

DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT is made and entered into this 15th day of January, 2001 by and among the MUHAMMAD ALI MUSEUM AND EDUCATION CENTER, INC., a Kentucky non-profit corporation, the CITY OF LOUISVILLE, KENTUCKY, a municipal corporation of the first class, acting by and through its LOUISVILLE DEVELOPMENT AUTHORITY, and the CITY OF LOUISVILLE PARKING AUTHORITY OF RIVER CITY (PARC), INC., a Kentucky non-profit, non-stock corporation.

WITNESSETH:

WHEREAS, the Center was established for the purpose of establishing a museum and education center honoring the life and beliefs of Muhammad Ali; and

WHEREAS, the museum and education center is to be located in Louisville, the hometown of Muhammad Ali; and

WHEREAS, PARC intends to construct a parking garage on the property bounded by Washington Street, River Road and Sixth and Seventh Streets and the City intends to construct a public plaza on top of the parking garage and extending to Main Street; and

WHEREAS, the Center desires to construct the museum and education center in conjunction with the construction of the garage and plaza; and

WHEREAS, the Center, in order to ensure that the design of the garage is compatible with the design of the museum and education center, desires to design the garage; and

WHEREAS, PARC and the City have determined that the location of the museum and education center on the plaza to be constructed will be in the best interests of PARC and the City

EXHIBIT A

"City Property"

Tract 1 as shown on the plat attached to the Deed dated December 22, 1997 of record in Deed Book 7030, Page 952 in the Office of the Jefferson County Clerk.

Being the same property acquired by the City pursuant to the above referenced deed.

since it will be a major tourist destination and enhance downtown Louisville as a place to work, live, play and learn.

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 **DEFINITIONS**

Section 1.01. Specific Terms. For purposes of this Agreement, the following words and phrases shall have the meanings assigned in this Section 1.01 unless the context clearly indicates that a contrary meaning is intended.

- A. **"Additional Foundation System"** shall mean the construction of additional or larger columns, piers, supports or footings within and beneath the Garage required to support the Building.
- B. **"Building"** shall mean the structure to be constructed by Center as part of the Project, together with all fixtures, furnishings and exhibits.
- C. **"Center"** shall mean the Muhammad Ali Museum and Education Center, Inc.
- D. **"Center Project"** shall mean the work to be undertaken by the Center as described in Section 2.01.
- E. **"Center Site"** shall mean the area (to include parking spaces as described in Section 3.04 and the Additional Foundation System) within the Garage to be leased to Center as more particularly described in Exhibit A together with the air rights extending above the Garage and through the Plaza area sufficient to accommodate the Building.
- F. **"City"** shall mean the City of Louisville.
- G. **"City Property"** shall mean the property owned by the City north of the PARC Property, as more particularly described in Exhibit B.
- H. **"Closing"** shall mean the event at which PARC and Center execute the Lease.

- I. **"Completion of Construction"** shall mean the date on which a party obtains a final certificate of occupancy from the City of Louisville Department of Inspections, Permits and Licenses for its element of the Project.
- J. **"Design Plans"** shall mean the preliminary plans and specifications for each element of the Project sufficient in scope to enable a party having review authority to reasonably determine that the design of such element conforms with the requirements of this Agreement.
- K. **"Development Site"** shall mean the portion of the Property reserved for future development by private developers, such site being more particularly illustrated on Exhibit C.
- L. **"Exhibit"** shall mean a number of designated exhibits attached to and forming part of this Agreement.
- M. **"Final Construction Drawings"** shall mean the final plans and specifications for an element of the Project in sufficient detail to provide for construction therefrom.
- N. **"Garage"** shall mean the multi-story parking structure to be constructed on the Garage Site more particularly illustrated on Exhibit D.
- O. **"Garage Site"** shall mean such portion of the Property upon which the Garage will be constructed as illustrated on Exhibit E.
- P. **"Lease"** shall mean the lease between Center and PARC for the Center Site entered into pursuant to Article VI.
- Q. **"LDA"** shall mean the Louisville Development Authority, an agency of the City.
- R. **"PARC"** shall mean the City of Louisville Parking Authority of River City (PARC), Inc.
- S. **"PARC Property"** shall mean the property known as the Kingfish Property located north of Washington Street between Sixth and Seventh Streets, and the two adjoining buildings located at 617 and 619 West Main Street, all as more particularly described on Exhibit F.
- T. **"Parking Spaces"** shall mean the parking spaces within the Garage to be conveyed to Center by PARC as provided in Section 3.04.
- U. **"Plaza"** shall mean the public open space to be constructed on top of the Garage, including the pedestrian bridge over Washington Street to Main Street and the pedestrian bridge over Sixth Street to the existing Belvedere and Plaza.

- V. **"Project"** shall mean all work to be performed by the parties pursuant to this Agreement, including but not limited to the design and construction of the Building, the design and construction of the Garage, the design and construction of the Plaza, and the furnishing and outfitting of the Building as a museum and education center.
- W. **"Property"** shall mean the City Property and the PARC Property collectively.
- X. **"Schedule"** shall mean the schedule of milestone events for the Project set forth in Section 5.02.
- Y. **"Section"** shall mean a Section of this Agreement.

ARTICLE II
COVENANTS AND UNDERTAKINGS OF CENTER

Section 2.01. Center Project Description. Center agrees to undertake the Center Project, at its sole expense, in accordance with the terms and conditions of this Agreement. The Center Project shall include the following elements:

- A. The design of the Building and the Additional Foundation System;
- B. The design of the Garage;
- C. The construction of the Building;
- D. The fit-out and equipping of the Building to enable it to be used as a first-class museum and education center; and
- E. The opening and operation of the Building as a first-class museum and education center.

Section 2.02. Building Design. Center shall cause to be prepared Design Plans for the Building which shall consist of approximately five levels above the Plaza and two levels beneath encompassing 100,000 square feet more or less. Center shall submit the Design Plans for the Building to LDA for review in accordance with the Schedule prior to applying for permits and approvals necessary to commence construction of the Building. LDA shall review the Design

Plans for the Building and provide any comments to Center in writing within thirty (30) days after receipt thereof.

Section 2.03. Garage Design. In consideration of the conveyance to Center of the Parking Spaces pursuant to Section 3.04, Center shall cause to be prepared Design Plans for the Garage which Garage shall consist of four levels, accommodate approximately 500 vehicles and have entrances on Sixth and Seventh Streets. Center's architect shall coordinate the preparation of the Design Plans for the Garage with PARC. The Design Plans for the Garage shall identify the Additional Foundation System required for the Building in such a manner that when PARC bids the construction of the Garage, the additional costs associated with the construction of the Additional Foundation System can be segregated from the other costs to construct the Garage. Upon the completion of the Design Plans for the Garage, Center shall submit such plans to PARC for review and approval in accordance with the Schedule, which approval shall not be unreasonably withheld, conditioned or delayed. Once PARC has approved the Design Plans for the Garage, Center shall prepare the Final Construction Drawings and deliver such to PARC which shall cause the Garage to be constructed as provided in Section 3.01. If the Garage is not constructed for reasons other than a breach by Center or Center's non-fulfillment of a condition precedent to Closing, PARC shall, promptly upon receipt of a request from Center, reimburse Center for the sums expended by Center in preparing Design Plans for the Garage and Final Construction Drawings for the Garage.

Section 2.04. Construction of Building.

A. Prior to commencing construction of the Building, Center shall enter into a long-term lease with PARC for the Center Site in accordance with Article VI.

B. Center, upon the approval of the Design Plans for the Building pursuant to Section 2.02, shall prepare Final Construction Drawings for the Building which conform to the Design Plans for the Building and shall enter into a contract with a responsible construction contractor to construct the Building substantially in accordance with the Design Plans and Final Construction Drawings for the Building and in all events in accordance with all applicable statutes, codes, laws, ordinances, rules and regulations.

C. Center shall verify that all construction of the Building shall be in accordance with the Final Construction Drawings for the Building. All construction shall be in a good and workmanlike manner.

D. Center shall construct the Building in accordance with the Schedule.

E. PARC and the City shall retain a right of entry upon the Center Site for their agents and employees engaged in construction inspection and supervision during working hours of the construction of the Building to enable the PARC and City to inspect the construction of the Building throughout the course of construction. PARC and the City agree to indemnify and hold harmless Center from and against any claims, demands, damages or liabilities by either of them or their respective agents or employees resulting from the exercise of the right of entry and inspection granted herein.

F. Upon Completion of Construction of the Building, Center shall outfit and equip the Building as a first-class museum and education center which shall be open to the public no later than the date specified in the Schedule.

G. Upon approval by LDA, as set out above, Center shall proceed expeditiously to obtain all permits and approvals required for construction of the Building, including but not limited to approval by the Downtown Development Review Overlay District Committee pursuant to L.C.O. §158.01-158.09.

H. The construction of the Building shall comply with all federal, state and local codes, ordinances, statutes and regulations, nothing herein notwithstanding.

I. Center shall cause the contractor engaged in constructing the Building to maintain a 100% performance and payment bond with corporate surety for the construction. The bond shall be in a form acceptable to the City and PARC and each shall be named as an obligee. The bond shall be in the form of one bond from the general contractor which will include bonds for sub-contractors.

J. Center, its contractors and subcontractors, shall not refuse to hire or employ, bar or discharge from employment, discriminate against any person in compensation or in terms, conditions or privileges of employment because of sex, race, creed, color or national origin. At all times during the construction of the Building, Center shall comply with City Ordinance No. 140, Series 1988 and shall take affirmative action to ensure that its employees and the employees of its contractors and subcontractors are treated 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, upgrading, demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training.

K. Except as may otherwise be provided herein, Center agrees to indemnify the City and PARC against any claim or filing of any lien on any part of the Property, the

Building, the Center Site or the Garage as a result of Center's construction of the Building and shall hold the City and PARC harmless from any and all such claims or liens.

L. Center shall provide the levels of insurance required by the City of Louisville's Risk Management Department including builder's risk insurance during construction of the Building, which insurance requirements are set forth on Exhibit G.

M. Center agrees to furnish security at the Center Site during construction of the Building at the level customarily in effect for equivalent construction sites in the Louisville metropolitan area.

Section 2.05. Payment for Additional Foundation System Center agrees to pay to PARC the additional, reasonable costs incurred by PARC directly attributable to the Additional Foundation System required to be constructed as part of the Garage to support the Building, in accordance with the terms of this Section 2.05. The parties agree that a reasonable estimate of the additional costs which will be directly attributable to the Additional Foundation System is \$200,000. Center shall pay the estimated costs of the Additional Foundation System to PARC no later than thirty (30) days after commencement of construction of the Garage. Within 30 days after Completion of Construction of the Garage, PARC shall deliver to Center a written reconciliation of the estimate with the actual, reasonable costs incurred by PARC in constructing the Garage that are directly attributable to the Additional Foundation System. Such reconciliation shall be certified by PARC's project architect and accompanied by copies of invoices or other written substantiation of the actual costs incurred by PARC. PARC may request reimbursement from Center at the same time it delivers such reconciliation if the actual, reasonable costs incurred by PARC directly attributable to the Additional Foundation System are substantially more than the estimated amount paid by Center. Center may request reimbursement from PARC

within thirty (30) days after delivery of the reconciliation if the actual, reasonable costs incurred by PARC directly attributable to the Additional Foundation System are substantially less than the estimated amount paid by Center.

Section 2.06. Additional Representations and Covenants of Center. Center

represents and covenants as follows:

A. Center is a Kentucky non-profit corporation duly formed and validly existing under the laws of the Commonwealth of Kentucky with the power and authority to enter into this Agreement.

B. Center is not a "foreign person" as that term is defined in Section 1445 of the Internal Revenue Code, and applicable regulations.

C. The execution of this Agreement and the undertaking of the Center Project by Center will not violate any applicable statute, law, ordinance, code, rule or regulation or any restriction or agreement binding upon or otherwise applicable to Center.

D. Center, in this Agreement and in any schedule, exhibit, document or certificate delivered in accordance with the terms hereof, has not made any untrue statement of a material fact or failed to state a material fact.

E. There are no actions, suits or proceedings pending or threatened against Center which would, if adversely determined, affect Center's ability to enter into this Agreement or to undertake the Center Project in accordance with this Agreement.

ARTICLE III
COVENANTS AND UNDERTAKINGS OF PARC

Section 3.01. Construction of Garage.

A. PARC agrees to construct the Garage, at its sole expense, except as otherwise provided in Section 2.05, in accordance with the Design Plans and the Final Construction Drawings for the Garage, and in all events in accordance with all applicable codes, laws, ordinances, rules and regulations. PARC shall not alter the Design Plans for the Garage or the Final Construction Drawings for the Garage without the consent of Center, which consent shall not be unreasonably withheld, delayed or conditioned.

B. PARC shall verify that all construction shall be in accordance with the Final Construction Drawings for the Garage and shall permit Center's architect to regularly inspect construction of the Garage to ensure that construction is in accordance with such drawings. All construction shall be in a good and workmanlike manner.

C. PARC shall construct the Garage in accordance with the Schedule.

D. PARC shall obtain and maintain the levels of insurance required by Exhibit G and shall name Center as additional insured of such insurance coverage.

E. Upon completion of the Garage, PARC shall operate the Garage as a parking garage facility to standards equal to or exceeding other facilities owned by PARC.

F. The Garage shall be open and operating at a date no later than that set forth in the Schedule.

G. City shall redevelop or cause to be redeveloped the Main Street Properties which are part of the PARC Property, providing a major entrance and access atrium to the Plaza across Washington St. Center shall have review and input into the final plans for such entrance

and access atrium. PARC's redevelopment of such entrance and access atrium shall be in accordance with such final plans.

Section 3.02. Lease. At the Closing, PARC agrees to enter into a long term lease with Center for the Center Site in accordance with Article VI.

Section 3.03. Right of Entry Agreement. Upon the execution of this Agreement, PARC grants to Center, its employees, agents and contractors, a right of entry on, under and above the PARC Property for the purpose of inspecting, measuring, appraising, testing and such other inquiries and examinations reasonably required to design the Garage and the Building, including the Additional Foundation System. Center agrees to indemnify and hold harmless PARC from and against any claims, damages, or liabilities resulting from Center's exercise of the right of entry granted herein.

Section 3.04. Parking Spaces.

A. In consideration of Center's obligation to design the Garage pursuant to Section 2.03, PARC agrees, upon Completion of Construction of the Garage, to lease to the Center, as part of the Lease for its exclusive use, a certain number of parking spaces within the Garage underneath the Building. The number of Parking Spaces to be conveyed to Center shall be determined as follows. Upon Completion of Construction of the Garage, PARC shall ascertain the final construction costs for the Garage following generally accepting accounting procedures ("Final Construction Costs"). The total design costs incurred by Center for the Garage shall be divided by the Final Construction Costs and the quotient of such calculation shall be restated as a certain percentage. The total number of Parking Spaces to be conveyed to Center shall be determined by applying the percentage determined above to the final number of Parking Spaces

within the Garage, but in no event shall be less than seventy four (74) Parking Spaces or more than ninety four (94) Parking Spaces.

B. Center may, at its sole expense, segregate the Parking Spaces from the remainder of the Garage and construct a gate system to limit access to the Parking Spaces. Center shall be solely responsible for maintaining the Parking Spaces. Center, at its expense, may also incorporate the area of the Parking Spaces into its office, display, storage or other museums and educational areas.

C. At the election of Center, Center may also permit PARC to use the Parking Spaces, or any portion of them, as public parking spaces in the Garage and receive a percentage of the net income from the Garage operation equivalent to the ratio of the number of such spaces allocated to public use to the total number of public spaces in the Garage. During any such period of PARC's use of Parking Spaces, the Parking Spaces being used by PARC shall be maintained by PARC. Such portion of the net income shall be paid to Center not less than quarterly. The Lease shall contain provisions more fully effectuating this arrangement.

Section 3.05. Additional Representations and Covenants of PARC. PARC represents and covenants as follows:

A. PARC is a Kentucky non-profit, non-stock corporation, duly formed and validly existing under the laws of the Commonwealth of Kentucky, with the power and authority to enter into this Agreement and to lease the Center Site to Center.

B. There are no leases, liens or encumbrances upon the Center Site which cannot be released prior to Closing.

C. At Closing, PARC shall hold good and marketable title to the Center Site in fee simple, free and clear of all encumbrances and objections except those which are acceptable to Center.

D. PARC, in this Agreement and any schedule, exhibit, document or certificate delivered in accordance with the terms hereof, had not made any untrue statement of a material fact, or failed to state a material fact.

ARTICLE IV
COVENANTS AND UNDERTAKINGS OF THE CITY

Section 4.01. Design and Construction of Plaza.

A. City, at its sole expense, agrees to design and construct the Plaza upon the Garage roof including no less than one pedestrian bridge across Sixth Street to the existing Belvedere and Plaza and a pedestrian walkway across Washington Street connecting to Main Street through buildings owned by PARC on Main Street. The Plaza shall consist of first-class public open space similar to the existing Belvedere and Plaza. Prior to commencing construction of the Plaza, City shall cause the Design Plans for the Plaza to be prepared and shall coordinate the preparation of such Design Plans with Center as provided herein. City shall afford to Center full input into the design planning efforts with respect to the Plaza and shall use its reasonable best efforts to coordinate the preparation of the Design Plans for the Plaza with the Center and its Design Plans for the Garage and Building as all of such Design Plans are being developed. City and Center agree that the Plaza shall be designed consistent with and complementary to the design of the Building and the Garage and shall substantially conform to the schematic site plan submitted on May 17, 2001. Finally, City shall provide Center adequate time and a reasonable

opportunity to review and provide input into the final Design Plans for the Plaza prior to commencement of construction of the Plaza.

B. City shall verify that construction of the Plaza shall be in accordance with the Design Plans and the Final Construction Drawings for the Plaza and in all events in accordance with all applicable codes, laws, ordinances, rules and regulations. All construction shall be in a good and workmanlike manner.

C. City shall construct the Plaza in accordance with the Schedule.

D. During the period of construction of the Plaza, City shall maintain the insurance coverage specified on Exhibit G and shall name Center as an additional insured of such insurance coverage.

E. City shall be responsible for obtaining the consent and approval of the Metropolitan Sewer District for changes to the floodwall system and floodwall gates to accommodate the Project.

F. Center shall be given the opportunity to provide review and input on any development plan that would result from a lease or sale of the Development Site.

Section 4.02. Reviews of Plans and Submittals. The City, acting through the LDA and other agencies or departments of the City as appropriate, agrees to review all plans, agreements and other submittals required by this Agreement to be reviewed or approved by the City, in a reasonably prompt manner.

Section 4.03. Sixth Street. Because the use of Sixth Street between Main Street and River Road will be altered by the construction of the Building and the Garage, Center desires that such portion of Sixth Street be redesigned to be a better environment for pedestrians and vehicles

approaching the Building. The City agrees to work with Center to develop a plan for the redesign of such portion of Sixth Street.

Section 4.04. Right of Entry Agreement. Upon the execution of this Agreement, the City grants to Center, its employees, agents and contractors, a right of entry on, under and above the City Property for the purpose of inspecting, measuring, appraising, testing and such other inquiries and examinations reasonably required to design the Garage and the Building, including the Additional Foundation System. Center agrees to indemnify and hold harmless City from and against any claims, damages, or liabilities resulting from Center's exercise of the right of entry granted herein.

Section 4.05. Conveyance of City Property. On or before the Closing, City agrees to convey the City Property to PARC by Special Warranty Deed for the sum of One Dollar (\$1.00).

Section 4.06. Additional Representations and Covenants of City. City represents and covenants as follows:

- A. City is a Kentucky municipal corporation of the first class organized pursuant to KRS Chapter 83 possessing the requisite authority to enter into this Agreement.
- B. City in this Agreement and any schedule, exhibit, document or certificate delivered in accordance with the terms hereof, has not made any untrue statement of a material fact or failed to state a material fact.

ARTICLE V **SCHEDULE**

Section 5.01. Project Time. Because the various elements of the Project will be constructed separately by Center, City and PARC it is of utmost importance to the parties that each party construct its element of the Project in a timely manner so as not to adversely affect the

schedule for construction of the elements to be constructed by the other parties. All parties acknowledge that time is of the essence and each covenants and agrees to strictly adhere to the Schedule set out in Section 5.02, except for delays caused by force majeure as provided in Section 7.06. No milestone date set forth in the Schedule shall be changed by a party unless such party shall have obtained prior written approval from the other two parties to the Agreement, which approval shall not be unreasonably withheld, conditioned or delayed.

Section 5.02. Project Schedule. All parties to this Agreement agree that each shall use its best efforts to meet the following milestone dates relevant to its element of the Project:

PROJECT SCHEDULE

| <u>Responsible Party</u> | <u>Milestone</u> | <u>Date to be Completed</u> |
|--------------------------|--|-----------------------------|
| Center | Submit Design Plans for Garage to PARC | February 15, 2002 |
| Center | Submit Design Plans for Building to City | March 15, 2002 |
| PARC | Commence Construction of Garage | April 15, 2002 |
| PARC/Center | Closing on Lease | November 15, 2002 |
| PARC | Center Site available to Center | February 15, 2003 |
| Center | Commence Construction of Building | February 15, 2003 |
| City | Commence Construction of Plaza | September 15, 2003 |
| PARC | Substantial completion of Garage | April 15, 2003 |
| City | Substantial completion of Plaza | July 15, 2004 |
| Center | Substantial completion of Building | April 15, 2004 |
| Center | Museum open to public | July 15, 2004 |

Section 5.03. Construction Advisory Team. Because of the need to coordinate scheduling of the various elements of the Project by the parties, PARC, Center and City agree to establish a Construction Advisory Team. The Construction Advisory Team shall consist of at least one representative from the City, PARC and Center. The Construction Advisory Team shall be appointed immediately upon the execution of this Agreement and shall meet regularly

throughout the design and construction phases of the Project in order to facilitate construction of the Project, coordinate construction of the various elements of the Project, and assist in the resolution of any issues which may arise between the parties during the construction of the Project.

ARTICLE VI **LEASE**

Section 6.01. Lease of Center Site. Upon the satisfaction of the conditions contained in Article VII, PARC agrees to enter into a lease of the Center Site to Center complying with the terms and conditions set out in Section 6.03.

Section 6.02. Description of the Site. The Center Site shall consist of the area of the Plaza and the portions of the _____ levels of the Garage as illustrated on Exhibit A.

Section 6.03. Terms and Conditions. The Lease shall contain, but not be limited to, the following terms and conditions:

A. The Lease shall commence on the date of execution and terminate on the date (i) 99 years from the date of execution, or (ii) the date the Building ceases being used as a museum and education center by Center and has not been placed in an alternative use as provided in this Section 6.03, whichever event occurs earlier. The Lease may be renewed for an additional term of 99 years at the Option of Center.

B. The rent for the Lease shall be \$1.00 per year. Rent for the entire initial term in the sum of \$99.00, shall be payable in advance, at the Closing, and rent for the renewal term shall be payable in advance prior to the expiration of the initial term.

C. Center shall be solely responsible for the maintenance of the Center Site, the Building, any wiring, piping, ducts or mechanical systems located in or under the Garage and

shall maintain such structures and systems in first class condition and in a good state of repair at all times during the term of the Lease. Center shall, as part of the Lease terms, be granted easements sufficient and appropriate to permit the construction, maintenance, repair and replacement of the wiring, piping, ducts and mechanical systems in and under the Garage. PARC shall maintain the Additional Foundation System.

F. Upon the termination of the Lease, at the end of its initial 99 year terms or thereafter, the Building shall become the property of PARC or, at the sole discretion of PARC, Center shall demolish the Building at its expense.

G. Upon any early termination of the Lease, PARC shall have a right of first refusal to acquire the Building for the then fair market value of the improvements which constitute the Building. Such right of first refusal shall extend for a period of ninety (90) days from the date of termination of the Lease. PARC and Center shall seek to agree upon the fair market value of the Building, but if they are unable to reach an agreement on the value of the Building within forty-five (45) days from the date of termination of the Lease, PARC and Center shall agree upon a certified and qualified appraiser who shall determine the fair market value of the Building on or before the ninetieth (90th) day after the termination of the Lease. PARC shall give notice of exercise of such right of first refusal in the manner provided for in this Agreement.

H. If PARC shall not execute the right of first refusal provided for above, Center shall have a period of one hundred twenty (120) days from the expiration of the PARC right of first refusal in which to sell the Building to another non-profit institution or for such other uses and to such other owners as to which PARC shall consent, such consent not to be unreasonably withheld, conditioned or delayed. Center shall give notice to PARC of prospective purchasers and uses of the Building in the manner provided for in this Agreement, and PARC

shall approve or disapprove such purchaser and use within ten (10) days after the receipt of such notice. Upon any sale of the Building pursuant to this section, the purchaser of the Building shall be provided with a Lease on the same terms as the Lease (subject to changed ownership and use) for what would have been the remaining term of the Lease but for the early termination of the Lease which triggered the right of first refusal and right of sale described in this Section 6.03.

Section 6.04. PARC Conditions to Closing. PARC shall not be obligated to execute the Lease unless the following conditions have been met, or, with the exception of D, E and F, waived by PARC in whole or in part prior to the Closing:

A. Center shall demonstrate, to the satisfaction of PARC, that it has sufficient financial resources (including sources of interim financing) to construct and complete the Building.

B. Design Plans for the Garage and Building shall be completed and approved by the City and PARC as appropriate.

C. The representations and warranties of Center set forth herein shall be true and correct as of the Closing.

D. The Board of PARC shall have authorized the Chairman of PARC to negotiate and execute the Lease.

E. PARC shall have received an opinion from its bond counsel that the entering into by PARC of the Lease and the construction of the Project in accordance with the terms of this Agreement does not cause PARC to be in breach of or in violation of (i) terms of the bond indenture to which PARC is subject, (ii) any provision of the Internal Revenue Code, or (iii) any provision of its articles of incorporation or bylaws. Such opinion shall be obtained within thirty (30) days of the date of this Agreement.

F. The City shall have conveyed the City Property to PARC.

Section 6.05. Center Conditions to Closing. Center shall not be required to execute the Lease unless the following conditions have been met or waived by Center in whole or in part prior to the Closing:

A. The representations and warranties of the City and PARC set forth herein shall be true and correct as of the Closing Date.

B. The Center Site shall not be threatened or materially adversely affected in any way as a result of earthquake, disaster, labor dispute, any action by the United States or any other governmental authority, flood, riot, civil disturbance, uprising, terrorism activity of armed forces or act of God or enemy.

C. Center shall have obtained, at its sole expense, a title commitment down-dated to the date of execution of the Lease from a title insurance company showing that the Center Site is owned by PARC in fee simple subject only to such exceptions to title as are reasonably acceptable to Center and PARC possesses the authority to lease the Center Site to Center.

D. The Board of Alderman of City shall have appropriated funds sufficient for City to construct the Plaza.

ARTICLE VII MISCELLANEOUS

Section 7.01. Provisions not Merged with Leases and Other Agreements. This Agreement shall not terminate upon the execution of the Lease or other documents required by this Agreement, and the provisions of this Agreement shall not be deemed to be merged into such Lease or such other documents.

Section 7.02. 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 7.03. Severability. Each and every provision hereof, including Articles, Sections, and Subsections shall be separate, several and distinct from each other provision hereof, and the invalidity, unenforceability or illegality of any such provision shall not affect the enforceability of any other provision hereof provided, in the event of such illegality, invalidity or unenforceability, the remaining provisions of this Agreement shall be construed and enforced so as to achieve as nearly as possible the original intentions of the parties and so as to maintain the integrity of the transaction..

Section 7.04. Section Headings and Captions. The section headings and captions in this Agreement are for convenience of reference only and shall not affect the construction of the terms and provisions hereof.

Section 7.05. Time of the Essence: Mutual Extension: Diligent Performance. Time shall be of the essence with respect to the duties and obligations imposed on the parties hereto. Where any time for performance or otherwise is set forth herein, such time may be extended only by written agreement of PARC, the City and Center. 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 manner and to complete the performance of such duty or obligation as soon as reasonably practicable after commencement of performance thereof.

Section 7.06. Force Majeure. In the event that any element of the Project shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason

If to PARC:

Cathy Duncan
Executive Administrator
City of Louisville Parking Authority
of River City (PARC), Inc.
315 Guthrie Green, Suite 300
Louisville, Kentucky 40202

Section 7.07. Entirety of Agreement. This Agreement, together with all Exhibits attached hereto, constitutes the entire understanding and agreement of the parties with respect to the matters set forth herein, and all prior agreements and understandings, among the City, Center and PARC, are merged herein. The Exhibits to this agreement constitute a material part hereof and are incorporated by reference herein. This Agreement may not be modified, amended or revoked, except in writing, executed by each of the parties.

Section 7.09. Successors and Assigns. The covenants, terms and conditions contained in this Agreement shall inure to the benefit of the successors and permitted assigns of the parties hereto; however, Center shall not assign or transfer any interests under this Agreement without the prior written consent of the City and PARC which consent shall not be unreasonably withheld, conditioned or delayed. Center shall be permitted to assign its rights hereunder to an affiliated entity.

Section 7.10. Estoppels. Each of the parties hereto agrees to provide to the others, or to such third parties as may be reasonably requested by the others, written estoppels from time to time certifying, among other matters, if true, the continued viability of this Agreement, the absence of any defaults hereunder (or, if defaults exist, specifying in detail the nature of such defaults), the status of the obligations of the parties each to the other, and such other matters as may reasonably be requested by the party requesting such estoppel certificate(s).

Section 7.11. No Third Party Beneficiaries; No Partnership or Joint Venture

Created. Each of the parties hereto agrees that nothing contained in this Agreement shall be deemed or construed by any of them, or by any third party, as creating any relationship of third party beneficiary, principal and agent, general partnership or joint venture or any other association or relationship among Center, City and PARC. The terms and provisions of this Agreement are solely for the benefit of each of the parties hereto, their successors and permitted assigns, and shall not benefit in any manner any person not a party to this Agreement.

Section 7.12. No Abrogation of Legal Requirements. Nothing contained herein shall be construed to permit any party to violate any applicable law, regulation or code.

Section 7.13. Default.

A. If Center materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein, or there has been a substantial decrease in Center's capacity to complete construction of the Building, from that prevailing on the date of this Agreement City or PARC may give written notice that remedial action must be taken within thirty (30) calendar days. Center shall correct such breach or default within thirty (30) days after Center's receipt of such written notice. If the default is not reasonably curable within thirty (30) days, then Center may continue to cure the default or breach so long as the City and PARC are reasonably satisfied that sufficient progress is being made toward a cure. If such action is not taken, the City and PARC may terminate the Agreement by giving written notice to Center at least ten (10) days prior to the effective date of termination.

In the event of any such termination City and PARC shall be relieved of any executory obligations hereunder, the Lease shall be terminated and City and PARC shall be

entitled to any additional remedy and damages available to them at law or in equity provided, only direct damages, and not indirect, consequential or other damages, may be recovered.

B. If either City or PARC materially breaches or defaults on its obligations under this Agreement or any of the documents incorporated herein, Center may give written notice that remedial action must be taken within thirty (30) calendar days. Such notice shall be sent to both City and PARC. City or PARC shall correct such breach or default within thirty (30) days after City's and PARC's receipt of such written notice. However, if the default is not reasonably curable within thirty (30) days, City or PARC may continue to cure the default or breach so long as Center is satisfied that sufficient progress is being made toward a cure. If such action is not taken, Center may terminate the Agreement and the Lease by giving written notice to City and PARC at least ten (10) days prior to the effective date of termination.

In the event of any such termination Center shall be relieved of any executory obligations hereunder and under the Lease and shall be entitled to any remedy and damages available to it at law or in equity provided, only direct damages, and not indirect, consequential or other damages may be recovered.

Section 7.14. Indemnification. Each of Center, City and PARC agrees to indemnify and hold the others, their directors, officers, employees and agents harmless from and against any and all claims, demands, suits, proceedings, judgments, losses, liabilities, damages (limited to direct damages and exclusive of indirect, consequential or other damages), costs and expenses of every kind and nature (including, but not limited to, reasonable attorneys' fees) imposed upon or incurred by such other parties as a result of or in connection with any of the following:

A. Any misrepresentation or breach of warranty made by a party (the "Defaulting Party") in this Agreement or in any agreement or instrument executed by it in connection herewith or pursuant hereto.

B. The breach of or default in the performance of any covenant, agreement or obligation to be performed by the Defaulting Party pursuant to this Agreement.

C. Any claim, damage loss or expense attributable to personal injury, bodily injury, sickness, disease or death, or to injury to or destruction of property, including the loss of use resulting therefrom, arising from or resulting from their actions or acts and occurrences upon property controlled by that party under the terms of this Agreement unless caused by the act or omission of the claiming party or their agents, employees, invitees, guests, officers or directors.

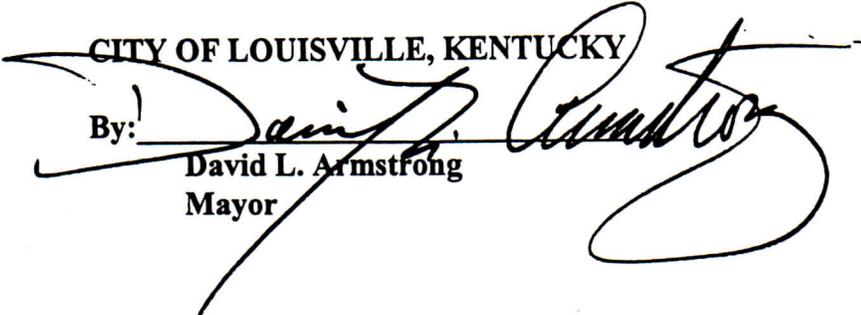
Section 7.15. Binding Effect. Each of the parties hereto covenants and warrants that (i) it is duly authorized to transact business in the Commonwealth of Kentucky, (ii) the person executing this Agreement on behalf of the party is duly authorized by the party to sign and execute this Agreement on its 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.

"CITY"

CITY OF LOUISVILLE, KENTUCKY

By:


David L. Armstrong
Mayor

"PARC"

CITY OF LOUISVILLE
PARKING AUTHORITY OF
RIVER CITY (PARC), INC.

By: C. Bruce Traugber
C. Bruce Traugber
Chairman

"CENTER"

MUHAMMAD ALI MUSEUM
AND EDUCATION CENTER, INC.

By: Michael J. Fox
Michael J. Fox
President/Chief Executive Officer

Approved as to Form:

J. David Morris
J. David Morris
Senior Attorney
City of Louisville

[JDM:ALI]
DA-ALI CENTER 12-13-01

EXHIBITS

| | |
|-----------|------------------|
| EXHIBIT A | Center Site |
| EXHIBIT B | City Property |
| EXHIBIT C | Development Site |
| EXHIBIT D | Garage |
| EXHIBIT E | Garage Site |
| EXHIBIT F | PARC Property |
| EXHIBIT G | Insurance |

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