

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this "Agreement") is made and entered into as of September 27, 2017 by and between **LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT**, a Kentucky consolidated local government, acting by and through **LOUISVILLE FORWARD**, with an office located at 444 S. Fifth St., Suite 600, Louisville, Kentucky 40202 ("Metro") and **UNIVERSITY HEALTH CARE, INC., d/b/a PASSPORT HEALTH PLAN**, a Kentucky non-profit corporation, with its principal office at 5100 Commerce Crossings Drive, Louisville, Kentucky 40229-2128 ("Developer").

RECITALS

WHEREAS, Metro and Developer previously entered into a letter of intent dated March 24, 2017, as supplemented April 18, 2017, copies of which are attached hereto as Exhibit A and incorporated herein by reference (collectively, the "Letter of Intent"); and

WHEREAS, Metro supports Developer's plans to redevelop the Subject Property, as that term is defined in the Letter of Intent with a proposed "health and well-being campus" ("Project"); and

WHEREAS, the Letter of Intent contemplated the parties memorializing the Letter of Intent in a Development Agreement; and

NOW, THEREFORE, in consideration of the premises and the mutual covenants and undertakings contained herein and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

ARTICLE I

COVENANTS AND UNDERTAKINGS OF DEVELOPER

Section 1.01. Labor Requirements. Developer shall require the contractors constructing the Project to use their best efforts to achieve:

- A. A measurable and documented goal of at least 20% minority participation, including minorities and certified minority owned businesses, for all employees and contractors employed on the taxpayer subsidized project.
- B. A measurable and documented goal of at least 5% women participation, including females and certified female owned businesses, for employees and contractors employed on the taxpayer subsidized project.
- C. A measurable and documented goal that at least 75% of the taxpayer subsidized project jobs are given to residents of the entire county of all counties within the Louisville MSA.

Section 1.02. Codes. The construction of the Project shall comply with all federal, state and local codes, ordinances, statutes and regulations.

Section 1.03. Employment Regulations: Affirmative Action. Developer, its contractors and subcontractors, shall not refuse to hire or employ, nor bar or discharge from employment, nor discriminate against any person in compensation or in terms, conditions or privileges of employment because of sex, race, creed, color, national, origin, sexual orientation or disability. At all times during the construction of the Project, Developer shall take affirmative action to ensure that its employees and the employees of its contractors and subcontractors are treated fairly during employment, without regard to their sex, race, creed, color or national origin. This requirement shall apply to, but not be limited to, the following: employment; promotion; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation, and selection for training.

Section 1.04. Non-Discrimination. Upon completion of the Project and as applicable, Developer will not discriminate on the basis of race, sex, creed, disability, sexual orientation or national origin, in the sale lease, rental use or occupancy of the commercial units on the Property.

ARTICLE II

COVENANTS AND UNDERTAKINGS OF METRO

Section 2.01. Acquisition of Subject Property. Upon (i) execution of this Agreement and (ii) Developer closing on the Subject Property, Metro agrees to pay Developer \$762,000 to assist in the acquisition/land preparation costs for the Project. Should Developer fail to construct Phase 1 of the Project (Phase 1 shall consist of the construction and opening of an approximately 325,000 square foot building to serve as a headquarters for Developer and other uses), Developer agrees to repay this amount to Metro.

Section 2.02 Job Creation Incentive. Metro and Developer shall negotiate the number of jobs to be created in connection with Phase 1 of the Project ("Jobs Requirement"). Once the parties have reached agreement, Metro will request Metro Council approval of an appropriation of sufficient funds to pay for a \$500,000 incentive over five (5) years (\$100,000 per year) assuming that Jobs Requirement is satisfied for each year. If the Jobs Requirement is not met for any given year, then Metro shall have no further obligation to make any incentive payment to Developer for that specific year the Jobs Requirement is not met. Should Developer not satisfy the Jobs Requirement for any one year of the five-year term, Developer's nonperformance of the Jobs Requirement for that one year shall not affect Developer's eligibility to receive an incentive payment during any other year of the remaining five-year term. This incentive is subject to Metro Council approval in its discretion.

Section 2.03 Tax Increment Financing. The Project has been approved for Tax Increment Financing by Metro Council pursuant to Ordinance No. 162, Series 2017 on September 14, 2017.

Section 2.04 Streetscape Improvements. As part of an existing project to re-align the intersection of 18th Street (Dixie Highway) & W. Broadway, the Metro will construct or cause to be constructed all streetscape improvements and related infrastructure within the Metro's rights-of-way along Subject Property's frontage affected by the re-alignment project. Specifically, this means 18th Street (Dixie Highway) and a portion of the West Broadway frontage starting with the current intersection of 18th Street (Dixie Highway) and the re-aligned intersection, including the construction of sidewalks, street lights, bus stop shelters, the planting of street trees, and any other streetscape improvements deemed appropriate by Metro.

ARTICLE III MISCELLANEOUS

Section 3.01 Governing Law. This Agreement, the construction thereof and the rights and obligations of the parties hereunder shall be governed in all respects by the laws of the Commonwealth of Kentucky.

Section 3.02. Notices. Whenever a notice is required or permitted to be given to a party hereunder, such notice shall be in writing and shall be deemed to have been made when hand delivered or two (2) business days after being deposited in the United States mail, certified or registered mail return receipt requested, postage prepaid, addressed to the parties, at the addresses listed in the introductory paragraph to this Agreement.

Section 3.03. No Third Party Beneficiaries; No Partnership or Joint Venture Created. Nothing contained in this Agreement shall be deemed or construed as creating any relationship of third party beneficiary, principal and agent, general partnership or joint venture or other association or relationship among Developer and Metro. The terms and provisions of this Agreement are solely for the benefit of each of the parties hereto, their successor and permitted assigns, and shall not benefit in any manner any person not a party to this Agreement.

Section 3.04. Binding Effect. Each of the parties hereto covenants and warrants that (i) it is duly authorized to transact business in the Commonwealth of Kentucky, (ii) the person executing this Agreement on behalf of the party is duly authorized by the party to sign and execute this Agreement on its behalf, (iii) this Agreement is a valid and binding obligation on the party and enforceable in accordance with its terms, and (iv) it is the intention of each of the parties to this Agreement that it shall be binding and legally enforceable in accordance with its terms.

IN TESTIMONY WHEREOF, witness the signatures of the authorized representatives of the parties hereto as of the day and year first written above.

METRO:

**LOUISVILLE/JEFFERSON COUNTY METRO
GOVERNMENT**

Dated: 9/27/17

By: Greg Fischer, Deputy Chief of Staff
Greg Fischer, Mayor

DEVELOPER:

**UNIVERSITY HEALTH CARE, INC., d/b/a
PASSPORT HEALTH PLAN**

Dated: 9/27/17

By: [Signature]
Title: VP and Chief Compliance Officer

Approved as to form and legality:

Michael J. O'Connell
Jefferson County Attorney

By: [Signature]
JOHN A. WILMES
Assistant Jefferson County Attorney
531 Court Place, Suite 900
Louisville, KY 40202
(502) 574-3348

Exhibit A