

[SCHOOL DISTRICT LETTERHEAD]

Hon. Thomas Guidugli, Jr.
Mayor
City of Newport, Kentucky
998 Monmouth Street
Newport, Kentucky 41071

RE: City of Newport, Kentucky \$7,000,000 (Maximum Principal Amount) Industrial Building
Revenue Bonds, Series 2024 (Ann Street Project)

Dear Mayor Guidugli:

I understand that the City of Newport, Kentucky (the "City") intends to issue not to exceed \$7,000,000 of industrial building revenue bonds to provide funds for the proposed acquisition and construction of the Ann Street Project, which is a residential development involving the construction of eleven new homes and the renovation of an existing home in the 1000 block of Ann Street in the City of Newport (the "Project"), which is being undertaken by Urban Community Developers, Inc., a Kentucky charitable non-profit corporation. I understand that as part of the bond issue, the property will be exempted from *ad valorem* taxation during the term of the bonds issued by the City for the Project, but, subject to certain payments in lieu of taxes to the City, which will be shared with the Newport Independent School District and the County of Campbell, Kentucky.

The Project, as described in the public meetings of the City, as well as in newspaper accounts of the same, presents the City with an opportunity to continue the economic revitalization and expansion which has occurred in recent years, as well as to redevelop a blighted area the City, and to provide an attainable housing opportunity for the renovated property.

Pursuant to KRS 103.2101, I am writing to confirm to you that I, as Superintendent of the Newport Independent School District, understand the nature of the proposed financing plan for the Project and I am in agreement with the negotiated financial arrangement, including the exemption from *ad valorem* taxes during the time the bonds are outstanding.

If you have any questions or need additional information, please let me know.

Sincerely,

Tony Watts
Superintendent

