the execution of a Memorandum of Agreement, dated May 27, 2010, to enter into a Tax Incentive Agreement-TIF pending verification of the net positive economic impact upon the Commonwealth; and

WHEREAS, AECOM (the "Consultant"), in consultation with the Office of State Budget Director and the Finance & Administration Cabinet, has analyzed the data related to the project and the development area and has submitted the report required by KRS 154.30-030 (the "Report"), in which the Consultant has determined that the Project will not occur without the granting of state tax incremental revenues; and

WHEREAS, based upon the Consultant's Report, the Office of State Budget Director and the Finance & Administration Cabinet has certified to the Authority that the Project will result in a net positive economic impact to the Commonwealth and the expected amount of state tax incremental revenues attributable to the Project (the "Certification"); and

WHEREAS, based upon the LFUCG's application, the Consultant's Report, the Certification, and all supporting information provided pursuant to KRS 154.30-030, the Authority has determined that the Project meets the minimum requirements for a Mixed-Use Redevelopment in Blighted Urban Areas project pursuant to KRS 154.30-060 and has determined that the local revenues pledged to support the public infrastructure and the overall Project are of a sufficient amount to warrant the Commonwealth's participation in the Project; and

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

WHEREAS, the total cost of the Project is estimated to equal or exceed One Hundred Eighty-Six Million, Eight Hundred Ninety-One Thousand, Seventy-One Dollars (\$186,891,071); and

WHEREAS, the Authority has determined that the Commonwealth's participation in, and pledge of State Tax Revenues for the Approved Public Infrastructure Costs of the Project shall depend upon the legality of instant racing within the Commonwealth. The Commonwealth's participation in the Project shall not exceed Twenty Five Million, Three Hundred Twenty-One Thousand Dollars (\$25,321,000) provided that the legality of instant racing is upheld. In the event of a final determination that instant racing is illegal within the Commonwealth, then the Commonwealth's participation in the Project shall not exceed Thirteen Million, Seven Hundred Eighty-Six Thousand Dollars (\$13,786,000); and

WHEREAS, the Authority adopted Resolution No. TIF-F-11-01 (the "Resolution") on August 25, 2011, authorizing the Authority to enter into this Agreement;

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

SECTION 1 DEFINITIONS

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

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

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

1.3 "Approved Public Infrastructure Costs" means the costs described in KRS 154.30-010(3) and costs associated with land preparation, demolition, and clearance determined to be necessary to support private investment or private development projects that benefit the public (in accordance with KRS 154.30-060(2)) that were incurred within the Footprint and that were reviewed and approved by the Authority for recovery from the available Increment. The Approved Public Infrastructure Costs are identified with particularity in Exhibit A, which is incorporated into this Agreement by reference. The Commonwealth's participation in the Project for the reimbursement of Approved Public Infrastructure Costs shall depend upon the legality of instant racing within the Commonwealth. The Commonwealth's participation in the Project shall not exceed Twenty Five Million, Three Hundred Twenty-One Thousand Dollars (\$25,321,000) provided that the legality of instant racing is upheld. In the event of a final determination that instant racing is illegal within the Commonwealth, then the Commonwealth's participation in the Project shall not exceed Thirteen Million, Seven Hundred Eighty-Six Thousand Dollars (\$13,786,000).

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

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

Proprietorship or Pass-Through Entity with a Physical Presence Within the Footprint.

1.6 “Corporation” is defined in Section 7701(a)(3) of the Internal Revenue Code.

1.7 “Commencement Date” shall mean August 25, 2011.

1.8 “Footprint” means the actual perimeter of the Project and is identified and described in Exhibit B – Red Mile Mixed Use Redevelopment Project Development Area and State Footprint, which is incorporated into this Agreement by reference.

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

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

1.11 “New Revenues” means the amount received by the Commonwealth with respect to:

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

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

1.12 “New Revenues Determination” shall have that meaning as set forth in Section 4.5 of this Agreement.

1.13 “Old Revenues,” for calendar year 2009 (the “Base Year”), is equal to the amount determined in Section 5 of this Agreement. The Old Revenues shall be adjusted each calendar year after the Base Year by adding the Old Revenues calculated for the previous calendar year, multiplied by the CPI, to the amount of Old Revenues calculated for the previous calendar year. This adjusted amount is the Old Revenues for the current calendar year.

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

1.15 “Physical Presence Within The Footprint” means owning or leasing real or tangible personal property within the Increment Footprint.

1.16 “Project” shall mean the Project as defined in the above recitals and described in Exhibit A, which is incorporated into this Agreement by reference.

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

1.18 “Termination Date” shall mean the earlier of the Annual Termination Date or March 25, 2050, whichever is earlier.

1.19 “Total Approved Cost” means the maximum amount of recoverable cost approved by the Authority for the Project and is set forth in detail in Section 4, but shall not exceed \$25,321,000 provided that the legality of instant racing is upheld. In the event of a final determination that instant racing is illegal within the Commonwealth, then the Commonwealth’s participation in the Project shall not exceed \$13,786,000.

SECTION 2 REPRESENTATIONS & WARRANTIES

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

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

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

(c) Validity of Agreement; Compliance with Law. This Agreement is the legal, valid and binding obligation of the LFUCG and is enforceable in accordance with

its terms and conditions. The execution and delivery of this Agreement, and the performance or observance by the LFUCG of the terms and conditions thereof, do not and will not materially violate any provisions of the LFUCG's Code of Ordinances, its regulations or any laws applicable to the LFUCG.

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

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

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

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

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

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

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

SECTION 3 LFUCG COVENANTS

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

3.2 Minimum Capital Investment.

(a) The Parties agree that the Minimum Capital Investment (as defined by KRS 154.30-010(6)) for the Project is between \$20,000,000 and \$200,000,000 (the "Minimum Capital Investment").

(b) The date by which the Minimum Capital Investment is expected to occur is January 1, 2017 (the "Capital Investment Date").

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

3.3 Verification of Approved Public Infrastructure Costs. The LFUCG must submit to the Authority quarterly reports beginning with the Commencement Date, evidencing the actual expenditures made with respect to Approved Public Infrastructure Costs during the previous quarter (for example, the January 31, 2012 report would contain documentation pertaining to the period beginning with the Commencement Date and ending December 31, 2011). The LFUCG shall continue to submit these quarterly reports to the Authority each quarter beginning on or after the Commencement Date. This documentation shall clearly tie each expenditure made to a particular item of Approved Public Infrastructure Costs and shall include supporting detail, including the block and specific facility to which the expenditure was related. The LFUCG shall include documentation of other non-recoverable Capital Investment as well with similar detail. Such documentation shall continue to be submitted by the LFUCG on a quarterly basis to the Authority until the earlier of: (i) the date on which the LFUCG has documented that the Total Approved Cost has been expended; or (ii) the date on which the LFUCG has documented all of the expenditures with respect to the Approved Public Infrastructure Costs have been made. The quarterly report shall be made using a form substantially similar to Exhibit E attached and incorporated herein.

3.4 Duplication Prohibited. Notwithstanding any other provision in this Agreement, the LFUCG shall not attempt to recover the same cost more than once.

3.5 Request for Disbursement of Increment. The LFUCG shall submit all information required by this Section 3 as well as a Request for Disbursement in a form substantially

similar to Exhibit F in order to be eligible for Increment disbursement as provided in Section 4.

SECTION 4 INCREMENT DISBURSEMENT

4.1 Total Approved Cost. The Authority has approved a maximum of \$25,321,000 provided that the legality of instant racing is upheld, or \$13,786,000 in the event of a final determination that instant racing is illegal within the Commonwealth. The LFUCG shall be eligible to recover expenses verified by the Authority as qualifying Approved Public Infrastructure Costs. The Total Approved Cost shall be equal to the lesser of (i) Total Approved Cost as set forth herein, or (ii) the actual amount of Approved Public Infrastructure Costs as verified by the Authority pursuant to Section 3.3 of this Agreement and contingent upon compliance with all terms of this Agreement.

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

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

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

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

4.4 Old Revenue Determination. Because Incremental Revenues are measured by subtracting Old Revenues from New Revenues, a determination of Old Revenue is necessary prior to a distribution of the Increment. Notwithstanding anything in this Agreement to the contrary, before the Commonwealth shall be required to pay to the LFUCG any Increment to which the LFUCG shall be eligible for each year during the term of this Agreement, the Old Revenue Determination described in Section 5 of this Agreement must be calculated and set forth as Exhibit H to this Agreement. Exhibit H shall set forth the amounts which are deemed to be Old Revenue for the Base Year and shall set forth the CPI (as defined in KRS 154.30-010(11)) or other adjustments to be made annually.

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

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

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

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

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

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

SECTION 5 OLD REVENUE

5.1 Base Year. The Base Year for the Project shall be 2009, the last calendar year ending prior to the Commencement Date. Upon receipt of the information required in Section 5.3 and 5.4, the Authority shall determine, in consultation with the Department of Revenue, whether the Base Year is a true and accurate depiction of historic revenues for the Footprint. Pursuant to KRS 154.30-010(23), the Authority may consider the three years prior to the Commencement Date (the "Three Year Base") as an alternative to a single Base Year.

5.2 Old Revenue Adjustment. The Old Revenues shall be adjusted each year by the percentage increase, if any, of the CPI (as defined in KRS 154.30-010(11)) or a comparable index, or an alternative percentage increase determined appropriate by the Authority as set forth in KRS 154.30-010.

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

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

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

SECTION 6 TERMINATION

The term of this Agreement shall commence on the Activation Date. The Agreement shall then automatically renew for nineteen (19) additional one-year terms pursuant to KRS 154.30-070 beginning with the first Annual Termination Date, unless either party gives written notice of their desire to discontinue the Project at least sixty (60) days prior to the Annual Termination Date for that year. Notwithstanding the above, in no event shall the term of this Agreement extend beyond March 25, 2050 or twenty years from the Activation Date, whichever is earlier. Notwithstanding this Section 6 and the default remedies of Section 7, KRS 65.7079 prohibits the withholding by any party to this Agreement of any incremental revenues if incremental bonds are outstanding that are secured by a pledge of those incremental revenues.

SECTION 7 DEFAULT

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

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

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

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

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

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

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

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

SECTION 8 MISCELLANEOUS

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

If to Commonwealth

Or the Authority:

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

If to the LFUCG:

Lexington-Fayette Urban County Government
Office of the Mayor
200 East Main Street
Lexington, KY 40507
Attn: Kevin Atkins, Chief Development Officer

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

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

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

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

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

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

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

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

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

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

8.12 Jurisdiction and Venue. The Parties hereto agree that any suit, action or proceeding with respect to this Agreement may only be brought in or entered by, as the case may be, (a) the courts of the Commonwealth of Kentucky situated in Frankfort, Franklin County, Kentucky, or (b) the United States District Court for the Eastern District of Kentucky, Frankfort Division, and the parties hereby submit to the jurisdiction of such courts for the purpose of any such suit, action, proceeding or judgment and waive any other preferential jurisdiction by reason of domicile. The parties hereby irrevocably waive any objection that they may now or hereafter have to the laying of venue of any

suit, action or proceeding arising out of or related to this Agreement brought in the courts of the Commonwealth of Kentucky situated in Frankfort, Franklin County, Kentucky, or the United States District Court for the Eastern District of Kentucky, Frankfort Division, and also hereby irrevocably waive any claim that any such suit, action or proceeding brought in any one of the above-described courts has been brought in an inconvenient forum.

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

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

Approved as to Form and Legality:

By: Janet M. Graham

Name: Janet M. Graham

Title: Commissioner of Law

By: Jim Gray

Name: JIM GRAY

Title: MAYOR

KENTUCKY ECONOMIC
DEVELOPMENT FINANCE
AUTHORITY FOR
COMMONWEALTH OF KENTUCKY

Approved as to Form and Legality:

By: Michael D. Kalinyak

Name: Michael D. Kalinyak

Title: Partner, Hunt, Casbie & May

By: Donna E. Duncan

Name: Donna E. Duncan

Title: Commissioner

INDEX OF EXHIBITS

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

EXHIBIT A

RED MILE MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT DESCRIPTION

The Red Mile Project is a proposed 80 acre mixed-use redevelopment on vacant and underutilized land located in close proximity to downtown Lexington and less than one-half mile from the University of Kentucky's main campus. The investment for the project is anticipated to be \$186,891,071 with the developer, The Lexington Trots Breeders Association, LLC, (LTBA) is looking to invest \$132,915,000 in private funds to develop the project.

The project will consist of the following components:

- A remodeled 1,900 seat grandstand and 47,500 square foot entertainment area including luxury boxes, new dining options and a new special events plaza.
- A trackside hotel with 200 rooms that will be connected to the new entertainment and grandstand areas.
- Approximately 277,000 square feet of retail and restaurant space.
- Approximately 24,000 square feet of office space.
- Approximately 295,000 square feet of residential apartment space spread over nine buildings throughout the development area.
- Open grade parking of 1,768 spots and the construction of three parking structures containing 164, 104 and 104 spots respectively.

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

Public Infrastructure	with Instant Racing
▪ Land Preparation Costs	\$7,146,700
▪ Sewers and Storm Drainage	\$6,026,046
▪ Curb, Sidewalks, Promenades and Pedways	\$2,160,000
▪ Roads	\$2,202,400
▪ Street Lighting	\$ 180,000
▪ Provision of Utilities	\$2,311,719
▪ <u>Public Spaces and Parks</u>	<u>\$5,294,135</u>
Total Estimated Costs Recoverable Under Statute	\$25,321,000

Public Infrastructure	without Instant Racing
▪ Sewers and Storm Drainage	\$6,026,046
▪ Curb, Sidewalks, Promenades and Pedways	\$2,160,000
▪ Roads	\$ 125,819
▪ Street Lighting	\$ 180,000
▪ <u>Public Spaces and Parks</u>	<u>\$5,294,135</u>
Total Estimated Costs Recoverable Under Statute	\$13,786,000

Total Costs Approved for TIF Recovery shall not exceed \$25,321,000 (the amount of positive economic impact to the Commonwealth estimated in the consultant's report that includes calculations associated with Instant Racing) or \$13,786,000 if Instant Racing is ruled illegal in the Commonwealth as dictated by the Certification of Net Positive Impact by the Finance and Administration Cabinet and the Office of State Budget Director.

EXHIBIT B

RED MILE MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT
Development Area and State Footprint

LEGAL DESCRIPTION

Proposed Tax Increment Finance District
Red Mile Road, Lexington, Fayette County,
Kentucky

The following area description is intended for tax increment financing district purposes only and shall not be used for transfer or conveyance purposes. This description represents information attained by deeds of record and in no way represents a survey by implication or actuality.

Being a tract of land located in Fayette County, Kentucky on the east side of Red Mile Road lying generally between Red Mile Road and the race track and being more particularly described as follows:

Parcel 1

Beginning at the northwest corner of the property designated as 837 South Broadway, Tattersalls Properties, LLC as shown at PC "M" Slide 036 at the office of the Fayette County Clerk;

Thence, with the line of Tattersall: S 38°55'41" E a distance of 332.00' to the northeast corner of lot #59;

Thence, with the line of lot #59 S 51°45'38" W a distance of 116.00' to the west edge of Nelms Avenue;

Thence, with Nelms Avenue S 38°55'47" E a distance of 370.94' to a point in the north right of way of Harrodsburg Road;

Thence, S 51°45'22" W a distance of 17.97' with said right of way;

Thence, N 86°30'15" W a distance of 80.23' with said right of way;

Thence, S 40°10'10" E a distance of 123.48' with said right of way;

Thence, S 51°45'22" W a distance of 302.07' with said right of way;

Thence, S 51°45'22" W a distance of 86.45' with said right of way;

Thence, S 38°44'41" E a distance of 15.00' with said right of way;

Thence, S 51°45'22" W a distance of 332.00' with said right of way;

Thence, N 38°14'38" W a distance of 85.00' with said right of way;

Thence, N 51°45'22" E a distance of 418.32' with said right of way;

Thence, N 51°45'22" E a distance of 200.00' to the intersection of the north right of way of Harrodsburg Road and the west right of way of Red Mile Road;

Thence, with said right of way of Red Mile Road; N 40°33'41" W a distance of 416.90' to the beginning of a curve to the left with an arc length of 266.35', with a radius of 527.70', along a chord bearing of N 52°58'18" W, with a chord length of 263.53' to the beginning of another curve to the left; with an arc length of 347.39', with a radius of 521.00' along a chord bearing N 86°37'35" W, with a chord length of 340.99' to a point;

Thence, S 74°16'19" W a distance of 637.50' to the beginning of a curve to the right; with an arc length of 1701.37', with a radius of 870.50' along a chord bearing of N 49°44'11" W, with a chord length of 1443.21';

Thence, N 06°15'19" E a distance of 1263.33' still with the right of way of Red Mile Road; N 05°17'48" E a distance of 115.77' to a point;

Thence, S 86°31'20" E a distance of 18.15' to a point;

Thence, N 06°31'47" E a distance of 914.62' to the beginning of a curve to the left with an arc length of 289.14' with a radius of 1400.00' along a chord bearing of N 00°36'47" E with a distance of 288.63';

Thence, still with the west right of way of Red Mile Road, N 05°18'13" W a distance of 97.24' to a point;

Thence N 51°35'13" W a distance of 48.61' to a point in the south right of way of Versailles Road;

Thence, crossing said right of way of Red Mile Road N 08°01'13" W a distance of 72.00' to a point in the north right of way of Versailles Road;

Thence with said right of way N 81°58'47" E a distance of 17.99', continuing with said right of way N 84°39'17" E a distance of 36.04' to the intersection of the west right of way of South Forbes Road;

Thence, crossing said right of way N 84°39'17" E a distance of 72.38' to a point in the east right of way of South Forbes Road;

Thence, with the north right of way of Versailles Road N 84°39'17" E a distance of 122.53' to a point;

Thence, crossing to the south right of way of Versailles Road S 05°20'43" E a distance of 72.00' and continuing with said right of way S 84°39'17" W a distance of 60.04';

Thence, S 49°11'34" W a distance of 78.47' to a point in the east right of way of Red Mile Road; Thence S 05°18'13" E a distance of 86.16' to the beginning of a curve to the right with an arc length of 307.01', with a radius of 1486.50' along a chord bearing of S 00°36'47" W a length of 306.46';

Thence, continuing with said right of way S 06°31'47" W a distance of 943.32' to a point in said right of way;

Thence, leaving the right of way of Red Mile Road with a line of Ball Realty, LLC. S 86°57'19" E a distance of 318.63' to a point in said line;

Thence, N 04°50'08" E a distance of 435.57' to a point in the line common with the right of way of Nancy Hanks Road and the parcel of LFUCG property at 1306 Versailles Road.

Thence, with said parcel S 85°09'43" E distance of 362.64' to a point common with said parcel and parcel 62;

Thence, with said parcel 62 S 07°19'27" W a distance of 79.23' to a point;

Thence, around the race track 8 calls;

Thence, S 48°05'23" W a distance of 125.25' to a point;

Thence, S 36°22'20" W a distance of 80.51' to a point;

Thence, S 25°08'54" W a distance of 102.37' to a point;

Thence, S 13°11'17" W a distance of 104.00' to a point;

Thence, S 02°04'07" W a distance of 99.40' to a point;

Thence, S 11°49'01" E a distance of 106.44' to a point;

Thence, S 15°16'50" E a distance of 219.72' to a point;

Thence, S 40°51'14" E a distance of 1256.27' to a point;

Thence, along a curve to the left with an arc length of 424.17', with a radius of 725.00', a chord of S 57°36'53" E a distance of 418.15';

Thence, continuing with another curve to the left with an arc length 453.68', with a radius of 475.00', along a chord of N 78°15'43" E a distance of 436.63';

Thence, leaving the race track, S 39°06'01" E 189.68' to the northeast corner of Tattersall Properties, LLC;

Thence, with the line of Tattersall, S 51°17'09" W a distance of 283.20', which is the point of beginning, having an area of 3,502,880.94 square feet, 80.415 acres.

"STABLE OF MEMORIES"

Exception to the previous description being an area known as the "Stable of Memories" lying completely inside the previous description as shown on the attached drawing and more particularly described as follows:

Beginning at the corner nearest the race track;

Thence, S 38°47'10" E a distance of 150.00' to a point;

Thence, S 52°12'11" W a distance of 125.02' to a point;

Thence, S 67°48'54" W a distance of 32.38' to a point;

Thence, N 38°24'29" W a distance of 138.24' to a point;

Thence, N 51°04'54" E a distance of 155.12' to a point;

Which is the point of beginning, having an area of 22,968.17 square feet, 0.527 acres.

The total area of the TIF district is parcel 1 excluding the exception "Stable of Memories" property.

80.415 acres – 0.527 acres exception "Stable of Memories" Property

79.888 acres total

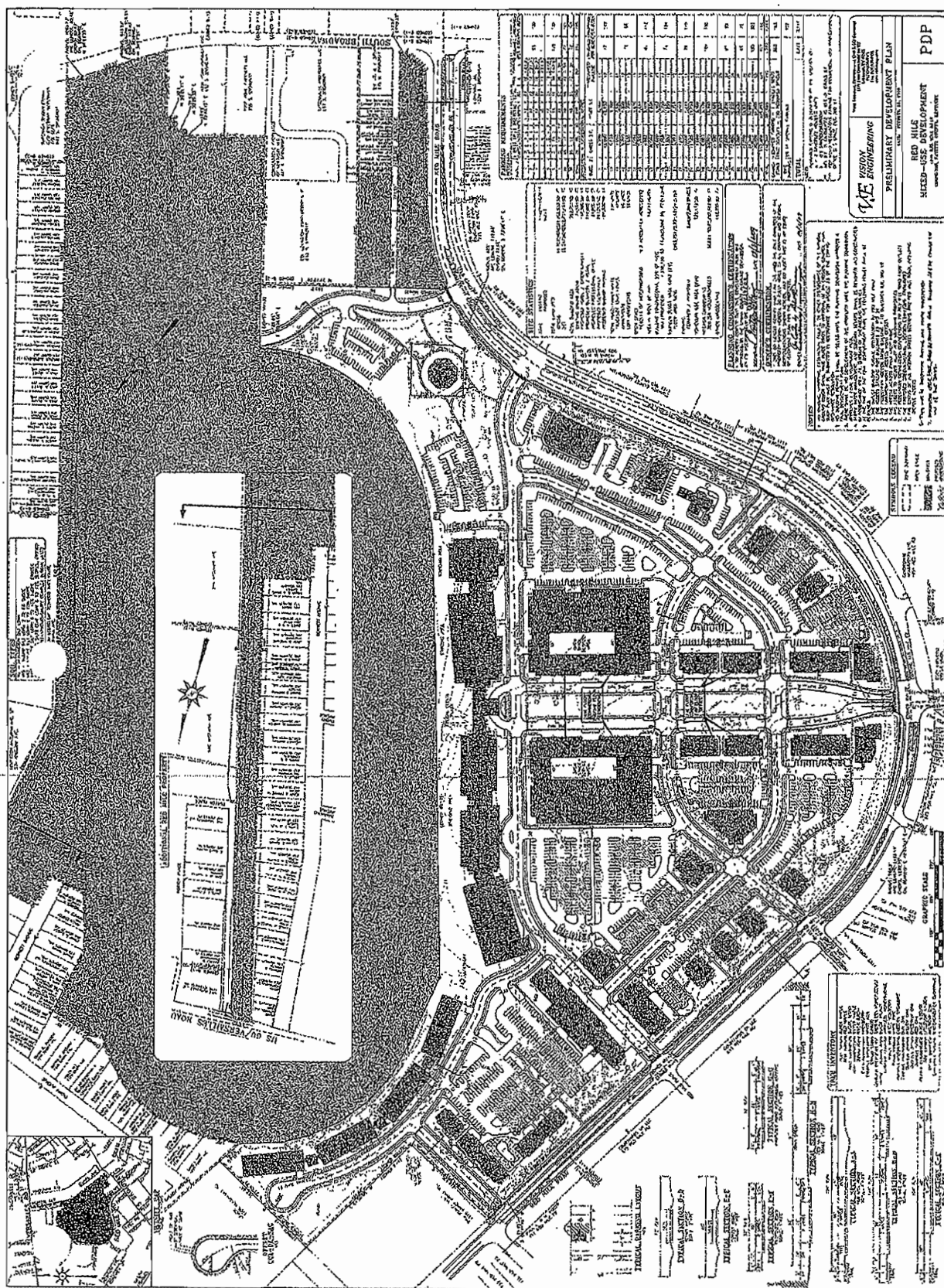


EXHIBIT C

RED MILE TAX INCREMENT FINANCING PROJECTED NEW REVENUES

Year	Real Property Tax	Sales Tax	Individual Income Tax via Withholding	Projected New Revenues*
1	\$ 169,759	\$ 1,524,748	\$ 769,902	\$ 2,464,409
2	\$ 174,852	\$ 2,890,622	\$ 1,579,283	\$ 4,644,757
3	\$ 180,097	\$ 3,735,314	\$ 2,046,295	\$ 5,961,706
4	\$ 185,500	\$ 5,845,428	\$ 3,119,578	\$ 9,150,506
5	\$ 191,065	\$ 6,020,790	\$ 3,213,165	\$ 9,425,020
6	\$ 196,797	\$ 6,201,414	\$ 3,309,560	\$ 9,707,771
7	\$ 202,701	\$ 6,387,456	\$ 3,408,847	\$ 9,999,004
8	\$ 208,782	\$ 6,579,080	\$ 3,511,112	\$ 10,298,974
9	\$ 215,046	\$ 6,776,452	\$ 3,616,446	\$ 10,607,944
10	\$ 221,497	\$ 6,979,746	\$ 3,724,939	\$ 10,926,182
11	\$ 228,142	\$ 7,189,138	\$ 3,836,687	\$ 11,253,967
12	\$ 234,986	\$ 7,404,812	\$ 3,951,788	\$ 11,591,586
13	\$ 242,036	\$ 7,626,957	\$ 4,070,341	\$ 11,939,334
14	\$ 249,297	\$ 7,855,765	\$ 4,192,452	\$ 12,297,514
15	\$ 256,776	\$ 8,091,438	\$ 4,318,225	\$ 12,666,439
16	\$ 264,479	\$ 8,334,181	\$ 4,447,772	\$ 13,046,432
17	\$ 272,413	\$ 8,584,207	\$ 4,581,205	\$ 13,437,825
18	\$ 280,586	\$ 8,841,733	\$ 4,718,641	\$ 13,840,960
19	\$ 289,003	\$ 9,106,985	\$ 4,860,200	\$ 14,256,188
20	\$ 297,673	\$ 9,380,195	\$ 5,006,006	\$ 14,683,874
	\$ 4,561,487	\$ 135,356,461	\$ 72,282,444	\$ 212,200,392

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

Exhibit D - Minimum Capital Investment Form

Red Mile Mixed-Use Redevelopment TIF Minimal Capital Investment Exhibit must be submitted annually by January 30 for the preceding year until the \$20,000,000 Minimal Capital Investment Threshold has been reached. The final exhibit must be made on or before January 30, 2016.

Annual Capital Investment Made Within Development Area

2011 \$ _____

2012 \$ _____

2013 \$ _____

2014 \$ _____

2015 \$ _____

2016 \$ _____

Total \$ _____

By signing this exhibit, I agree that I have proper authority to act on behalf of Lexington-Fayette Urban County Government with regards to the Tax Incentive Agreement for the Red Mile Mixed-Use Redevelopment TIF. I also understand that this exhibit certifies that capital investment in the amounts shown above has been expended within the Development Area as required by KRS 154-30.060.

Jim Gray, Mayor
Lexington Fayette Urban County Government

1

Exhibit F

Request for Disbursement

Red Mile Lexington Mixed-Use Redevelopment TIF

This Exhibit must be submitted annually by April 30 to make a Request for Disbursement of State Tax Increments for the preceding calendar year. The Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. LFUCG shall not be eligible for disbursement of Increment until it has certified that the \$20,000,000 Minimal Capital Investment has been made.

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

Tax Year Associated With Increment Request _____

Increment Request \$ _____

By signing this exhibit, I agree that I have proper authority to act on behalf of Lexington Fayette Urban County Government with regards to the Tax Increment Financing Project Grant Agreement for the Red Mile Mixed-Use Redevelopment TIF. I certify that this exhibit has been calculated using sound accounting principles and is subject to review and audit by the commonwealth or assigned agent. I also understand that no increments will be disbursed until the Authority receives certification that the \$20,000,000 Minimal Capital Investment Threshold has been reached as required by KRS 154.30-060. Failure to reach the Minimal Capital Investment Threshold by December 31, 2015 will result in the forfeiture of all accrued increments.

Jim Gray, Mayor
Lexington Fayette Urban County Government

Exhibit F - Request for Disbursement

Request for Increment of
Real Estate Property Tax

\$ _____

Tax Receipts for Calendar Year \$ _____

Less Old Revenues (Exhibit H) \$ _____

Equals Tax Receipts
Available for Increment \$ _____

Multiplied by 80% 80%

Calculated Increment \$ _____

Request for Increment of
Sales Tax

\$ _____

Tax Receipts for Calendar Year \$ _____

Less Old Revenues (Exhibit H) \$ _____

Equals Tax Receipts
Available for Increment \$ _____

Multiplied by 80% 80%

Calculated Increment \$ _____

Request for Increment of
Withholding Tax

\$ _____

Tax Receipts for Calendar Year \$ _____

Less Old Revenues (Exhibit H) \$ _____

Equals Tax Receipts
Available for Increment \$ _____

Multiplied by 80% 80%

Calculated Increment \$ _____

Exhibit G

Certification of Increment Use

Red Mile Mixed-Use Redevelopment TIF

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

Year in which Increment was received: _____

Amount of Increment Received: \$ _____

Increment was spent for the following:

Public Infrastructure \$ _____

Amount of Increment Unspent \$ _____

By signing this exhibit, I agree that I have proper authority to act on behalf of Lexington Fayette Urban County Government with regards to the Tax Incentive Agreement for the Red Mile Mixed-Use Redevelopment TIF. I certified that amounts reflected above have been expended within the Development Area of the Project as required by KRS 154-30.060.

Jim Gray, Mayor
Lexington Fayette Urban County Government

Exhibit H

Old Revenues (Base Year)

Red Mile Lexington Mixed-Use Redevelopment TIF

This Exhibit must be submitted by June 30, 2012. The Cabinet for Economic Development will forward the exhibit to the Department of Revenue for further processing. Upon completion of the review, the Department of Revenue will issue a certification detailing the base year amounts for all taxes covered under the Tax Incentive Agreement.

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

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

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

Jim Gray, Mayor
Lexington Fayette Urban County Government

Exhibit H - Estimated Old Revenues (Base Year)

Real Estate Property Tax \$ _____

Assumptions: _____

Corporation Income Tax \$ _____

Assumptions: _____

Limited Liability Entity Tax \$ _____

Assumptions: _____

Sales Tax \$ _____

Assumptions: _____

Withholding Tax \$ _____

Assumptions: _____

Individual Income Tax of Residents \$ _____

Assumptions: _____

Tax Increment Financing (TIF) Business Questionnaire

For Official Use Only

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

Block Number _____
Local Agent Initials _____

Business Name: _____

DBA (If Applicable): _____

Location Address: _____

Telephone Number: _____

Contact Person: _____ E-Mail: _____

Date operations began at this location ____ / ____ / ____

Tax Identification Numbers (If Applicable):

FEIN or SSN _____

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

KY Withholding _____ ☐ Check Box If Multiple Locations File Under This Tax ID

KY Sales Tax _____ ☐ Check Box If Multiple Locations File Under This Tax ID

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

Provide a brief business description: _____

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

If YES, please list:

Date of acquisition: ____ / ____ / ____

Name of previous owner: _____

Former business name: _____

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

Signature of Responsible Party

Date

Approved August 25, 2011

RESOLUTION NO. TIF-F-11-01

A RESOLUTION OF THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY ("AUTHORITY") AUTHORIZING THE EXECUTION AND DELIVERY OF A TAX INCENTIVE AGREEMENT (THE "AGREEMENT") BY AND BETWEEN THE AUTHORITY AND THE LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT ("LFUCG") RELATING TO THE RED MILE MIXED USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF ANY OTHER DOCUMENTS AND THE TAKING OF ANY OTHER ACTION NECESSARY TO ACCOMPLISH THE TERMS OF THE AGREEMENT.

WHEREAS, the Authority has been created and established as a public body, corporate and politic, under KRS Section 154.20-010 and has all the powers, duties and responsibilities delegated to it by law and is empowered by KRS 154.30-030 to review and approve applications for the Commonwealth's participation in tax increment financing programs and to pledge all, or a portion of, the incremental state tax revenues attributable to Mixed-Use Redevelopment in Blighted Urban Areas projects that are approved pursuant to KRS 154.30-060; and

WHEREAS, the LFUCG has established a development area pursuant to KRS 65.7053 and has submitted an application to the Authority pursuant to KRS 154.30-030 seeking state participation in the development of an 80 acre Mixed-Use Redevelopment project designated as the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project, which will involve the acquisition, installation, construction, or reconstruction of public infrastructure, improvements to existing public infrastructure and land preparation, demolition and clearance in connection with the renovation of the historic Red Mile Standardbred racing track, the development of a trackside hotel connected to the Red Mile, approximately 277,000 square feet of retail and restaurant space, 24,000 square feet of office space and 295,000 square feet of residential apartment space, which will attract new retail, residential, office, restaurant and hospitality business to a blighted urban area of downtown Lexington (the "Project"); and

WHEREAS, the Authority adopted Resolution No. TIF-I-10-03 on May 27, 2010 (the "Preliminary Resolution") preliminarily approving the Project and authorizing the execution of a Memorandum of Agreement, dated May 27, 2010, to enter into a Tax Incentive Agreement-TIF pending verification of the net positive economic impact upon the Commonwealth; and

WHEREAS, AECOM (the "Consultant"), in consultation with the Office of State Budget Director and the Finance & Administration Cabinet, has analyzed the data related to the project and the development area and has submitted the report required

by KRS 154.30-030 (the "Report"), in which the Consultant has determined that the Project will not occur without the granting of state tax incremental revenues; and

WHEREAS, based upon the Consultant's Report, the Office of State Budget Director and the Finance & Administration Cabinet has certified to the Authority that the Project will result in a net positive economic impact to the Commonwealth and the expected amount of state tax incremental revenues attributable to the Project (the "Certification"); and

WHEREAS, based upon the LFUCG's application, the Consultant's Report, the Certification, and all supporting information provided pursuant to KRS 154.30-030, the Authority has determined that the Project meets the minimum requirements for a Mixed-Use Redevelopment in Blighted Urban Areas project pursuant to KRS 154.30-060 and has determined that the local revenues pledged to support the public infrastructure and the overall Project are of a sufficient amount to warrant the Commonwealth's participation in the Project; and

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

WHEREAS, the total cost of the Project is estimated to equal or exceed One Hundred Eighty-Six Million, Eight Hundred Ninety-One Thousand, Seventy-One Dollars (\$186,891,071); and

WHEREAS, the Authority has determined that the Commonwealth's participation in, and pledge of State Tax Revenues for the Approved Public Infrastructure Costs of the Project shall depend upon the legality of instant racing within the Commonwealth. The Commonwealth's participation in the Project shall not exceed Twenty Five Million, Three Hundred Twenty-One Thousand Dollars (\$25,321,000) provided that the legality of instant racing is upheld. In the event of a final determination that instant racing is illegal within the Commonwealth, then the Commonwealth's participation in the Project shall not exceed Thirteen Million, Seven Hundred Eighty-Six Thousand Dollars (\$13,786,000); and

NOW, THEREFORE, BE IT RESOLVED BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY, AS FOLLOWS:

Section 1. Inducement Ratification. For the purposes set forth in this preamble, which is incorporated as a part hereof, the Authority acting by and through its Members, hereby Confirms and ratifies the Preliminary Resolution and the Memorandum of Agreement.

Section 2. Tax Incentive Agreement. Any one of the Chairman, the Vice-Chairman, the Secretary-Treasurer of the Authority, any other duly authorized official of the Authority, any authorized signatory (as set forth in the Authority's Bylaws) for the Office of the Secretary of the Cabinet for Economic Development ("Office of the Secretary") or any authorized signatory (as set forth in the Authority's Bylaws) for the Department of Financial Incentives (the "Department") is hereby authorized, empowered and directed to execute, acknowledge and deliver on behalf of the Authority, the Agreement, which is hereby approved, authorized and adopted in substantially the form submitted herewith and designated Exhibit A with such changes therein as the officer, other duly authorized official of the Authority, authorized signatory for the Office of the Secretary or authorized signatory for the Department executing the same may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

Section 3. Miscellaneous Documents. The Chairman, the Vice-Chairman, the Secretary-Treasurer of the Authority, other appropriate the Authority officials, any authorized signatory for the Office of the Secretary and any authorized signatory for the Department, and each of them, for and on behalf of the Authority, are hereby authorized, empowered and directed to do and perform any and all things necessary to effect the execution of the Agreement, the performance of all obligations of the Authority under and pursuant to the Agreement and related documents, and the performance of all other actions of whatever nature necessary to effect and carry out the Authority conferred by this Resolution and the Agreement. The Chairman, the Vice-Chairman, the Secretary-Treasurer, other appropriate the Authority officials, any authorized signatory for the Office of the Secretary and any authorized signatory for the Department, and each of them, are hereby further authorized, empowered and directed for and on behalf of the Authority to execute all papers, letters, documents, undertakings, certificates, assignments, forms, instruments and closing papers that may be required for the carrying out and effectuation of the Authority conferred by and for the purposes of this Resolution and the Agreement, or to evidence said Authority and purposes, and to exercise and otherwise take all action necessary to the full realization of the rights and purposes of the Authority under the Agreement and related documents and to perform all of the obligations of the Authority under the Agreement and related documents.

Section 4. Limited Obligations. The Authority shall never be required to pay from its own funds any obligations deriving from the Agreement.

Section 5. Severability. The provisions of this Resolution except Section 4 are hereby declared to be severable, and if any section, phrase or provision shall, for any reason, be declared invalid, such declaration of invalidity shall not affect the validity of the remainder of this Resolution.

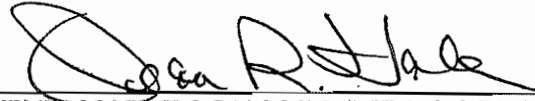
Section 6. Priority of Resolution. In the event of any conflict or conflicts between the provisions of this Resolution and of any prior resolutions or parts thereof, the provisions of this Resolution shall prevail.

Section 7. Binding Effect. This Resolution shall inure to the benefit of and shall be binding in accordance with its terms upon the Authority and its successors and assigns.

Section 8. Effective Date. This Resolution shall be in full force and effect from and after its adoption and publication as provided by law. The summary of this Resolution read at the meeting of the Authority described below is approved for purposes of publication as provided by law.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

INTRODUCED, SECONDED, READ AND ADOPTED at a duly convened meeting of the Members of the Kentucky Economic Development Finance Authority, held on the 25th day of August, 2011, signed by the Chairman as evidence of her approval, ordered published in summary form pursuant to KRS Chapter 154, duly enrolled and declared to be in full force and effect.

A handwritten signature in black ink, appearing to read "Rosa R. Hale", is written over a horizontal line.

KENTUCKY ECONOMIC DEVELOPMENT
FINANCE AUTHORITY

EXHIBIT A

FORM OF TAX INCENTIVE AGREEMENT

RECEIVED

AUG 31 2011

HURT, CROSBIE & MAY PLLC

ECONOMIC DEVELOPMENT
FINANCIAL INCENTIVES

William C. Hurt, Jr.
Scott A. Crosbie
William H. May, III +
Michael D. Kalinyak
Steven Lenarz

THE EQUUS BUILDING
127 WEST MAIN STREET
LEXINGTON, KENTUCKY 40507

Telephone - (859) 254-0000
Facsimile - (859) 254-4763

Matthew R. Malone
Aaron D. Reedy
James L. Deckard ++
Jacob K. Michul

+Also licensed in Indiana
++Also licensed in Tennessee

August 29, 2011

VIA FIRST CLASS U.S. MAIL

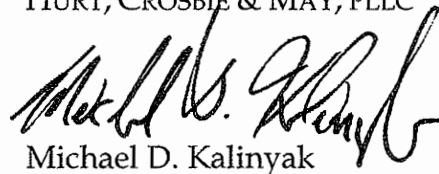
Mr. Brad Thomas
Cabinet for Economic Development
Old Capitol Annex
300 West Broadway
Frankfort, Kentucky 40601

RE: The Red Mile TIF Project

Dear Brad:

Enclosed is an original, fully-executed copy of the Board's final resolution for The Red Mile TIF project for your records.

Best regards,
HURT, CROSBIE & MAY, PLLC



Michael D. Kalinyak

MDK

**AMENDED RESOLUTION
NO. TIF-F-11-01A**

**AMENDING RESOLUTION NO. TIF-F-11-01 OF THE KENTUCKY
ECONOMIC DEVELOPMENT FINANCE AUTHORITY ("KEDFA")
AND AUTHORIZING THE EXECUTION OF THE FIRST
AMENDMENT TO THE TAX INCENTIVE AGREEMENT - TIF TO
RECOGNIZE THE EXPANSION OF THE DEVELOPMENT AREA
BY THE LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT, AND THE EXPANSION OF THE PROJECT
FOOTPRINT AND SCOPE.**

WHEREAS, KEDFA has been created and established as a public body corporate and politic under KRS Section 154.20-010 and has all the powers, duties and responsibilities delegated to it by the Kentucky Economic Development Partnership or as otherwise provided by law; and

WHEREAS, the Lexington-Fayette Urban County Government ("LFUCG") previously established a development area pursuant to KRS 65.7053 and submitted an application to KEDFA pursuant to KRS 154.30-030 seeking state participation in the development of an 80-acre Mixed-Use Redevelopment project designated as the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project, which involves the acquisition, installation, construction, or reconstruction of public infrastructure, improvements to existing public infrastructure and land preparation, demolition and clearance in connection with the renovation of the historic Red Mile Standardbred racing track, the development of a trackside hotel connected to the Red Mile, approximately 277,000 square feet of retail and restaurant space, 24,000 square feet of office space and 295,000 square feet of residential apartment space, which will attract new retail, residential, office, restaurant and hospitality business to a blighted urban area of downtown Lexington; and

WHEREAS, KEDFA adopted Resolution No. TIF-F-11-01 on August 25, 2011, granting final approval to the Commonwealth's participation in the project, as described above, and authorized the execution of a Tax Incentive Agreement – TIF, which was executed by the parties on August 25, 2011 (the "Agreement"), and which pledged State Tax Revenues for the Approved Public Infrastructure Costs of the project in an amount that is based upon whether instant racing is a legal activity within the Commonwealth, as follows: i) an amount not to exceed Twenty Five Million, Three Hundred Twenty-One Thousand Dollars (\$25,321,000) provided that the legality of instant racing is upheld, or ii) in the event of a final determination that instant racing is illegal within the Commonwealth, then the Commonwealth's participation in the Project shall not exceed Thirteen Million, Seven Hundred Eighty-Six Thousand Dollars (\$13,786,000); and

WHEREAS, subsequent to KEDFA's final approval of the project and the execution of the Agreement by the Parties, the LFUCG's Urban County Council adopted Ordinance No. 27-2012 expanding the geographical boundary of the Red Mile Development Area pursuant to KRS 65.7047 (originally approved pursuant to Ordinance No. 47-2010) to include property that was adjacent to the original boundary of the development area and which contains the dilapidated and unused Tattersalls horse sales arena and barns; and

WHEREAS; the expansion of the Red Mile Development Area will encourage the development of a 272-unit student housing project and the construction of a public street that will connect the project to Curry Avenue; and

WHEREAS, the LFUCG has requested that KEDFA approve the expansion of the Footprint of the Project (as defined in the Agreement) to include the Tattersalls property annexed to and made part of the Red Mile Development Area by the Urban County Counsel of the LFUCG, and to amend the scope of the Project to include the development of the 272-unit student housing development and the construction of the public street providing access to Curry Avenue; and

WHEREAS, in accordance with Section 8.5 of the Agreement, it may be amended only upon the express written consent of KEDFA following the adoption of a resolution by KEDFA to such effect; and

WHEREAS, the LFUCG appears to have otherwise performed its obligations to KEDFA under the terms of the Agreement; and

NOW THEREFORE, BE IT RESOLVED BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY, AS FOLLOWS:

Section 1. General Approval and Authorization. For the purposes set forth in the above preamble, KEDFA acknowledges the expansion of the development area by the LFUCG and approves the expansion of the project scope and Footprint. The First Amendment to the Tax Incentive Agreement – TIF is hereby approved, authorized and adopted in substantially the form submitted herewith and designated as Exhibit A.

Section 2. Further Acts and Deeds. KEDFA hereby further approves the execution, acknowledgment and delivery of any and all papers, instruments, certificates, affidavits and other documents necessary or proper for entering into, delivering and performing this resolution, and the First Amendment to the Tax Incentive Agreement - TIF, described above.

Section 3. Severability. The provisions of this resolution are severable, and if any section, phrase, or provision hereof shall for any reason be declared invalid or unenforceable, such declaration shall not affect the validity of the

remainder of this resolution.

Section 4. Prior Conflicting Actions Superseded. To the extent that any prior ordinance, resolution, order, or part thereof is in conflict with the provisions of this resolution, the provisions of this resolution shall prevail and be given effect.

Section 5. Binding Effect. This resolution shall inure to the benefit of and shall be binding in accordance with its terms upon KEDFA and its successors and assigns.

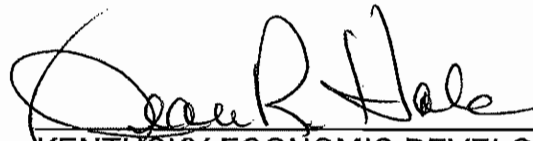
Section 6. Limited Obligations. KEDFA shall never be required to pay from its own funds any obligations deriving from or related to the original resolution, the First Amendment to the Tax Incentive Agreement - TIF, or any further amendments to the Tax Incentive Agreement - TIF or to this Resolution.

Section 7. Other Terms in Full Force and Effect. Except as expressly amended by this Amended Resolution No. TIF-F-11-01A, Resolution No. TIF-F-11-01 is and shall be unchanged and all of the terms, provisions, covenants, agreements, and conditions thereof and thereto shall remain and continue in full force and effect, are hereby incorporated by reference, and are hereby ratified, reaffirmed, and confirmed by KEDFA in all respects on and as of the date of this Amended Resolution as if the Original Resolution were enacted as of the date hereof.

Section 8. Effective Date. This resolution shall be in full force and effect from and after its adoption and publication as provided by law.

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INTRODUCED, SECONDED, READ AND ADOPTED at a duly convened meeting of the Members of the Kentucky Economic Development Finance Authority, held on the 26th day of April, 2012, signed by the Chairman as evidence of his approval, ordered published in summary form pursuant to KRS Chapter 154, duly enrolled and declared to be in full force and effect.



KENTUCKY ECONOMIC DEVELOPMENT
FINANCE AUTHORITY

AMENDED RESOLUTION NO. TIF-F-11-01

EXHIBIT A

**FIRST AMENDMENT TO THE
TAX INCENTIVE AGREEMENT - TIF**

THIS FIRST AMENDMENT TO THE TAX INCENTIVE AGREEMENT (the "Amendment") dated as of April 26, 2012, is made by and between (i) the KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY (the "Authority") on behalf of the COMMONWEALTH OF KENTUCKY (the "Commonwealth") and (ii) the LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT (the "LFUCG"), an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes that serves as the merged government of the city of Lexington and Fayette County, Kentucky (collectively the "Parties").

RECITALS

WHEREAS, the Authority has been created and established as a public body, corporate and politic, under KRS Section 154.20-010 and has all the powers, duties and responsibilities delegated to it by law and is empowered by KRS Chapter 154.30 to govern the Commonwealth's participation in Mixed-Use Redevelopment in Blighted Urban Areas projects that are approved pursuant to KRS 154.30-060; and

WHEREAS, the LFUCG previously established a development area pursuant to KRS 65.7053 and submitted an application to the Authority pursuant to KRS 154.30-030 seeking state participation in the development of an 80-acre Mixed-Use Redevelopment project designated as the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project, which involves the acquisition, installation, construction, or reconstruction of public infrastructure, improvements to existing public infrastructure and land preparation, demolition and clearance in connection with the renovation of the historic Red Mile Standardbred racing track, the development of a trackside hotel connected to the Red Mile, approximately 277,000 square feet of retail and restaurant space, 24,000 square feet of office space and 295,000 square feet of residential apartment space, which will attract new retail, residential, office, restaurant and hospitality business to a blighted urban area of downtown Lexington; and

WHEREAS, the Authority adopted Resolution No. TIF-F-11-01 (the "Resolution") on August 25, 2011, granting final approval to the Commonwealth's participation in the project, as described above, and authorized the execution of a Tax Incentive Agreement – TIF, which was executed by the parties on August 25, 2011 (the "Agreement"), and which pledged State Tax Revenues for the Approved Public Infrastructure Costs of the project in an amount that is based upon whether instant racing is a legal activity within the Commonwealth, as follows: i) the Commonwealth's participation in the Project shall not exceed Twenty Five Million, Three Hundred Twenty-One Thousand Dollars (\$25,321,000) provided that the legality of instant racing is upheld, or ii) in the event of a final determination that instant racing is illegal within the Commonwealth, then the Commonwealth's participation in the Project shall not exceed Thirteen Million, Seven Hundred Eighty-Six Thousand Dollars (\$13,786,000); and

WHEREAS, subsequent to the Authority's final approval of the project and the execution of the Agreement by the Parties, the LFUCG's Urban County Council adopted Ordinance No. 27-2012 expanding the geographical boundary of the Red Mile Development Area pursuant to KRS 65.7047 (originally approved pursuant to Ordinance No. 47-2010) to include property that was adjacent to the original boundary of the development area and which contains the dilapidated and unused Tattersalls horse sales arena and barns; and

WHEREAS; the expansion of the Red Mile Development Area will encourage the development of a 272-unit student housing project and the construction of a public street that will connect the project to Curry Avenue; and

WHEREAS, the Parties wish to expand the Footprint of the Project (as defined in the Agreement) to include the Tattersalls property annexed to and made part of the Red Mile Development Area by the Urban County Counsel of the LFUCG, and to amend the scope of the Project to include the development of the 272-unit student housing development and the construction of the public street providing access to Curry Avenue; and

WHEREAS, the Authority adopted Amended Resolution No. TIF-F-11-01A approving the expansion of scope of the Project and the Footprint and the execution of this Amendment; and

NOW, THEREFORE, in consideration of the premises and the terms and conditions hereinafter set forth, the Parties agree that the Agreement shall be amended in accordance with the terms of this Amendment, as follows:

1. The Project. Section 1.16 of the Agreement shall be amended to read as follows:

The development of a 93-acre Mixed-Use Redevelopment project designated as the Red Mile Mixed-Use Redevelopment Tax Increment Financing Project, which involves the acquisition, installation, construction, or reconstruction of public infrastructure, improvements to existing public infrastructure and land preparation, demolition and clearance in connection with the renovation of the historic Red Mile Standardbred racing track, the development of a trackside hotel connected to the Red Mile, approximately 277,000 square feet of retail and restaurant space, 24,000 square feet of office space, 295,000 square feet of residential apartment space, the development of a 272-unit student housing facility and the construction of a public street connecting the development to Curry Avenue, which will attract new retail, residential, office, restaurant and hospitality business to a blighted

urban area of downtown Lexington, as described with particularity in Exhibit A-1 to this Agreement (the “Project”).

Further, Exhibit A to the Agreement shall be replaced with Exhibit A-1 to this Amendment and all references in the Agreement to Exhibit A (including the definition of “Approved Public Infrastructure Costs” in section 1.3 of the Agreement) shall mean and refer to Exhibit A-1 to this Amendment. All references to the “Project” in the Agreement shall mean and include the definition and scope of the project described above and pursuant to this paragraph and Exhibit A-1 to this Amendment.

2. Project Footprint. Section 1.8 of the Agreement defines the Footprint of the Project by reference to Exhibit B to the Agreement. Exhibit B to the Agreement shall be replaced with the attached Exhibit B-1 – Red Mile Mixed Use Redevelopment Project Development Area and State Footprint, which reflects the expanded boundary of the Red Mile Development Area and the Project Footprint, and all references to Exhibit B in the Agreement shall mean and refer to Exhibit B-1 to this Amendment. Section 1.8 of the Agreement shall be amended to read as follows:

“Footprint” means the actual perimeter of the Project and is identified and described in Exhibit B-1 – Red Mile Mixed Use Redevelopment Project Development Area and State Footprint, which is incorporated into this Agreement by reference.

3. No Change To The Commonwealth’s Participation. Nothing in this Amendment, the expansion of the Red Mile Development Area or the expansion of the Project Footprint shall be construed to change the extent of the Commonwealth’s participation in the Project, the Approved Public Infrastructure Costs, the Total Approved Costs (as stated in the Agreement) available for the payment of Increments (pursuant to Section 4 of the Agreement), or the Minimum Capital Investment requirements provided in the Agreement.

4. Other Terms and Conditions of the Agreement. Except as expressly amended herein, all terms and conditions of the Agreement are hereby ratified and confirmed and represent the obligations of the Parties under the Agreement, as amended. The parties each agree to perform and observe the obligations, covenants, and agreements of the Agreement, as amended pursuant to this Amendment.

5. Governing Law. The laws of the Commonwealth of Kentucky shall govern the construction of this Amendment and the rights and remedies and duties of the parties hereto.

6. Severability. If any part, term, or provision of the Amendment is unenforceable or prohibited by any law applicable to the Agreement, the rights and obligations of the parties shall be construed and enforced with that part, term, or

provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if the Amendment did not contain that particular part, term or provision. A determination in one jurisdiction that any part, term, or provision of the Amendment is unenforceable or prohibited by law shall not affect the validity of such part, term, or provision in any other jurisdiction.

7. Multiple counterparts. The Amendment may be executed in any number of counterparts, each of which shall be regarded as an original and all of which shall constitute one and the same instrument.

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

LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT

Approved as to Form and Legality:

By: Janet M. Graham
Name: Janet M. Graham
Title: Commissioner of Law

By: Jim Gray
Name: Jim Gray
Title: Mayor

KENTUCKY ECONOMIC
DEVELOPMENT FINANCE
AUTHORITY FOR
COMMONWEALTH OF KENTUCKY

Approved as to Form and Legality:
By: Michael D. Kalmyak
Name: Michael D. Kalmyak
Title: Attorney

By: Katie Smith
Name: Katie Smith
Title: Deputy Commissioner

INDEX OF EXHIBITS

- Exhibit A-1 Project Description
- Exhibit B-1 Development Area and State Footprint Map

EXHIBIT A-1

RED MILE MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT DESCRIPTION

The Red Mile Project is a proposed 93-acre mixed-use redevelopment on vacant and underutilized land located in close proximity to downtown Lexington and less than one-half mile from the University of Kentucky's main campus. The investment for the project is anticipated to be \$186,891,071 with the developer, The Lexington Trots Breeders Association, LLC, (LTBA) is looking to invest \$132,915,000 in private funds to develop the project.

The project will consist of the following components:

- A remodeled 1,900 seat grandstand and 47,500 square foot entertainment area including luxury boxes, new dining options and a new special events plaza.
- A trackside hotel with 200 rooms that will be connected to the new entertainment and grandstand areas.
- Approximately 277,000 square feet of retail and restaurant space.
- Approximately 24,000 square feet of office space.
- Approximately 295,000 square feet of residential apartment space spread over nine buildings throughout the development area.
- A 272 unit student housing facility.
- Open grade parking of 1,768 spots and the construction of three parking structures containing 164, 104 and 104 spots respectively.
- Public street connecting the development to Curry Avenue.

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

Public Infrastructure	with Instant Racing
▪ Land Preparation Costs	\$7,146,700
▪ Sewers and Storm Drainage	\$6,026,046
▪ Curb, Sidewalks, Promenades and Pedways	\$2,160,000
▪ Roads	\$2,202,400
▪ Street Lighting	\$ 180,000
▪ Provision of Utilities	\$2,311,719
▪ <u>Public Spaces and Parks</u>	<u>\$5,294,135</u>
Total Estimated Costs Recoverable Under Statute	\$25,321,000

Public Infrastructure	without Instant Racing
▪ Sewers and Storm Drainage	\$6,026,046
▪ Curb, Sidewalks, Promenades and Pedways	\$2,160,000
▪ Roads	\$ 125,819
▪ Street Lighting	\$ 180,000
▪ <u>Public Spaces and Parks</u>	<u>\$5,294,135</u>
Total Estimated Costs Recoverable Under Statute	\$13,786,000

Total Costs Approved for TIF Recovery shall not exceed \$25,321,000 (the amount of positive economic impact to the Commonwealth estimated in the consultant's report that includes calculations associated with Instant Racing) or \$13,786,000 if Instant Racing is ruled illegal in the

Commonwealth as dictated by the Certification of Net Positive Impact by the Finance and Administration Cabinet and the Office of State Budget Director.

EXHIBIT B-1

RED MILE MIXED USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT
Development Area and State Footprint

EXHIBIT B - 1

RED MILE MIXED-USE REDEVELOPMENT TAX INCREMENT FINANCING PROJECT Amended Development Area and State Footprint

LEGAL DESCRIPTION

Proposed Tax Increment Finance District

Red Mile Road and South Broadway, Lexington, Fayette County, Kentucky

The following area description is intended for tax increment financing district purposes only and shall not be used for transfer or conveyance purposes. This description represents information attained by deeds of record and in no way represents a survey by implication or actuality.

Being a tract of land located in Fayette County, Kentucky on the north and east side of Red Mile Road, the northwest side of South Broadway and lying generally between Red Mile Road, South Broadway and the race track and being more particularly described as follows:

Parcel 1

Beginning at the northeast corner of the property conveyed to Lexington Trots Breeders Association, LLC in D.B. 372, Page 374 in the Fayette County Clerk's office at the southeast corner of that property conveyed to Superash Remainderman c/o Speedway Superamerica LLC as recorded in D.B. 1571, Page 673 in said Clerk's office, said point also being in the northwest right of way line of South Broadway (US Hwy 68);

Thence, with said right of way line for 4 calls:

S 33°43'51" W, a distance of 63.23 feet;

Thence, S 33°43'51" W, a distance of 17.78 feet;

Thence, S 32°23'36" W, a distance of 102.94 feet;

Thence, S 36°01'01" W, a distance of 115.79 feet to the northeast corner of that property conveyed to Post Road Partners, LLC;

Thence, leaving said right of way line and with the line of Post Road Partners, LLC for seven calls:

N 39°26'21" W, a distance of 197.40 feet,

S 50°31'38" W, a distance of 30.10 feet,

N 39°28'22" W, a distance of 40.00 feet,

S 50°31'38" W, a distance of 29.83 feet,

N 37°39'44" W, a distance of 10.76 feet,

S 70°48'15" W, a distance of 18.00 feet,

S 50°47'37" W, a distance of 219.41 feet to the northeast property line of Cornerstone Properties of Ky, LLC, PC 'M', Slide 038;

Thence, with the northeast property line of Cornerstone Properties of Ky, LLC, and continuing with the northeast property line of EQI Lexington Partnership, LLC, PC 'L', Slide 802, N 37°57'53" W, a distance of 434.29 feet;

Thence, continuing with the northwest property line of EQI Lexington Partnership, LLC, S 51°17'09" W, a distance of 284.33 feet to the north corner of Lot 16 of Ralstons Addition to the City of Lexington, PC 'E', Slide 54;

Thence, with the northeast line of Ralstons Addition to the City of Lexington, S 38°55'41" E a distance of 332.00 feet to the northeast corner of Lot 9 of said addition;

Thence, with the southeast line of Lot 9, S 51°45'38" W a distance of 96.00 feet to the northwest right of way line of Nelms Avenue;

Thence, crossing Nelms Avenue, S 51°45'38" W a distance of 20.00 feet to the southwest right of way line of Nelms Avenue;

Thence, with Nelms Avenue S 38°55'47" E a distance of 370.94 feet to the northwest right of way line of Harrodsburg Road;

Thence, S 51°45'22" W a distance of 17.97 feet with said right of way;

Thence, N 86°30'15" W a distance of 80.23 feet with said right of way;

Thence, S 40°10'10" E a distance of 123.48 feet with said right of way;

Thence, S 51°45'22" W a distance of 302.07 feet with said right of way;

Thence, S 51°45'22" W a distance of 86.45 feet with said right of way;

Thence, S 38°44'41" E a distance of 15.00 feet with said right of way;

Thence, S 51°45'22" W a distance of 332.00 feet with said right of way;

Thence, N 38°14'38" W a distance of 85.00 feet with said right of way;

Thence, N 51°45'22" E a distance of 418.32 feet with said right of way;

Thence, N 51°45'22" E a distance of 200.00 feet to the intersection of the northwest right of way line of Harrodsburg Road and the southwest right of way line of Red Mile Road;

Thence, with said right of way line of Red Mile Road; N 40°33'41" W a distance of 416.90 feet to the beginning of a curve to the left with an arc length of 266.35 feet, with a radius of 527.70 feet, along a chord bearing of N 52°58'18" W, with a chord length of 263.53 feet to the beginning of another curve to the left; with an arc length of 347.39 feet, with a radius of 521.00 feet along a chord bearing N 86°37'35" W, with a chord length of 340.99 feet to a point;

Thence, S 74°16'19" W a distance of 637.50 feet to the beginning of a curve to the right; with an arc length of 1701.37', with a radius of 870.50 feet along a chord bearing of N 49°44'11" W, with a chord length of 1443.21 feet;

Thence, N 06°15'19" E a distance of 1263.33 feet still with the right of way line of Red Mile Road; N 05°17'48" E a distance of 115.77 feet;

Thence, S 86°31'20" E a distance of 18.15 feet;

Thence, N 06°31'47" E a distance of 914.62 feet to the beginning of a curve to the left with an arc length of 289.14' with a radius of 1400.00 feet along a chord bearing of N 00°36'47" E with a distance of 288.63 feet;

Thence, still with the west right of way line of Red Mile Road, N 05°18'13" W a distance of 97.24 feet;

Thence N 51°35'13" W a distance of 48.61 feet to a point in the south right of way line of Versailles Road;

Thence, crossing said right of way of Red Mile Road N 08°01'13" W a distance of 72.00 feet to the north right of way line of Versailles Road;

Thence with said right of way line N 81°58'47" E a distance of 17.99 feet, continuing with said right of way N 84°39'17" E a distance of 36.04 feet to the intersection of the west right of way line of South Forbes Road;

Thence, crossing said right of way of South Forbes Road N 84°39'17" E a distance of 72.38 feet to a point in the east right of way line of South Forbes Road;

Thence, with the north right of way line of Versailles Road N 84°39'17" E a distance of 122.53 feet;

Thence, crossing to the south right of way line of Versailles Road S 05°20'43" E a distance of 72.00 feet and continuing with said right of way line S 84°39'17" W a distance of 60.04 feet;

Thence, S 49°11'34" W a distance of 78.47 feet to the east right of way line of Red Mile Road;

Thence S 05°18'13" E a distance of 86.16 feet to the beginning of a curve to the right with an arc length of 307.01 feet, with a radius of 1486.50 feet along a chord bearing of S 00°36'47" W a length of 306.46 feet;

Thence, continuing with said right of way line S 06°31'47" W a distance of 943.32 feet;

Thence, leaving the right of way line of Red Mile Road and with a line of Ball Realty, LLC. S 86°57'19" E a distance of 318.63 feet to the southeast corner of Ball Realty, LLC;
Thence, with the east property line of Ball Realty, LLC N 04°50'08" E a distance of 435.57 feet to the south right of way line of Nancy Hanks Road at the southwest corner of the LFUCG property at 1306 Versailles Road.
Thence, with the south line of said property, S 85°09'43" E distance of 362.64 feet to the west property line of parcel 62;
Thence, with said property line of parcel 62 S 07°19'27" W a distance of 79.23 feet;
Thence, around the race track 8 calls:
Thence, S 48°05'23" W a distance of 125.25 feet;
Thence, S 36°22'20" W a distance of 80.51 feet;
Thence, S 25°08'54" W a distance of 102.37 feet;
Thence, S 13°11'17" W a distance of 104.00 feet;
Thence, S 02°04'07" W a distance of 99.40 feet;
Thence, S 11°49'01" E a distance of 106.44 feet;
Thence, S 15°16'50" E a distance of 219.72 feet;
Thence, S 40°51'14" E a distance of 1256.27 feet;
Thence, leaving the race track, along a curve to the left with an arc length of 424.17 feet, with a radius of 725.00 feet, a chord of S 57°36'53" E a distance of 418.15 feet;
Thence, continuing with another curve to the left with an arc length 453.68 feet, with a radius of 475.00 feet, along a chord of N 78°15'43" E a distance of 436.63 feet;
Thence N 38°52'29" W, a distance of 13.72 feet to the race track fence;
Thence, approximately with the race track fence for 6 calls:
With a curve turning to the left with an arc length of 183.42 feet, a radius of 525.22 feet, a chord bearing of N 39°37'07" E, and a chord length of 182.49 feet;
Thence N 29°36'50" E, a distance of 18.66 feet;
Thence with a curve turning to the left with an arc length of 179.93 feet, a radius of 384.30 feet, a chord bearing of N 16°12'03" E, and a chord length of 178.29 feet;
Thence N 02°47'15" E, a distance of 64.11 feet;
Thence N 11°20'53" W, a distance of 68.03 feet;
Thence N 14°17'29" W, a distance of 85.50 feet;
Thence, N 18°29'46" W, a distance of 82.87 feet;
Thence, N 28°47'48" W, a distance of 80.62 feet;
Thence, leaving said race track fence, N 52°06'51" E, a distance of 90.16 feet to the southwest line of Curry Avenue Addition, PC 'E', Slide 067;
Thence, with said line, S 39°01'53" E, a distance of 200.23 feet to the southwest corner of Lot 29 in Curry Avenue Addition;
Thence, with the northwest line of Lot 29, N 51°25'31" E, a distance of 140.17 feet to the southwest right of way line Curry Avenue;
Thence, with said right of way line, S 38°34'29" E, a distance of 80.00 feet to the northwest corner of Lot 27;
Thence, with the northwest line of Lot 27, S 51°25'31" W, a distance of 139.77 feet to the southwest line of Curry Avenue Addition;
Thence, with said line, S 38°33'16" E, a distance of 1009.06 feet to the Point of Beginning and containing 4,050,059 square feet, 92.976 acres.

"STABLE OF MEMORIES"

Exception to the previous description being an area known as the "Stable of Memories" lying completely inside the previous description as shown on the attached drawing and more particularly described as follows:

Commencing at the southwest corner of EQI Lexington Partnership L.P. property at 863 South Broadway;

Thence, S 83°46'34" W, 232.84 feet to the True Point of Beginning;

Thence, S 52°12'11" W a distance of 125.02 feet;

Thence, S 67°48'54" W a distance of 32.38 feet;

Thence, N 38°24'29" W a distance of 138.24 feet;

Thence, N 51°04'54" E a distance of 155.12 feet;

Thence, S 38°47'10" E a distance of 150.00 feet to the True Point of Beginning and having an area of 22,968.17 square feet, 0.527 acres.

The total area of the TIF district is parcel 1 excluding the exception "Stable of Memories" property.

92.976 acres – 0.527 acres exception "Stable of Memories" Property

92.449 acres remaining

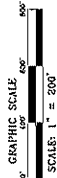


Exhibit F Request for Disbursement

Red Mile Lexington Mixed-Use Redevelopment TIF

This Exhibit must be submitted annually by April 30 to make a Request for Disbursement of State Tax Increments for the preceding calendar year. The Cabinet for Economic Development will forward this request for disbursement to the Department of Revenue for further processing. LFUCG shall not be eligible for disbursement of Increment until it has certified that the \$20,000,000 Minimal Capital Investment has been made.

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

Tax Year Associated With Increment Request

2018

Increment Request \$

346,006.48

By signing this exhibit, I agree that I have proper authority to act on behalf of Lexington Fayette Urban County Government with regards to the Tax Increment Financing Project Grant Agreement for the Red Mile Mixed-Use Redevelopment TIF. I certify that this exhibit has been calculated using sound accounting principles and is subject to review and audit by the commonwealth or assigned agent. I also understand that no increments will be disbursed until the Authority receives certification that the \$20,000,000 Minimal Capital Investment Threshold has been reached as required by KRS 154.30-060. Failure to reach the Minimal Capital Investment Threshold by December 31, 2015 will result in the forfeiture of all accrued increments.

Linda Gorton

Linda Gorton, Mayor

Lexington Fayette Urban County Government

RECEIVED
MAY 08 2019
ECONOMIC DEVELOPMENT

Redmile TIF Reimbursement Calculations - Payroll, Property Tax and Sales Tax

Agency/Revenue Type	State Increment Calculation
2018 Revenue	
Payroll Withholding	348,471.75
Property Tax	72,469.45
Sales Tax	160,979.56
Total Incremental Revenue	581,920.76
2009 Base Year*	
Payroll Withholding	33,911.61
Property Tax	18,065.99
Sales Tax	97,435.05
Total Base Year	149,412.65
Incremental Income	432,508.11
LFUCG Admin Fee 5% (if Applicable)	-
Net Incremental Fee	432,508.11
Pledge % of Increment	80%
80% Pledge	346,006.48 <----- Payment

*Base Year is adjusted for CPI Changes - see individual tabs for recalculation

RECEIVED
MAY 08 2019
ECONOMIC DEVELOPMENT

EXHIBIT I-2

NOTICE OF ACTIVATION

The undersigned, William O'Mara, after having first being duly sworn, deposes and states as follows:

As Commissioner of Finance (Title) of the Lexington-Fayette Urban County Government (the "LFUCG"), I am authorized to submit this Notice of Activation to the Kentucky Economic Development Finance Authority (the "Authority") on behalf of the LFUCG, as required by the Tax Incentive Agreement - TIF between the Authority and the LFUCG dated August 25, 2011 ("Agreement"), as amended by the First Amendment to the Tax Incentive Agreement - TIF, dated April 26, 2012 and the Second Amendment to the Tax Incentive Agreement - TIF, dated September 26, 2013.

Pursuant to Section 1.2 of the Agreement, as amended, the Activation Date must be set on or before August 25, 2015.

The LFUCG hereby designates January 1, 2015 as the Activation Date pursuant to Section 1.2 of the Agreement, as amended, which is within four years of the Commencement Date.

LEXINGTON-FAYETTE URBAN COUNTY
GOVERNMENT

By: William O'Mara
Title: Commissioner of Finance

STATE OF Kentucky
COUNTY OF Fayette

Subscribed and sworn to before me by William O'Mara, the COMMISSIONER of the Lexington-Fayette Urban County Government, this 19 day of March, 2015

My commission expires: May 5, 2015

William Y. Blood
NOTARY PUBLIC