

RICHARD P. CRANE JR.

April 6, 2009

Mayor James Newberry and Members of the Lexington-Fayette
Urban County Council
Lexington-Fayette Urban County Government
Government Center
Lexington, Kentucky 40507

In Re: The Centrepointe Project

Ladies and Gentlemen:

Obviously you and the citizens of Lexington have an intense and ongoing interest in the status of the "Centrepointe" mixed-use development proposed for downtown Lexington. Fully appreciating its economic significance and impact on your community, at the request of the several principals involved, this letter is to provide a status report on the project.

By way of background, I am a partner with the Los Angeles office of the K&L Gates Law Firm, a known law firm in America and one of its largest. Last year, our firm was involved in the negotiation and formalization of an "Agreement" concluded between a reputable international development and financing group, headed by a person whose identity must remain undisclosed, and Centrepoint, LLC, a Lexington group.

In that Agreement, that international investor unconditionally committed to fund Two Hundred Fifty Million (\$250,000,000.00) US dollars to fund the Centrepointe mixed-us project on an "all-equity" basis.

That Agreement provided that an Omnibus Trustee would be appointed by the parties to administer this transaction. In an individual capacity, and not as a firm attorney, I agreed to serve as the Trustee. Our law firm is not involved in that trust arrangement.

Based on that Agreement and with the cooperation of the parties and the assistance of the local authorities, the project proceeded through the planning and design process and is now ready to go. Unfortunately, the process was complicated by the sudden and unexpected death of one of the principals. This obviously major event complicated the implementation of the funding plan until the personal representative and successors in interest can accept the estate and assume his role in the transaction under the laws of that country, which shall also go unidentified for privacy and contractual reasons.

Since that event, I have been working very diligently with the representatives of the Estate, subject to probate restrictions. All indications are that the successors will cooperate to complete the funding as per the Agreement and to complete the project.

My three overseas visits with the attorneys and representatives in the past four weeks are to secure and insure the continuation of the planned and committed funding. This obviously entails meetings with the successors as well as the administrators of the estate of the deceased principal and the involved banks. Our goal is to obtain an immediate release of the funds that were earmarked for this very important and significant project as per the Agreement.

While the world economic situation has halted most major real estate projects around the world, the design and commitment of the financing plan outlined in the subject Agreement would not be affected by these other economic conditions. The major factor involved in implementing this plan related to the unfortunate death of a major participant. However, we believe that will be resolved shortly.

As usual with legal provisions in any project of this size, particularly with international participants, the Confidentiality provisions of the Agreement as agreed to by all of the parties prohibit any further details or information at this time.

Thank you for your understanding.

Sincerely yours,

By: 

Richard P. Crane, Jr., Esq.
As Omnibus Trustee for the
Centrepointe Transaction