

Downtown Lexington Management District
Wednesday, April 06, 2016
Law Office of McBrayer, McGinnis, Leslie & Kirkland
201 East Main Street, 9th Floor

Meeting of the Board of Directors

Agenda

- I. Welcome
- II. Public comment for items on the agenda
- III. Board membership update
- IV. March 2 minutes
- V. Old business
 - A. By-laws
 - B. FY 2017 budget and tax rate
 - C. Tax collection
 - D. Banking services
- VI. New business
 - A. Memorandum of agreement with LFUCG
 - B. Website
 - C. Advisory board
- VII. Public comment
- VIII. Adjourn

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**Downtown Lexington Management District
Board of Directors Meeting
March 02, 2016
200 East Main Street, 9th Floor (Jim Frazier Office)**

Present Board Members: Lisa Betz, Taunya Phillips, Scott Davidson, Jim Frazier, Woodford Webb, Gary Means, Martin Rothchild, Stephen Grossman (phone), Drew Fleming (phone), Geoff Reed, Temple Juett (phone), Jake Gibbs, Steve Kay (phone), and Tom Harris

Other persons present: Renee Jackson, Kathryn Minton, Beverly Fortune, Kevin Atkins, Melissa McCarthy-Smyth, and Christopher Corcoran

*******Minutes*******

Geoff Reed (Mayor's representative) welcomed the members of the board on behalf of Mayor Jim Gray, and reiterated the responsibilities of the district, as outlined in the LFUCG ordinance establishing the tax district. Mr. Reed reviewed the agenda, and invited everyone to introduce themselves.

Officers were then elected as follows: Chair Jim Frazier, Vice Chair Martin Rothchild, Treasurer Steve Grossman, and Secretary Zedtta Wellman.

Mr. Frazier began chairing the meeting, and recognized board member Drew Fleming to present the April, 2015 presentation that was delivered to the Urban County Council. Mr. Fleming provided summary of the district, and provided an analogy a neighborhood association. Mr. Fleming stated that 51% of property owners (175), representing \$220 million in property, signed petitions to form the Downtown Lexington Management District. Mr. Gibbs shared some information related to how different business improvement districts provide services, either through in-house or contracted resources, and asked that the board preference providing services through local, in-house employment, rather than to a far-away entity.

Mr. Frazier presented the draft by-laws for the boards review, and asked that the members of the Board read, review, and provide feedback on the by-laws at the April meeting. Mr. Frazier asked the board to consider the adoption of an Advisory Board, and the size of that board. Mr. Webb recognized the value in such a board to provide expertise, and as a funnel to new board membership, and suggested capping the Advisory Board members to three members. Mr. Reed suggested that Advisory Board members be recommended by the Board to the Mayor, and confirmed by the Council.

In new business, Mr. Frazier discussed the need to quickly act on budget. Mr. Frazier explained the budget approval process, including the role of the Urban County Council, and the inclusion of a \$0.10 / \$100 property value tax rate in the budget. Mr. Frazier asked for discussion on the budget. Mr. Gibbs expressed his preference that the budget include funds for snow removal. Mr. Webb expressed his concerns on snow removal, which he views as subsidizing property owners who are not fulfilling their existing responsibilities. Mr. Grossman asked for the draft budget in spreadsheet format. Mr. Fleming motioned that the board officers draft a budget for review at the next meeting, Mr. Davidson seconded the motion, and it passed unanimously.

Mr. Webb asked Ms. Renee Jackson if she could share information on the payments in lieu of taxes that tax-exempt organizations (churches, government) make to her organization. Ms. Jackson confirmed that many organizations do make such payments, and suggested that the board reach out to those tax-exempt organizations in the second budget year.

Mr. Frazier noted that tax funds will not arrive until the fourth quarter of 2016, and that some funds may be needed for startup activities. Mr. Frazier discussed with Mr. Gibbs and Mr. Kay requesting funds from the Lexington-Fayette Urban County Government (LFUCG) for startup activities, in the amount of \$25,000. Mr. Reed said that he would research options, and report back at the April board meeting.

Mr. Frazier discussed the need to contract tax collection. Mr. Gibbs motioned for the board officers research different contracting options, Mr. Means seconded the motion, and it passed unanimously.

Mr. Frazier discussed the need to establish banking services and a tax ID. Mr. Harris motioned for the chair to solicit banking relationships, Mr. Webb seconded the motion, and it passed unanimously.

Mr. Frazier introduced a discussion of board meeting time. Several members agreed that the first Wednesday of the month, in the morning, is agreeable. Mr. Means motioned for the board to meet on the First Wednesday of each month, at 8:30 am, Mr. Davidson seconded the motion, and it passed unanimously.

Upon the motion of Mr. Webb, seconded by Mr. Means, the board voted to adjourn at 9:30 am.

Summary of motions:

Motion	Author	Second	Vote
Board officers draft a budget for the full board to review at April meeting	Fleming	Davidson	Passes unanimously (voice vote)
Board officers research tax collection options	Gibbs	Means	Passes unanimously (voice vote)
Board officers to solicit banking services	Harris	Webb	Passes unanimously (voice vote)
Board to establish first Wednesday of the month, at 8:30 am, as the regular meeting time	Means	Davidson	Passes unanimously (voice vote)
Vote to adjourn (9:30 am)	Webb	Means	Passes unanimously (voice vote)

**BYLAWS
OF
DOWNTOWN LEXINGTON MANAGEMENT DISTRICT**

DRAFT OF PROPOSED BYLAWS

INDEX TO BYLAWS

Article 1:	Establishment of District
Article 2:	Establishment of the Board of Directors
Article 3:	Powers of the Board of Directors
Article 4:	Duties of the Board of Directors
Article 5:	Meetings of the Board of Directors
Article 6:	DLMD Advisory Council
Article 7:	Termination
Article 8:	Miscellaneous Provisions
Attachment A:	Map of Downtown Lexington Management District
Attachment B:	Lexington-Fayette Urban County Government Ordinance No. 52-2015

ARTICLE 1: ESTABLISHMENT OF DISTRICT

(A) There is established, pursuant to KRS 91.750 through 91.762, and via Lexington-Fayette Urban County Government Ordinance No. 52-2015, a management district to be known as the “Downtown Lexington Management District” (hereinafter referred to as “District”) for the purpose of providing and financing economic improvements that specially benefit property located within the District. The boundaries of the District are designated by the map in Attachment A, which is incorporated by reference hereto and made a part of these Bylaws as if fully set out herein.

(B) The District shall constitute a body corporate, with the power to contract and be contracted with. Its affairs shall be managed and controlled by a Board of Directors.

ARTICLE 2: ESTABLISHMENT OF THE BOARD OF DIRECTORS

(A) There is established a Board of Directors (hereinafter “the Board” or “the Board of Directors”) to manage and control the affairs of the District.

(B) The Board of Directors shall be composed of not more than fifteen (15) members, who shall be appointed to four (4) year terms, except as otherwise provided in Lexington-Fayette Urban County Government Ordinance No. 52-2015 and these Bylaws. Members of the Board shall be appointed as follows:

(1) Inaugural Board: The Board of the Downtown Lexington Corporation shall nominate individuals for membership on the Board, and shall submit such names to the Mayor and Urban County Council for consideration.

(2) Vacancies After Inaugural Board: The Board of Directors shall nominate individuals to fill vacancies on the Board of Directors, and shall submit such names to the Mayor and Urban County Council for consideration.

(C) The Board shall be comprised of the following members:

(1) Regular Members

(a) At least one (1) Board member shall be an owner or designee of a retail business within the District;

(b) At least one (1) Board member shall be an owner of a residential property within the District or their permanent designee;

(c) At least three (3) Board members shall be owners of an office building or buildings within the District or their permanent designees;

(d) At least one (1) Board member shall be a parking facility owner within the District or his permanent designee;

(e) At least two (2) Board members shall be owners or their designees from the hospitality/entertainment sector within the District (e.g., an owner or designee whose property houses a restaurant, food service, or hotel/lodging facility); and

(f) At least two (2) Board members shall be tenants representing the owners of properties within the District.

(2) Ex-officio Members

(a) The Mayor, or his permanent designee;

(b) The Chair of the Downtown Lexington Corporation or that corporation's successor;

(c) The Urban County Council member representing the area comprising the District and an At-Large Urban County Council member designated by the Mayor; and

(d) The Chair of the Lexington Downtown Development Authority

(D) All members of the Board of Directors, including ex-officio members, shall have the right to vote.

(E) Members of the Board of Directors shall serve four (4) year terms; however, the Inaugural Board will be comprised of one-half of such members serving a two (2) year term and one-half serving a four (4) year term as determined by the Mayor. A member of the Board is eligible for reappointment to one (1) additional four (4) year term.

(F) Any appointed member of the Board may be removed by the Mayor for cause.

(G) Any member may be removed by the Mayor for violation of rules, regulation, operating procedures, or these Bylaws as adopted by the Board of Directors. Such recommendation of removal shall be made by the Board of Directors on a majority vote, with such recommendation then forwarded to the Mayor.

(H) Any vacancy on the Board shall be filled in the same manner as the original appointment for the unexpired term.

(G) The Board shall elect officers from its membership, including a Chair, Vice-Chair, Secretary, and Treasurer. Each officer shall serve a two (2) year term, and shall be eligible to serve one (1) additional term. Each officer shall be elected by a majority vote of the Board of Directors.

(1) An officer may be removed from the office by a two-thirds (2/3) vote of the Board of Directors.

- (2) Any vacancy shall be filled in the same manner as the original appointment for the unexpired term.

ARTICLE 3: POWERS OF THE BOARD OF DIRECTORS

(A) The Board shall have the right to transact business on behalf of and manage the financial affairs of the District, including the ability to contract with any person or entity determined by the Board to have the needed expertise to manage and administer the day-to-day operations of the affairs of the District or any portion thereof.

(B) The Board shall have all powers necessary and proper to conduct the affairs of the District not inconsistent with KRS 91.750 through 91.762, Lexington-Fayette Urban County Government Ordinance No. 52-2015, and these Bylaws, including, but not limited to:

- (1) Preparation of an annual Economic Improvement Plan. An “Economic Improvement Plan” shall describe the current and projected economic improvements to be undertaken during that year.
- (2) Preparation of an annual budget on a fiscal year basis.
- (3) Implementation of the Economic Improvement Plan.
- (4) Determination of policy and procedures for operation of the District.
- (5) Incurring, in the aggregate, short-term and long-term debt in an amount not to exceed \$500,000.

(C) The Board may undertake any of the following economic improvements within the District:

- (1) The promotion of commercial activity or public events;
- (2) The planning, administration, and management of development or improvement activities;
- (3) Landscaping, beautification, maintenance, and cleaning of public ways and spaces;
- (4) The conduct of activities in support of business recruitment and development;
- (5) The provision of safety and security for public areas, including snow and ice removal from the public thoroughfares, including but not limited to sidewalks;
- (6) The construction and maintenance of capital improvements to public ways and spaces; and

- (7) Any other economic improvement activity that, as determined by the Board, specially benefits property within the District.

(D) The Board of Directors may appoint committees of the Board of Directors as reasonably necessary and prudent.

ARTICLE 4: DUTIES OF THE BOARD OF DIRECTORS

(A) The Board shall provide for the day-to-day management and administration of the District through a contract or otherwise as the Board deems appropriate. Such management and administration support services shall include:

- (1) Procurement of marketing, beautification, and security services from vendors, administration of related contracts and supervision related to contract compliance and quality assurance;
- (2) Training activities to support services delivery;
- (3) Annual development of an Economic Improvement Plan as required by state law and Lexington-Fayette Urban County Government Ordinance No. 52-2015, including evaluation of program effectiveness and monitoring level of urban marketing, beautification, and security services;
- (4) Provision of administrative support to the Board;
- (5) Maintenance of all financial and administrative records, and yearly audit or review of expenses and revenues;
- (6) Provision of liability insurance as needed to cover all operations; and
- (7) Provision of other necessary and appropriate business service for the District, or lend of expertise, as requested or needed, with issues related to the District.

(B) The Board shall utilize a competitive process, such as a formal Request for Proposal, to award contracts and otherwise procure services, except for the collection of assessments.

- (1) The Board may appoint a selection committee to aid in the review of response submitted to a Request for Proposal.
- (2) The Board shall avoid any conflicts of interest in appointing any selection committee.
- (3) All contracts to be awarded by the Board shall include a complete description of the services to be provided and duration, method of compensation, records to be maintained and submitted, and hold harmless agreements and limits of liability insurance requirements.

(4) Collection of assessments shall be via agreement with either the Lexington-Fayette Urban County Government or the Fayette County Sheriff's Office.

(C) The Board shall submit the annual budget to the Urban County Council for approval at least two (2) months prior to the beginning of each Fiscal Year, and shall simultaneously transmit the Economic Improvement Plan. The budget shall be presented in such form as required by the Lexington-Fayette Urban County Government.

(1) In the event that the submitted budget is not timely approved by the Urban County Council, the budget of the previous year shall have full force and effect as if readopted until such time as a new budget is approved.

(2) Upon approval of the budget by the Urban County Council, the Board shall publish the budget and Economic Improvement Plan pursuant to KRS Chapter 424 and shall mail, by first class mail, to each property owner a description of the Economic Improvement Plan, the fair basis of the assessment to be utilized, the estimated cost to the property owner, and the ratio that the cost to each property owner bears to the total cost of the economic improvements.

(3) The Board shall provide in the annual budget for the imposition of a rate of assessment on all benefitted properties within the District, including an appeal procedure, as specified in Lexington-Fayette Urban County Government Ordinance No. 52-2015, attached hereto as Attachment B, and which is incorporated by reference hereto and made a part of these Bylaws as if fully set out herein.

(D) The Board shall implement an affirmative action plan consistent with those required by the Lexington-Fayette Urban County Government for the hiring of consultants or employees. The Board shall not discriminate on the basis of race, sex, sexual orientation and gender identity, marital status, religion, age 40 and over, color, national origin, because the person is a qualified individual with a disability, or because the individual is a smoker or nonsmoker, in any of the District's operations and shall include such prohibition in all of its contracts.

(E) The Board shall, within ninety (90) days following the end of a fiscal year, cause to be prepared and submit a yearly audit pertaining to the expenditure of funds to the Mayor, Urban County Council, and the Department of Policy and Division of Budgeting. Such audit shall be completed by a certified public accountant and shall review all funds controlled by the Board.

(F) The Board Chair or his designee, on behalf of the Board, shall make an annual presentation to the Urban County Council regarding the operations of the District, and shall appear at any other meeting as reasonably requested by the Lexington-Fayette Urban County Government.

(G) The Board shall ensure that information regarding the general operations and finances (including revenue and expenditures) is publicly available through the District's website and other reasonable means;

(H) The Board shall prepare an annual report to the owners of benefited properties within the District evaluating the District's effectiveness and describing its accomplishments during the preceding fiscal year, which shall be sent at the same time the Economic Improvement Plan and budget are sent pursuant to this Article, section (B), part (2), with such report also forwarded to the Urban County Council.

(I) The Board shall submit a report to the Mayor and Urban County Council within sixty (60) days of the end of a fiscal year regarding the District's operation and detailing how it has addressed the directives and principles articulated in Lexington-Fayette Urban County Government Ordinance No. 52-2015. Such report is separate and distinct from any other report required herein.

(J) The Board may identify additional areas in downtown which would benefit from the economic improvements provided by the District, if any, and actively solicit and assist the property owners in the identified areas to petition the Mayor and the Urban County Council, in accord with state law, to expand the boundaries of the District to include these additional properties.

ARTICLE 5: MEETINGS OF THE BOARD OF DIRECTORS

(A) The Board of Directors shall regularly meet on the first Wednesday of the month at 8:30 a.m. at the Offices of McBrayer, McGinnis, Leslie & Kirkland, PLLC, 201 East Main Street, Suite 900, in Lexington, Kentucky.

(B) Quorum shall be defined as a majority of the total number of members of the Board of Directors.

(1) Quorum shall be required in order to the Board of Directors to transact any business.

(2) In the absence of quorum, the Board may take no official action aside from implementing measures to achieve quorum or adjourning the meeting.

(3) A member of the Board of Directors is deemed present for purposes of calculating quorum if they are physically present at the site of the meeting or if they are participating in the meeting through videoconferencing, or any other device that allows all members participating to simultaneously see and hear each other during the meeting, unless otherwise prohibited by law. A member of the Board of Directors may listen to a meeting through teleconferencing capabilities, but shall not be able to vote, nor shall be counted for purposes of establishing quorum.

(C) A special meeting of the Board of Directors may be called at any time by the Chair or by any three members of the Board. All members of the Board of Directors shall be notified of a special meeting via electronic mail, regular mail, or facsimile, with notice to be sent at least

seventy-two (72) hours in advance of the meeting. Such meeting shall take place at the regular meeting location or at any place specified within the meeting notice.

(D) The act of a majority of the members of the Board of Directors entitled to vote present at a meeting at which quorum is present shall be the act of the Board of Directors.

ARTICLE 6: DLMD ADVISORY COUNCIL

(A) The Board of Directors hereby establishes an Advisory Council to the Board of Directors, which shall be known as the "DLMD Advisory Council" (hereinafter "Advisory Council") and shall advise the Board on all matters referred to it by the Board.

(B) The Advisory Council shall consist of no more than five (5) members.

(1) Members of the Advisory Council shall be appointed by a majority vote of the Board for a term of one (1) year. A Member of the Advisory Council may be reappointed for up to five (5) successive terms; however, they must be re-elected to the position annually. In order to serve on the Advisory Council, and individual must:

(a) Be owners or tenants of property within the District; or

(b) Be individuals with technical knowledge of aspects of property beautification, security, or other economic improvements provided by the District.

(2) Vacancies on the Advisory Council may be filled at the discretion of the Board of Directors, provided that at all times, no more than (5) members are appointed to the Advisory Council.

(3) A member of the Advisory Council may be removed for any reason and at any time by a majority vote of the Board of Directors.

(4) At no time may an individual serve on both the Advisory Council and the Board. In the event that a member of the Advisory Council is appointed to serve on the Board, their appointment to the Advisory Council shall be vacated and a new member appointed, at the election of the Board, as provided herein.

(C) The Advisory Council shall prepare reports or recommendations for the Board of Directors consideration on issues referred to them by the Board of Directors that impact the operation of or management of the District. Additionally, members of the Advisory Council shall attend the monthly meeting of the Board, and may participate in the meeting; however, in no instance shall a member of the Advisory Council be permitted to vote on any matter pending before the Board.

(D) The Advisory Council shall meet as necessary at _____. Quorum shall be defined as half (50%) of the total number of members of the Advisory Council; provided, however, that a minimum of two members must be present to transact any business.

Advisory Council members shall be notified of a meeting via electronic mail, regular mail, or facsimile, with notice to be sent at least seventy-two (72) hours in advance of the meeting. The Advisory Council may also set regular meetings at its sole discretion.

ARTICLE 7: TERMINATION

The District shall be dissolved upon the earlier of (a) May 7, 2020, or (b) pursuant to KRS 91.762(2).

ARTICLE 8: MISCELLANEOUS PROVISIONS

(A) The Board of Directors shall have the power and authority to alter, amend, or repeal these Bylaws by the vote of a majority of all members of the Board of Directors.

(B) The Fiscal Year of the District shall coincide with the Fiscal Year of the Lexington-Fayette Urban County Government.

(C) The proceedings of the Board of Directors, the Advisory Council, and any committees shall be governed by and conducted in accordance with the latest edition of *Robert's Manual of Parliamentary Rules*, except where in conflict with these Bylaws.

(D) Unless the context specifically requires otherwise, any reference in these Bylaws to any gender shall include all genders, any reference to the singular shall include the plural and any reference to the plural shall include the singular.

(E) If any provision of these Bylaws, or its application to any person or circumstances, is held to be invalid or unenforceable by a court of competent jurisdiction, the remainder of these Bylaws, or the application of such provisions to persons or circumstances other than those to which it was held to be invalid or unenforceable, shall not be affected thereby, and to this extent, the provision of these Bylaws are severable.

The above Bylaws were duly adopted effective as of this, the _____ day of _____, 2016.

Secretary, Board of Directors

DRAFT

Downtown Lexington Management District

Fiscal Year 2016 - 2017

Fiscal Year 2017
(Jul 1 '16 - Jun 30 '17)
(9 months of operations)

Fiscal Year 2018
(Jul 1 '17 - Jun 30 '18)
(12 months of operations)

TAX BASE

Tax base (non-exempt)	\$ 415,000,000		\$ 415,000,000	
Tax rate, per \$100 value	\$0.10		\$0.10	
Tax collection baseline	\$415,000		\$415,000	

REVENUE		% of total revenue		% of total revenue
Tax revenue	\$ 410,850	94.3%	\$ 410,850	100.0%
Tax payment rate estimate	99.0%		99.0%	
Tax collection baseline x payment rate	\$ 410,850		\$ 410,850	
Loan	\$ 25,000	5.7%	\$ -	0.0%
LFUCG 0% interest loan, 2-year term	\$ 25,000		\$ -	
Total Revenue	\$ 435,850	100.0%	\$ 410,850	100.0%

EXPENSE				
	(9 months operations)		(12 months operations)	
Contract services package	\$ 168,750	38.7%	\$ 225,000	54.8%
Cleaning, washing, maintenance Ambassadors, safety, and hospitality Litter and graffiti removal Plants, labor, landscaping				
Special projects	\$ 70,625	16.2%	\$ 75,000	18.3%
Website and startup activities	\$ 25,000	5.7%	\$ 7,500	
Match grants	\$ 20,000	4.6%	\$ 30,000	
Board capital projects	\$ 20,000	4.6%	\$ 30,000	
Waste management corrals	\$ 3,750	0.9%	\$ 5,000	
Pedestrian wayfinding maintenance	\$ 1,875	0.4%	\$ 2,500	
Administrative costs	\$ 45,000	10.3%	\$ 60,000	14.6%
Administrator	\$ 42,750		\$ 57,000	
Management, supplies, property notices	\$ 2,250		\$ 3,000	
Loan repayment	\$ 12,500	2.9%	\$ 12,500	3.0%
LFUCG 0% interest loan, 2-year term	\$ 12,500		\$ 12,500	
Sheriff property tax collection	\$ 17,638	4.0%	\$ 17,638	4.3%
Collection rate of tax revenue	4.25%		4.25%	
Total expenses	\$ 314,513	72.2%	\$ 390,138	95.0%

RESERVES				
Operations escrow reserve for first 3 months of next fiscal year (25% of annual expenses)	\$ 99,004	22.7%	\$ 97,534	23.7%
Contingency reserve	\$ 20,543	4.7%	\$ 20,543	5.0%
Reserve rate (of tax revenue)	5.0%		5.0%	
Reserve	\$ 20,543		\$ 20,543	
NET INCOME	\$ 1,791	0.4%	\$ 1,640	0.4%
BALANCE	\$ 1,791	0.4%	\$ 3,431	0.8%



OFFICE OF THE SHERIFF

FAYETTE COUNTY
Kathy H. Witt
SHERIFF

March 25, 2016

Mr. James H. Frazier III
Chairman
The Downtown Lexington Management District
201 East Main St. Suite 900
Lexington, KY 40507

Dear Chairman Frazier,

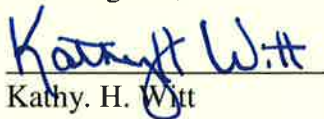
It was a pleasure to speak with you recently about The Downtown Lexington Management District and to learn that the board has been named and that things are moving forward! It is my understanding that this additional ad valorem assessment will be ready to be placed on the 2016 property tax bills.

As you are aware, the Office of the Fayette County Sheriff is the official tax collector of all ad valorem assessments on real property in Fayette County, and per KRS 134.119 the Office of the Fayette County Sheriff is deemed to be the collector of all property taxes in Fayette County. This is an important statutory duty that the Office of Sheriff is proud to perform.

The Office of the Fayette County Sheriff has always maintained the collection cycle from October 1-April 15. The Office of Sheriff will remit payments collected monthly to The Downtown Lexington Management District ten days after the month ends by whatever means is most convenient to the Management District. The Office of Sheriff will retain its statutory commission and remit the remainder of the monthly collection to The Downtown Lexington Management District. Therefore, you should receive your first monthly collection by November 10, 2016. Historically, the Office of the Fayette County Sheriff has maintained a 99% annual collection rate!

Should you have any questions before then, please feel free to contact me. I can be reached at 859.252.1771.

Best Regards,


Kathy H. Witt

Sheriff

	CITY NATIONAL BANK	FIFTH THIRD BANK	BANK OF THE BLUEGRASS	OLD NATIONAL BANK	BB&T	YOUR COMMUNITY BANK	TRADITIONAL BANK	COMMUNITY TRUST BANK
Monthly Fee	Yes (on less than \$1,000 minimum balance)	Yes (on less than \$3,500 minimum balance)	No	No	No	No	No	No
Minimum Balance	\$1,000	\$3,500	0	0	0	0	0	0
# Monthly Transactions	250	250	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Online Access	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Remote Deposit Capture	Yes	Unknown	Yes	Yes	Yes	Yes	Yes	Yes
Cost of Remote Deposit Capture	\$350 set up \$35 per month	n/a	0	0	0	0	0	0
Interest	0	0	0	0	0	0	.35% on balance over \$250,000.00	.20% on balance over \$100,000
E-statements with Images	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Courier Deposit Service	No	No	Yes	No	No	No	Yes	No
Free Checks/Deposit Tickets	No	No (25% discount on first order of checks)	No	No	No	1 free order of checks annually	No	1 st order of checks and deposit tickets

LOAN AGREEMENT

THIS LOAN AGREEMENT (the “Agreement) is made and entered into as of the ____ day of April, 2016, by and between the **DOWNTON LEXINGTON MANAGEMENT DISTRICT**, a Kentucky management district created pursuant to KRS 91.754, with its primary office located at _____, Lexington, Kentucky 4050_ (hereinafter the “District”) and the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Kentucky 40507 (hereinafter “Lexington”).

W I T N E S S E T H:

WHEREAS, the District is committed to improving properties located within the jurisdiction of its boundaries; and

WHEREAS, Lexington owns and/or manages several properties located within the boundaries of the District which will benefit from these improvements; and

WHEREAS, Lexington is willing to provide a loan to the District in recognition of the benefits it will receive and in order to aid the District with its initial start-up costs.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the receipt and sufficiency of which are acknowledged, the parties hereby agree as follows:

1. Lexington will provide the District with an interest free loan in the amount of Twenty-Five Thousand Dollars (\$25,000.00) with the use of the funds limited to be generally restricted to those uses further provided herein.

2. That the funds shall be provided to the District within thirty (30) days of the execution of this Agreement.

3. That the funds shall be repayable to Lexington in two equal installments of twelve thousand five hundred dollars (\$12,500.00) each, with the first payment due by no later than June 30, 2017, and the second payment due by no later than June 30, 2018.

4. That the failure to comply with the terms of this Agreement shall constitute a default.
5. That upon default the District shall be additionally liable to Lexington for interest in the amount of twelve percent (12%) per annum on any remaining outstanding amount.
6. That the District further agrees as follows: (a) that all funds must be expended for the purposes of providing the services as further generally described in Exhibit "A", which is attached hereto and which is incorporated herein by reference as if fully stated; and (b) that it will provide to Lexington, upon request, sufficient documentation of the appropriate expenditure of the funds, which shall include, at a minimum a written summary report of all of the expenditures made towards the services as of June 30, 2017 as well as a necessary final report.
7. This Agreement shall remain in effect until the District has fully complied with it, unless terminated by Lexington in writing for nonperformance at an earlier time.
8. The District shall ensure all duties and services included herein are performed faithfully and satisfactorily at the time, place and for the duration prescribed herein. The District shall keep itself fully informed of all national and state laws and all municipal ordinances and regulations in any manner affecting the work or performance of this Agreement, and shall at all times observe and comply with such laws, ordinances and regulations, whether or not such laws, ordinances or regulations are mentioned herein, to the extent applicable. The District shall indemnify Lexington, its officers, agents and employees against any claim or liability arising from and based on the District's violation of any such laws, ordinances or regulations.
9. Each party agrees that it shall be responsible for any claims or damages that are based upon its respective performance of this Agreement, or that are based upon the actions or inactions of its respective employees or agents.
10. The District shall keep and make available to Lexington any records related to this Agreement such as are necessary to support its performance of this Agreement Books of accounts shall be kept by the District and entries shall be made therein of all money, goods, effects, debts, sales,

purchases, receipts, payments and any other transactions of the District related to this Agreement and shall be made available to Lexington upon request.

11. The District shall allow Lexington any necessary reasonable access to monitor its performance under this Agreement.

12. In no event shall the parties be construed, held or become in any way for any purpose the employee of the other party, or partners, associates or joint ventures in the conduct of their respective endeavors or otherwise.

13. The District shall provide equal opportunity in employment for all qualified persons, shall prohibit discrimination in employment because of race, color, creed, national origin, sex, age, sexual orientation or gender identity, or handicap, shall promote equal employment through a positive, continuing program of equal employment, and shall cause any agency receiving funds provided pursuant to this Agreement to do so. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

14. Neither party may assign any of its rights and duties under this Agreement without the prior written consent of the other party. Notwithstanding the foregoing, Lexington understands that the work or services hereunder may ultimately be performed by persons or entities other than the District.

15. This Agreement does not create a contractual relationship with or right of action in favor of a third party against either the District or Lexington.

16. If any term or provision of this Agreement shall be found to be illegal or unenforceable, this Agreement shall remain in full force and such term or provision shall be deemed stricken.

17. This Agreement shall be governed in all respects by the laws of the Commonwealth of Kentucky and venue for all actions shall lie in Fayette County, Kentucky.

18. By mutual agreement, the parties to this Agreement may, from time to time, make written changes to any provision hereof. The District acknowledges that Lexington may make such changes only upon approval of its legislative authority, the Lexington-Fayette Urban County Council, and the signature of its Mayor.

19. This Agreement shall constitute the entire agreement between the parties and no representations, inducements, promises or agreements, oral or otherwise, which are not embodied herein shall be effective for any purpose. This Agreement shall replace any previous agreement between the parties on the same subject matter.

20. The waiver by either party of any breach of any provision of this Agreement shall not constitute a continuing waiver or waiver of any subsequent breach by either party of either the same or another provision of this Agreement.

IN WITNESS WHEREOF, the parties certify that they have been duly authorized to execute, deliver and perform this Loan Agreement, and have executed it as of the date first herein written.

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT**

BY: _____
JIM GRAY, MAYOR

ATTEST:

URBAN COUNTY COUNCIL CLERK

**DOWNTOWN LEXINGTON MANAGEMENT
DISTRICT**

BY: _____
_____, ITS CHAIRPERSON

COMMONWEALTH OF KENTUCKY)
)
COUNTY OF FAYETTE)

The foregoing Memorandum of Agreement was subscribed, sworn to and acknowledged before me by _____, as Chair of the Downtown Lexington Management District, on this the _____ day of _____, 2016.

My commission expires: _____

NOTARY PUBLIC, STATE AT LARGE, KY

DOWNTOWN LEXINGTON MANAGEMENT DISTRICT

201 E. Main Street, Suite 900
Lexington, Kentucky 40507

March 25, 2016

Mayor Jim Gray and
Members of the Urban County Council
200 East Main Street
Lexington, KY 40507

RE: Downtown Lexington Management District
Start-up Funds

Dear Mayor Gray and Members of the Urban County Council,

As Chairman of the Board of Directors of the newly formed Downtown Lexington Management District (DLMD), I am requesting a one-time financial contribution from the Lexington-Fayette Urban County Government to aid DLMD with start-up costs associated with this new endeavor.

Pursuant thereto, the DLMD will agree to enter into a Memorandum of Agreement with LFUCG setting forth the terms and conditions of the contribution between the parties as to the use of these funds.

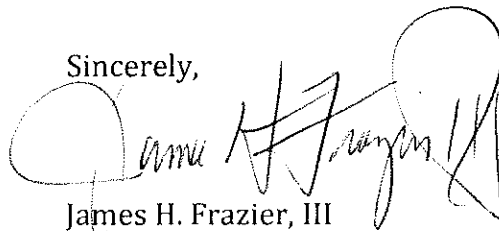
The DLMD is slated to receive property tax revenue at the end of calendar year 2016 to fund its work going forward. However, in advance of the receipt of those funds the DLMD would like to begin working on several activities immediately, which involve marketing and communications, and other infrastructure matters. The donation by LFUCG will greatly assist the DLMD in getting a jump start toward improving the downtown community.

The DLMD is proposing a draft budget for this request as follows:

Item	Description	Funds
Marketing and branding	<ul style="list-style-type: none"> • Provide branding and marketing support • Work could include naming, logo, letterhead and graphic design 	\$12,500.00
Website creation	<ul style="list-style-type: none"> • Launch publicly facing website that provides transparency to DLMD membership, activities • Include board roster and contact information 	\$5,000.00
Mail and communication with property owners	<ul style="list-style-type: none"> • Provide funds to mail budget and economic improvement plan to property owners, as required by ordinance 	\$2,500.00
Miscellaneous startup activities	<ul style="list-style-type: none"> • Reserve funds for miscellaneous startup activities 	\$5,000.00
Total:		\$25,000.00

The fifteen members of the Downtown Lexington Management District are committed to working together, and with district property owners, to improve downtown. The Board appreciates the cooperation of LFUCG in providing these startup funds.

Sincerely,



James H. Frazier, III
Chairman

JHFIII/klm