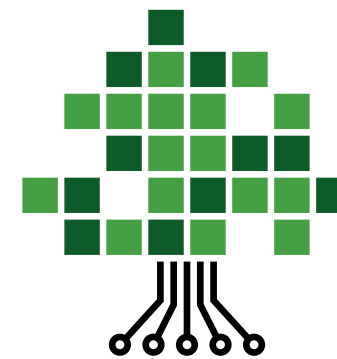




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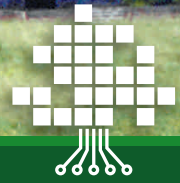


*Valley Oak
Technology
Complex*

The Business of Technology Finds Fertile Ground in Somerset, Kentucky

The Perfect Site

Great Incentives



PROJECT OVERVIEW

The Valley Oak Technology Complex is a 150-acre regional business park designed to attract technology-intensive, knowledge-based companies to Somerset and Pulaski County. The Complex offers a variety of enhanced services for both new and established companies requiring a highly-skilled workforce, a sophisticated telecommunications infrastructure and readily available investment capital.

The Complex's telecommunications infrastructure goes well beyond what would be considered normal for a rural location. Telecommunication providers to Valley Oak Technology Complex offer essentially unlimited levels of bandwidth and can quickly build out to the requirements of most businesses. The Complex is served by a nationally recognized local provider with SONET reliability, a regional "back-haul" leased-line fiber carrier, numerous independents and a non-profit private provider which is co-located with AT&T. A 48-strand fiber cable rings the Complex and provides connectivity from provider to tenant and also tenant to tenant. The Complex's telecommunications infrastructure is managed and maintained on a 24•7•365 basis by a highly secure Network Operations Center in partnership with the Somerset Pulaski County Development Foundation.



Aerial view of the Technology Complex and part of the Commerce Complex in the foreground.



The Valley Oak Commerce Complex is a thriving industrial park located directly across from the Technology Complex.

Conceptual Plan of the 150 Acre Valley Oak Technology Complex



DESCRIPTION

Valley Oak Technology Complex is located on 150 gently rolling acres, covered with lush bluegrass, framed by majestic oak trees and profiled by natural limestone rock. Ponds, trails, flowerbeds and gazebos will further enhance nature's post-card beauty. The deed and covenant restrictions assure that future technology buildings, daycare facilities, food courts and utilities maintain the image of a high tech oasis in one of America's most desirable, rural settings.

The Complex's geographic location, in the heart of east coast population centers, brings another great advantage to current and future tenants.

For the latest information, visit our website.



600 mile radius

TELECOM SERVICES

The Complex's common infrastructure is managed and maintained by the Network Operations Center (NOC) of The Center for Rural Development. The NOC and the Somerset Pulaski County Development Foundation, maintain the integrity and plan for growth of the fiber infrastructure. The NOC provides fiber patching within the complex and offers 24•7•365 management services.

The NOC is co-located in Somerset with AT&T's POP to provide tenants access to AT&T services without local loop charges. The NOC provides tenants a fee-based hosting/backup service within its secure data center, which is access controlled and equipped with redundant environmental systems and redundant power.

The Complex's fiber may be used to connect to other providers or from building to building. National, regional and local providers, both wholesale and retail, offer Valley Oak tenants a wide range of telecommunications services.

- Windstream Communications provides state-of-the-art 100% digital switching.
- The Complex is served by two Nortel Remote Line Concentrating Modules (RLCMs) on separate interfaces via a host Nortel DMS 100.
- Point-to-point optical systems and diversely routed OC 48 networks serve transport services.

LOW INTEREST LOANS

If you require financial assistance, a number of agencies offer low-interest rate loans to qualified buyers, including Southeast Kentucky Economic Development Corporation, Pulaski County Development Foundation and the State of Kentucky.

Numerous programs offer extremely low interest loans (as low as 1%) to qualified companies. Proceeds may be used to finance fixed assets such as land, buildings and equipment.

TRAINING GRANTS

We've got great people with great potential and funds to train workers to meet any requirements.



SAIC began operations at the Valley Oak Technology Complex in 2005.

COMMERCIAL SPACE AVAILABLE



The Somerset Enterprise Center is a 20,000 SF state-of-the-art business facility in the Valley Oak Technology Complex. It has six suites ranging from 985 to 4,700 SF. Visit our website for details.

Bluegrass State Skills Corporation offers reimbursement of up to 50% of training costs not to exceed \$500 per Kentucky-based employee or \$100,000 per company during a BSSC biennium.

Somerset Community College working in conjunction with the Kentucky WINS reimburses training expenses, funding 75% of the cost of services. Companies pay 25% of the cost and a 10% administrative fee to the Kentucky Community & Technical College System (KCTCS).

TAX CREDITS

Kentucky offers some of the most flexible and aggressive financial incentive programs in the U.S. Most eligible companies are able to recover from 50% to all of their original investment to establish new or expanded operations in Kentucky. Here's why it's smart to grow your business in the Valley Oak Technology Complex.

Kentucky Industrial Development Act (KIDA)

Projects approved under KIDA may receive state income tax credits for up to 100% of annual debt service costs (principal and interest) for up to 10 years on land, buildings, site development, building fixtures and equipment used in a project. Or, the company may collect a 3% job assessment fee on gross wages of each employee whose job is created by the approved project and who is subject to Kentucky income taxes. To be eligible, the minimum company investment is \$100,000 and the project must create 15 new full-time jobs.

Kentucky Jobs Development Act (KJDA)

KJDA projects may receive a 100% credit against state income tax arising from a project and may collect a job assessment fee of up to 5.0% of gross wages of each employee whose job is created by the project and who is subject to Kentucky income taxes. Amounts can be up to 50% of project start-up costs and up to 50% of annual facility rental cost or rental value for up to ten years. Companies must be service and technology-related and provide over 75% of their services to users outside Kentucky and create at

least 15 new full-time jobs. The maximum approved start-up cost is \$10,000 per new job created.

READY WORKFORCE

Long before Valley Oak Technology Complex became a reality, local government, education and industry leaders recognized that a trained workforce is essential to attracting technology-based companies. So they integrated high-tech curriculums into the local education system. As a result, the region has nationally acclaimed computer and telecommunications programs through the Pulaski High School Computer Technology Academy and Somerset Community and Technical College.

DEPENDABLE ENERGY

Extremely low-priced energy and a strong history of reliability make Southeast Kentucky a great location. Clean, dependable power is readily available at Valley Oak Technology Complex. Kentucky is a net exporter of power, and its utilities are normally ranked among the five least expensive providers in the nation. The average estimated electrical costs in Kentucky are 40% below the national average. The Complex has access to power from two substations— one of which is dedicated to the park, creating great redundancy for companies who cannot afford to lose power.

LIFE IN BALANCE

Somerset is served by a state-of-the-art regional medical center, a 5,000 foot runway airport, a progressive arts culture, well-rounded educational institutions and a wide variety of recreational opportunities including five 18-hole golf courses and beautiful Lake Cumberland. Kentucky is friendly, and our region is beautiful. The cost of living is very low compared with the rest of the country.

Our productive environment at a pace you can live with is why we've coined the phrase "Life in Balance" to describe life in our part of Kentucky. Visit our website to see photographs and learn more about our region.

southeastkentucky.com