

ORDINANCE NO. 2021 - 13

AN ORDINANCE RELATING TO THE BOONE COUNTY FISCAL COURT, KENTUCKY, ESTABLISHING A LOCAL DEVELOPMENT AREA FOR ECONOMIC DEVELOPMENT PURPOSES WITHIN THE COUNTY OF BOONE, KENTUCKY, TO BE KNOWN AS THE OLD LEXINGTON PIKE LOCAL DEVELOPMENT AREA (THE "LOCAL DEVELOPMENT AREA"); APPROVING A LOCAL DEVELOPMENT AREA AGREEMENT; ESTABLISHING AN INCREMENTAL TAX SPECIAL FUND FOR PAYMENT OF REDEVELOPMENT ASSISTANCE; DESIGNATING THE FINANCE DEPARTMENT OF THE COUNTY OF BOONE, KENTUCKY, AS THE AGENCY RESPONSIBLE FOR OVERSIGHT, ADMINISTRATION, AND IMPLEMENTATION OF THE LOCAL DEVELOPMENT AREA; AND AUTHORIZING THE COUNTY JUDGE/EXECUTIVE AND OTHER OFFICIALS TO TAKE SUCH OTHER APPROPRIATE ACTIONS AS ARE NECESSARY OR REQUIRED IN CONNECTION WITH THE ESTABLISHMENT OF THE LOCAL DEVELOPMENT AREA.

WHEREAS, the County of Boone, Kentucky (the "County") by pursuant to KRS 65.7041 to 65.7083, as may be amended (the "Act"), is authorized to, among other things, (1) establish a local development area or development areas to encourage investment and development in the County, (2) enter into agreements in connection with the establishment of a development area or local development area, (3) establish a special fund for deposit of incremental revenues resulting from the development of a local development area or development area, and (4) designate an agency to oversee, administer and implement projects within a local development area or development area; and

WHEREAS, the Kentucky General Assembly has determined in KRS 65.7041 that the establishment of local development areas or development areas contribute to increased employment opportunities and increased economic development in communities across the Commonwealth and serves a public purpose; and

WHEREAS, the County desires to establish a "local development area" as defined in the Act, to be known as the Old Lexington Pike Local Development Area (the "Local Development Area") to encourage investment and development within such Local Development Area; and

WHEREAS, the County has agreed to support and encourage development within the Local Development Area by pledging Incremental Revenues [hereinafter defined] to pay for Public Infrastructure Costs [hereinafter defined] to promote the development of the Local Development Area under an Agreement [hereinafter defined]; and

WHEREAS, the County in accordance with the Act held a public hearing on May 11, 2021, after giving proper notice concerning the County's intention to establish the Local Development Area; and

WHEREAS, the establishment of the Local Development Area is for a public purpose and that the establishment and creation of the Local Development Area within the County is for the benefit and welfare of the County's citizens.

NOW, THEREFORE BE IT ORDAINED BY THE FISCAL COURT OF COUNTY OF BOONE, COMMONWEALTH OF KENTUCKY:

1. **Definitions.**

A. The capitalized terms set forth below when used herein shall have the following meanings.

“Act” means Kentucky Revised Statutes, Sections 65.7041 to 65.7083.

“Agency” means the Finance Department of the County of Boone, Kentucky.

“Agreement” shall mean the Local Development Area Agreement among the County, the Agency and the Developer attached as Exhibit “B” hereto.

“Establishment Date” means the date that the Local Development Area is established pursuant to the Act and this Ordinance.

“Incremental Revenues” means the amount of revenues received by the County with respect to the Local Development Area by subtracting Old Revenues from New Revenues in a calendar year, and more specifically defined in the Agreement.

“Local Development Area” means a contiguous geographic area of land being developed, located within the geographical boundaries of the County, which is created for economic development purposes by this Ordinance to support the Project proposed to be developed and consisting of less 1,000 acres, as more specifically described in Exhibit A attached hereto, to be known as the “Old Lexington Pike Local Development Area”.

“Pledged Revenues” means the Incremental Revenues which are pledged by the County, as provided in the Agreement, to the pay for Redevelopment Assistance and related to the Local Development Area, as set forth in the Agreement.

“Project” means the development of the Local Development Area for the development and construction of an industrial and business park being undertaken by Charter Commercial, LLC, a Kentucky limited liability company (the “Developer”).

“Public Infrastructure Costs” means those costs as defined in the Agreement that are eligible to be paid for or reimbursed by Incremental Revenues.

B. All capitalized terms used herein and not defined above or in the recitals to this Ordinance shall have the meaning as set forth in the Act, as of the effective date of this Ordinance.

2. **Findings and Determinations.** In accordance with the Act, the County hereby makes the following findings and determinations with respect to the Local Development Area:

A. The Local Development Area consists of a contiguous tract of land that is less than 1,000 acres. The actual size of the Local Development Area is approximately 70.22 acres;

B. The Local Development Area constitutes undeveloped land that is being developed;

C. The establishment of the Local Development Area will not cause the assessed taxable value of real property within the Local Development Area and within all “development areas” and “local development areas” established by the County (as those terms are defined in the Act) to exceed twenty percent (20%) of the total assessed taxable value of real property within

the County. The assessed value of taxable real property within the Local Development Area for calendar year 2020 was \$165,710 and the total assessed value of taxable real property within the County for the calendar year 2020 exceeds \$12.9 Billion. While the County has established other local development areas, in addition to the Local Development Area, the total taxable real property assessment within all such areas, including the Local Development Area is just a very small percentage of the County's total taxable real property assessment. Therefore, the assessed value of taxable real property within the local development area is significantly less than twenty percent (20%) of the assessed value of taxable real property within the County.

3. **Establishment, Name, Boundaries.** All that area described herein by Exhibit A attached hereto and made a part hereof, is located within the County and is hereby established and designated as the "Old Lexington Pike Local Development Area". At the time of the enactment of this Ordinance the Local Development Area is less than 1,000 acres, being 61 acres in size.

4. **Establishment Date, Commencement Date, Termination date.** The Establishment Date is the effective date of this Ordinance. The Commencement Date of the Local Development Area is the date of execution of the Local Development Area Agreement and the Termination Date shall be exactly thirty (30) years subsequent to the Activation Date of the Agreement relating to the Local Development Area. However, the Termination Date for the Local Development Area shall in no event be more than forty (40) years from the Establishment Date.

5. **Agreement.** The County Judge/Executive of the County is hereby authorized and directed to execute, acknowledge and deliver on behalf of the County an Agreement, a form of which is attached as Exhibit B and made a part hereof, among the County, the Agency and Developer, authorizing the pledge of the Incremental Revenues of the County from the Local Development Area to the payment of Public Infrastructure Costs, but not to exceed the amounts as set forth in the Agreement. The form of the Agreement to be signed by the County Judge/Executive on behalf of the County shall be in substantially the form attached hereto, subject to further negotiations and changes therein that are not inconsistent with this Ordinance and not substantially adverse to the County. The approval of such changes by said officers, and that such changes are not substantially adverse to the County, shall be conclusively evidenced by the execution of such Agreement by such officials.

6. **Job Assessment Fee.** Pursuant to the provisions of KRS 65.7056, the County hereby establishes as a condition of employment within the Local Development Area, a job assessment fee of two percent (2%) of the gross wages of newly created employees as a result of the Project within the Local Development Area. The job assessment fee shall be withheld by employers within the Local Development Area and paid to the County in accordance with the requirements and procedures established by the County. The Job Assessment Fee, shall be used to pay Public Infrastructure Cost Costs in accordance with the Agreement, and the Act.

Special Fund. There is hereby established a Special Fund of the County to be known as the Old Lexington Pike Local Development Area Tax Increment Fund, into which the County covenants to deposit, and into which the County officials are hereby authorized and directed to deposit all Pledged Revenues. The County shall maintain the Special Fund unencumbered except for the purposes set forth in Section 7 hereof. Funds deposited in the Special Fund shall be disbursed in accordance with the Act, this Ordinance, the Agreement, and related documents to pay for Public Infrastructure Costs within the Local Development Area.

7. **Use of Pledged Revenues.** Pledged Revenues shall be deposited by the County into the Special Fund created under Section 7 hereof and shall be used solely to pay for Infrastructure and Site Development Costs in accordance with the Agreement, as the same may be amended from time to time.

8. **Periodic Accounting/Analysis.** Any entity, other than the County that receives financial assistance pursuant to the provisions of this Ordinance, whether in the form of a grant or loan or loan guarantee shall make a periodic accounting to the governing body of the County in accordance with the Act and the documents controlling such grant, loan or loan guarantee. The governing body of the County shall be required to review and analyze the progress of the development activity in the Local Development Area on an annual basis. Such review and analysis shall at a minimum include a review of the progress in meeting the stated goals of the Local Development Area. The County Judge/Executive and other officials of the County shall report to the governing body of the County during such reviews and shall when necessary invite developers to participate in the review process to report on the progress of their developments within the Local Development Area.

9. **Designation of Oversight Agency.** Pursuant to the Act, the County hereby designates Finance Department of the County of Boone, Kentucky, as the Agency for purposes of oversight, administration and review responsibility of this Local Development Area Ordinance, the Agreement and the Local Development Area established hereby. The Agency shall act on behalf of the County in administering the Local Development Area, entering into the Agreement, and other related agreements, with respect to the development of the Local Development Area.

10. **Severability.** The provisions of this Ordinance 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 Ordinance.

11. **Repeal of Conflicting Orders and Ordinances.** All prior resolutions, municipal orders or ordinances or parts of any resolution, municipal order or ordinance in conflict herewith are hereby repealed.

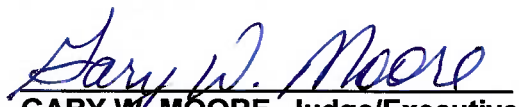
12. **Effective Date.** This Ordinance shall be in full force and effect from and after its passage, attestation, recordation and publication of a summary hereof pursuant to KRS Chapter 424.

This Ordinance shall be in effect and in full force from and after its passage, publication and adoption, according to law.

First Reading - the 11th day of May, 2021

Second Reading - the 25th day of May, 2021

Adopted this 25th day of May, 2021. Yes 4 No 0


GARY W. MOORE, Judge/Executive
Boone County Fiscal Court

Attest:



Sharon Burcham,
Fiscal Court Clerk

ORDINANCE NO. 2021 -

AN ORDINANCE RELATING TO THE BOONE COUNTY FISCAL COURT, KENTUCKY, ESTABLISHING A LOCAL DEVELOPMENT AREA FOR ECONOMIC DEVELOPMENT PURPOSES WITHIN THE COUNTY OF BOONE, KENTUCKY, TO BE KNOWN AS THE OLD LEXINGTON PIKE LOCAL DEVELOPMENT AREA (THE "LOCAL DEVELOPMENT AREA"); APPROVING A LOCAL DEVELOPMENT AREA AGREEMENT; ESTABLISHING AN INCREMENTAL TAX SPECIAL FUND FOR PAYMENT OF REDEVELOPMENT ASSISTANCE; DESIGNATING THE FINANCE DEPARTMENT OF THE COUNTY OF BOONE, KENTUCKY, AS THE AGENCY RESPONSIBLE FOR OVERSIGHT, ADMINISTRATION, AND IMPLEMENTATION OF THE LOCAL DEVELOPMENT AREA;; AND AUTHORIZING THE COUNTY JUDGE/EXECUTIVE AND OTHER OFFICIALS TO TAKE SUCH OTHER APPROPRIATE ACTIONS AS ARE NECESSARY OR REQUIRED IN CONNECTION WITH THE ESTABLISHMENT OF THE LOCAL DEVELOPMENT AREA.

WHEREAS, the County of Boone, Kentucky (the "County") by pursuant to KRS 65.7041 to 65.7083, as may be amended (the "Act"), is authorized to, among other things, (1) establish a local development area or development areas to encourage investment and development in the County, (2) enter into agreements in connection with the establishment of a development area or local development area, (3) establish a special fund for deposit of incremental revenues resulting from the development of a local development area or development area, and (4) designate an agency to oversee, administer and implement projects within a local development area or development area; and

WHEREAS, the Kentucky General Assembly has determined in KRS 65.7041 that the establishment of local development areas or development areas contribute to increased employment opportunities and increased economic development in communities across the Commonwealth and serves a public purpose; and

WHEREAS, the County desires to establish a "local development area" as defined in the Act, to be known as the Old Lexington Pike Local Development Area (the "Local Development Area") to encourage investment and development within such Local Development Area; and

WHEREAS, the County has agreed to support and encourage development within the Local Development Area by pledging Incremental Revenues [hereinafter defined] to pay for Public Infrastructure Costs [hereinafter defined] to promote the development of the Local Development Area under an Agreement [hereinafter defined]; and

WHEREAS, the County in accordance with the Act held a public hearing on May 11, 2021, after giving proper notice concerning the County's intention to establish the Local Development Area; and

WHEREAS, the establishment of the Local Development Area is for a public purpose and that the establishment and creation of the Local Development Area within the County is for the benefit and welfare of the County's citizens.

**NOW, THEREFORE BE IT ORDAINED BY THE FISCAL COURT OF COUNTY OF BOONE,
COMMONWEALTH OF KENTUCKY:**

1. Definitions.

A. The capitalized terms set forth below when used herein shall have the following meanings.

“Act” means Kentucky Revised Statutes, Sections 65.7041 to 65.7083.

“Agency” means the Finance Department of the County of Boone, Kentucky.

“Agreement” shall mean the Local Development Area Agreement among the County, the Agency and the Developer attached as Exhibit “B” hereto.

“Establishment Date” means the date that the Local Development Area is established pursuant to the Act and this Ordinance.

“Incremental Revenues” means the amount of revenues received by the County with respect to the Local Development Area by subtracting Old Revenues from New Revenues in a calendar year, and more specifically defined in the Agreement.

“Local Development Area” means a contiguous geographic area of land being developed, located within the geographical boundaries of the County, which is created for economic development purposes by this Ordinance to support the Project proposed to be developed and consisting of less 1,000 acres, as more specifically described in Exhibit A attached hereto, to be known as the “Old Lexington Pike Local Development Area”.

“Pledged Revenues” means the Incremental Revenues which are pledged by the County, as provided in the Agreement, to the pay for Redevelopment Assistance and related to the Local Development Area, as set forth in the Agreement.

“Project” means the development of the Local Development Area for the development and construction of an industrial and business park being undertaken by Charter Commercial, LLC, a Kentucky limited liability company (the “Developer”).

“Public Infrastructure Costs” means those costs as defined in the Agreement that are eligible to be paid for or reimbursed by Incremental Revenues.

B. All capitalized terms used herein and not defined above or in the recitals to this Ordinance shall have the meaning as set forth in the Act, as of the effective date of this Ordinance.

2. Findings and Determinations. In accordance with the Act, the County hereby makes the following findings and determinations with respect to the Local Development Area:

A. The Local Development Area consists of a contiguous tract of land that is less than 1,000 acres. The actual size of the Local Development Area is approximately 71 acres;

B. The Local Development Area constitutes undeveloped land that is being developed;

C. The establishment of the Local Development Area will not cause the assessed taxable value of real property within the Local Development Area and within all "development areas" and "local development areas" established by the County (as those terms are defined in the Act) to exceed twenty percent (20%) of the total assessed taxable value of real property within the County. The assessed value of taxable real property within the Local Development Area for calendar year 2020 was \$165,710 and the total assessed value of taxable real property within the County for the calendar year 2020 exceeds \$12.9 Billion. While the County has established other local development areas, in addition to the Local Development Area, the total taxable real property assessment within all such areas, including the Local Development Area is just a very small percentage of the County's total taxable real property assessment. Therefore, the assessed value of taxable real property within the local development area is significantly less than twenty percent (20%) of the assessed value of taxable real property within the County.

3. **Establishment, Name, Boundaries.** All that area described herein by Exhibit A attached hereto and made a part hereof, is located within the County and is hereby established and designated as the "Old Lexington Pike Local Development Area". At the time of the enactment of this Ordinance the Local Development Area is less than 1,000 acres, being 61 acres in size.

4. **Establishment Date, Commencement Date, Termination date.** The Establishment Date is the effective date of this Ordinance. The Commencement Date of the Local Development Area is the date of execution of the Local Development Area Agreement and the Termination Date shall be exactly thirty (30) years subsequent to the Activation Date of the Agreement relating to the Local Development Area. However, the Termination Date for the Local Development Area shall in no event be more than forty (40) years from the Establishment Date.

5. **Agreement.** The County Judge/Executive of the County is hereby authorized and directed to execute, acknowledge and deliver on behalf of the County an Agreement, a form of which is attached as Exhibit B and made a part hereof, among the County, the Agency and Developer, authorizing the pledge of the Incremental Revenues of the County from the Local Development Area to the payment of Public Infrastructure Costs, but not to exceed the amounts as set forth in the Agreement. The form of the Agreement to be signed by the County Judge/Executive on behalf of the County shall be in substantially the form attached hereto, subject to further negotiations and changes therein that are not inconsistent with this Ordinance and not substantially adverse to the County. The approval of such changes by said officers, and that such changes are not substantially adverse to the County, shall be conclusively evidenced by the execution of such Agreement by such officials.

6. **Job Assessment Fee.** Pursuant to the provisions of KRS 65.7056, the County hereby establishes as a condition of employment within the Local Development Area, a job assessment fee of two percent (2%) of the gross wages of newly created employees as a result of the Project within the Local Development Area. The job assessment fee shall be withheld by employers within the Local Development Area and paid to the County in accordance with the requirements and procedures established by the County. The Job Assessment Fee, shall be used to pay Public Infrastructure Cost Costs in accordance with the Agreement, and the Act.

7. **Special Fund.** There is hereby established a Special Fund of the County to be known as the Old Lexington Pike Local Development Area Tax Increment Fund, into which the County covenants to deposit, and into which the County officials are hereby authorized and directed to deposit all Pledged Revenues. The County shall maintain the Special Fund unencumbered except for the purposes set forth in Section 7 hereof. Funds deposited in the Special Fund shall be disbursed in accordance with the Act, this Ordinance, the Agreement, and related documents to pay for Public Infrastructure Costs within the Local Development Area.

8. **Use of Pledged Revenues.** Pledged Revenues shall be deposited by the County into the Special Fund created under Section 7 hereof and shall be used solely to pay for Infrastructure and Site Development Costs in accordance with the Agreement, as the same may be amended from time to time.

9. **Periodic Accounting/Analysis.** Any entity, other than the County that receives financial assistance pursuant to the provisions of this Ordinance, whether in the form of a grant or loan or loan guarantee shall make a periodic accounting to the governing body of the County in accordance with the Act and the documents controlling such grant, loan or loan guarantee. The governing body of the County shall be required to review and analyze the progress of the development activity in the Local Development Area on an annual basis. Such review and analysis shall at a minimum include a review of the progress in meeting the stated goals of the Local Development Area. The County Judge/Executive and other officials of the County shall report to the governing body of the County during such reviews and shall when necessary invite developers to participate in the review process to report on the progress of their developments within the Local Development Area.

10. **Designation of Oversight Agency.** Pursuant to the Act, the County hereby designates Finance Department of the County of Boone, Kentucky, as the Agency for purposes of oversight, administration and review responsibility of this Local Development Area Ordinance, the Agreement and the Local Development Area established hereby. The Agency shall act on behalf of the County in administering the Local Development Area, entering into the Agreement, and other related agreements, with respect to the development of the Local Development Area.

11. **Severability.** The provisions of this Ordinance 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 Ordinance.

12. **Repeal of Conflicting Orders and Ordinances.** All prior resolutions, municipal orders or ordinances or parts of any resolution, municipal order or ordinance in conflict herewith are hereby repealed.

13. **Effective Date.** This Ordinance shall be in full force and effect from and after its passage, attestation, recordation and publication of a summary hereof pursuant to KRS Chapter 424.

This Ordinance shall be in effect and in full force from and after its passage, publication and adoption, according to law.

First Reading - the 11th day of May, 2021

Second Reading - the day of , 2021

Adopted this day of , 2021. Yes No

**_____
GARY W. MOORE, Judge/Executive
Boone County Fiscal Court**

Attest:

**_____
Sharon Burcham,
Fiscal Court Clerk**

LOCAL DEVELOPMENT AREA AGREEMENT
FOR
OLD LEXINGTON PIKE LOCAL DEVELOPMENT AREA
BY AND AMONG
COUNTY OF BOONE, KENTUCKY
AND
FINANCE DEPARTMENT OF THE COUNTY OF BOONE, KENTUCKY
AND
CHARTER COMMERCIAL LLC

April 1, 2021

Exhibit A – Map of the Local Development Area
Exhibit B – Listing of Parcels Within Local Development Area
Exhibit C – Public Infrastructure Costs

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TO
LOCAL DEVELOPMENT AREA AGREEMENT
DATED
APRIL 1, 2021

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LOCAL DEVELOPMENT AREA AGREEMENT
Old Lexington Pike Local Development Area

THIS LOCAL DEVELOPMENT AREA AGREEMENT (this "Agreement") is made as of the 1st day of April, 2021 (the "Effective Date") by and among the COUNTY OF BOONE, KENTUCKY, a Kentucky county organized under the laws of the Commonwealth of Kentucky (the "County"), the FINANCE DEPARTMENT OF THE COUNTY OF BOONE, KENTUCKY, a duly established department of the County (the "Agency") and Charter Commercial LLC, a Kentucky limited liability company (the "Developer" and collectively (the "Parties");

RECITALS

WHEREAS, pursuant to the Act as hereinafter defined, the County on the _____ day of _____, 2021, adopted Ordinance Number _____, (the "Local Development Area Ordinance"), whereby it established the Old Lexington Pike Local Development Area (the "Local Development Area") for the purpose of promoting an industrial and commercial park development within the County being constructed by Developer; and

WHEREAS, the State has determined in KRS 65.7041 that the establishment of local development areas or development areas contribute to increased employment opportunities and increased economic development in communities across the Commonwealth and serves a public purpose; and

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

WHEREAS, pursuant to the Local Development Area Ordinance, the Fiscal Court of the County has authorized the County Judge/Executive to execute and enter into this Agreement among the Agency, and the Developer; and

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

SECTION I.
Preambles

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

SECTION II.
Definitions

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

1. “Act” or “the Act”. Shall mean KRS 65.7041 to KRS 65.7083.
2. “Activation Date”. Shall have the meaning as defined by the Act, and as provided in Section XI of this Agreement.
3. “Administrative Fee”. Shall be two percent (2%) of the Incremental Revenues which shall be retained by the County to cover its costs of administration and implementation of the Local Development Area.

4. "Agency". Shall mean the Finance Department of the County of Boone, Kentucky.

5. "Agreement". Shall mean this Local Development Area Agreement, including all Exhibits attached hereto.

6. "Bonds". Shall mean the bonds or notes, secured and supported by the Incremental Revenues, issued by the County to pay for Redevelopment Assistance within the Local Development Area, in accordance with this Agreement.

7. "Bond Documents". Shall mean all of the documents constituting the bond transcript of proceedings in connection with the Bonds.

8. "Capital Investment". Shall have the meaning as set forth under the Act, and shall include any capital cost incurred to construct the Project.

9. "County". Shall mean the County of Boone, Kentucky.

10. "Developer". Shall mean Charter Commercial LLC, a Kentucky limited liability company, or its assigns.

11. "Effective Date". Shall have the meaning given in the introductory paragraph of this Agreement.

12. "Excess Incremental Revenues". Means Incremental Revenues in excess of the amounts required to support the payment of Bonds and to meet any coverage tests as set forth in the Bond Documents.

13. "Financing Plan". Shall mean the plan for financing the Project as described in SECTION X of this Agreement, as it may be amended with the approval of the County and the Agency.

14. “General Payroll Tax”. Shall mean the County’s occupational tax on gross salaries of employees working in Boone County, as set forth in Section 110.03 of the Code of Ordinances of the County, but shall not include the special occupational tax set forth in Section 110.27 of the Code of Ordinances of the County.

15. “Incremental Revenues”. Shall mean the amount of tax revenues received by the County from the Special Payroll Tax Assessment, after deducting therefrom the General Payroll Tax applicable to the gross wages from employees subject to the Special Payroll Tax Assessment, generated from the Local Development Area in each calendar year after the Activation Date, established in accordance with Section XI of this Agreement.

16. “KEDFA”. Shall mean the Kentucky Economic Development Finance Authority, a State agency assigned for administrative purposes to the Kentucky Economic Development Cabinet.

17. “Local Development Area”. Shall have the meaning given in the Recitals to this Agreement, and more specifically described on Exhibit A attached hereto.

18. “Local Development Area Ordinance”. Shall mean the ordinance referred to in the Recitals section of this Agreement.

19. “Project”. Shall mean the comprehensive development being undertaken by the Developer within the Local Development Area described in SECTION IX of this Agreement.

20. “Project Costs”. Shall mean any capital investment as defined in the Act, necessary to construct the Project.

21. "Public Infrastructure Costs". Shall mean those costs, including the interest or financing costs thereon, identified in Exhibit "C", which shall be constructed by the Developer, which are eligible to be paid for or reimbursed by Incremental Revenues; provided, however, that the interest costs recoverable from Incremental Revenues shall not exceed six percent (6%) per annum, and the capital costs recoverable for the Public Infrastructure Costs identified on Exhibit C shall be capped at \$5,500,000, plus the actual interest or financing costs thereon.

22. "Redevelopment Assistance". Shall be the costs pledged by the County to be paid for or reimbursed by Incremental Revenues, which shall include the Administrative Fee, the Public Infrastructure Costs and other costs as set forth in the Local Development Ordinance, and in accordance with SECTION VII of this Agreement.

23. "Special Payroll Tax Assessment". Shall be the two percent (2%) Special Occupational Payroll Tax applicable to the new jobs created by the Project in the Local Development Area established by the Local Development Area Ordinance, authorized by KRS 65.7057 of the Act.

24. "Special Fund". Shall mean Old Lexington Pike Local Development Area Special Fund established by the County and maintained by the Agency for the purpose of holding and disbursing the Incremental Revenues pledged herein.

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

30. "Unavoidable Delays". Shall mean delays due to labor disputes, lockouts, acts of God, enemy action, civil commotion, riot, governmental regulations not in effect

at the date of execution of this Agreement, conditions that could not have been reasonably foreseen by the claiming party, inability to obtain construction materials or energy, fire, or unavoidable casualty, provided such matters are beyond the reasonable control of the party claiming such delay.

SECTION III.
Parties

The Parties to this Agreement shall be the County, the Agency and the Developer.

SECTION IV.
Duties and Responsibilities of County

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

1. Provide for the establishment of the Special Fund to be maintained by the Agency for the collection of Incremental Revenues pledged herein from County within the Local Development Area.

2. Pledge one hundred percent (100%) of the County's Incremental Revenues generated within the Local Development Area for a thirty (30) year period beginning with the Activation Date to pay for Redevelopment Assistance within the Local Development Area, which pledge is made in SECTION VII herein.

3. Act as the issuer of Bonds, in the event that Bonds are issued, to pay for Redevelopment Assistance within the Local Development Area.

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

5. Meet as necessary with the Developer and the Agency and Developer for the purpose of reviewing the progress of the development of the Local Development Area and prepare an analysis of such progress for distribution to the respective Fiscal Court of the County.

SECTION V.
Duties and Obligations of the Agency

1. The Agency shall have the responsibility for the oversight, administration of the Local Development Area Ordinance, including the obligation to maintain the Special Fund for the deposit and disbursement of Incremental Revenues in accordance with this Agreement, and the Act.

2. The Agency shall hold and expend the Incremental Revenues in accordance with this Agreement to pay for Redevelopment Assistance within the Local Development Area.

3. The Agency shall prepare by no later than June 1st of each year during the term of this Agreement an annual report and provide same to the Fiscal Court of the County that shall include, but not be limited to: (a) the total real property taxes, and occupational taxes collected within the Local Development Area during the previous calendar year; (b) a determination of Incremental Revenues and other tax revenues collected within the Local Development Area during the previous calendar year; (c) a summary of debt service paid on outstanding Bonds during the previous calendar year; (d) the amount, if any, of Bonds issued during the previous calendar year, and (e) if no Bonds are issued, the amount, if any, of Incremental Revenues expended from the Special Fund on Redevelopment Assistance.

4. On or before June 1 after the end of the first calendar year after the Activation Date, and then each year thereafter by June 1, so long as the pledge of Incremental Revenues as provided in this Agreement is in effect, the Agency shall calculate the Incremental Revenues from the Local Development Area for the previous calendar year to the County, and shall calculate and provide written notice to the County the Incremental Revenues that are due from the County and by June 30 of that year and each June 30 thereafter, so long as the pledge of Incremental Revenues as provided in this Agreement is in effect.

SECTION VI.
Duties and Obligations of the Developer

1. The Developer, shall be responsible for constructing and paying for the cost of the Project and the Public Infrastructure Costs, subject to the pledge of the Incremental Revenue as set forth in this Agreement.

2. The Project shall be constructed in accordance with all applicable zoning, building and other related governmental permits and approvals required for the development of property in Boone County and the State.

3. The Developer shall not less than annually, until the Project is fully constructed, submit to the Agency certified statements of costs that have been expended by the Developer or its assigns for Capital Investment for the Project, including the cost expended for Public Infrastructure Costs.

4. The Developer shall meet as requested by the County to provide updates to the County as to its progress in construction of the Project, and shall provide

information as requested by the County and Agency to enable the Agency to provide its required annual reports to the Boone County Fiscal Court.

5. The Developer shall assist the Agency as necessary with the computation of the Incremental Revenues. In that regard businesses within the Local Development Area shall be required to maintain separate County occupational license accounts (assuming they have more than one business location in the County) for their operation within the Local Development Area to make it easier for the County and Agency to track and compute Incremental Revenues.

6. The Developer acknowledges that the County, at its option, may decide to expand the boundaries of the Local Development Area to include additional property that is not being developed by the Developer. The Developer agrees to cooperate with the County to allow the Local Development Area to be expanded. In the event the Local Development Area is expanded the Developer shall have no claim or interest in the Incremental Revenues not generated by the Project developed and constructed by the Developer and its assigns.

SECTION VII.
Identification and Pledge of Incremental Revenues

1. The County hereby pledges the Incremental Revenues, generated within the Local Development Area, to pay for Redevelopment Assistance within the Local Development Area for a thirty (30) year period starting from the Activation Date. A listing of the parcels within the Local Development Area for the calculation of Incremental Revenues is attached hereto as Exhibit B.

2. Incremental Revenues pledged by the County in this SECTION VII shall be deposited annually, no later than each June 30th after the first calendar year after the Activation Date, to the Special Fund and used solely for the payment of Redevelopment Assistance in accordance with the following priority:

a. First to the payment of the Administrative Fee due to the County; and

b. Secondly, to the Developer to pay for or reimburse Public Infrastructure Costs documented by the Developer as being paid to the Agency in accordance with SECTION VI of this Agreement; with the understanding that any Incremental Revenues due the Developer shall first be used to pay the annual required debt service on the Bonds, in the event Bonds are issued.

3. All amounts in the Special Fund, together with interest accruing thereon, are hereby irrevocably pledged to the payment of Redevelopment Assistance, including principal, interest and premium, if any, on Bonds issued to pay for Redevelopment Assistance in the event that Bonds are issued to pay for Redevelopment Assistance.

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

5. If Bonds are not issued, or if Bonds are issued, but there are Excess Incremental Revenues, Incremental Revenues may be utilized by the Agency, to pay for Public Infrastructure Costs expended by the Developer that are not paid for by Bonds.

6. Any Incremental Revenues due the Developer in accordance with SECTION VII (1) of this Agreement shall be paid to the Developer and/or Trustee (in the event Bonds are issued) within thirty (30) days from the date of their receipt by the Agency.

7. After the Public Infrastructure Costs expended by the Developer have been fully paid, including any Bonds, any Incremental Revenues may be used to reimburse any other costs authorized by the County or the County may, at its option, terminate the Local Development Area and this Agreement.

8. At the Termination Date, as defined in the Act and as provided in SECTION VII of this Agreement, all amounts not needed to pay the Bonds or to pay Redevelopment Assistance as authorized by this Agreement, shall be transferred to the General Fund of the County.

SECTION VIII.
Anticipated Benefits to the County

The County anticipates receiving substantial benefits as a result of the pledge of its Incremental Revenues to support development of the Project and the Local Development Area as set forth herein. Based upon Exhibit B of this Agreement, the taxable assessment for calendar year 2020 for the Local Development Area is \$165,710 (the property in calendar year 2020 being assessed using an agricultural value), and that generates approximately \$167.37 in County real property taxes. The construction of the Project and related development is estimated to increase the taxable assessment within the Local Development Area by up to \$60 Million, and create hundreds of new jobs,

which will generate significant new tax revenues to the County, even with deducting the Incremental Revenues pledged within this Agreement. \$60 Million in increased taxable assessments within the Local Development Area will increase County real property taxes by \$60,600, based on the County's current real property tax rate. In addition, the Project will generate significant new occupational taxes from the growth in employment and new businesses within the Local Development Area as a result of the Project. The net tax impact will increase over time as assessments and new payroll increase. In addition, the net tax impact or benefit to the County will also increase from tax revenues not subject to the pledge of Incremental Revenues ad provided by this Agreement, including the tangible taxes, etc., and will greatly increase the taxes to the other State and local taxing districts.

The maximum amount of Incremental Revenues to be paid by the County shall be one hundred percent (100%) of the Incremental Revenues from the Local Development Area. The maximum number of years the payment of Incremental Revenues to support the payment of Redevelopment Assistance within the development of the Local Development Area is thirty (30) years.

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

SECTION IX.
Description of Project; Costs

The Project planned for the Local Development Area is a phased industrial and business park that will include industrial, office and related service uses. The estimated total capital investment of the Project when fully developed is approximately \$60 Million,

and will create approximately 500 new jobs that will be subject to the County's occupational payroll taxes.

SECTION X.
Financing Plan

It is anticipated by the Parties that the construction of the Project will take place over time and require a combination of funding from the Incremental Revenues pledge herein, private financing, and private equity. Except for the Incremental Revenues pledge herein to pay debt service on Bonds and/or to reimburse the Developer for Public Infrastructure Costs, the cost and financing of the Project shall be the responsibility of the Developer or its assigns. In the event that Bonds are issued to pay for Public Infrastructure Costs, any Incremental Revenues pledged by the County under this Agreement shall first be used to pay any required debt service on the Bonds as provided in the Bond Documents; and any Excess Incremental Revenues, may be expended to pay for other Redevelopment Assistance in accordance with this Agreement or as determined by the Agency with approval of the County.

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

SECTION XI.

Commencement Date; Activation Date; Termination Date

This Agreement shall commence and be effective on April 1, 2021. The Activation Date for the pledge of Incremental Revenues as set forth in SECTION VII hereof shall be set by action of the County and Agency, with approval by the Developer, on the first day of the calendar year, but not more than four (4) years after the Effective Date. This Agreement shall terminate thirty (30) years after the Activation Date. This Agreement shall not terminate upon the execution of any deeds or other agreements required or contemplated by this Agreement, or referred to herein, and the provisions of this Agreement shall not be deemed to be merged into the deeds, or any other such deeds or other agreements, it being the intent of the parties hereto that this Agreement shall survive the execution and delivery of any such agreements.

SECTION XII.

Default

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

proceeds as promptly as reasonably possible after such notice and with all due diligence to remedy such default, the period after such notice within which to remedy the default shall be extended for such period of time as may be necessary to remedy the same with all due diligence.

However, notwithstanding any other provision of this Agreement in the event of a default no remedy shall permit the withholding by the County of the payment of any Incremental Revenues pledged in this Agreement if Increment Bonds or other debt are outstanding that are secured by a pledge of those Incremental Revenues.

SECTION XIII.
Governing Law

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

SECTION XIV.
Severability

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

SECTION XV.
Force Majeure

The County, Agency or Developer shall not be deemed to be in default in the performance of any obligation on such parties' part to be performed under this Agreement, other than an obligation requiring the payment of a sum of money, if and so long as the non-performance of such obligation shall be directly caused by Unavoidable Delays; provided, that within fifteen (15) days after the commencement of such Unavoidable Delay, the non performing party shall notify the other party in writing of the existence and nature of any such Unavoidable Delay and the steps, if any, which the non-performing party shall have taken or planned to take to eliminate such Unavoidable Delay. Thereafter, the non-performing party shall, from time to time, on written request of the other party, keep the other party fully informed, in writing, of further developments concerning such Unavoidable Delay and the effort being made by the non-performing party to perform such obligation as to which it is in default. All provisions of any construction schedule shall be adjusted in accordance with such Unavoidable Delay.

SECTION XVI.
Notices

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

If to the County: County Judge/Executive
2950 Washington Street
Burlington, Kentucky 41005

With a Copy to: County Attorney
P.O. Box 900
2950 Washington Street
Burlington, Kentucky 41005

If to the Agency: Finance Department of the County
2950 Washington Street
Burlington, Kentucky 41005

If to the Developer: Charter Commercial LLC
25 Crestview Hills Mall Road
Suite 103
Crestview Hills, Kentucky 41017

SECTION XVII.
Approvals

Whenever a party to this Agreement is required to consent to, or approve, an action by the other party, or to approve any such action to be taken by another party, unless the context clearly specifies a contrary intention, or a specific time limitation, such approval or consent shall be given within thirty (30) business days and shall not be unreasonably withheld or delayed by the party from whom such approval or consent is required.

SECTION XVIII.
Entirety of Agreement

As used herein, the term "Agreement" shall mean this Local Development Area Agreement and the Exhibits attached hereto. This Agreement embodies the entire agreement and understanding of the Parties hereto with respect to the subject matter herein contained, and supersedes all prior agreements, correspondence, arrangements, and understandings relating to the subject matter hereof. No representation, promise, inducement, or statement of intention has been made by any party which has not been

embodied in this Agreement, and no party shall be bound by or be liable for any alleged representation, promise, inducement, or statement of intention not so set forth. This Agreement may be amended, modified, superseded, or cancelled only by a written instrument signed by all of the parties hereto, and any of the terms, provisions, and conditions hereof may be waived only by a written instrument signed by the waiving party. Failure of any party at any time or times to require performance of any provision hereof shall not be considered to be a waiver of any succeeding breach of any such provision by any part.

SECTION XIX.
Successors and Assigns

This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns; provided that any assignment by the Developer of the rights under this Agreement to a third-party purchaser of the Project shall require the consent of the County, which consent shall not be unreasonably withheld.

SECTION XX.
Headings and Index

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

SECTION XXI.
Exhibits

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

SECTION XXII.
No Waiver

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

SECTION XXIII.
Construction

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

SECTION XXIV.
Multiple Counterparts

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

SECTION XXV.
Relationship of the Parties

Except as expressly stated and provided for herein, neither anything contained in this Agreement nor any acts of the Parties hereto shall be deemed or construed by the Parties hereto, or any of them, or by any third person, to create the relationship of

principal and agent, or of partnership, or of joint venture, or of association among any of the Parties of this Agreement.

SECTION XXVI.
No Third Party Beneficiary

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

SECTION XXVII.
Diligent Performance

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

(Signature Pages Follow)

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

COUNTY OF BOONE, KENTUCKY

By: _____
Gary W. Moore
County Judge/Executive

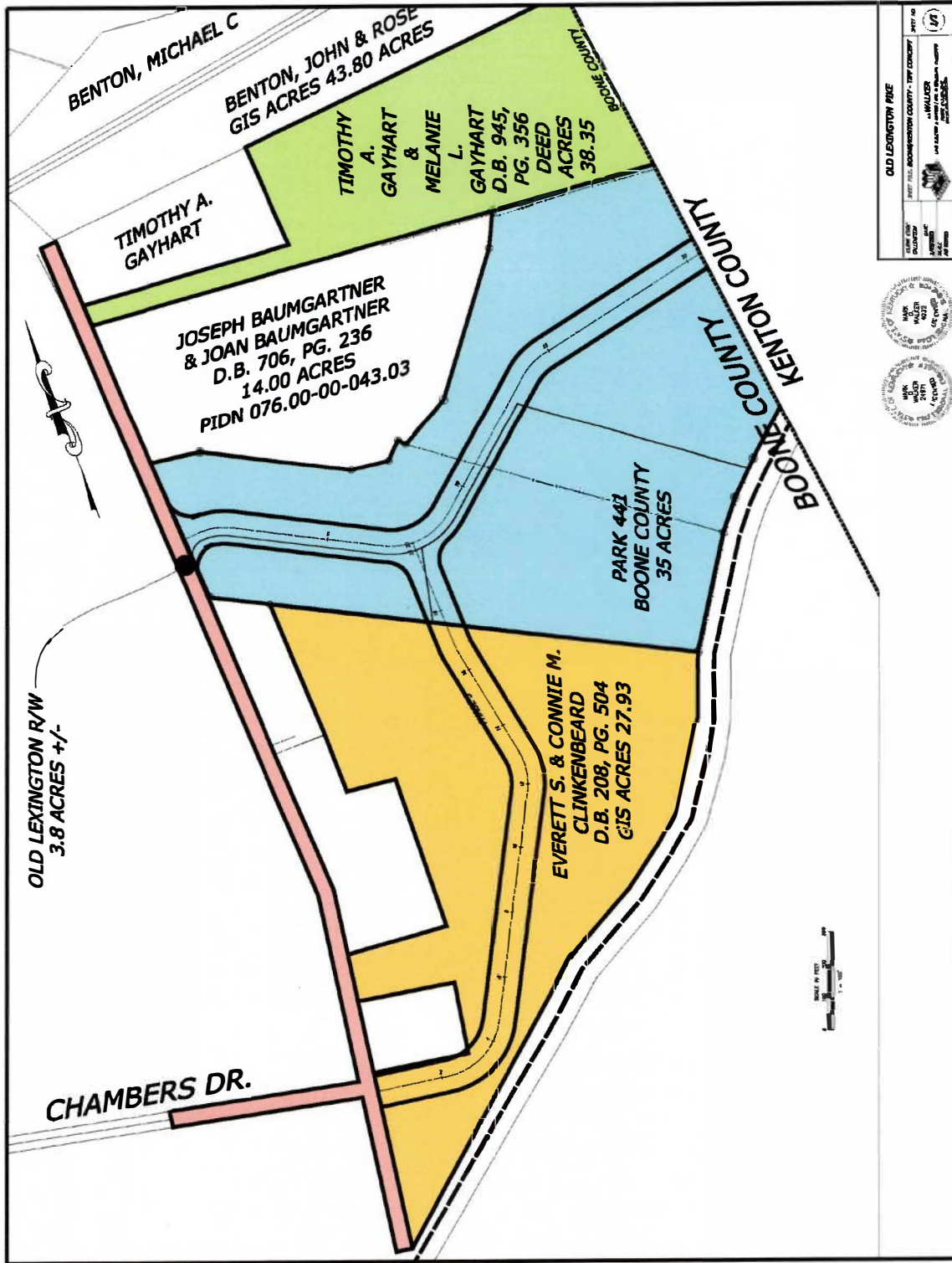
FINANCE DEPARTMENT OF THE COUNTY OF
BOONE, KENTUCKY, Acting by and through
Gary W. Moore, County Judge/Executive

By: _____
Gary W. Moore
County Judge/Executive

CHARTER COMMERCIAL LLC

By: _____

Exhibit A: The Local Development Area Map



OLD LEXINGTON P&E
 PREPARED BY: BOONE COUNTY - LINCOLN COUNTY
 DATE: 10/11/11
 DRAWN BY: J. HALL
 CHECKED BY: J. HALL
 APPROVED BY: J. HALL



Exhibit B: Listing of Parcels Within Local Development Area

PARCELS IN LOCAL DEVELOPMENT AREA			
Address	PIDN	Acres	2020 Taxable Asset
12007 Old Lexington Pike	076.00-00-043.01	13.6807	\$59,510.00
12000 Old Lexington Pike	076.00-00-043.01	25.8	\$3,300.00
12174 Old Lexington Pike	076.00-00-050.00	27.93	\$102,900.00
Old Lexington Pike Right-of-Way		3.8	0.00
TOTAL:		71.21	\$165,710.00

Exhibit C: Public Infrastructure Costs

Project Start Date: 9/20/2021

Budget Item	Phase I	Phase II	Phase III	Totals
Construction Costs	1,100,000	1,225,000	2,883,600	5,208,600
Electric - 3 Phase Electric Extension	150,000	0	50,000	200,000
Entrance Signage & Landscaping	75,000	0	75,000	150,000
Public Road Improvements - Hoop Drive	550,000	900,000	2,433,600	3,883,600
Electric - Joint Trench	150,000	150,000	150,000	450,000
Waterline Extension	125,000	125,000	125,000	375,000
Other Misc.	50,000	50,000	50,000	150,000
Architecture & Engineering	72,250	67,250	85,000	224,500
Architecture & Engineering	65,000	60,000	75,000	200,000
Boone County	2,500	2,500	3,000	8,000
Walton Water Permit	1,500	1,500	2,500	5,500
Boone County (Health Dept.)	750	750	1,500	3,000
NPDES Permit	2,500	2,500	3,000	8,000
Utilities - Permits	11,500	11,500	11,500	34,500
Duke Electric	2,500	2,500	2,500	7,500
Walton Water	1,500	1,500	1,500	4,500
Communications (Phone/Cable/Internet)	7,500	7,500	7,500	22,500
TOTALS:	1,183,750	1,303,750	2,980,100	5,467,600