LOCAL PARTICIPATION AGREEMENT

This **LOCAL PARTICIPATION AGREEMENT** (the "Agreement") effective as of the ____ day of _____, 2026, by and between (i) **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a Kentucky consolidated local government ("Louisville") and (ii) the **METRO DEVELOPMENT AUTHORITY, INC.**, a Kentucky non-profit, nonstock corporation ("Authority").

RECITALS:

WHEREAS, Landmark Landlord LLC, a Kentucky limited liability company, or an affiliate of same ("Developer"), desires to redevelop property at 300 and 310 W. Liberty Street (Parcel Id Nos. 014K00660000 and 014K00650000) into a 150-room hotel, which will cost approximately $74 million, and be known as the Landmark Building Redevelopment Project more specifically described in Exhibit A (the "Project);

WHEREAS, Louisville and the Authority, to induce Developer to undertake the Project, agree to provide certain tax increment financing incentives to Developer as set forth in this Agreement and the TIF Disbursement Agreement to be entered into among Developer, the Authority and Louisville ("TIF Agreement");

WHEREAS, pursuant to KRS 65.7041-65.7083 and KRS 154.30.010-154.30.090 ("the Act"), the Legislative Council of Louisville/Jefferson County Metro Government ("Metro Council"), by Ordinance No _____, Series 2026 (the "Ordinance"), effective _____, 2026, has established the Landmark Building Development Area (the "Development Area"), as more specifically described in Exhibit B;

WHEREAS, the Project represents new economic development in Louisville;

WHEREAS, the Project, located in the Development Area, as presented to Louisville and the Authority by Developer in preliminary planning papers, will result in the increase in the value of real property located in the Development Area, increasing the tax base in Louisville;

WHEREAS, it is therefore in the interest of Louisville and the Authority that there be a plan for the optimal revitalization and development of the Development Area in a most efficient manner;

WHEREAS, Louisville is authorized under the Act to enter into a local participation agreement with an agency in acknowledgement of benefits to be derived by Louisville within a development area in order to promote the public purposes of Louisville;

WHEREAS, the Ordinance declares the Development Area to be a "development area" within the meaning of the Act, and the Project constitutes a "project" within the meaning of the Act; therefore, the Project is eligible to receive a portion of incremental local ad valorem real property taxes as provided in the Act;

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WHEREAS, the Authority, pursuant to Chapters 58 and 273 of the Kentucky Revised Statutes, is organized and incorporated by Louisville as a not-for-profit, nonstock corporation, and pursuant to the Ordinance, the Authority has been designated as the "agency," within the meaning of the Act for the purposes of receiving and distributing incremental local tax revenues generated within the Development Area; and

WHEREAS, Louisville desires to assist the Developer, through the Authority, with the costs of the Project and agrees to enter into this Agreement in order to release to the Authority a portion of the Real Estate Tax Increment (as that term is hereinafter defined) for use solely for purposes of the Project;

NOW THEREFORE, in consideration of the premises and the additional consideration provided herein, Louisville and the Authority 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.

(a) "Activation Date" means _____, 2028, being within two (2) years of the Commencement Date which, upon the written notice of the Authority to Metro Council, may be extended, but in no event more than four (4) years from the Commencement Date.

(b) "Base Year" means January 1, 2025 through December 31, 2025, the last full year prior to the Commencement Date.

(c) "Calendar Year" means January 1 through and including December 31.

(d) "Commencement Date" shall mean the effective date of this Agreement.

(e) "New Real Estate Tax Revenue" means the amount of Real Estate Taxes received by Louisville after the Activation Date has occurred through the term of this Agreement.

(f) "Office of Management and Budget" means the department of Louisville with that name.

(g) "Old Real Estate Tax Revenue" means the amount of Real Estate Taxes assumed to have been received by Louisville in the Base Year, as calculated in Section 4.1 of this Agreement.

(h) "Real Estate Tax" means the local ad valorem real property taxes received annually by Louisville from real property located within the Development Area.

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(i) "Real Estate Tax Increment" means the incremental amount of Real Estate Taxes collected in each Calendar Year following the Activation Date, during the term hereof, determined by subtracting the amount of Old Real Estate Tax Revenue from the amount of New Real Tax Revenue.

(j) "Released Amount" means the amount payable in each Calendar Year from Louisville to the Authority pursuant to Section 5.7 of this Agreement.

(k) "Termination Date" means the date ending twenty (20) years from the Activation Date, unless terminated earlier pursuant to Section 3.1 of this Agreement.

Section 2. Representations and Warranties.

2.1 Representations and Warranties of the Authority. The Authority represents and warrants to Louisville as follows:

(a) Existence. The Authority is a duly organized and validly existing non-profit corporation created under and in conformity with the laws of the Commonwealth of Kentucky.

(b) 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. The officers and officials executing and delivering this Agreement on behalf of the Authority have been or are otherwise duly authorized to enter into this Agreement on behalf of the Authority.

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

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

(e) Conflicting Transactions. The culmination of the transactions contemplated hereby and the performance of the obligations of the Authority 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.

2.2 Designation of Subsidiary or Related Entity. Notwithstanding the

provisions of Subsection 2.1, the Authority shall have the right to designate as the "Agency" a subsidiary or related entity of the Authority provided that such subsidiary or related entity (i) qualifies as an agency pursuant to the Act, (ii) such subsidiary entity can make to Louisville the representations and warranties required pursuant to subsection 2.1, (iii) such subsidiary or related entity is reasonably acceptable to Louisville, and (iv) such subsidiary is able to perform those obligations required in the Ordinance.

2.3 Representations and Warranties of Louisville. Louisville represents and warrants to the Authority as follows:

(a) Authority to Act. Louisville 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 Louisville has been and is duly authorized to enter into this Agreement on behalf of Louisville.

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

Section 3. Released Amount.

3.1 Term. Louisville agrees to pay to the Authority, and the Authority does accept from Louisville, the Released Amount for each calendar year beginning in the year including the Activation Date, with payment to be made beginning in the year following the Activation Date, and for successive calendar years continuing automatically thereafter until the earlier of the following:(i) that date nineteen (19) years following the initial payment to the Authority; (ii) Louisville's election to terminate this Agreement pursuant to Kentucky Constitution sections 157(b), 162, and 179, and KRS Chapters 67C and 91A at the end of any current calendar year following written notice to the Authority delivered at least sixty (60) days prior to such calendar year end; or (iii) the aggregate of the total of the Released Amount paid to the Authority by Louisville equals $3,758,524.32.

3.2 The Authority Reporting. The Developer has agreed in the TIF Agreement, at its sole expense, to submit a report to the Authority and the Office of Management and Budget on or before July 1 of each year during the term of this Agreement including but not limited to:

(a) A notarized certification by the Developer accounting for the use and expenditure of the Released Amount by the Developer in the preceding Calendar Year, including any Released Amount carried forward from earlier Calendar Years;

(b) An analysis and review of all development activities within the Development Area during the prior Calendar Year;

(c) A progress report on the current status of achieving the stated goals of the Project and the Development Area;

(d) A proposed spending plan for the Released Amount for the current Calendar Year; and

(e) The Authority shall submit the Request for the Released Amount each year following Activation for the term of this Agreement to the Office of Management and Budget on or after July 1, but no later than December 31 following the calendar year for which the Released Amount is requested. No more than one request shall be submitted in any calendar year.

3.3 Louisville Monitoring, Tracking and Reporting. The Office of Management and Budget shall oversee the payment of the Released Amount to the Authority. The Office of Management and Budget shall review all reports received from the Authority pursuant to Section 3.2 or otherwise and shall annually submit to the Metro Council a report concerning the Project and the Development Area including but not limited to:

(a) An accounting of all payments made to the Authority pursuant to this Agreement in the prior fiscal year;

(b) An analysis and review of development activity within the Development Area as reported to Louisville by the Authority; and

(c) The progress made by the Authority toward the stated goals of the Development Area as reported to Louisville by the Authority.

The Developer has agreed to submit to the Authority and Louisville all information required to make the report.

3.4 Time of Payment. Beginning in the year the minimum capital investment is certified pursuant to Section 3.2 and each year thereafter during the Term, by no sooner than (i) December 31st of each Calendar Year or (ii) thirty (30) days after the submission by the Authority of a request for the Released Amount under this Agreement, Louisville agrees to pay to the Authority the Released Amount, provided that all conditions provided in Section 3 have been met. In no event shall Louisville agree to pay to the Authority the Released Amount if a submitted request is not received by December 31 of the calendar year after the applicable tax year, unless mutually agreed to by both Louisville and the Authority. No more than one request shall be submitted in any one calendar year

3.6 Use of Released Amount. Consistent with the Act, the Authority covenants and agrees that the Released Amount will be deposited in a special fund and it will use the Released Amount solely for the benefit of the Project, pursuant to the requirements of the Act and this Agreement.

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Section 4. Determination of Released Amount.

4.1 Calculation of Old Real Estate Tax Revenue. The taxable value of all real property within the Development Area in the Base Year is **FIVE MILLION SEVEN HUNDRED AND FIFTY-TWO THOUSAND SEVEN HUNDRED AND 10/100 DOLLARS ($5,752,710)**. The Old Real Estate Tax Revenue is stipulated as $25,139. The Old Real Estate Tax Revenue shall be adjusted each calendar year after the Base Year by adding the Old Real Estate Tax Revenue calculated for the previous calendar year, multiplied by two percent (2.0%), to the amount of Old Real Estate Tax Revenue for the previous calendar year. This adjusted amount is the Old Real Estate Tax Revenue for the current calendar year.

4.2 New Real Estate Tax Revenue. The Office of Management and Budget shall calculate the amount of New Real Estate Tax Revenue each year after the Activation Date, prior to the Time of Payment pursuant to Section 3.4 of this Agreement. The Office of Management and Budget shall calculate the New Real Estate Tax Revenue by aggregating the Real Estate Taxes received from within the Development Area. An estimate of the New Real Estate Tax Revenue is included in the report prepared by Silverlode Consulting, a copy of which is attached to this agreement (The "Economic Impact Report) as Exhibit C.

4.3 Calculation of the Real Estate Tax Increment. The Office of Management and Budget in each year following the Activation Date, prior to the Time of Payment pursuant to Section 3.4 of this Agreement, shall calculate the Real Estate Tax Increment, which shall be an amount equal to the New Real Estate Tax Revenue calculated pursuant to Section 4.2 of this Agreement minus the Old Real Estate Tax Revenue calculated pursuant to Section 4.1 of this Agreement.

4.4 Calculation of Released Amount. The Office of Management and Budget in each year following the Activation Date, prior to the Time of Payment pursuant to Section 3.4 of this Agreement, shall calculate the Released Amount, which shall be a sum equal to eighty percent (80%) of the Real Estate Tax Increment.

Section 5. Pledge of Incremental Revenues Superior to Ordinances and Statutes.

As provided in the Act, any pledge of the Released Amount in this Agreement shall be superior to any other pledge of revenues for any other purpose and shall, from the Activation Date to the Termination Date, supersede any statute or ordinance regarding the application or use of incremental revenues.

Section 6. Miscellaneous.

6.1 Notices. All notices or other communications hereunder from any party shall be sufficiently given, and shall be deemed given, when delivered or mailed by first class mail or overnight delivery to the other parties at their respective addresses as follows:

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If to Louisville: Louisville/Jefferson County Metro Government
c/o Economic Development
444 S. 5th St., Ste. 600
Louisville, Kentucky 40202
Attn: Jeff O'Brien

If to the Authority: Metro Development Authority, Inc.
444 S. 5th St., Ste. 600
Louisville, Kentucky 40202

Section 7. Default.

7.1 Default by the Authority. If the Authority materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein or in the reasonable judgment of Louisville there has been a substantial decrease in the Authority's capacity to undertake the obligations required by this Agreement, Louisville may give written notice (with a copy of said notice being given to the Office) that remedial action must be taken within thirty (30) calendar days. The Authority shall correct such breach or default within thirty (30) days after receipt of such notice. However, if the default is not reasonably curable within thirty (30) days, then the Authority may continue to cure the default or breach so long as Louisville is reasonably satisfied that sufficient progress is being made toward a cure. If such corrective action is not taken, Louisville may terminate the Agreement by giving written notice to the Authority at least ten (10) days prior to the effective date of termination and shall and be entitled to any remedy and damages available to it at law or in equity, including specific performance.

7.2 Default by Louisville. If Louisville materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein, the Authority may give written notice to Louisville that remedial action must be taken within thirty (30) days after Louisville's receipt of such written notice. However, if the default is not reasonably curable within thirty (30) days, Louisville may continue to cure the default or breach so long as the Authority is satisfied that sufficient progress is being made toward a cure. If such action is not taken, the Authority shall be entitled to enforce the provisions of this Agreement.

Section 8. Miscellaneous Provisions.

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

8.2 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.

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8.3 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.

8.4 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.

8.5 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.

8.6 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.

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.

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.

[SIGNATURES ON FOLLOWING PAGE]

LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT

By:_____
Craig Greenberg, Mayor

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Approved as to Form and Legality:

Michael J. O'Connell
Jefferson County Attorney

By:_____

METRO DEVELOPMENT AUTHORITY, INC.

By:_____
Jeff O'Brien, President

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EXHIBIT A

PROJECT DESCRIPTION

The project will involve new capital investment of approximately $ 74 million and will construct approximately 163,547 square feet, 150 room boutique hotel.

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EXHIBIT B

DESCRIPTION OF DEVELOPMENT AREA

300-310 Liberty Street

Tract 1:

BEGINNING at the Southwest intersection of Liberty (formerly Green) and Third Streets; running thence fronting on Liberty (formerly Green) Street Westwardly 117 feet and extending back Southwardly the same width between lines parallel with Third Street 150 feet to a 15-foot alley.

Tract 2:

BEGINNING on the South side of Liberty (formerly Green) Street at a point 117 feet West of the Southwest corner of Third and Liberty (formerly Green) Streets; running thence West along the South side of Liberty (formerly Green) Street 76-1/3 feet, and extending back Southwardly at right angles to Liberty (formerly Green) Street the same width 150 feet to an alley.

BEING the same property acquired by Liberty Landmark Group, LLC, a Kentucky limited liability company, by Deed dated November 21, 2006, of record in Deed Book 8941, Page 846, in the Office of the County Clerk of Jefferson County, Kentucky.

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EXHIBIT C

ECONOMIC IMPACT REPORT

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Landmark Landlord LLC

Proposed Landmark Building Redevelopment Economic Impact Analysis

June 2026

SILVERLODE CONSULTING

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www.silverlodeconsulting.com | 2101 Superior Avenue, Cleveland, OH 44114

Proposed Landmark Building Redevelopment Impacts

All impacts are presented in 2026 dollars.

Construction Impact in Jefferson County

	Direct	Indirect	Total
Economic Output	$63,218,000	$42,760,000	$105,978,000
Jobs Years of Labor	303	190	493
Labor Income	$25,340,000	$14,876,000	$40,216,000
State and Local Taxes	$3,704,000	$2,189,000	$5,893,000

Estimated Direct State & Local Taxes	
Total Direct State & Local Taxes	$3,704,000
Local Personal Income Tax	$557,000
State Personal Income Tax	$851,000
State Sales Tax	$1,897,000
State Lodging Taxes	-
Local Lodging Taxes	-
Real Property Taxes	$206,000
Other State & Local Taxes	$193,000

Annual Stabilized Operating Impact in Jefferson County

	Direct	Indirect	Total
Economic Output	$20,548,000	$11,226,000	$31,774,000
Jobs	100	54	154
Labor Income	$4,567,000	$3,967,000	$8,534,000
State and Local Taxes	$3,431,000	$526,000	$3,957,000

Estimated Annual Direct State & Local Taxes	
Total Direct State & Local Taxes	$3,431,000
Local Personal Income Tax	$88,000
State Personal Income Tax	$128,000
State Sales Tax	$1,233,000
State Lodging Taxes	$132,000
Local Lodging Taxes	$1,325,000
Real Property Taxes (Net of TIF Rebated)	$275,000
Other State & Local Taxes	$250,000

Data and Analysis

Terminology

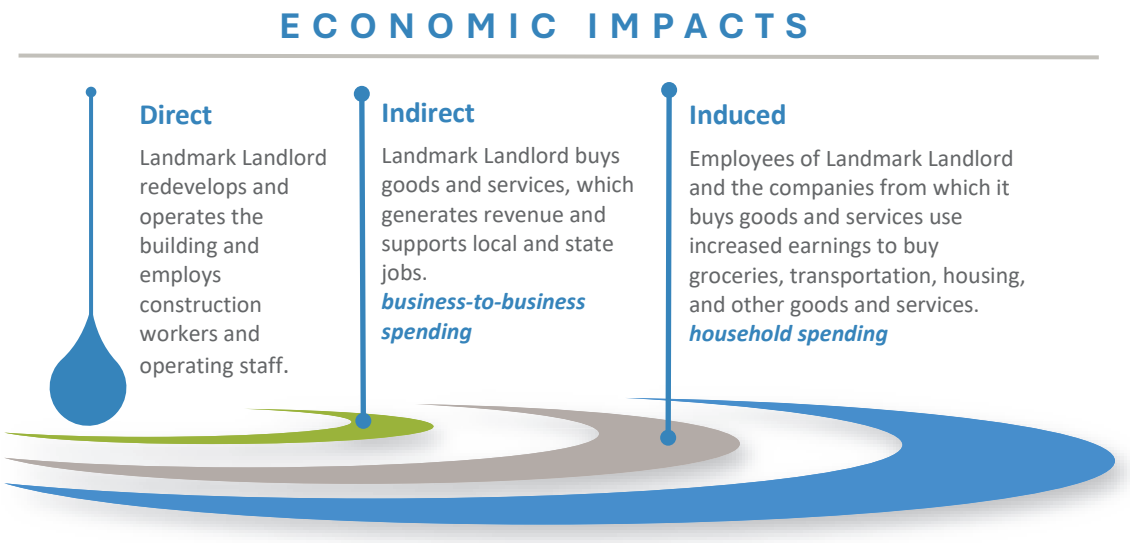
The key metrics employed for measuring economic impact or contribution in this study are defined below.

	Direct Impacts	Indirect and Induced Impacts
Economic Output	The total value of goods and services produced by the activity being modeled.	IMPLAN estimate of the total value of goods and services produced by indirect and induced economic activity.
Jobs	Jobs directly created by the activity being analyzed.	IMPLAN estimate of the number of jobs supported by the purchase of goods and services by the activity being modeled (indirect) as well as by changes in household spending (induced).
Job Years of Labor	IMPLAN estimate of the total labor directly engaged in the activity being analyzed and supported over the multi-year period. A job year is equivalent to one job lasting one year.	IMPLAN estimate of the amount of labor supported by the purchase of goods and services by the activity being modeled (indirect) as well as by changes in household spending (induced). A job year is equivalent to one job lasting one year.
Labor Income (Earnings)	Wages and benefits associated with direct jobs or job years of labor.	IMPLAN estimate of the total labor income (wages, benefits, and proprietor income) associated with the indirect and induced economic activity.
State and Local Taxes	Estimate of all taxes paid to state and local units of government as a direct result of the economic activity being analyzed.	Estimate of the taxes paid to state and local units of government due to indirect and induced economic activity.

Economic Impact Analysis

Economic impact analysis examines how an organization, industry, or event affects a region's economy. All economic activities create "ripples" in the economy, which are commonly referred to as indirect and induced effects. These ripple effects are quantified using a methodology known as Regional Input-Output Analysis.

Economic and fiscal impacts can be divided into component parts, which are referred to as direct, indirect, and induced. A **Direct effect** describes an initial change in the economy and is the starting point for economic impact analysis. Changes in an economy create "ripples" of economic activity throughout the region being analyzed, with the ripples being described as indirect and induced effects. **Indirect effects** represent changes in the industries that provide goods and services to the economic activity being modeled (e.g., suppliers and service providers). **Induced effects** represent the impact of changes in household spending resulting from the direct and indirect effects. In this report, for streamlined presentation, indirect effects and induced effects are referred to together as Indirect Effects. **Total impact** refers to the final cumulative result of all rounds of direct, indirect and induced activity. The graphic below depicts the ripple effect.



Study Resources

IMPLAN

IMPLAN (IMpact analysis for PLANning), one of the most well-respected and widely used methodologies for assessing regional economic impacts, was used for this study. IMPLAN is an input-output model initially developed by the U.S. Forest Service in the 1970s and used by more than 1,000 universities, government agencies, and consultants to estimate the economic and fiscal impacts of investments and/or changes in one or more industries.

Data underlying the IMPLAN model is updated annually using thousands of data points from over 90 sources. The main sources for this data include:

- U.S. Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW)
- U.S. Bureau of Economic Analysis (BEA) Regional Economic Accounts (REA)
- U.S. Census Bureau County Business Patterns (CBP)
- U.S. Bureau of Economic Analysis National Income and Product Accounts (NIPA)

2024 IMPLAN data, the most current data available at the time, was used for this study.

About Silverlode Consulting

Silverlode Consulting was founded in 2002 by two leaders of EY's and PwC's consulting practices. As a national leader in economic impact analysis, Silverlode has helped hundreds of organizations, ranging from non-profit arts groups to multi-national corporations, to measure their impacts on their communities and communicate those impacts to their stakeholders.

By meticulously estimating and effectively communicating the jobs, earnings, taxes, and other impacts of projects, the presence of an organization, or an investment in a community, our work has helped clients to gain approvals, secure funding, and positively shift public opinion. More information about our firm and our work in economic impact analysis can be found on our website at www.silverlodeconsulting.com.