

## DEVELOPMENT AGREEMENT

This Development Agreement (the "Development Agreement"), effective July 17, 2003, is between Louisville/Jefferson County Metro Government, (successor to the City of Louisville, a Kentucky local government ("Metro"), the Louisville Development Authority (d/b/a Metropolitan Development Authority), a Kentucky non-profit corporation created as a public agency of Metro ("MDA"), and Churchill Downs Incorporated, a Kentucky corporation, ("Churchill Downs").

### RECITALS

**WHEREAS**, the predecessor to Metro, the City of Louisville ("City"), has established by Ordinance No. 73, Series 2002, adopted on June 11, 2002, a development area (the "Development Area") within Metro, as more particularly described in Exhibit A attached hereto and incorporated herein by reference, which Development Area meets the definition of "development area" within the meaning of KRS 65.700-65.703 (the "Act"); and

**WHEREAS**, Churchill Downs is commencing a major project to expand and upgrade the facilities at Churchill Downs racetrack as more particularly described in Exhibit B attached hereto and incorporated by reference (the "Project"), which is all within the Development Area and which meets the definition of "project" under the Act, and

**WHEREAS**, MDA is organized and incorporated as a non-profit corporation pursuant to KRS 58.180 to accomplish public purposes of Metro; and

**WHEREAS**, in accordance with the provisions of the Act and in connection with the City's establishment of the Development Area, Metro, the Commonwealth of Kentucky by and through the Finance and Administration Cabinet and the Tourism Cabinet (the "State") and Metro have entered in a grant contract dated July 12, 2002 for the release from the State and Metro to Churchill Downs, a portion of the incremental tax revenues derived by the State and Metro as a result of Churchill Downs' undertaking of the Project within the Development Area (the "State Grant Contract"); and

**WHEREAS**, Metro and MDA have entered into a grant contract dated \_\_\_\_\_ for the release from Metro to MDA of a portion of the incremental tax revenues derived from Metro as a result of Churchill Downs' undertaking of the Project (the "Metro Grant Contract") (the State Grant Contract and the Metro Grant Contract may be referred to collectively as the "Grant Contracts"); and

**WHEREAS**, Metro, MDA and Churchill Downs entered into a Memorandum of Intent dated July 12, 2002, evidencing their intent to enter into a development agreement specifying the terms and conditions under which incremental tax revenues

released to MDA pursuant to the Grant Contracts will be paid to Churchill Downs for the exclusive use of the Project; and

**WHEREAS**, pursuant to KRS 67C.101 Metro assumed the contractual obligations of the City; and

**WHEREAS**, this Development Agreement sets forth such terms and conditions for the release to Churchill Downs of the incremental tax revenues resulting from the Development Area paid to MDA pursuant to the Grant Contracts.

**NOW, THEREFORE**, in consideration of the premises and the additional consideration provided herein, Metro, MDA and Churchill Downs agree as follows:

**Section 1. Definitions.** In addition to the terms defined in the above recitals, the capitalized terms used herein shall have the meanings assigned to them in the Act, the Grant Contracts and the Memorandum of Intent. In the event of any inconsistency among the definitions, the Act shall control. In the event any inconsistency between the Grant Contracts and the Memorandum of Intent, the Grant Contracts shall control.

**Section 2. Representations and Warranties.** Churchill Downs, Metro and MDA, as applicable, hereby represent and warrant to each other as follows:

2.1 **Existence.**

- (a) MDA is a duly organized and validly existing non-stock, non-profit, corporation under the laws of the Commonwealth of Kentucky.
- (b) Metro, the successor in interest to the City, is a duly organized and validly existing local government established pursuant to KRS 67C.
- (c) Churchill Downs is a duly organized and validly existing corporation under the laws of the Commonwealth of Kentucky.

2.2 **Authority to Act.** Churchill Downs, MDA and Metro each has the requisite power, capacity and authority to execute and deliver this Development Agreement, to consummate the transactions contemplated hereby, and to observe and to perform this Development Agreement, in accordance with its terms and conditions. The officers and officials executing and delivering this Development Agreement on behalf of Churchill Downs, MDA and Metro have been and are duly authorized to enter into this Development Agreement on behalf of Churchill Downs, MDA and/or Metro, respectively.

2.3 **Validity of Development Agreement; Compliance with Law.** This Development Agreement is the legal, valid and binding obligation of the representing party enforceable in accordance with its terms and conditions. The execution and delivery of this Development Agreement, and the performance or observance by the representing

party of the terms and conditions thereof, do not and will not violate any provisions of Churchill Downs' Articles of Incorporation or Bylaws, MDA's Articles of Incorporation, or any laws applicable to either Churchill Downs, MDA or Metro, respectively.

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

2.5 Conflicting Transactions. The consummation of the transactions contemplated hereby and the performance of the obligations of the representing party under and by virtue of this Development Agreement shall not result in any breach of, or constitute a default under, any material contract, agreement, lease, indenture, bond, note, loan or credit agreement to which the representing party is a party or by which it is bound.

2.6 Disclosure. This Development Agreement does not contain any false or misleading statement of or omission of any material fact by the representing party.

2.7 Approvals. The representing party has taken all actions necessary to approve the Development Agreement, the Project and the Development Area.

**Section 3. Term**. The term of this Development Agreement shall be until the earliest of (i) December 31, 2024, (ii) the State election to terminate the State Grant Contract at the end of any current calendar year upon sixty (60) days' prior written notice to MDA, or (iii) with respect to the State Increment only, the aggregate State Increment paid to MDA since the Activation Date equals \$25,000,000, or (iv) the termination of this Agreement in accordance with the terms hereof (the "Term").

**Section 4. Churchill Downs' Covenants**.

4.1 Project. Churchill Downs covenants and agrees to construct the Project substantially as set forth in Exhibit B.

4.2 Use of Increments. Churchill Downs covenants and agrees that it will use the Grant Funds/Increments solely in connection with or related to the Project within the Development Area. Without limiting the generality of the foregoing, Churchill Downs covenants and agrees to use the Increments solely and exclusively for the purposes of constructing the Project or paying debt service on debt incurred exclusively for the Project which will be constructed exclusively within the Development Area.

4.3 Tax Account Numbers. Churchill Downs shall establish for and on behalf of its business operating within the Development Area and shall require each Area Business to maintain a separate sales tax account number and a separate Louisville/Jefferson County Revenue Commission occupational license fee account number ("Account

Numbers"). In addition, Churchill Downs shall furnish to MDA the registered name of each Area Business and the Account Numbers for all Area Businesses. Churchill Downs shall have a duty to notify MDA of any changes to the Account Numbers and Area Businesses. If Churchill Downs fails to promptly notify MDA of any changes to the Account Numbers, Metro and the State reserve the right to disregard when calculating the State Increment and the City Increment, the taxes paid in connection with the changed Account Numbers.

4.4 Internal Accounting Protocol. Churchill Downs will establish an internal accounting protocol satisfactory to MDA which will enable an independent auditor to determine with reasonable certainty that all Grant Funds/Increments received by Churchill Downs in any one year were expended solely and exclusively for the Project located within the Development Area.

4.5 (a) Audit. At the close of each year in which Churchill Downs receives Grant Funds/Increments pursuant to this Agreement, Churchill Downs shall employ an independent certified public accountant satisfactory to MDA which shall audit the records of Churchill Downs and certify that all Grant Funds/Increments used by Churchill Downs were expended exclusively for the Project within the Development Area. The parties agree that the initial independent certified public accountant is PricewaterhouseCoopers.

(b) Certification. Churchill Downs shall provide to MDA, no later than forty-five (45) days after the end of each calendar year during the term of this Development Agreement, certifications, substantially in the form of Exhibit C and D, attached hereto and incorporated herein by reference, as to the use of proceeds of the Grant Funds/Increments during the preceding calendar year. In the event that Churchill Downs fails to use the proceeds of the Grant Funds/Increments as set forth in the previous sentence and such failure continues for thirty (30) days after written notice from MDA to Churchill Downs, then MDA may immediately terminate this Development Agreement.

4.6 Repayment. In the event that an audit conducted pursuant to subsection 4.5 determines that any Grant Funds/Increments were used by Churchill Downs for purposes other than the Project within the Development Area, Churchill Downs shall immediately repay such Grant Funds/Increments otherwise used to MDA with interest at six (6%) percent per annum, payable from the date of payment by MDA to Churchill Downs of such Grant Funds/Increments.

4.7 Right to Terminate. In the event Churchill Downs does not undertake the Project or breaches its obligations under the Development Agreement, Metro shall have the right to terminate the Development Agreement and pursue any remedies it may have in law or equity against Churchill Downs, including but not limited to requiring repayment of all Grant Funds/Increments received by Churchill Downs prior to the breach of the Development Agreement.

**Section 5. MDA's and Metro's Covenants.**

5.1 Payment of Grant Funds/Increments. MDA covenants and agrees to pay to Churchill Downs the Grant Funds/Increments within thirty (30) days of MDA's receipt of such moneys.

5.2 Submission of Request. MDA covenants and agrees to submit a request for 80% of the State Increments to the Finance Cabinet by \_\_\_\_\_ of each year during the Term and for 80% of the Metro Increment to Metro by \_\_\_\_\_ of each year during the Term. MDA covenants and agrees to provide the State and Metro with the information, including any requisite certification, to facilitate the State's and Metro's payment of the State Increment and the Metro Increment. MDA shall submit the New Revenue Determination in writing to the Tourism Cabinet and Metro for review, along with a report which includes all tax Account Numbers furnished to MDA by Churchill Downs. Churchill Downs covenants and agrees to provide the information, including any requisite certification, to enable MDA to provide the information required by the State and Metro.

5.3 Determination of State Old Revenue. Churchill Downs shall provide to Metro all information necessary to enable the State and MDA to determine with reasonable accuracy the State Old Revenue and the Metro Old Revenue. This information shall include, but not be limited to, all tax liabilities of Churchill Downs during the calendar year 2001. Metro and MDA, in conjunction with the State, shall stipulate by addendum to the State Grant Contract and the Metro Grant Contract the amount which is deemed to be State Old Revenue for purposes of the State Grant Contract and the amount which is deemed to be Metro Old Revenue for purposes of the Metro Grant Contract.

**Section 6. Miscellaneous.**

6.1 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.

6.2 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.

6.3 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.

6.4 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 by mutual agreement of Metro, MDA and Churchill Downs. 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.

6.5 Force Majeure. In the event that Metro, MDA or Churchill Downs shall be delayed, hindered in or prevented from the performance of any act required hereunder by reason of unusually inclement weather, strikes, lock-outs, labor troubles, inability to procure materials which could not have been reasonably anticipated and avoided by Metro, MDA or Churchill Downs (as applicable), failure of power, restrictive governmental laws or regulations, riots, insurrection, war, the act, failure to act or default of the other party, or other causes beyond such party's reasonable control, then performance of such act shall be extended for a period equivalent to the period of such delay.

6.6 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 four (4) business days after being deposited in the United States mail, certified or registered mail return receipt requested, postage prepaid, addressed to the parties, or to such other address as the receiving party shall have notified the sender, as follows:

If to Churchill Downs: Michael E. Miller  
Executive Vice President and  
Chief Financial Officer  
700 Central Avenue  
Louisville, Kentucky 40208

With copy to: Rebecca C. Reed  
Senior Vice President,  
General Counsel and Secretary  
700 Central Avenue  
Louisville, Kentucky 40208

If to MDA:  
Metropolitan Development Authority  
600 W. Main St., Suite 300  
Louisville, Kentucky 40202  
Attn: Executive Director

With copy to: Office of Jefferson County Attorney  
444 South Fifth Street  
Louisville, Kentucky 40202  
Attn: J. David Morris

If to Metro: Office of the Mayor  
Louisville/Jefferson County Metro Government  
Metro Hall  
527 West Jefferson Street  
Louisville, Kentucky 40202

6.7 Brokers and Finders' Fees and Expenses. Each of the parties represents and warrants to the other that it has engaged no broker or finder in connection with the negotiation of this Agreement, and each party indemnifies and holds the other harmless against any claims for fees for such services by any person or firm claiming under or through such indemnitor. Each party hereto shall bear its own respective expenses and costs for legal, accounting and administrative services in connection with the negotiation of this Agreement and consummation of the transactions contemplated hereby, except as mutually agreed to by the parties. Each party hereto indemnifies and holds the other harmless against any claims for fees for such services by any person or firm claiming under or through such indemnitor.

6.8 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.

6.9 Estoppels. Each of the parties hereto agrees to provide to the other, or to such third parties as may be reasonably requested by the other, written estoppels from time to time certifying, among other matters, the continued effectiveness 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).

6.10 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 either 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 between Metro, MDA and Churchill Downs. 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.

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

6.12 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.

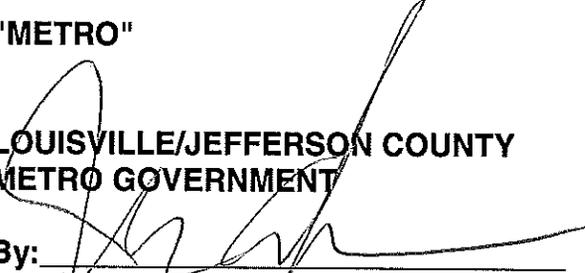
6.13 Assignment. Developer may not assign its interest in this Agreement to any other person or entity without obtaining the prior approval of Metro.

6.14 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original copy of this Agreement and all of which, when taken together, shall be deemed to constitute one and the same agreement.

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

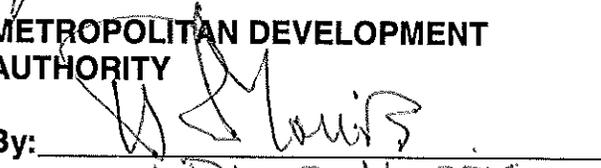
"METRO"

LOUISVILLE/JEFFERSON COUNTY  
METRO GOVERNMENT

By: 

JERRY E. ABRAMSON  
MAYOR

METROPOLITAN DEVELOPMENT  
AUTHORITY

By: 

J. DAVID MORRIS  
EXECUTIVE DIRECTOR

**CHURCHILL DOWNS INCORPORATED**

By:   
**MICHAEL E. MILLER**  
**EXECUTIVE VICE PRESIDENT AND**  
**CHIEF FINANCIAL OFFICER**

[JDM/CHURCHILL DOWNS]  
Churchill Downs Development Agreement

ORDINANCE NO. 73, SERIES 2002

AN ORDINANCE CREATING A DEVELOPMENT AREA PURSUANT TO KRS 65.700-65.703 WITHIN THE CITY OF LOUISVILLE TO BE KNOWN AS THE CHURCHILL DOWNS DEVELOPMENT AREA, DESIGNATING THE LOUISVILLE DEVELOPMENT AUTHORITY AS THE AGENCY AS DEFINED IN KRS 65.700 FOR AND ON BEHALF OF THE CITY IN ADMINISTERING THE CHURCHILL DOWNS DEVELOPMENT AREA, AUTHORIZING THE MAYOR TO EXECUTE ON BEHALF OF THE CITY A GRANT CONTRACT BETWEEN THE CITY AND THE LOUISVILLE DEVELOPMENT AUTHORITY, A GRANT CONTRACT AMONG THE COMMONWEALTH OF KENTUCKY, THE CITY AND THE LOUISVILLE DEVELOPMENT AUTHORITY, A GRANT CONTRACT AMONG JEFFERSON COUNTY, THE CITY AND THE LOUISVILLE DEVELOPMENT AUTHORITY, AND A DEVELOPMENT AGREEMENT BETWEEN THE CITY OF LOUISVILLE, ACTING BY AND THROUGH THE LOUISVILLE DEVELOPMENT AUTHORITY AND CHURCHILL DOWNS INCORPORATED. (AS AMENDED)

SPONSORED BY: ALD. GREGG

WHEREAS, Kentucky Revised Acts 65.700 through 65.703 (the "Act") authorizes the City to create a development area for the purpose of constructing one or more economic projects within such development area ("Development Area"); and

WHEREAS, the Act further authorizes each taxing district having jurisdiction over a Development Area to enter into a grant contract with a

designated agency to release to such agency up to eighty percent (80%) of new taxes created by the projects to be constructed in the Development Area, to be used by such agency solely for the purposes of the projects to be constructed within the Development Area; and

**WHEREAS**, Churchill Downs is a unique asset of the City of Louisville, being both a world famous cultural icon and a thriving business which contributes significantly to the economy of the City through employment, tourism and tax dollars; and

**WHEREAS**, Churchill Downs Incorporated, the owner of Churchill Downs, is commencing a major project to expand and upgrade the facilities of Churchill Downs ("Project") and has requested the City to establish a Development Area encompassing Churchill Downs so that the City, Jefferson County ("County") and the Commonwealth of Kentucky ("State") can provide assistance to the Project pursuant to the Act; and

**WHEREAS**, the Board has determined that the Project will enhance Churchill Downs and create new jobs for the community and increase tax revenues to the City, and that it is therefore in furtherance of the public purposes of the City to create the Development Area and provide assistance to the Project pursuant to the Act; and

WHEREAS, the Act requires the City to designate a department, division or development authority of the City to act as the designated agency to administer the Development Area and any grant contracts, and it has been determined that the Louisville Development Authority shall best serve the public purposes by acting as such designated agency; and

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF LOUISVILLE:**

**Section 1.** That this Board authorizes the creation of a Development Area, pursuant to the Act, to be known as the Churchill Downs Development Area, such Churchill Downs Development Area being described in Exhibit A attached hereto.

**Section 2.** That the Mayor is authorized to execute, on behalf of the City, a grant contract by and between the City and the Louisville Development Authority ("LDA") for the release to LDA of up to eighty percent (80%) of new revenues, as defined in the Act, derived by the City from the Project to be undertaken within the Churchill Downs Development Area.

**Section 3.** That in order to assist the Project, this Board supports and pledges to cooperate with LDA and Churchill Downs Incorporated in obtaining a similar grant contract from the County of Jefferson and the Commonwealth of Kentucky in order to similarly release up to eighty percent (80%) of new revenues,

as defined by the Act, derived from the Project to be undertaken within the Churchill Downs Development Area; in the event the County agrees to enter into a grant contract, that the Mayor is authorized to execute, on behalf of the City, a grant contract for the release to LDA of up to eighty percent (80%) of new revenues, as defined in the Act, derived by the County from the Project to be undertaken within the Churchill Downs Development Area; and in the event the State agrees to enter into a grant contract, that the Mayor is authorized to execute, on behalf of the City, a grant contract by and among the City, State and LDA for the release of up to eighty percent (80%) of new revenues, as defined by the Act, derived by the State from the Project to be undertaken within the Churchill Downs Development Area.

Section 4. That the Mayor is authorized to execute on behalf of the City, acting by and through LDA, a development agreement with Churchill Downs Incorporated, which agreement shall provide that LDA shall pay to Churchill Downs Incorporated all revenues received by LDA pursuant to the grant contracts authorized in Sections 2 and 3 of this Ordinance provided Churchill Downs Incorporated undertakes the Project pursuant to terms and conditions acceptable to City.

Section 5. That LDA shall use all funds received by it pursuant to the grant contracts authorized by Sections 2 and 3 of this Ordinance solely for the

purposes of the Project pursuant to the terms and conditions of the development agreement authorized by Section 4 of this Ordinance.

Section 6. That the Mayor and other officers, employees or agents of the City are authorized to enter into, execute and acknowledge and deliver on behalf of the City the grant contracts, the development agreement and any and all other agreements, instruments or other documents necessary or convenient to complete the transactions authorized by this Ordinance and to take any and all necessary actions necessary to complete the transactions authorized by this Ordinance without further action of this Board.

Section 7. That this Ordinance shall become effective upon its passage and approval.

Kathleen J. Hession C.B.A. Denise Boney P.B.A.

APPROVED: 6/17/02 David A. [Signature] MAYOR

APPROVED AS TO FORM:

Barbara J. Elliot  
WILLIAM C. STONE  
DIRECTOR OF LAW  
CITY OF LOUISVILLE

BOARD OF ALDERMEN  
READ AND PASSED  
June 11, 2002

EXHIBIT A

**CHURCHILL DOWNS RACETRACK PROPERTY LINE  
FOR THE PROPOSED  
TAX INCREMENT FINANCING (TIF) DISTRICT**

The area covered by the proposed TIF falls within the following boundaries:

On the north side from the intersection Taylor Boulevard east on Central Avenue to the intersection of Central Avenue and Third Street.

On the east side from the intersection of Third Street south to Southern Parkway to the intersection of Winn Avenue.

At the intersection of Winn Avenue west to Longfield Avenue.

Longfield Avenue west to the intersection of Wizard Avenue.

From the intersection of Wizard Avenue northeast to the intersection of Olenda Avenue.

From the intersection of Olenda Avenue southeast to the intersection of Warren Avenue

From the intersection of Warren Avenue northeast to the intersection of the alley which runs parallel to Homeview Drive.

From the intersection of the alley which runs parallel to Homeview Drive southeast to the intersection of Ninth Street.

From the intersection of Ninth Street northeast to the intersection of Central Avenue.

## EXHIBIT A

The Tax Increment Financing District (TIF) created by this Ordinance is shown on LOJIC Geodesic Control Map A attached hereto. This TIF District consists of all of the land described in Exhibit A-1 as Tracts one (1) through nineteen (19) and which in the aggregate is the area shown on LOGIC Geodesic Control Map A-1 attached hereto, together with the land described in Exhibit A-2 and shown on LOGIC Geodesic Control Map A-2 attached hereto.

# MAP A

## LOJIC Geodetic Control Map

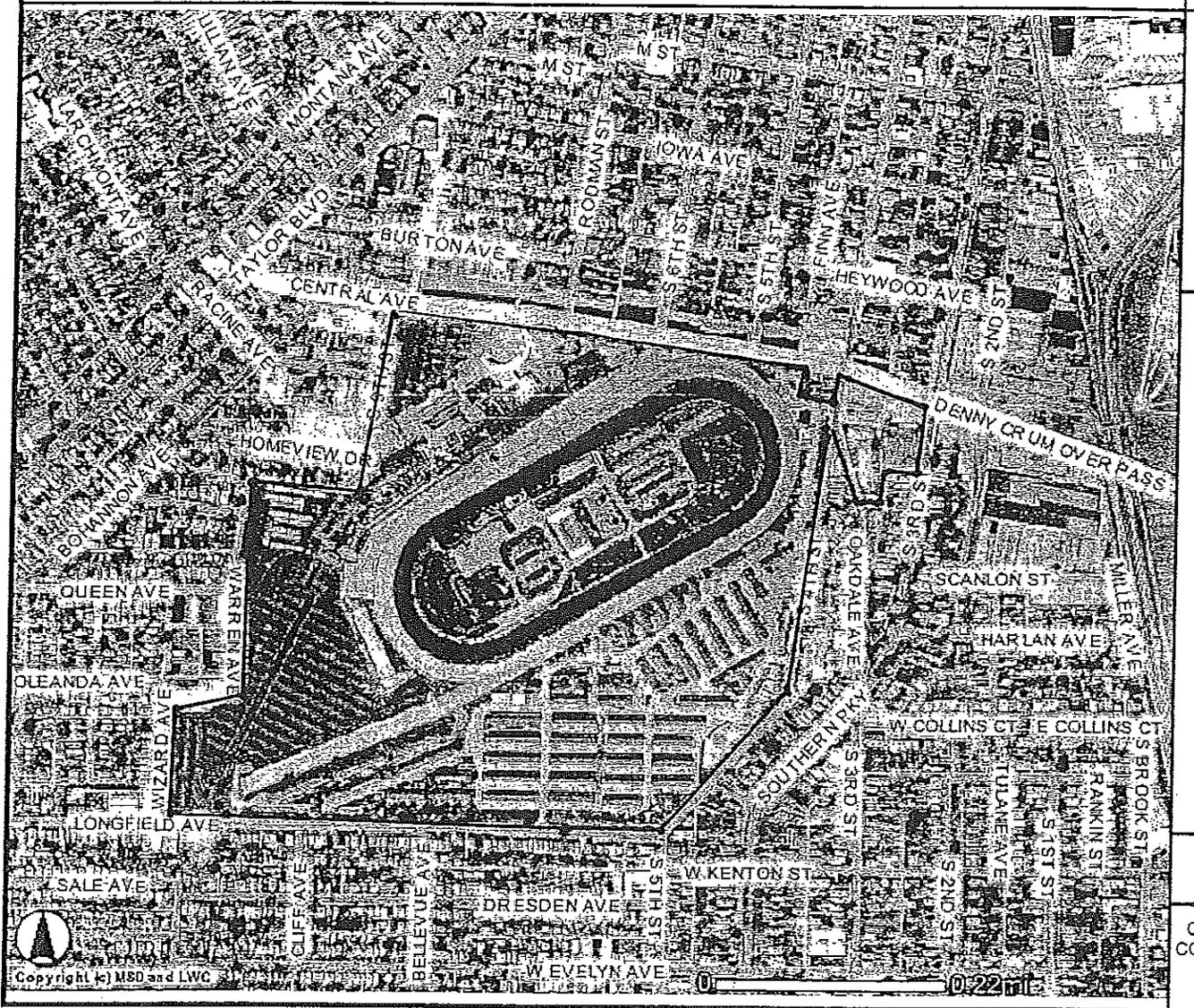


EXHIBIT A -1Legal Description

## CHURCHILL DOWNS

## TRACT ONE :

BEGINNING on the South side of Central Avenue (formerly "P" Street) 140 feet West of Fourth Street, at the intersection of Central Avenue with the Western line of an alley 15 feet wide mentioned in Deed from Fidelity Trust Company, Trustee, et al, to South Louisville Savings Bank, recorded in Deed Book 614, Page 92, in the Office of the Clerk of Jefferson County, Kentucky, which alley extends from Central Avenue Southwardly and parallel with Fourth Street 60 feet, and was established as a way in Deed dated June 8, 1916, recorded in Deed Book 854, page 547, in said office thence along the South side of Central Avenue, North 82 degrees 30 minutes West 1609 feet to its intersection with the Eastern line of the right-of-way of the Louisville Railway Company; thence with the Eastern line of said right-of-way, South 21 degrees 38 minutes West 876 feet 10 inches, South 24 degrees 34 minutes West 100.85 feet, South 28 degrees 32 minutes West 101.07 feet, South 32 degrees 45 minutes West 100.02 feet, South 36 degrees 21 minutes West 101.32 feet, South 42 degrees 6 minutes West 101.57 feet, South 48 degrees West 101.16 feet, South 51 degrees West 69.67 feet; thence leaving said right-of-way, South 3/4 degree East 498.9 feet; thence North 89-1/4 degrees East 224 feet to the West line of Fourth Street on the plat of South Louisville, if said lines were extended; thence North 7 degrees 28 minutes East along said West line of Fourth Street, if extended, and also along said line laid off on plat aforesaid, 1546 feet; thence West and parallel with Central Avenue, 140 feet to the West line of the alley herein mentioned; thence North along the West line of said alley and parallel with Fourth Street 60 feet to the beginning.

EXCLUDING AND EXCEPTING THEREFROM so much as was conveyed to First National Bank of Louisville by Deeds recorded in Deed Book 3758, Page 351 and in Deed Book 4245, Page 43, both in the Office aforesaid.

EXCLUDING AND EXCEPTING THEREFROM so much as was conveyed to Kentucky Derby Museum Corporation, a Kentucky nonprofit corporation, by Deed dated June 8, 1983, recorded in Deed Book 5355, Page 175, in the Office aforesaid.

## TRACT TWO:

BEGINNING at a stake in the South line of Churchill Tract at the Northeast corner of the tract devised to James Thornberry Heirs, running thence with the East line of said Tract as devised to said Thornberry Heirs, South 1 degree 30 minutes West 44.41 poles to a stake corner to Lot 2 of the Subdivision of the Dr. Phillip Thornberry tract, among the heirs of E. V. Thompson Sr.,

deceased, and in the center line of Longfield Avenue; thence parallel with Churchill's South line, North 89-1/2 degrees East 105.2 poles to a stake, corner to said lot and in the center of Longfield Avenue; thence South 2 degrees 5 minutes West 2.1 poles to a stake, the Northwest corner of Oakdale Subdivision; thence with the line of said Subdivision, South 87 degrees 50 minutes East 33.89 poles to a stake, another corner of said Subdivision; thence with another line of same, North 41 degrees 45 minutes East 65.33 poles to a stone, an original corner to said Subdivision, and the Churchill Tract; thence with the South line of said Churchill Tract, South 89-1/2 degrees West 186.3 poles to the beginning.

EXCLUDING AND EXCEPTING THEREFROM the strip of land off the West side thereof heretofore conveyed by Alice T. Drummond and husband to Kentucky Title Savings Bank and Trust Company, by Deed dated June 3, 1909, recorded in Deed Book 701, Page 100, in the Office aforesaid.

TRACTS ONE and TWO above being all the remainder of Tracts 15 and 13 acquired by Churchill Downs, Incorporated (formerly Churchill Downs), by Deed dated April 2, 1928, recorded in Deed Book 1328, Page 230, in the Office aforesaid.

TRACT THREE:

BEING all of Lots 20, 21, 22, 23, 24, 25, and the West 45.8 feet of Lot 26, as shown on Plat of Longfield Place, recorded in Deed Book 392, Page 637, in the office of the Clerk of Jefferson County, Kentucky.

BEING property acquired by Churchill Downs Incorporated (formerly Churchill Downs-Latonia Incorporated, by Deed dated February 28, 1941, recorded in Deed Book 1772, Page 375, in the Office aforesaid.

TRACT FOUR:

BEING the East 4.17 feet of Lot 27 and all of Lots 28, 29 and 30 as shown on Plat of Longfield Place, recorded in Deed Book 392, Page 637, in the Office of the Clerk of Jefferson County, Kentucky.

BEING property acquired by Churchill Downs, Incorporated (formerly Churchill Downs) by Deed dated April 2, 1928, recorded in Deed Book 1328, Page 230, in the Office aforesaid.

TRACT FIVE:

BEING Lots 17, 18, 19, 20, 21, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64 and 65, as shown on Plat of Monroe Heights, Plat of which is of record in Plat and Subdivision Book 1, Page 187, in the Office of the Clerk of Jefferson County, Kentucky.

BEING all of Tract 11 acquired by Churchill Downs Incorporated (formerly Churchill Downs), by Deed dated April 2, 1928, recorded in Deed Book 1328, Page 230, in the Office aforesaid.

TRACT SIX;

BEING Lots 1 through 12, Block 1, Lots 1 through 10, Block 2, and Lots 19 through 26, Block 2, of J. E. Dawkins Company's Subdivision, recorded in Plat and Subdivision Book 1, Page 106, in the office of the Clerk of Jefferson County, Kentucky.

BEING all of Tracts 9 and 10 acquired by Churchill Downs, Incorporated (formerly Churchill Downs), by Deed dated April 2, 1928, recorded in Deed Book 1328, Page 230, in the Office aforesaid.

TRACT SEVEN:

BEING Lots 11 through 18, Block 2, of J. E. Dawkins Company's Subdivision, recorded in Plat and Subdivision Book 1, Page 106, in the Office of the Clerk of Jefferson County, Kentucky.  
BEING the same property acquired by Churchill Downs, Incorporated, by Deed dated November 15, 1946, recorded in Deed Book 2195, Page 186, and by Deed dated December 23, 1952, recorded in Deed Book 2963, Page 383, both in the Office aforesaid.

TRACT EIGHT:

BEING Lots 1, 3; 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 16, 17, 18, 19, 23, 24, 25 and 26, Block 3, of J. E. Dawkins Company's Subdivision, recorded in Plat and Subdivision Book 1, Page 106, in the Office of the Clerk of Jefferson County, Kentucky.

Lots 1, 10, 11, 12, 18, 19, 23 and 24 were acquired by Churchill Downs Incorporated, by Deed dated December 7, 1987, recorded in Deed Book 5738, Page 756, in the Office aforesaid.

Lot 3 was acquired by Churchill Downs Incorporated, by Deed dated April 10, 1986, recorded in Deed Book 5572, Page 747, in the Office aforesaid.

Lots 4 and 5 were acquired by Churchill Downs Incorporated, by Deed dated April 10, 1986, recorded in Deed Book 5572, Page 720, in the Office aforesaid.

Lot 6 was acquired by Churchill Downs Incorporated, by Deed dated July 24, 1987, recorded in Deed Book 5696, Page 162, in the office aforesaid.

Lot 7 was acquired by Churchill Downs Incorporated, by Deed dated June 22, 1998, recorded in Deed Book 7058, Page 275, in the Office aforesaid.

Lots 8 and 9 were acquired by Churchill Downs Incorporated, by Deed dated September 4, 1987, recorded in Deed Book 5708, Page 46, in the Office aforesaid.

Lot 13 was acquired by Churchill Downs Incorporated, by Deed dated April 27, 1988, recorded in Deed Book 5766, Page 166, in the Office aforesaid.

Lot 14 was acquired by Churchill Downs Incorporated, by Deed dated April 27, 1986, recorded in Deed Book 5569, Page 704, in the Office aforesaid.

Lot 16 was acquired by Churchill Downs Incorporated, by Deed dated July 29, 1988, recorded in Deed Book 5791, Page 975, in the Office aforesaid.

Lot 17 was acquired by Churchill Downs Incorporated, by Deed dated November 10, 1988, recorded in Deed Book 5820, Page 97, in the Office aforesaid.

Lot 25 was acquired by Churchill Downs Incorporated, by Deed dated May 14, 1985, recorded in Deed Book 5498, Page 898, in the Office aforesaid.

Lot 26 was acquired by Churchill Downs Incorporated, by Deed dated December 27, 1986, recorded in Deed Book 5644, Page 148, in the office aforesaid.

**TRACT NINE:**

BEING Lots 9, 10, 11, 12, 13, 14, 21, 22, 23, 24, 25 and 26, in Block 7; Lots 20 and 45 in Block 8, Lots 1 through 20 in Block 9, Lots 15, 16, 17, 26, 27, 28, 29, 30, 31, 32, 33 and 34 in Block 11; Lots 1 through 11 in Block 12, and Lots 1 through 29 in Block 14, Queen Addition to Louisville, recorded in Plat and Subdivision Book 1, Page 37, in the Office of the Clerk of Jefferson County, Kentucky.

BEING all of Tracts 2, 3, 4, 5, 6 and 7 acquired by Churchill Downs, Incorporated, (formerly Churchill Downs) by Deed dated April 2, 1928, recorded in Deed Book 1328, Page 230, in the Office aforesaid.

**TRACT TEN:**

BEGINNING in the North line of Thornberry Street 180 feet East of its intersection with the East line of Warren Street, as measured along the North line of Thornberry Street; thence Eastwardly with the North line of Thornberry Street 60 feet, and extending back Southwardly therefrom, between lines at right angles to said North line, 60 feet to the South line of Thornberry Street.

BEING the same property acquired by Churchill Downs, Incorporated, as a result of Judgment entered February 16, 1969, in Jefferson Circuit Court Street Closing Action No. 135226, closing the above described portion of Thornberry Street.

## TRACT ELEVEN:

BEING Lots 18, 19, 20, 21, 22, 23, 24 and 25, Block 11, Queen Addition to Louisville, as shown on a Plat recorded in Plat and Subdivision Book 1, Page 37, in the Office of the Clerk of Jefferson County, Kentucky.

Lots 18 and 19 were acquired by Churchill Downs Incorporated, by Deed dated April 23, 1968, recorded in Deed Book 4188, Page 191, in the Office aforesaid.

Lot 20 was acquired by Churchill Downs Incorporated, by Deed dated August 17, 1987, recorded in Deed Book 5702, Page 611, in the Office aforesaid.

Lots 21 and 22 were acquired by Churchill Downs Incorporated, by Deed dated May 15, 1987, recorded in Deed Book 5677, Page 943, in the Office aforesaid.

Lot 23 was acquired by Churchill Downs Incorporated, by Deed dated June 23, 1976, recorded in Deed Book 4864, Page 124, in the Office aforesaid.

Lot 24 was acquired by Churchill Downs Incorporated, by Deed dated May 3, 1967, recorded in Deed Book 4246, Page 538, in the Office aforesaid.

Lot 25 was acquired by Churchill Downs Incorporated, by Deed dated July 16, 1969, recorded in Deed Book 4289, Page 318, in the Office aforesaid.

## TRACT TWELVE:

BEING Lots 15, 16, 17, 18, 19, 39, 40, 41, 42, 43 and 44, Block 8, Queen Addition to Louisville, as shown on a Plat recorded in Plat and Subdivision Book 1, Page 37, in the Office of the Clerk of Jefferson County, Kentucky.

Lot 15 was acquired by Churchill Downs Incorporated, by Deed dated April 12, 1990, recorded in Deed Book 5942, Page 65, in the Office aforesaid.

Lot 16 was acquired by Churchill Downs Incorporated, by Deed dated December 5, 1989, recorded in Deed Book 5919, Page 278, in the Office aforesaid.

Lots 17 and 18 were acquired by Churchill Downs Incorporated, as Parcel 20 in a Deed dated December 28, 1987, recorded in Deed Book 5738, Page 756, in the Office aforesaid.

Lot 19 was acquired by Churchill Downs Incorporated, by Deed dated October 9, 1987, recorded in Deed Book 5719, Page 157, in the Office aforesaid.

Lot 39 was acquired by Churchill Downs Incorporated, by Deed dated September 30, 1988, recorded in Deed Book 5809, Page 54, in the Office aforesaid.

Lot 40 was acquired by Churchill Downs Incorporated, by Deed dated January 9, 1989, recorded in Deed Book 5834, Page 433, in the Office aforesaid.

Lot 41 was acquired by Churchill Downs Incorporated, by Deed dated October 21, 1988, recorded in Deed Book 5814, Page 593, in the Office aforesaid.

Lot 42 was acquired by Churchill Downs Incorporated, by Deed dated October 14, 1988, recorded in Deed Book 5812, Page 906, in the Office aforesaid.

Lot 43 was acquired by Churchill Downs Incorporated, by Deed dated November 30, 1990, recorded in Deed Book 6016, Page 639, in the Office aforesaid.

Lot 44 was acquired by Churchill Downs Incorporated, by Deed dated December 14, 1988, recorded in Deed Book 5828, Page 341, in the Office aforesaid.

TRACT THIRTEEN:

BEING Lots 1, 2, 3, 4, 5, 6, 7, 8, 15, 16, 17, 18, 19 and 20, Block 7, in Queen Addition to Louisville, as shown on a Plat recorded in Plat and Subdivision Book 1, Page 37, in the office of the Clerk of Jefferson County, Kentucky.

Lots 1, 16, 17, 18 and 19 were acquired by Churchill Downs Incorporated, by Deed dated May 9, 1979, recorded in Deed Book 5089, Page 518, in the Office aforesaid.

Lot 2 was acquired by Churchill Downs Incorporated, by Deed dated April 12, 1971, recorded in Deed Book 4408, Page 299, in the Office aforesaid.

Lot 3 was acquired by Churchill Downs Incorporated, by Deed dated February 5, 1971, recorded in Deed Book 4401, Page 195, in the Office aforesaid.

Lots 4 and 5 were acquired by Churchill Downs Incorporated, by Deed dated April 7, 1975, recorded in Deed Book 4776, Page 453, in the Office aforesaid.

Lot 6 was acquired by Churchill Downs Incorporated, by Deed dated January 22, 1975, recorded in Deed Book 4770, Page 36, in the Office aforesaid.

Lot 7 was acquired by Churchill Downs incorporated, by Deed dated October 29, 1971, recorded in Deed Book 4468, Page 337, in the Office aforesaid.

Lot 8 was acquired by Churchill Downs Incorporated, by Deed dated July 30, 1973, recorded in Deed Book 4648, Page 344, in the Office aforesaid.

Lot 15 was acquired by Churchill Downs Incorporated, by Deed dated January 9, 1974, recorded in Deed Book 4695, Page 236 (the South 90 feet of said lot) and by a Deed dated January 9, 1974, recorded in Deed Book 4695, Page 252 (the North 70 feet of said lot), both recorded in the Office aforesaid.

Lot 20 was acquired by Churchill Downs Incorporated, by Deed dated May 10, 1967, recorded in Deed Book 4246, Page 539, in the Office aforesaid.

EXCLUDING AND EXCEPTING from Tracts 1- 13 above, so much as was conveyed to the City of Louisville for the use and benefit of the Department of Public Works, by Deed dated December 15, 1998, recorded in Deed Book 7162, Page 192, in the Office aforesaid.

TRACT FOURTEEN:

BEGINNING in the East line of Fourth Street at a point 160 feet South of Central Avenue; running thence Southwardly along the East line of Fourth Street, 33 feet, and thence extending back Eastwardly between lines parallel with Central Avenue, 190 feet to an alley.

BEING the same property acquired by Churchill Downs Incorporated, by Deed dated April 1, 1991, recorded in Deed Book 6050, Page 684, in the Office aforesaid.

TRACT FIFTEEN:

BEGINNING on the East side of Fourth Street 220 feet South of Central Avenue; running thence Eastwardly, in a line parallel with Central Avenue, 190 feet to an alley; thence Southwardly along the West side of said alley, 25 feet 9-1/3 inches; thence Westwardly in a line parallel with Central Avenue, 190 feet to the East side of the National Turnpike Road; thence Northwestwardly along the East side of said National Turnpike Road, 13 feet 5 inches to the East side of Fourth Street; thence Northwardly along the East side of Fourth Street, 12 feet 10 inches to the beginning.

BEING the same property acquired by Churchill Downs Incorporated, by Deed dated June 7, 1985, recorded in Deed Book 5504, Page 646, in the Office aforesaid.

## TRACT SIXTEEN:

PARCEL 1, DESCRIBED IN DEED BOOK 5485, PAGE 952:

BEGINNING on the West side of Third Street at point 275 feet South of Central Avenue; running thence Southwardly along the West line of Third Street 25 feet, and thence extending back Westwardly between parallel lines of uneven length to an alley.

PARCEL 2, DESCRIBED IN DEED BOOK 5485, PAGE 952:

BEGINNING in the West line of Third Street, 325 feet South of the Southwest corner of Central Avenue and Third Street; thence with the West line of Third Street, South 25 feet and extending back west the same width throughout, between lines parallel with Central Avenue, 145 feet, more or less to an alley, the North line being coincident with the South line of the tract conveyed to Buckner Board, by Deed of record in Deed Book 487, Page 197, in the Office of the Clerk of Jefferson County, Kentucky, and the South line being coincident with the North line of the tract conveyed to W. F. Jewell and wife, by Deed of record in Deed Book 1022, Page 340, in the Office aforesaid.

PARCEL 3, DESCRIBED IN DEED BOOK 5485, PAGE 952:

BEGINNING at a point in the West line of Third Street, 300 feet South of the Southwest corner of Third Street and Central Avenue; running thence Southwardly with the West line of Third Street, 25 feet and thence at right angles to Third Street, Westwardly 140 feet, more or less to the alley as laid off January 1, 1894; and thence with the alley Northwardly 25 feet; and thence Eastwardly 150 feet, more or less to Third Street the point of beginning.

PARCEL 1, DESCRIBED IN DEED BOOR 5485, PAGE 954:

BEGINNING at a point on the East side of National Turnpike Road, 152 feet 6 inches Southeastwardly from the intersection of said Road and Fourth Street, which point is 232 feet South of the intersection of Fourth Street and Central Avenue; thence running Southeastwardly along said Turnpike Road, 28 feet; thence Eastwardly and parallel with Central Avenue, 150 feet, more or less to an alley; thence Northwestwardly with said alley, 28 feet; thence Westwardly and parallel with Central Avenue, 150 feet, more or less to said Turnpike the point of beginning. Said lot is 25 feet wide and the South line thereof is 25 feet North of and runs parallel with "Q" Street, if extended and laid off according to the plan of Churchill Addition to the City of Louisville.

PARCEL 2, DESCRIBED IN DEED BOOK 5485, PAGE 954:

BEGINNING on the East side of National Turnpike Road, 200 feet Southeastwardly from where Fred Ad. Brink's or Ad. Brunk's South line joins Fourth Street, which point is 220 feet South

from the Southeast corner of Fourth Street and Central Avenue; thence Southeasterly with the East line of said Turnpike Road, 40 feet, more or less to the North line of the lot sold St. John Boyle; thence Eastwardly with said line, 145 feet, more or less to the Western line of another lot sold said Boyle, which fronts Third Street; thence Northwardly with said line, 15 feet; thence Northwesterly 25 feet, more or less to the Southeast corner of the land theretofore sold the Saxe Building Company; thence with said line Westwardly, 140 feet, more or less to the beginning. The intention of this deed is to convey in the eighth lot of land described the 40 feet of ground, more or less lying between the land conveyed to St. John Boyle, fronting on the pike, and the land heretofore sold to said Saxe Building Company and extending to the middle of the Turnpike Road.

PARCEL 3, DESCRIBED IN DEED BOOK 5485, PAGE 954;

BEGINNING at what would be the Northeast corner of the National Turnpike Road and "Q" Street, if said ground was laid off according to Churchill's plat of South Louisville; running thence Eastwardly along the North line of "Q" Street, if laid out as above 140 feet, more or less to an alley; thence Northwardly along the West line of said alley, 25 feet; thence Westwardly, 140 feet, more or less to the National Turnpike Road; thence Southwardly along the Eastwardly side of the National Turnpike Road to the point of beginning.

PARCEL 4, DESCRIBED IN DEED BOOK 5485, PAGE 954.;

BEGINNING at a point in the East line of Oakdale Avenue, formerly Old National Turnpike, as now improved, said beginning point being the most Southwesterly corner of Parcel conveyed to I.T. and M. Smith, by Deed recorded in Deed Book 2298, Page 101, in the Office of the Clerk of Jefferson County, Kentucky; running thence in an Eastwardly direction with the South line of parcel conveyed in Deed Book 2298, Page 101, in the Office aforesaid, 190.44 feet to the West line of a 20 foot alley, as now improved; thence in a Southeastwardly direction with the West line of said alley as now improved, 25.29 feet; thence in a Westwardly direction to the East line of Oakdale Avenue, as now improved and parallel to the South line of the abovementioned parcel, recorded in Deed Book 2298, Page 101, in the Office aforesaid, 184.78 feet; thence in a Northwesterly direction with the East line of Oakdale Avenue, as now improved, 27.21 feet to the point of beginning.

PARCEL 5, DESCRIBED IN DEED BOOK 5485, PAGE 954;

BEGINNING at a point in the East line of Oakdale Avenue, as now improved, said point being 27.21 feet Southeastwardly of the most Southwesterly corner of parcel conveyed to I.T. and M. Smith by Deed recorded in Deed Book 2298, Page 101, in the Office of the Clerk of Jefferson County, Kentucky; thence in an Easterly direction and parallel to parcel conveyed to I.T. and M. Smith aforesaid, 184.78 feet to the West line of a 20 foot alley as now improved; thence in a Southeasterly direction with the West line of said alley, as now improved, 25.38 feet; thence in a Westerly direction and parallel to parcel aforesaid, 179.10 feet to the East line of Oakdale

Avenue, as now improved; thence in a Northwestwardly direction, 27.31 feet to the point of beginning.

PARCEL 6, DESCRIBED IN DEED BOOK 5485, PAGE 954:

BEGINNING at a point in the East line of Oakdale Avenue, as now improved, said point being 54.52 feet Southeastwardly of the most Southwesterly corner of parcel conveyed to I.T. and M. Smith, by Deed recorded in Deed Book 2298, Page 101, in the Office of the Clerk of Jefferson County, Kentucky; thence in an Easterly direction and parallel to parcel conveyed to the aforesaid Smiths, 179.10 feet to the West line of a 20 foot alley, as now improved; thence in a Southeasterly direction with the west line of said alley, as now improved, 25.85 feet; thence in a Westerly direction and parallel to above parcel conveyed to I.T. and M. Smith, 173.32 feet to the East line of Oakdale Avenue; thence in a Northwestwardly direction, 27.84 feet to the point of beginning.

PARCEL 7, DESCRIBED IN DEED BOOK 5485, PAGE 954;

BEGINNING at a point in the East line of Oakdale Avenue, said point being 82.36 feet Southeastwardly of the most Southwesterly corner of parcel conveyed to I.T. and M. Smith, by Deed recorded in Deed Book 2298, Page 101, in the Office of the Clerk of Jefferson County, Kentucky; thence in an Easterly direction and parallel to parcel aforesaid, 173.32 feet to the West line of a 20 foot alley as now improved; thence in a Southeasterly direction with the West line of said 20 foot alley, 25.55 feet; thence in a Westerly direction and parallel to the aforesaid parcel conveyed to I.T. and M. Smith, 167.61 feet to the East line of Oakdale Avenue; thence in a Northwestwardly direction with the East line of Oakdale Avenue, 27.50 feet to the point of beginning.

PARCEL 8, DESCRIBED IN DEED BOOK 5485, PAGE 954;

BEGINNING at a point in the East line of Oakdale Avenue, said point being 109.86 feet Southeastwardly of the most Southwesterly corner of parcel conveyed to I.T. and M. Smith, by Deed of record in Deed Book 2298, Page 101, in the Office of the Clerk of Jefferson County, Kentucky; thence in an Easterly direction and parallel to parcel conveyed to the aforesaid I.T. and M. Smith, 167.61 feet to the West line of an alley 20 feet in width; thence in a Southeasterly direction with the West line of said alley 26.78 feet; thence in a Westerly direction and parallel to parcel conveyed to the aforesaid I.T. and M. Smith, 165.72 feet to the East line of Oakdale Avenue; thence in a Northwestwardly direction, 28.82 feet to the point of beginning.

BEING the same property acquired by Churchill Downs Incorporated, by Deeds dated April 18, 1985, and recorded in Deed Book 5485, Page 952 and in Deed Book 5485, Page 954, both in the Office aforesaid.

## TRACT SEVENTEEN:

## PARCEL 1:

BEGINNING on the East side of National Turnpike Road, 525 feet Southwardly from Central Avenue, as measured on a line at right angles thereto; running thence Southwardly along the East line of said Turnpike, 33-1/3 feet; thence Eastwardly and parallel with Central Avenue, 116 feet to a 20 foot alley; thence Northwardly 30 feet 1-1/2 inches to the Southeast corner of the lot conveyed by George W. Hicks and wife, to O.P. Elzey by Deed recorded in deed Book 569, Page 150, in the Office of the Clerk of Jefferson County, Kentucky; thence with the South line of said lot Westwardly 128 feet 1-1/2 inches, as measured parallel with Central Avenue to the Eastern line of the National Turnpike Road, the point of beginning.

## PARCEL 2:

BEGINNING on the East side of Oakdale Avenue (formerly National Turnpike Road) 495 feet South of Central Avenue, as measured on a line at right angles thereto; running thence Southwardly along the East side of Oakdale Avenue 33 feet 4 inches; thence Eastwardly and parallel with Central Avenue, 128 feet 1-1/2 inches to a 20-foot alley; thence Northwardly along the West line of said alley, 30 feet 11-1/2 inches to a point 135 feet 3 inches East of the East line of Oakdale Avenue, as measured on a line parallel with Central Avenue; running thence Westwardly and parallel with Central Avenue, 135 feet 3 inches to the beginning. TOGETHER WITH that right to use as an alleyway a strip of land 20 feet wide immediately East of the land hereinabove described extending from the Northern line of the tract hereinabove described along the East boundary line of said tract to a point 20 feet South of that North line hereof.

## PARCEL 3 :

BEGINNING in the center of the National Turnpike Road, 460 feet South of Central Avenue, formerly "P" Street, measured on a line parallel with Third Street; thence Eastwardly parallel with Central Avenue, 173 feet 9 inches, more or less to the West line of the property conveyed in Deed from Louise K. Paine, widow, to W. L. Taylor, dated May 29, 1919, recorded in Deed Book 913, Page 501, in the Office of the Clerk of Jefferson County, Kentucky; thence Southwardly with the West line of same, 35 feet more or less to the South line of the lot conveyed to Charles H. Paine, by Deed recorded in Deed Book 642, Page 428, in the Office aforesaid; thence westwardly with the South line of said last named lot and parallel with Central Avenue, 156 feet 10 inches, more or less to the center of the National Turnpike Road; thence with the center of said road, Northwestwardly, 38 feet 7 inches to the beginning.

BEING property acquired by Churchill Downs Incorporated, by Deed dated May 6, 1987, recorded in Deed Book 5677, Page 73, in the Office aforesaid.

NOTE: A Deed of Consolidation dated August 30, 1988, recorded in Deed Book 5806, Page 297, in the Office aforesaid, attempted to consolidate the description for Tracts 15, 16 and 17 above. The description in that Deed, however, contains errors.

TRACT EIGHTEEN:

PARCEL 1:

BEGINNING in the Northern line of Oakdale Terrace, at a point 100 feet West of Third Street Road; running thence Westwardly with the North line of Oakdale Terrace and with the same, if extended, to a point where it would intersect the Eastern line of Fourth Street, if extended Southwardly; thence Northwardly with the Eastern line of Fourth Street, if extended, to a point in said line 1283-3/12 feet South of "P" Street; thence Eastwardly in a line with the property conveyed to the Oakdale Land Company, by Isabella Lloyd by Deed recorded in Deed Book 628, Page 2, in the Office of the Clerk of Jefferson County, Kentucky, 25 feet 8 inches, more or less, so as to include a two-foot strip marked "2 feet reserved" on the map of Oakdale Terrace Subdivision, and lying at the Western end of a ten foot alley shown on said plat, and being the most Northern alley in said subdivision; thence Southwardly with the Eastern line of said two-foot strip, 10 feet, more or less, to the Southern line of said alley; thence Eastwardly with the Southern line of said alley to a point 100 feet West of Third Street Road; thence Southwardly in a line parallel with Third Street Road, 100 feet to the point of beginning; together with so much of said 10 foot alley as reverted upon its closing in Deed Book 4117, Page 397, in the Office aforesaid

PARCEL 2 :

BEGINNING at the Southwest corner of Oakdale Terrace and Third Street Road or National Turnpike Road; running thence Westwardly along the South side of Oakdale Terrace as established by Plat of Oakdale Terrace Subdivision, recorded in Road Route Book 2, Page 77, and by Deed recorded in Deed Book 616, Page 6, both in the Office of the Clerk of Jefferson County, Kentucky, 267 feet 11 inches, more or less, to the East line of Fourth Street, if extended; thence Southwardly along the East line of Fourth Street, if extended, 163 feet 2 inches to Thompson's original North line; thence with said line, Eastwardly 49 feet to an alley; thence Northeastwardly along the Northwest line of said alley, 82 feet to a point in the North line of Oakdale Addition; thence Eastwardly with said line, being also the Northerly line of an alley, 189 feet 3 inches to Third Street Road or National Turnpike Road; thence Northwardly along the Westerly side of said Road, 100 feet 10 inches to the beginning.

BEING the same property acquired by Churchill Downs Incorporated, by Deed dated November 27, 1989, recorded in Deed Book 5917, Page 204, in the Office aforesaid.

TRACT 19 :

BEGINNING at a point at the Southeast corner of a tract conveyed to George Commer of record in Deed Book 5735, Page 323, in the Office of the Clerk of Jefferson County, Kentucky, in the West line of Oakdale Avenue; thence with said right-of-way line, South 04 degrees 33 minutes 00 seconds East 225.02 feet to a point at the Northeast corner of a tract conveyed to Churchill Downs, Inc., of record in Deed Book 5917, Page 204, in the Office aforesaid; thence with said tract, South 85 degrees 22 minutes 08 seconds West, 100.00 feet to a point; thence North 04 degrees 33 minutes 00 seconds West, 135.02 feet to a point; thence South 85 degrees 22 minutes 08 seconds West, 119.92 feet to a point; thence North 00 degrees 15 minutes 57 seconds West, 10.04 feet to a point; thence South 85 degrees 22 minutes 08 seconds West 23.76 feet to a point in the East right-of-way line of Fourth Street; thence with said right-of-way line, North 04 degrees 20 minutes 43 seconds East 91.12 feet to a point at the Southwest corner of a tract conveyed to Alexander Hearthill, of record in Deed Book 4300, Page 22, in the Office aforesaid; thence with said tract, North 85 degrees 22 minutes 08 seconds East, 228.81 feet to the point of beginning.

BEING the same property acquired by Churchill Downs Incorporated, by Deed dated January 12, 1998, recorded in Deed Book 6985, Page 314; by a Deed of Correction recorded in Deed Book 7145, Page 540; by City of Louisville Ordinance No. 118, Series 1998, which closed a ten-foot alley; and by a Deed of Consolidation dated December 7, 1998, recorded in Deed Book 7148, Page 225, all recorded in the Office aforesaid.

# MAP A-1

## LOJIC Geodetic Control Map



EXHIBIT A-2

CHURCHILL DOWNS

PROPERTY BOUNDED BY

FOURTH & CENTRAL / THIRD & CENTRAL

Beginning on the southeast corner of Fourth Street and Central Avenue and running east to the southwest corner of Third Street and Central Avenue.

Then from the southwest corner of Third Street and Central Avenue running south to 3134 Third Street (parcel 3).

Then from the parcel at 3134 Third Street west to the alley and then south to Tract 17 P-1.

Then west to Oakdale Avenue. From the intersection of Tract 17 P-1 and Oakdale Avenue, north to the southeast corner of Fourth Street and Central Avenue.



## EXHIBIT B

### Description of Churchill Downs Racetrack Master Plan

#### Master Plan Objectives

1. Resolve infrastructure issues identified in Churchill Downs' facility assessment  
*Wood structure (limited); mech. systems; PA system; vertical transportation*
2. Improve operational inefficiencies  
*Limit constant upkeep; restrict non-Derby operating area; redefine staff*
3. Create quality environment; increase attendance across all demographic lines  
*Restoration; "modernize"; concession/food service variety*
4. Provide year-round revenue generating facilities  
*Intertrack wagering; sports bar; restaurants; Turf Club*
5. Provide new revenue generating Group Sales areas  
*Skye Terrace; meeting rooms*
6. Provide new V.I.P. seating and access opportunities  
*Private suites; Gold Room; premium box seats*
7. Improve food and beverage services  
*Concessions; restaurants; kitchens; response time; service access*
8. Provide enhanced spectator support facilities  
*Concessions; pari-mutuels; rest rooms; seating for a crowd of 25,000*
9. Improve exterior aesthetics  
*View from Central Avenue; maintain Spires*
10. Improve media operations  
*Increased truck compound; seating; food service*

#### Components of the Master Plan

The Master Plan consists of the demolition and reconstruction of certain existing spaces, the renovation of other existing spaces and the construction of new spaces. The Master Plan is divided into Phase I and Phase II.

#### Phase I

Phase I consists of the following components:

- Renovation of the Twin Spires
- Renovation of the Grandstand (including new food service areas and new restaurants)
- Construction of 66 corporate hospitality suites on three new floors (new 4<sup>th</sup>, 5<sup>th</sup> and 6<sup>th</sup> floors)

#### Phase II

Phase II consists of the following components:

- Demolition of the existing clubhouse
- Construction of a new clubhouse area that includes improved food service areas, new meeting rooms and additional suites
- Construction of a new Turf Club
- Creation of premium boxes

EXHIBIT D

CERTIFICATION AS TO USE OF METRO INCREMENT

The undersigned on behalf of Churchill Downs Incorporated ("Churchill Downs"), being a duly authorized officer thereof, hereby certifies to the Metropolitan Development Authority (the "MDA"), and Louisville/Jefferson County Metro Government (the "Metro") that Churchill Downs has used the proceeds of the Metro Increment (as defined in the Grant Contract [the "Grant Contract"], dated as of \_\_\_\_\_, 2002 by and among the Commonwealth of Kentucky by and through the Tourism Cabinet and the Finance and Administration Cabinet, MDA and Metro) in connection with or related to the Churchill Downs Project (as defined in the Grant Contract), as set forth below:

- |    |        |         |
|----|--------|---------|
| 1. | _____  | \$_____ |
| 2. | _____  | \$_____ |
| 3. | _____  | \$_____ |
| 4. | _____  | \$_____ |
| 5. | _____  | \$_____ |
|    | TOTAL: | \$_____ |

IN WITNESS WHEREOF, this certification has been executed as of this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CHURCHILL DOWNS INCORPORATED

By: \_\_\_\_\_

Title: \_\_\_\_\_