

February 3, 2023

**VIA Certified US Mail**

Kenton County Fiscal Court  
Attention: Kris Knochelmann, Judge Executive  
1840 Simon Kenton Way  
Suite 5200  
Covington, KY 41011

*Re: Development & Reimbursement Agreement for Parking Structure*

Dear Judge Knochelmann:

This Letter of Intent (“LOI”) serves as a non-binding expression of the Kentucky Transportation Cabinet (“KYTC”) and the Kenton County Fiscal Court’s (“County”) mutual intention to enter into a Development and Reimbursement Agreement to replace lost parking the Kenton Government Center (“Center”) at 1840 Simon Kenton Way, Covington KY 41011 will experience due to the Brent Spence Bridge Corridor Project (“Project”). The Project will cause the Center to lose employee parking under Interstate 75 between Martin Luther King Jr. Boulevard and Pike Street, and public parking along Simon Kenton Way frontage.

Upon the execution of this LOI, KYTC and the County will work together to establish a detailed development plan and reimbursement agreement for the Project (the “**Development & Reimbursement Agreement**”). The Development & Reimbursement Agreement (as it may be amended from time to time) will provide for KYTC’s reimbursement of the County for the Project expenses.

This LOI preliminarily establishes the terms which will become the framework of a binding Development & Reimbursement Agreement.

<p><b>1. Development &amp; Reimbursement Agreement</b></p>	<p>Following the execution and delivery of this LOI, the parties will negotiate and enter into a Development &amp; Reimbursement Agreement.</p>
<p><b>2. Pre-Development Costs</b></p>	<p>KYTC and the County will agree to a scope and budget for necessary and desirable pre-development efforts to evaluate the feasibility of the Project (the “<b>Pre-Development Budget</b>”). The Pre-Development Budget shall become part of the ultimate Development &amp; Reimbursement Agreement and include all expenses to be incurred from the date of execution and delivery of this LOI up to the date of the commencement of the Project including, but not limited to, engineering, design, and location reports and any other expenses incurred as a preliminary construction development cost (the “<b>Pre-Development Costs</b>”). KYTC shall reimburse the County up to \$<u>100,000.00</u> for the Pre-Development Costs.</p> <p>In no event shall Pre-Development Costs include real estate broker fees or legal fees.</p>
<p><b>3. Development Budget</b></p>	<p>The County will prepare and submit to KYTC for approval, the Development Budget (“<b>Development Budget</b>”). The Development Budget shall become part of the ultimate Development &amp; Reimbursement Agreement and include any and all Project Costs which are expected to be incurred from commencement of the Project through and including final completion and shall be revised only with the prior approval of KYTC, which shall not be unreasonably withheld, conditioned, or delayed.</p>

<p><b>4. Project Costs - Reimbursement</b></p>	<p>Upon the commencement of the Project, KYTC shall reimburse the County in partial payments. Within five (5) days of remitting payment to Contractor or a party in connection with the Project, the County shall submit to KYTC: (i) proof of payment, (ii) certification of the work completed in connection with the subject payment, (iii) lien waivers, (iv) a release and waiver of claims, (v) and any other documentation reasonably required by KYTC. If approved by KYTC, within thirty (30) days of receipt, KYTC shall promptly provide the County with the reimbursement payment. If KYTC does not approve the requested reimbursement, KYTC shall promptly provide the County a detailed explanation of the reasons for non-approval and a description of necessary additional requirements to approve the requested reimbursement.</p>
<p><b>5. Oversight Rights</b></p>	<p>KYTC shall advise and make recommendations to the County regarding the selection of all design professionals and consultants for the Project, including the Engineers and Architects (“<b>Design Consultants</b>”). The County shall be solely responsible for the selection and oversight of the Design. Notwithstanding anything to the contrary, KYTC reserves the right to approve all aspects of the Project, which approval shall not be unreasonably withheld.</p>
<p><b>6. Open Records Act</b></p>	<p>This transaction is subject to the Kentucky Open Records Act.</p>

<p><b>7. General Conditions</b></p>	<p>THE ABOVE TERMS ARE MEANT SOLELY TO INDICATE THE PARTIES' INTEREST IN THE PROJECT AND THE PROPOSED TRANSACTION. EXCEPT FOR THE AGREEMENTS SET FORTH IN THE BINDING PROVISIONS, THE PARTIES HERETO EXPRESSLY ACKNOWLEDGE AND AGREE THAT THIS LETTER IS INTENDED SOLELY TO SET FORTH THE GENERAL TERMS AND CONDITIONS UPON WHICH THE PARTIES HERETO DESIRE TO PURSUE THE TRANSACTION AND DOES NOT CONSTITUTE A LEGALLY BINDING AGREEMENT BETWEEN THE PARTIES, EXCEPT WITH RESPECT TO CONFIDENTIALITY AND EXCLUSIVITY AS DESCRIBED ABOVE. THIS LETTER DOES NOT PURPORT TO BE INCLUSIVE OF ALL THE TERMS AND CONDITIONS (MATERIAL OR OTHERWISE) RELATING TO THE TRANSACTION DESCRIBED HEREIN (OTHER THAN THE BINDING PROVISIONS) AND THAT NOTHING CONTAINED HEREIN, WHETHER STATED OR IMPLIED, SHALL IMPOSE ANY OBLIGATION OF ANY KIND UPON THE PARTIES HERETO. EXECUTION OF THE TRANSACTION WOULD BE SUBJECT TO, WITHOUT LIMITATION, THE NEGOTIATION AND EXECUTION OF DEFINITIVE DOCUMENTS</p>
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Upon execution of this LOI, KYTC’s counsel shall prepare the first drafts of the transaction documents within twenty (20) days. Each of the parties (and their respective affiliates or agencies) shall be solely responsible for its respective legal and administrative expenses associated with the transaction contemplated herein.

If the above stated general terms are acceptable, please sign and return a copy of this Letter to the undersigned.

**Commonwealth of Kentucky  
Transportation Cabinet  
Department of Highways**

By: \_\_\_\_\_  
Jim Gray, Secretary

Date: \_\_\_\_\_

**Commonwealth of Kentucky  
Transportation Cabinet  
Office of Legal Services**

By: \_\_\_\_\_  
William Fogle, Executive Director

Date: \_\_\_\_\_

Accepted By:

**Kenton County Fiscal Court**

By: \_\_\_\_\_  
Kris Knochelmann, Judge Executive

Date: \_\_\_\_\_