

May 1, 2019

Senator Rick Girdler, Co-Chair
Representative Walker Thomas, Co-Chair
Capital Projects and Bond Oversight Committee
Capital Annex Building – Room 34
702 Capitol Avenue
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Walker and Members of the Capital Projects and Bond Oversight Committee:

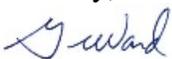
Pursuant to KRS §56.823 this is to report a new lease for the University of Kentucky which will exceed \$200,000 annually and is authorized in the 2018-2020 Executive Branch Budget Bill, House Bill 200.

Effective June 24, 2019, University of Kentucky HealthCare and Lexington Clinic will collaborate to expand their comprehensive cancer care in support of the University's commitment to expand outpatient services and clinical trials in critical clinical areas such as cancer. Consequently, Lexington Clinic's cancer center in Richmond and the medical oncology division (including chemotherapy infusion services) currently provided by Lexington Clinic in the John D. Cronin Cancer Center at 1221 South Broadway in Lexington will transition to UK HealthCare and assume a new name, UK Markey Cancer Center at Lexington Clinic.

This lease will be for space located at 1221 South Broadway, Lexington, Kentucky for 10,433 square feet of clinical space at an annual cost of \$321,011 to be paid with clinical revenues. This lease will provide an opportunity to expand the breadth and depth of the clinical cancer enterprise; provide more clinical and support space for medical oncology; and better develop access points for patients closer to their homes with more convenient access. The leased space requires some enhancements including improvements to infrastructure, architectural features and the nurse call system at a cost of not to exceed \$660,000 to be paid with clinical revenues. The effective date will be June 15, 2019 with an expiration of June 30, 2020.

If you should have any additional questions regarding this lease, please give me a call at the number below or Elizabeth Baker at 859.257.6315.

Sincerely,



George Ward
Executive Director

c: Angie Martin Christine O'Brien Elizabeth Baker

see blue.

FCR 9

Office of the President
April 30, 2019

Members, Board of Trustees:

AUTHORIZATION OF LEASE BETWEEN UNIVERSITY OF KENTUCKY
HEALTHCARE AND KENTUCKY MEDICAL SERVICES FOUNDATION, INC. and
APPROVAL OF IMPROVEMENTS TO THE SPACE

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to negotiate and execute a lease between University of Kentucky HealthCare and Kentucky Medical Services Foundation, Inc., for 10,433 square feet of space located at 1221 South Broadway, Lexington, Kentucky and approve the payment of up to \$660,000 for improvements to the space.

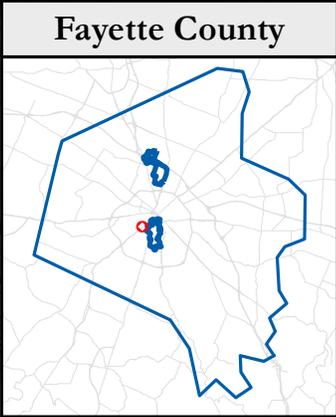
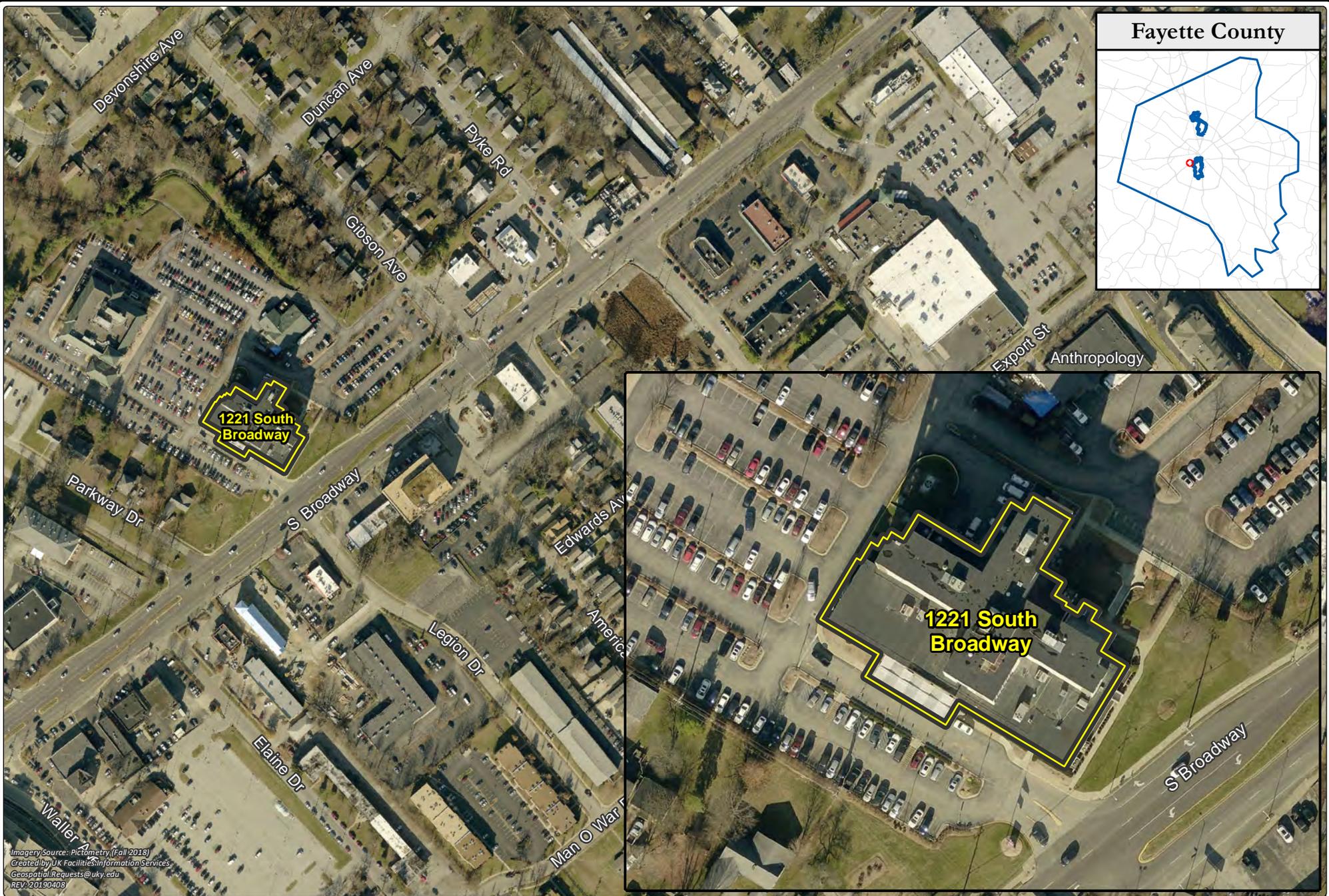
Background: At its October 2006 meeting, the Board amended Governing Regulation II.A.6(g) requiring that all leases in excess of \$200,000 annually be approved by the Board of Trustees. The President, or his designated representative, is authorized to enter into leases and easements not exceeding \$200,000 in value. Further, pursuant to Kentucky Revised Statute §164A.575, a public university may pay for improvements to leased property costing in excess of \$10,000 but less than \$1,000,000 in a lump-sum upon approval of its Board.

The University of Kentucky HealthCare's Markey Cancer Center needs additional medical oncology space to better serve its patients. The leased space will provide an opportunity to expand the breadth and depth of the clinical cancer enterprise; provide more clinical and support space for medical oncology; and better develop access points for patients closer to their homes. The lease will be for 10,433 square feet of clinical space, at an annual cost of \$321,011 to be paid with agency funds.

The leased space requires some enhancements including improvements to infrastructure, architectural features, and the nurse call system. The cost of these improvements are estimated to be up to \$660,000 which will be paid with agency funds.

Pursuant to Kentucky Revised Statute §48.111, this lease has been authorized by the 2018 Session of the Kentucky General Assembly. Contingent upon approval from the Board of Trustees, the lease will be reported to the Capital Projects and Bond Oversight Committee.

Action taken: Approved Disapproved Other_____



Imagery Source: Pictometry (Fall 2018)
Created by UK Facilities Information Services
Geospatial.Requests@uky.edu
REV: 20190408



**FCR 9 - AUTHORIZATION OF LEASE BETWEEN UNIVERSITY OF KENTUCKY
HEALTHCARE AND KENTUCKY MEDICAL SERVICES FOUNDATION, INC.**





University of Kentucky
Office of the
Executive Vice President
for Finance & Administration

May 3, 2019

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Senator Rick Girdler, Co-Chair
Representative Walker Thomas, Co-Chair
Capital Projects and Bond Oversight Committee
Capital Annex Building – Room 34
702 Capitol Avenue
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Walker and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §§ 45.763 and 45A.077 this is to report a public-private partnership delivery method for a University of Kentucky capital project, Improve Campus Parking and Transportation System (Winslow Street Redevelopment Project), which is authorized in the 2018-2020 Executive Branch Budget Bill, House Bill 200.

The Winslow Street Redevelopment Project will include the construction of a five-story structure for parking, retail, educational, administrative, support and other uses. This will be an extension of the University's existing Parking Structure #5 which is located at a prime entrance to campus. The University plans to transform this site into a hub for innovation, further serving the needs of students, faculty and staff. The University anticipates this project will anchor its programs in applying cutting-edge technology developments within a larger "innovation district" where we will partner with the City of Lexington to invest in the adaptive re-use and re-imagination of a historic area. The University sees this project as a tremendous opportunity to leverage its momentum to expand partnerships with the community, make progress on its Transportation Master Plan and serve the campus. Based on the explanation of the project provided, it was determined that a public-private partnership was the most advantageous approach to completing the project.

A summary of the Winslow Street Site Redevelopment Project follows:

- 918 parking spaces with 22,259 square feet of mixed-use space on the first floor to be used for retail, educational, administrative, support and other uses;
- Signet KY Retail, LLC, in partnership with the University, will operate and manage 10,072 square feet of the space on the first floor;
- The remaining 12,187 square feet on the first floor, as well as the parking garage, will be operated and managed by the University; and
- The project will be financed through the issuance of tax-exempt and taxable Certificates of Participation with a term of 30 years.

see blue.

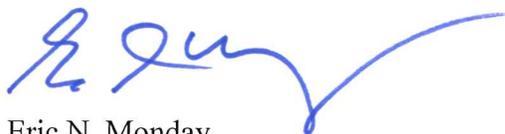
An Equal Opportunity University

The University is including the following for your information and consideration:

- New bond issue report for the Certificates of Participation transaction;
- Request for Proposals;
- The University's Board of Trustees' approval, (FCR 13), at its December 2018 meeting for the initiation of the project in an amount not to exceed \$45,000,000;
- Winslow Street Redevelopment presentation to the University's Board of Trustees at its February 2019 meeting; and
- Development Agreement between the University and Signet KY Development, LLC and associated exhibits.

Elizabeth Baker, Planning Director, will attend the May 14, 2019 Committee meeting. Please contact Elizabeth at (859) 257-6315 if there are any questions or should your staff require additional information.

Sincerely,



Eric N. Monday
Executive Vice President for
Finance and Administration

Attachments

Preliminary New Bond Issue Report

Issue	Certificates of Participation, Series 2019A (University of Kentucky Mixed-Use Parking Project) and Certificates of Participation, Taxable Series 2019B (University of Kentucky Mixed-Use Parking Project)
Purpose of Issue	The construction of a five-story, approximately 918 space parking facility with a portion of the first floor space allocated to retail, educational, administrative, support and other uses.
Proposed Date of Sale	June 26, 2019
Proposed Date of Delivery	July 9, 2019
Ratings	
Moody's	TBD
S&P	TBD

	Series 2019A (Tax-Exempt)	Series 2019B (Taxable)	Total
<u>Sources</u>			
Par Amount of Bonds	\$ 25,455,000.00	\$ 7,350,000.00	\$ 32,805,000.00
Premium	4,062,315.45	-	4,062,315.45
Total Sources	\$ 29,517,315.45	\$ 7,350,000.00	\$ 36,867,315.45
<u>Uses</u>			
Project Fund	\$ 28,000,000.00	\$ 7,000,000.00	\$ 35,000,000.00
Capitalized Interest Fund	1,082,802.08	220,912.77	1,303,714.85
Cost of Issuance	281,783.37	84,987.23	366,770.60
Underwriter Discount	152,730.00	44,100.00	196,830.00
Total Uses	\$ 29,517,315.45	\$ 7,350,000.00	\$ 36,867,315.45
All-in True Interest Cost	4.034%	3.926%	4.024%
Final Maturity Date	5/1/2049	5/1/2031	5/1/2049
Average Annual Debt Service	\$ 1,809,173.45	\$ 775,770.61	\$ 2,117,099.15
Total Net Debt Service	\$ 53,051,000.00	\$ 8,969,814.00	\$ 62,020,814.00
Average Life (years)	22.427	6.874	18.942

Deal Summary

Method of Sale	Negotiated
University Counsel/ Disclosure Counsel	Dinsmore & Shohl
Bond Counsel/ Underwriter Counsel	Frost Brown Todd LLC
Underwriter	KeyBanc Capital Markets Inc
Trustee	US Bank National Association
P3 Advisor	Commonwealth Economics



UNIVERSITY
OF KENTUCKY

Purchasing Division

Request for Proposal

UK-1896-19

Proposal Due Date - 11/20/18

Improve Campus Parking and Transportation (PS#5)

Mixed-Use Parking Garage Developer

Public-Private Partnership(P3)



UNIVERSITY OF KENTUCKY

Purchasing Division

REQUEST FOR PROPOSAL (RFP)

ATTENTION: This is not an order. Read all instructions, terms and conditions carefully.

PROPOSAL NO.:	<u>UK-1896-19</u>	RETURN ORIGINAL COPY OF PROPOSAL TO: UNIVERSITY OF KENTUCKY PURCHASING DIVISION 411 S LIMESTONE ROOM 322 PETERSON SERVICE BLDG. LEXINGTON, KY 40506-0005
Issue Date and Title:	10/08/2018 Improve Campus Parking and Transportation (PS5); Mixed-Use Parking Garage Developer, P3	
Purchasing Officer:	Mike Mudd	
Phone/ EMail:	859-257-5409 / <u>MikeMudd2@uky.edu</u>	

IMPORTANT: PROPOSALS MUST BE RECEIVED BY: 11/20/2018 @ 3 P.M. LEXINGTON, KY TIME.

NOTICE OF REQUIREMENTS

- The University's General Terms and Conditions and Instructions to Bidders, viewable at www.uky.edu/Purchasing/terms.htm, apply to this RFP. When the RFP includes construction services, the University's General Conditions for Construction and Instructions to Bidders, viewable at www.uky.edu/Purchasing/ccphome.htm, apply to the RFP.
- Contracts resulting from this RFP must be governed by and in accordance with the laws of the Commonwealth of Kentucky.
- Any agreement or collusion among offerors or prospective offerors, which restrains, tends to restrain, or is reasonably calculated to restrain competition by agreement to bid at a fixed price or to refrain from offering, or otherwise, is prohibited.
- Any person who violates any provisions of KRS 45A.325 shall be guilty of a felony and shall be punished by a fine of not less than five thousand dollars nor more than ten thousand dollars, or be imprisoned not less than one year nor more than five years, or both such fine and imprisonment. Any firm, corporation, or association who violates any of the provisions of KRS 45A.325 shall, upon conviction, be fined not less than ten thousand dollars or more than twenty thousand dollars.

AUTHENTICATION OF BID AND STATEMENT OF NON-COLLUSION AND NON-CONFLICT OF INTEREST

I hereby swear (or affirm) under the penalty for false swearing as provided by KRS 523.040:

- That I am the offeror (if the offeror is an individual), a partner, (if the offeror is a partnership), or an officer or employee of the bidding corporation having authority to sign on its behalf (if the offeror is a corporation);
- That the attached proposal has been arrived at by the offeror independently and has been submitted without collusion with, and without any agreement, understanding or planned common course of action with, any other Contractor of materials, supplies, equipment or services described in the RFP, designed to limit independent bidding or competition;
- That the contents of the proposal have not been communicated by the offeror or its employees or agents to any person not an employee or agent of the offeror or its surety on any bond furnished with the proposal and will not be communicated to any such person prior to the official closing of the RFP;
- That the offeror is legally entitled to enter into contracts with the University of Kentucky and is not in violation of any prohibited conflict of interest, including, but not limited to, those prohibited by the provisions of KRS 45A.330 to .340, and 164.390;
- That the offeror, and its affiliates, are duly registered with the Kentucky Department of Revenue to collect and remit the sale and use tax imposed by Chapter 139 to the extent required by Kentucky law and will remain registered for the duration of any contract award;
- That I have fully informed myself regarding the accuracy of the statement made above.

SWORN STATEMENT OF COMPLIANCE WITH CAMPAIGN FINANCE LAWS

In accordance with KRS 45A.110 (2), the undersigned hereby swears under penalty of perjury that he/she has not knowingly violated any provision of the campaign finance laws of the Commonwealth of Kentucky and that the award of a contract to a bidder will not violate any provision of the campaign finance laws of the Commonwealth of Kentucky.

CONTRACTOR REPORT OF PRIOR VIOLATIONS OF KRS CHAPTERS 136, 139, 141, 337, 338, 341 & 342

The contractor by signing and submitting a proposal agrees as required by 45A.485 to submit final determinations of any violations of the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that have occurred in the previous five (5) years prior to the award of a contract and agrees to remain in continuous compliance with the provisions of the statutes during the duration of any contract that may be established. Final determinations of violations of these statutes must be provided to the University by the successful contractor prior to the award of a contract.

CERTIFICATION OF NON-SEGREGATED FACILITIES

The contractor, by submitting a proposal, certifies that he/she is in compliance with the Code of Federal Regulations, No. 41 CFR 60-1.8(b) that prohibits the maintaining of segregated facilities.

SIGNATURE REQUIRED: This proposal cannot be considered valid unless signed and dated by an authorized agent of the offeror. Type or print the signatory's name, title, address, phone number and fax number in the spaces provided. Offers signed by an agent are to be accompanied by evidence of his/her authority unless such evidence has been previously furnished to the issuing office.

DELIVERY TIME:	NAME OF COMPANY:	DUNS #
PROPOSAL FIRM THROUGH:	ADDRESS:	Phone/Fax:
PAYMENT TERMS:	CITY, STATE & ZIP CODE:	E-MAIL:
SHIPPING TERMS: F. O. B. DESTINATION PREPAID AND ALLOWED	TYPED OR PRINTED NAME:	WEB ADDRESS:
FEDERAL EMPLOYER ID NO.:	SIGNATURE:	DATE:

Table of Contents

1.0 DEFINITIONS	7
2.0 GENERAL OVERVIEW	8
2.1 Intent and Scope	8
2.2 University Information	9
2.3 Project Background Information.....	11
2.4 The Winslow Street Project Site	12
2.5 Financing.....	13
3.0 PROPOSAL REQUIREMENTS.....	14
3.1 Key Event Dates.....	14
3.2 Offeror Communication	14
3.3 Pre-Proposal Conference	14
3.4 Offeror Presentations	15
3.5 Preparation of Offers	15
3.6 Proposed Deviations from the RFP	15
3.7 Proposal Submission and Deadline	16
3.8 Modification or Withdrawal of Offer.....	16
3.9 Acceptance or Rejection and Award of Proposal	16
3.10 Rejection	17
3.11 Addenda.....	17
3.12 Disclosure of Offeror's Response	17
3.13 Restrictions on Communications with University Staff	17
3.14 Cost of Preparing Proposal.....	18
3.15 Disposition of Proposals	18
3.16 Alternate Proposals	18
3.17 Questions	18
3.18 Section Titles in the RFP	18
3.19 No Contingent Fees.....	18
3.20 Proposal Addenda and Rules for Withdrawal.....	18
4.0 PROPOSAL FORMAT AND CONTENT	19
4.1 Proposal Information and Criteria	19

4.2	Signed Authentication of Proposal and Statements of Non-Collusion and Non-Conflict of Interest Form	19
4.3	Transmittal Letter	19
4.4	Executive Summary and Proposal Overview	20
4.5	Criteria 1 - Offeror Qualifications	20
4.6	Criteria 2 – Development Experience	20
4.7	Criteria 3 – Financial Capability to Execute the Project.....	21
4.8	Criteria 4 – Project Financing	21
4.9	Criteria 5 – Description of Proposed Project	21
4.10	Criteria 6 – Mixed-Use Management Experience.....	22
4.11	Criteria 7 – Offeror’s Maintenance and Operating Plan and Schedule	22
4.12	Criteria 8 – Financial Proposal.....	22
4.13	Criteria 9 - Additional Resources Required.....	22
4.14	Criteria 10 - References	23
4.15	Criteria 11 – Construction Logistics and Impacts	23
4.16	Criteria 12 – Other Additional Information.....	23
5.0	EVALUATION CRITERIA PROCESS.....	24
6.0	TERMS AND CONDITIONS.....	25
6.1	Contract Term	25
6.2	Effective Date	25
6.3	Competitive Negotiation	25
6.4	Bonding	25
6.5	Appearance Before Committee	25
6.6	Additions, Deletions or Contract Changes	25
6.7	Contractor Cooperation in Related Efforts	26
6.8	Entire Agreement	26
6.9	Governing Law	26
6.10	Kentucky’s Personal Information Security and Breach Investigation Procedures and Practices Act	26
6.11	Termination for Convenience.....	27
6.12	Termination for Non-Performance	27
6.13	Funding Out	28
6.14	Prime Contractor Responsibility.....	28

6.15 Assignment and Subcontracting	28
6.16 Permits, Licenses, Taxes.....	28
6.17 Attorneys' Fees	28
6.18 Royalties, Patents, Copyrights and Trademarks	29
6.19 Indemnification	29
6.20 Insurance	29
6.21 Method of Award	30
6.22 Reciprocal Preference	30
6.23 Reports and Auditing	30
6.24 Confidentiality.....	31
6.25 Conflict of Interest	31
6.26 Extending Contract.....	31
6.27 Personal Service Contract Policies – Not Used	31
6.28 Copyright Ownership and Title to Designs and Copy.....	31
6.29 University Brand Standards	32
6.30 Printing Statutes – Not Used	32
7.0 Scope of Services – POST AWARD.....	33
7.1 Developer Services Defined	33
7.2 Detailed Services Defined	33
7.3 Construction Phase Services.....	35
7.4 Post Construction Phase Services.....	36
7.5 Compliance with State Laws.....	36
7.6 General and Special Conditions	36
8.0 FINANCIAL OFFER	46
8.1 Key Financial Components.....	46
8.2 Parking Spaces and Use	46
8.3 Alternate Pricing.....	46

Appendices:

- Appendix A - UK Transportation Master Plan
- Appendix B – Commercial Corridors Report
- Appendix C – UK Master Plan
- Appendix D – Winslow Street and Jersey Street Property Site Overview
- Appendix E - Phase 1 Kennedy Environmental Site Assessment

Appendix F - Phase 1 Fazolis Environmental Site Assessment
Appendix G – Phase 2 Shields Core Space Kennedys and Fazolis
Appendix H - Phase 2 Shields Core Space Borings Locations
Appendix I – Prohibited Commercial Uses
Appendix J – As Built Drawings (to be issued as an Addendum)

1.0 DEFINITIONS

The term "Addenda" means written or graphic instructions issued by the University of Kentucky prior to the receipt of proposals that modify or interpret the RFP documents by additions, deletions, clarifications and/or corrections.

The "Architect of Record" means the prime architectural firm, to include subconsultants providing architectural and/or engineering services for this development.

The term "Competitive Negotiations" means the method authorized in the Kentucky Revised Statutes, Chapter 45A.085.

The term "Contractor" means the entity receiving a contract award.

The term "Developer" means the entity selected to carry out the Project.

The "Agreement" is the agreement that defines the terms between the parties.

The terms "Offer" or "Proposal" mean the Offeror's response to this RFP.

The term "Offeror" means the entity or group submitting the Proposal.

The term "Project" means the Winslow Street Mixed-Use and Parking Project.

The term "Project Site" means the ground on which the Project is located.

The term "Purchasing Agency" means the University of Kentucky, Purchasing Division, Room 322 Peterson Service Building, Lexington, KY 40506-0005.

The term "Purchasing Official" means the University of Kentucky's appointed contracting representative.

The term "Responsible Offeror" means a person, company or corporation that has the capability in all respects to perform fully the contract requirements and the integrity and reliability that will assure good faith performance. In determining whether an Offeror is responsible, the University may evaluate various factors including (but not limited to): financial resources; experience; organization; technical qualifications; available resources; record of performance; integrity; judgment; ability to perform successfully under the terms and conditions of the contract; adversarial relationship between the Offeror and the University that is so serious and compelling that it may negatively impact the work performed under this RFP; or any other cause determined to be so serious and compelling as to affect the responsibility of the Offeror.

The term "Solicitation" means RFP.

The term "University" or "Owner" means University of Kentucky.

2.0 GENERAL OVERVIEW

2.1 Intent and Scope

This Request for Proposal (RFP) for a mixed-use parking development contemplates the selection of a Developer to construct a mixed-use development consisting of street front ground floor retail, restaurant, and/or office space ("Mixed-Uses") with supported parking above on the site known as the Winslow Street site. The new structure will tie into the existing Parking Structure #5 at all levels with the possible exception of the basement. It is anticipated that approximately 900 - 1,000 parking spaces can be added using three bays of structure. The addition must match or complement the existing structure in architectural, structural, mechanical, electrical, and plumbing design. The design shall conform to the "Official UK Standards" unless prior written consent is given by the UK Project Manager. Design Standard are available at:

<http://www.uky.edu/cpmd/official-design-standards>

In addition, As-Built drawings for the existing structure will be issued via an Addendum. The Developer will need to support their proposed design with an independent traffic study showing capacity for ingress and egress via existing, or if needed, additional or relocated entrances and exits. The University will provide traffic counts via addendum no later than 10/19/2018 that should be used for the traffic and ingress/egress analysis. The University intends to enter into an Agreement, based upon fair market value, with the selected Developer for an agreed upon term. Upon conclusion of the term of this Agreement, the University will retain full control and operation of all aspects of the Winslow Street property. Financing, Design and Construction is the responsibility of the Developer.

The components of the Project are as follows:

- The parties will negotiate and execute a long-term Agreement for the Winslow Street site.
- The Developer will construct the mixed-use parking development at the Winslow Street site, and may provide the maintenance, operations, and custodial functions of the Mixed-Uses component of the Project
- The Project shall maximize the number of net new parking spaces (exact number of parking spaces to be determined) for exclusive use by the University. The University may operate and maintain the parking portion of the development.

Qualified firms shall demonstrate knowledge, experience, organization and financial ability to implement a complex, progressive, innovative project in a timely manner that serves the best interest of the University.

The University intends to select a Developer who demonstrates the best value for the design, development and management of a mixed-use parking development that will benefit the University and its students, faculty and staff. A proven track record in developing and managing mixed-use projects and/or structured parking in a fiscally responsible manner, including established relationships with tenant(s), is paramount. Moreover, Developer must work with the University dining partner and/or bookstore partner if any proposed Mixed-Uses tenant(s) would be in competition with those University contracts. Additionally, Developer must abide by any exclusivity granted by the University's existing contracts with Coke, PNC, UK Federal Credit Union, and

Kroger. The University will select a Developer as described in this RFP, including Offeror presentations, if necessary (described in Section 3.4.).

The evaluation criteria (described in Section 4.0) will consider the capabilities of the Offerors and will include experience, resources, financial capability, and project financing.

The University anticipates additional parking needs in the near future. The University reserves the right to negotiate with the selected Developer for additional parking projects; however, the continued use of the Developer is on a case by case basis and the University is under no obligation to do so.

For additional information please refer to the following Appendices:

Appendix A - UK Transportation Master Plan
Appendix B – Commercial Corridors Report
Appendix C – UK Master Plan
Appendix D – Winslow Street and Jersey Street Property Site Overview
Appendix E - Phase 1 Kennedy Environmental Site Assessment
Appendix F - Phase 1 Fazolis Environmental Site Assessment
Appendix G – Phase 2 Shields Core Space Kennedys and Fazolis
Appendix H - Phase 2 Shields Core Space Borings Locations
Appendix I – Prohibited Commercial Uses
Appendix J – As Built Drawings (to be issued as an Addendum)

2.2 University Information

Since his arrival, President Eli Capilouto has set forth an ambitious agenda to extend and enhance our role as Kentucky's land-grant and flagship research university. By focusing on infrastructure growth and improvement; creating opportunities for innovative teaching, learning, and academic excellence; fostering a robust research and creative scholarship enterprise; providing life-saving subspecialty care; empowering communities through service and outreach; and encouraging a transparent and shared dialogue about institutional priorities; the University of Kentucky will ensure a new century of promise for the people we impact.

Founded in 1865 as a land-grant institution adjacent to downtown Lexington, UK is nestled in the scenic heart of the beautiful Bluegrass Region of Kentucky. From its early beginnings, with only 190 students and 10 professors, UK's campus now covers more than 918 acres and is home to more than 30,000 students and approximately 20,000 full-time and part-time employees, including more than 2,300 full-time faculty. UK is one of a small number of universities in the United States that has programs in agriculture, engineering, a full complement of health colleges including medicine and pharmacy, law and fine arts on a single campus, leading to groundbreaking discoveries and unique interdisciplinary collaboration. The state's flagship university consists of 17 academic and professional colleges where students can choose from more than 200 majors and degree programs at the undergraduate and graduate levels. The colleges are Agriculture, Food and Environment; Arts and Sciences; Business and Economics; Communication and Information; Dentistry; Design; Education; Engineering; Fine Arts; Health Sciences; Law; Lewis Honor's College, Medicine; Nursing; Pharmacy; Public Health; and Social Work; and the Graduate School. These colleges are supported by a modern research library system.

Research at the University of Kentucky is a dynamic enterprise encompassing both traditional scholarship and emerging technologies, and UK's research faculty, staff and students are establishing UK as one of the nation's most prolific public research universities. UK's research enterprise attracted \$285 million in research grants and contracts from out-of-state sources, which generated a \$580 million impact on the Kentucky economy. Included in this portfolio is \$153 million in federal awards from the National Institutes of Health, non-NIH grants from the Department Health and Human Services, the National Science Foundation, Department of Energy, Department of Agriculture and NASA, among others. The National Science Foundation ranks UK's research enterprise 44th among public institutions.

With more than 50 research centers and institutes, UK researchers are discovering new knowledge, providing a rich training ground for current students and the next generation of researchers, and advancing the economic growth of the Commonwealth of Kentucky. Several centers excel in the services offered to the public. The Gluck Equine Research Center is one of only three facilities of its kind in the world, conducting research in equine diseases.

The Center for Applied Energy Research is pursuing groundbreaking discovery across the energy disciplines. CAER staff are pioneering new ways to sustainably utilize Kentucky natural resources through carbon-capture algae technology, biomass/coal to liquid products and the opening of UK's first LEED-certified research lab to support the development of Kentucky's growing alternative energy industry. Among the brightest examples of UK's investment in transformative research is the Markey Cancer Center. As a center of excellence and distinction at UK, Markey's robust research and clinical enterprise is the cornerstone of our commitment to Kentucky – fundamental to our success in uplifting lives through our endeavors and improving the general health and welfare of our state – burdened by the nation's highest rate of cancer deaths per 100,000 people. In 2013, Markey earned the prestigious National Cancer Institute-designation (NCI) – one of 68 nationally and the only one in Kentucky.

The University of Kentucky was awarded a \$20 million Clinical Translational Sciences Award (CTSA) from the National Institutes of Health (NIH). As one of only 60 institutions with this research distinction, UK was awarded the CTSA for its potential in moving research and discovery in the lab into practical field and community applications. The CTSA and NCI are part of a trifecta of federal research grants that includes an Alzheimer's Disease Center. UK is one of only 22 universities in the country to hold all three premier grants from NIH.

Established in 1957, the medical center at UK is one of the nation's finest academic medical centers and includes the University's clinical enterprise, UK HealthCare. The 724-bed UK Albert B. Chandler Hospital and Kentucky Children's Hospital, along with 221 beds at UK Good Samaritan Hospital, are supported by a growing faculty and staff providing the most advanced subspecialty care for the most critically injured and ill patients throughout the Commonwealth and beyond. Over the last several years, the number of patients served by the medical enterprise has increased from roughly 19,000 discharges to more than 40,000 discharges in 2017.

UK Chandler Hospital includes the only Level 1 Trauma Center for both adult and pediatric patients in Central and Eastern Kentucky. In addition, UK HealthCare recently opened one of the country's largest robotic hybrid operating rooms and the first of its kind in the region. While our new patient care pavilion is the leading healthcare facility for advanced medical procedures in the region, our talented physicians consult with and travel to our network of affiliate hospitals so Kentucky citizens

can receive the best health care available close to their home and never need to leave the Bluegrass for complex subspecialty care.

UK's agenda remains committed to accelerating the University's movement toward academic excellence in all areas and gain worldwide recognition for its outstanding academic programs, its commitment to students, its investment in pioneering research and discovery, its success in building a diverse community and its engagement with the larger society. It is all part of the University's fulfillment of our promise to Kentucky to position our state as a leader in American prosperity.

2.3 Project Background Information

Transformation

The vision for the University is for it to become a thriving, residential research campus -- one poised to serve those students, scholars and staff today; one that is ready to serve the needs of the state and world tomorrow. To do this -- to create the best possible environment for the University community's success -- the institution has invested, and largely self-financed, almost \$2.3 billion in a campus transformation, with new residence halls and classrooms, research facilities, dining facilities and athletic venues. The vision is for the University to take its place among the best public universities in America, all of it designed to help our students, faculty and staff reach their potential together. We are transforming our campus so that we can continue to transform lives.

<http://www.uky.edu/sotu/campus-transformation>

Community Connection / Commercial Corridors

Placing a value on the quality of life for our students, faculty, and staff, the University of Kentucky recognizes the importance of and opportunity presented by supporting vibrant, welcoming, and sustainable developments in commercial districts surrounding campus. In particular, the South Limestone Street and Euclid Avenue/Avenue of Champions corridors provide critical links between the University, Downtown Lexington, and surrounding urban neighborhoods.

In 2014, the University chose to partner with the Lexington-Fayette Urban County Government (LFUCG) and the Downtown Lexington Partnership (DLP) in the development of a commercial corridor study to identify market and data-driven opportunities to fully realize the economic potential of these corridors. This plan provides a clear vision for what these corridors can be - in terms of land use and private development character, and the look, feel and function of the public realm - all with an eye toward creating vibrant, walkable urban streets that reinforce and enhance the image of Lexington and the University of Kentucky as desirable places to live, work and learn. In particular, for the University to differentiate itself in the increasingly competitive market of higher learning among top-tier residential universities, it is necessary for the University and the city to act as community partners.

<http://www.lexingtonky.gov/Modules/ShowDocument.aspx?documentid=29941>

North Campus

North campus is currently home to approximately 2,492 undergraduate and graduate students. North campus is composed of five residence halls (Blazer, Boyd, Holmes, Jewell, and Wildcat Coal Lodge) and Roselle Hall that is currently occupied by graduate and professional students.

The residence halls on north campus are close to many classrooms, including the White Hall classroom building where many freshmen attend classes. North campus housing is also conveniently located near Memorial Coliseum, the Bill Gatton Student Center, Rupp Arena, the Singletary Center for the Arts and downtown Lexington. North campus students also enjoy a selection of eclectic restaurants and shops on South Limestone.

In August 2018, the University celebrated the opening of the new Bill Gatton Student Center (GSC), a 378,000 sq ft facility – located on North Campus and serving the entire campus community. The GSC includes a 750 seat residential dining venue, five retail dining units, a new Barnes & Noble University Bookstore & Cafe, three ballrooms, a cinema, theater, Alumni Gym for campus recreation, Cats Den, student organization spaces, and world class meeting and congregation spaces.

Jersey Street Housing and Retail

In February 2018, the University and Core Spaces executed a land swap that, in part, transferred ownership of an approximately 53,000 SF site known as the Jersey Street parking lot to Core Spaces for development. Core Spaces is currently building a mixed-use student housing and ground floor retail development, scheduled to be open by Fall 2019.

<https://www.kentucky.com/news/local/counties/fayette-county/article172909496.html>

<https://www.wkyt.com/content/news/Target-to-open-small-format-store-near-University-of-Kentucky-campus-480122953.html>

As part of the land swap agreement with deeds dated February 1, 2018, between the University and Core Spaces, the University agreed that the Winslow project site would not be utilized for any residential purposes for a period of fifty (50) years and would not be utilized for a CVS, Walgreens, or Walmart for a period of ten (10) years.

2.4 The Winslow Street Project Site

The Winslow Street site is located on north campus on the corners of Winslow/Limestone and Winslow/Upper and is approximately 61,370 SF. The University's Environmental Management Department (EMD) did conduct a Phase I Environmental Site Assessment (UK-1896-19 Appendix E and F) and Hazardous Materials investigation (UK-1896-19 Appendix H) in July 2017 on behalf of Core Spaces. A Phase II site investigation was completed by an environmental consultant, Shield Environmental (UK-1896-19 Appendix G) hired by Core Spaces and EMD is aware of the noted impacts to soil and groundwater quality and the recommendations for future management provided by the consultant to Core Spaces in their Limited Phase II Site Investigation Report. A copy of the Site Assessment studies are available at <http://www.uky.edu/Purchasing/bidlist.htm> - UK-1896-19 Appendix E, F, G, H.

As noted in the Limited Phase II Site Investigation Report, (UK-1896-19 Appendix G), the Potential Offerors must perform the following:

- Once the demolition of all building structures is complete, further soil and groundwater characterization around SB-TAW-5 must be conducted to define the vertical and horizontal extent of impacts. A report must be prepared for the University and for submittal to the Kentucky Division of Waste Management that summarizes the findings and offers options for subsequent management of the impacts. KDWM approval of the management option will be required before construction activities can commence.
- If any subsurface manipulation of soil in the areas of SB-7 and/or SB/TAW-5 is required during demolition/construction activities, then the excavated soil should be handled according to the guidelines set forth in a construction Soil Management Plan (required as part of the bid submittal), which would include but not be limited to the removal and disposal of impacted soil at an appropriate landfill facility approved by the University. Soil confirmation sampling during the excavation activities would dictate the volume of soil required to be removed/disposed. It will be necessary that a qualified environmental consultant be retained for the oversight of such activities.
- If any subsurface activities come in contact with groundwater in the area of TAW-5, then the groundwater should be handled according to the guidelines set forth in a construction Groundwater Management Plan (required as part of the bid submittal), which would include but not be limited to the removal and disposal of the impacted water at an appropriate recycling facility approved by the University. Permanent groundwater monitoring wells should be installed during/after construction activities to monitor any potential plume migrations on- or off-site. It will be necessary that a qualified environmental consultant be retained for the oversight of such activities.

2.5 Financing

The University is seeking responses from Offerors that provide cost effective financing options and structures.

Therefore, Offerors responding to this Solicitation should anticipate that, during the Planning Stage, the University will engage the selected Developer in a comprehensive evaluation of transaction structures, business terms, and capital sources. The University is seeking Offerors with demonstrated ability and experience in financing mixed-use developments on publicly-owned property.

For the purposes of responding to this RFP, and subject to the on-going discussions described above, Offerors should assume that Agreements for the development of the site will include the general provisions as set forth in this RFP and Appendices.

3.0 PROPOSAL REQUIREMENTS

3.1 Key Event Dates

Release of RFP	10/08/2018
Pre-Proposal Conference	10/18/2018
Deadline for Written Questions	3 p.m. Eastern Time on 11/02/2018
Addendum	11/13/2018
RFP Proposals Due	3 p.m. Eastern Time on 11/20/2018
Evaluation of Proposals	11/26/2018
Offeror Presentations	12/12/2018
Contract Award (estimated)	12/30/2018

3.2 Offeror Communication

To ensure that RFP documentation and subsequent information (modifications, clarifications, addenda, Written Questions and Answers, etc.) are directed to the appropriate persons within the offeror's firm, each offeror who intends to participate in this RFP is to provide the following information to the purchasing officer. Prompt, thorough compliance is in the best interest of the offeror. Failure to comply may result in incomplete or delayed communication of addenda or other vital information. Contact information is the responsibility of the offeror. Without the prompt information, any communication shortfall shall reside with the offeror.

- Name of primary contact
- Mailing address of primary contact
- Telephone number of primary contact
- Fax number of primary contact
- E-mail address of primary contact
- Additional contact persons with same information provided as primary contact

This information shall be transmitted via fax or e-mail to:

Mike Mudd
Purchasing Division
University of Kentucky
322 Peterson Service Building
Lexington, KY 40506-0005
Phone: (859) 257-5409
E-mail: MikeMudd2@uky.edu

All communication with the University regarding this RFP shall only be directed to the purchasing officer listed above.

3.3 Pre-Proposal Conference

A Pre-Proposal Conference will be held in Lexington, Kentucky on 10/18/2018 at 10:00 a.m. in (to be issued via an Addendum), to allow prospective contractors an opportunity to ask questions and

clarify the University's expectations. This conference provides Offerors an opportunity for oral questions. For directions please visit the following web site:

<http://ukcc.uky.edu/cgi-bin/dynamo?maps.391+campus+0005>

The following items should be noted in reference to the Pre-Proposal Conference:

Attendance at the Pre-Proposal Conference is voluntary; however, multiple tours of the Project site will not be given. Interested Offerors should plan to attend the scheduled Pre-Proposal Conference in order to tour the site.

Those Offerors planning to attend the Pre-Proposal Conference shall email Mike Mudd at mikemudd2@uky.edu by 10/15/2018 indicating their interest in attending and the number in their party.

Offerors are encouraged to submit written questions after the conference by the date listed in Section 3.1.

The University will prepare written responses to all questions submitted and make them available to all Offerors. The questions and answers will be made part of the RFP and may become part of the contract with the successful contractor. Answers given orally at the conference are not binding.

3.4 Offeror Presentations

Finalists shall be required to make a presentation to the evaluation committee. The interviews are tentatively scheduled to be held on 12/12/2018. Actual interview times will be scheduled later. In addition, an agenda for the finalists will be issued prior to the interviews.

3.5 Preparation of Offers

The offeror is expected to follow all specifications, terms, conditions and instructions in this RFP.

The offeror will furnish all information required by this solicitation.

Proposals should be prepared simply and economically, providing a description of the offeror's capabilities to satisfy the requirements of the solicitation. Emphasis should be on completeness and clarity of content. All documentation submitted with the proposal should be bound in the single volume except as otherwise specified.

An electronic version of the RFP, in .PDF format only, is available through the University of Kentucky Purchasing Division web site: www.uky.edu/purchasing/bidlist.htm

3.6 Proposed Deviations from the RFP

The stated requirements appearing elsewhere in this RFP shall become a part of the terms and conditions of any resulting contract. Any deviations therefrom must be specifically defined in accordance with the transmittal letter, Section 4.3 (d). If accepted by the University, the deviations shall become part of the contract, but such deviations must not be in conflict with the basic nature of this RFP.

Note: Offerors shall not submit their standard terms and conditions as exceptions to the University's General Terms and Conditions. Each exception to the University's General Terms and Conditions shall be individually addressed.

3.7 Proposal Submission and Deadline

Offeror must provide the following materials prior to 3 p.m. (Lexington, KY time) on the date specified in Section 3.1 and addressed to the purchasing officer listed in Section 3.2:

- **Technical Proposal:** One (1) copy on an electronic storage device (CD or USB) (1 copy per storage device) each clearly marked with the proposal number and name, firm name and what is included (Technical Proposal) and six (6) printed copies in a single package, separate from the Financial Proposal.
- **Financial Proposal:** One (1) copy on an electronic storage device (CD or USB) (1 copy per storage device) each clearly marked with the proposal number and name, firm name and what is included (Financial Proposal) and six (6) printed copies in a single package, separate from the Technical Proposal.

Note: Proposals received after the closing date and time will not be considered. In addition, proposals received via fax or e-mail are not acceptable.

The University of Kentucky accepts deliveries of RFPs Monday through Friday from 8 a.m. to 5 p.m. Lexington, KY time. However, RFPs must be received by 3 p.m. Lexington, KY time on the date specified on the RFP in order to be considered.

Proposals shall be enclosed in sealed envelopes to the above referenced address and shall show on the face of the envelope: the closing time and date specified, the solicitation number and the name and address of the offeror. The technical proposal shall be submitted in a sealed envelope and the financial proposal shall be submitted in a sealed envelope under separate cover. Both sealed envelopes shall have identical information on the cover, with the addition that one will state "Technical Information," and the other, "Financial Proposal."

Note: In accordance with the Kentucky Revised Statute 45A.085, there will be no public opening.

3.8 Modification or Withdrawal of Offer

An offer and/or modification of offer received at the office designated in the solicitation after the exact hour and date specified for receipt will not be considered.

An offer may be modified or withdrawn by written notice before the exact hour and date specified for receipt of offers. An offer also may be withdrawn in person by an offeror or an authorized representative, provided the identity of the person is made known and the person signs a receipt for the offer, but only if the withdrawal is made prior to the exact hour and date set for receipt of offers.

3.9 Acceptance or Rejection and Award of Proposal

The University reserves the right to accept or reject any or all proposals (or parts of proposals), to waive any informalities or technicalities, to clarify any ambiguities in proposals and (unless

otherwise specified) to accept any item in the proposal. In case of error in extension or prices or other errors in calculation, the unit price shall govern. Further, the University reserves the right to make a single award, split awards, multiple awards or no award, whichever is in the best interest of the University.

3.10 Rejection

Grounds for the rejection of proposals include (but shall not be limited to):

- Failure of a proposal to conform to the essential requirements of the RFP.
- Imposition of conditions that would significantly modify the terms and conditions of the solicitation or limit the offeror's liability to the University on the contract awarded on the basis of such solicitation.
- Failure of the offeror to sign the University RFP. This includes the Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest statements.
- Receipt of proposal after the closing date and time specified in the RFP.

3.11 Addenda

Any addenda or instructions issued by the purchasing agency prior to the time for receiving proposals shall become a part of this RFP. Such addenda shall be acknowledged in the proposal. No instructions or changes shall be binding unless documented by a proper and duly issued addendum.

3.12 Disclosure of Offeror's Response

The RFP specifies the format, required information and general content of proposals submitted in response to this RFP. The purchasing agency will not disclose any portions of the proposals prior to contract award to anyone outside the Purchasing Division, the University's administrative staff, representatives of the state or federal government (if required) and the members of the committee evaluating the proposals. After a contract is awarded in whole or in part, the University shall have the right to duplicate, use or disclose all proposal data submitted by offerors in response to this RFP as a matter of public record.

Any submitted proposal shall remain valid six (6) months after the proposal due date.

The University shall have the right to use all system ideas, or adaptations of those ideas, contained in any proposal received in response to this RFP. Selection or rejection of the proposal will not affect this right.

3.13 Restrictions on Communications with University Staff

From the issue date of this RFP until a contractor is selected and a contract award is made, offerors are not allowed to communicate about the subject of the RFP with any University administrator, faculty, staff or members of the board of trustees except: the purchasing office representative, any University purchasing official representing the University administration, others authorized in writing

by the purchasing office and University representatives during offeror presentations. If violation of this provision occurs, the University reserves the right to reject the offeror's proposal.

3.14 Cost of Preparing Proposal

Costs for developing the proposals and any subsequent activities prior to contract award are solely the responsibility of the offerors. The University will provide no reimbursement for such costs.

3.15 Disposition of Proposals

All proposals become the property of the University. The successful proposal will be incorporated into the resulting contract by reference.

3.16 Alternate Proposals

Offerors may submit alternate proposals. If more than one proposal is submitted, all must be complete (separate) and comply with the instructions set forth within this document. Each proposal will be evaluated on its own merits.

3.17 Questions

All questions should be submitted by either fax or e-mail to the purchasing officer listed in Section 3.2 no later than the date listed in Section 3.1. Email to: mikemudd2@uky.edu and sbowlin@uky.edu

3.18 Section Titles in the RFP

Section titles used herein are for the purpose of facilitating ease of reference only and shall not be construed to infer the construction of contractual language.

3.19 No Contingent Fees

No person or selling agency shall be employed or retained or given anything of monetary value to solicit or secure this contract, except bona fide employees of the offeror or bona fide established commercial or selling agencies maintained by the offeror for the purpose of securing business. For breach or violation of this provision, the University shall have the right to reject the proposal, annul the contract without liability, or, at its discretion, deduct from the contract price or otherwise recover the full amount of such commission, percentage, brokerage or contingent fee or other benefit.

3.20 Proposal Addenda and Rules for Withdrawal

Prior to the date specified for receipt of offers, a submitted proposal may be withdrawn by submitting a written request for its withdrawal to the University purchasing office, signed by the offeror. Unless requested by the University, the University will not accept revisions or alterations to proposals after the proposal due date.

4.0 PROPOSAL FORMAT AND CONTENT

4.1 Proposal Information and Criteria

The following list specifies the items to be addressed in the proposal. Offerors should read it carefully and address it completely and in the order listed to facilitate the University's review of the proposal.

Proposals shall be organized into the sections identified below. The content of each section is detailed in the following pages. It is strongly suggested that offerors use the same numbers for the following content that are used in the RFP.

- Signed Authentication of Proposal and Statement of Non-Collusion and Non-Conflict of Interest Form
- Transmittal Letter
- Executive Summary and Proposal Overview
- Criteria 1 - Offeror Information
- Criteria 2 – Development Experience
- Criteria 3 – Financial Capability to Execute the Project
- Criteria 4 – Project Financing
- Criteria 5 – Description of Proposed Project
- Criteria 6 – Mixed-Use, Retail, Restaurant, and/or Office Management Experience
- Criteria 7 – Offeror's Maintenance Plan and Schedule
- Criteria 8 – Financial Proposal
- Criteria 9 – Additional Resources Required
- Criteria 10 – References
- Criteria 11 – Construction Logistics and Impact
- Criteria 12 – Other Additional Information

4.2 Signed Authentication of Proposal and Statements of Non-Collusion and Non-Conflict of Interest Form

The Offeror will sign and return the proposal cover sheet and print or type their name, firm, address, telephone number and date. The person signing the offer must initial erasures or other changes. An offer signed by an agent is to be accompanied by evidence of their authority unless such evidence has been previously furnished to the purchasing agency. The signer shall further certify that the proposal is made without collusion with any other person, persons, company or parties submitting a proposal; that it is in all respects fair and in good faith without collusion or fraud; and that the signer is authorized to bind the principal offeror.

4.3 Transmittal Letter

The Transmittal Letter accompanying the RFP shall be in the form of a standard business letter and shall be signed by an individual authorized to legally bind the offeror. It shall include:

- A statement referencing all addenda and written questions, the answers and any clarifications to this RFP issued by the University and received by the offeror (If no addenda have been received, a statement to that effect should be included.).

- A statement that the offeror's proposal shall remain valid for six (6) months after the closing date of the receipt of the proposals.
- A statement that the offeror will accept financial responsibility for all travel expenses incurred for oral presentations (if required) and candidate interviews.
- A statement that summarizes any deviations or exceptions to the RFP requirements and includes a detailed justification for the deviation or exception.
- A statement that identifies the confidential information as described in Section 6.23.

4.4 Executive Summary and Proposal Overview

The Executive Summary and Proposal Overview shall condense and highlight the contents of the technical proposal in such a way as to provide the evaluation committee with a broad understanding of the entire proposal.

4.5 Criteria 1 - Offeror Qualifications

Offerors must describe and offer evidence of their ability to meet each of the qualifications listed below.

- a) **Team and Firm Organization:** Identify the Offeror's entity; its legal status; employer identification number; address; full names of the officers, their addresses, credit references, and brief biographical summaries. If the entity is a joint venture or partnership, provide the above information for each partner.
- b) **Key Personnel:** Provide a description of the proposed staffing plan including the names and titles of all key staff assigned to the Project, their roles and responsibilities and their resumes.
- c) **Legal Claims:** Disclose any recent or currently outstanding legal claims against the Offeror or any key personnel, including the source of such claims, their amount, and status.
- d) Provide a list of proposed primary subcontractors (e.g. Architect and General Contractor) and experience of their firms with projects similar in size and scope to the Project. Identify whether any of the subcontractors are small businesses as determined by the U.S. Small Business Administration.

4.6 Criteria 2 – Development Experience

- a) The Offeror must provide evidence of having successfully undertaken other projects of this type and/or magnitude. Describe the background and experience of the entity and its principals in undertaking Mixed-Uses and/or parking projects of this type and magnitude, including brief descriptions of similar projects completed and/or under construction. Provide a statement regarding the duration of the Offeror's financial and operational involvement with each such project following completion (or an affiliate's involvement if the Offeror is not the entity working with such project following completion). This

description should additionally include the cost history of the projects in meeting construction budgets, operating budgets, debt coverage and delivery dates and where they differed from the pre-construction project pro forma.

- b) The Offeror should identify and describe awards it has received for Mixed-Uses and/or parking projects completed in the last five (5) years. It should show evidence of achieving high quality and affordability within the varying markets it has entered. Additionally, it should note the length of time key leadership and employees who have been with the company and working on this project. Provide project financing examples, drawn whenever possible from the project experience described above.
- c) The Offeror should provide a brief statement outlining the experience of the firm, or each of the firms on the Development Team, in working with public institutes of higher education and appropriate local and state government offices.

4.7 Criteria 3 – Financial Capability to Execute the Project

Provide evidence of the Offeror entity's financial condition including company and, if relevant, personal financial statements; a statement detailing the different methods of financing the Offeror is capable of delivering including, but not limited to, private debt and other financing options. Provide financial and banking references and telephone numbers of contacts for such references, together with written authorization permitting the University to confirm financial information with such references. The University may request a review of such submissions by a Certified Public Accountant or its external auditors.

4.8 Criteria 4 – Project Financing

- a) Proposed Financing Structure -- Provide a detailed narrative description of the proposed financing structure, showing that the Project is 100% privately financed. Specify all assumptions about use of taxable and/or tax-exempt debt, and/or equity; cost of capital; expectation of Offeror's return on investment; and interim and permanent financing options available. Provide a detailed description of the organizational structure necessary to implement the proposed financing structure.
- b) Alternative Financing Structure(s) - Provide a detailed narrative description of any alternative proposed financing structure(s), showing that the Project is 100% privately financed. Specify all assumptions about use of taxable and/or tax-exempt debt, and/or equity; cost of capital; expectation of Offeror's return on investment; and interim and permanent financing options available. Provide a detailed description of the organizational structure necessary to implement each alternative proposed financing structure.

4.9 Criteria 5 – Description of Proposed Project

Provide a narrative description of the proposed development. Furnish conceptual layout including proposed traffic flow, pedestrian and vehicular entrance and exit points. Provide square footage of proposed development uses including ground floor Mixed-Uses. Identify the type and nature of proposed Mixed-Uses operation(s). Provide a configuration of Mixed-Uses space(s). Provide an estimate of the number of net new parking spaces associated with the Project. Provide depictions of height and exterior design finishes and level of quality assumed in Developer's cost model.

Discuss how the Offeror plans to address and mitigate any impact of the project on the existing traffic network, including if and how the Offeror would work with relevant city and state entities to ensure integrity of the traffic network and flow.

4.10 Criteria 6 – Mixed-Use Management Experience

The University will evaluate various options, as proposed by Offerors responding to the RFP, for maintenance, operations, and custodial functions of the Mixed-Uses component(s) of the Project. The University anticipates that management, operations, and custodial responsibilities for the Mixed-Uses component of the proposed Project may be the sole responsibility of the Developer. However, the University anticipates that management, operations, and custodial responsibilities for all of the the parking in the proposed Project may be the sole responsibility of the University.

Provide a statement of previous management arrangements used by the Offeror and the success of each particularly as it relates to on-campus or publicly-owned facilities. Discuss the various options available regarding Mixed-Uses operations and maintenance. Provide a statement of the Offeror's preferred management arrangement. Provide a statement of evidence of the Offeror's property management experiences and the ability to maintain high standards of maintenance. If intending to contract with a management firm, describe prior joint projects with that firm and include the length of service. All personnel associated with or involved in the management of the project must undergo and pass background checks.

4.11 Criteria 7 – Offeror's Maintenance and Operating Plan and Schedule

For the Project, the Offeror shall submit a maintenance plan and the source of funding to assure the Mixed-Uses component of the new asset(s) built are kept in modern, safe and useful condition. The Offeror shall submit building systems replacement schedules for the types of systems it plans to install in the new facilities. The Offeror shall submit a plan to assure the facilities are properly staffed, maintained, upgraded and all safety conditions are met.

The Offeror shall detail how these costs are included in the financial pro forma and any other methods of accounting or alternate sources of funds to adequately maintain the Mixed-Uses component of the building(s) constructed as part of the Project.

The Offeror shall submit a proposed operating plan for each component of the proposed multi-use Project, including all Mixed-Uses, and if applicable, other spaces in the Project.

4.12 Criteria 8 – Financial Proposal

The University will evaluate Offeror's complete financial offer based on information provided to the University using the format contained in Section 8.0.

All financial information must be submitted in a sealed envelope under separate cover.

4.13 Criteria 9 - Additional Resources Required

Respond to the following questions and/or requests for information, referencing as appropriate your preceding responses:

- a) Describe how you have handled projects that have involved:
- Major on and off-site infrastructure;
 - Sustainable design and implementation.
- b) Include a statement acknowledging the Major Agreement Terms as set forth in Section 7.6, General Conditions and Terms, of this RFP, and those stated within the body of this RFP. Identify any such terms or issues you believe would make it difficult to consummate an Agreement to develop the Winslow site, and why they would create a difficulty.
- c) The University has met with several members of the adjoining neighborhood who have expressed interest in a number of areas including building height, exterior lighting, sound, as well as pedestrian experience including shade, trees, and traffic impact. Please address your vision in these areas and explain how you plan to address neighborhood concerns.

4.14 Criteria 10 - References

The Offeror shall supply names addresses, and telephone numbers of three (3) business references, preferably public sector clients for whom similar work has been accomplished and briefly describe the type of service provided. Include information on which components were implemented and the duration of the engagement. The Offeror must grant permission to the University to contact the references.

4.15 Criteria 11 – Construction Logistics and Impacts

Please provide your detailed approach to site logistics and strategies to lessen the impact to existing garage, roads, and walks. Please provide a site logistics plan detailing crane location, ingress and egress to the site, material staging, plus any impact to existing Parking Structure #5 parking and flow.

4.16 Criteria 12 – Other Additional Information

Please provide any additional information that the Offeror feels should be considered when evaluating their Proposal.

The Offeror may present any creative approaches that might be appropriate. The Offeror may also provide supporting documentation that would be pertinent to this RFP.

5.0 EVALUATION CRITERIA PROCESS

A committee of University officials appointed by the Chief Procurement Officer will evaluate proposals and make a recommendation to the Chief Procurement Officer. The evaluation will be based upon the information provided in the proposal, additional information requested by the University for clarification, information obtained from references and independent sources and oral presentations (if requested).

The evaluation of responsive proposals shall then be completed by an evaluation team, which will determine the ranking of proposals. Proposals will be evaluated strictly in accordance with the requirements set forth in this solicitation, including any addenda that are issued. The University will award the contract to the responsible offeror whose proposal is determined to be the most advantageous to the University, taking into consideration the evaluation factors set forth in this RFP.

The evaluation of proposals will include consideration of responses to the list of criteria in Section 4.0. Offerors must specifically address all criteria in their response. Any deviations or exceptions to the specifications or requirements must be described and justified in a transmittal letter. Failure to list such exceptions or deviations in the transmittal letter may be considered sufficient reason to reject the proposal.

The relative importance of the criteria is defined below:

Primary Criteria

- Offeror Information
- Development Experience
- Financial Capability to Execute the Project
- Project Financing
- Description of Proposed Project
- Mixed-Use, Retail, and Office Management Experience
- Offeror's Maintenance Plan and Schedule
- Financial Proposal
- Additional Resources Required
- Reference
- Construction Logistics and Impact

Secondary Criteria

- Other Additional Services

The University will evaluate proposals as submitted and may not notify offerors of deficiencies in their responses.

Proposals must contain responses to each of the criteria, listed in Section 4 even if the offeror's response cannot satisfy those criteria. A proposal may be rejected if it is conditional or incomplete in the judgment of the University.

6.0 TERMS AND CONDITIONS

6.1 Contract Term

Please refer to Section 7.6, General and Special Conditions, of the RFP for additional Contract Terms.

6.2 Effective Date

The effective date of the contract shall be the date upon which the parties execute it and all appropriate approvals, including that of the Commonwealth of Kentucky Government Contracts Review Committee, have been received.

6.3 Competitive Negotiation

It is the intent of the RFP to enter into competitive negotiation as authorized by KRS 45A.085.

The University will review all proposals properly submitted. However, the University reserves the right to request necessary modifications, reject all proposals, reject any proposal that does not meet mandatory requirement(s) or cancel this RFP, according to the best interests of the University.

Offeror(s) selected to participate in negotiations may be given an opportunity to submit a Best and Final Offer to the purchasing agency. All information-received prior to the cut-off time will be considered part of the offeror's Best and Final Offer.

The University also reserves the right to waive minor technicalities or irregularities in proposals providing such action is in the best interest of the University. Such waiver shall in no way modify the RFP requirements or excuse the offeror from full compliance with the RFP specifications and other contract requirements if the offeror is awarded the contract.

6.4 Bonding

A 100% Performance Bond and 100% Payment Bond shall be furnished by the successful bidder. All bonding and insurance requirements are contained in the Instruction to Bidders, General Conditions and Special Conditions.

6.5 Appearance Before Committee

Any, all or no offerors may be requested to appear before the evaluation committee to explain their proposal and/or to respond to questions from the committee concerning the proposal. Offerors are prohibited from electronically recording these meetings. The committee reserves the right to request additional information.

6.6 Additions, Deletions or Contract Changes

The University reserves the right to add, delete, or change related items or services to the contract established from this RFP. No modification or change of any provision in the resulting contract shall be made unless such modification is mutually agreed to in writing by the contractor and the Director

of Purchasing and incorporated as a written modification to the contract. Memoranda of understanding and correspondence shall not be interpreted as a modification to the contract.

6.7 Contractor Cooperation in Related Efforts

The University reserves the right to undertake or award other contracts for additional or related work to other entities. The contractor shall fully cooperate with such other contractors and University employees and carefully fit its work to such additional work. The contractor shall not commit or permit any act which will interfere with the performance of work by any other contractor or by University employees. This clause shall be included in the contracts of all contractors with whom this contractor will be required to cooperate. The University shall equitably enforce this clause to all contractors to prevent the imposition of unreasonable burdens on any contractor.

6.8 Entire Agreement

The RFP shall be incorporated into any resulting contract. The resulting contract, including the RFP and those portions of the offeror's response accepted by the University, shall be the entire agreement between the parties.

6.9 Governing Law

The contractor shall conform to and observe all laws, ordinances, rules and regulations of the United States of America, Commonwealth of Kentucky and all other local governments, public authorities, boards or offices relating to the property or the improvements upon same (or the use thereof) and will not permit the same to be used for any illegal or immoral purposes, business or occupation. The resulting contract shall be governed by Kentucky law and any claim relating to this contract shall only be brought in the Franklin Circuit Court in accordance with KRS 45A.245.

6.10 Kentucky's Personal Information Security and Breach Investigation Procedures and Practices Act

To the extent Company receives Personal Information as defined by and in accordance with Kentucky's Personal Information Security and Breach Investigation Procedures and Practices Act, KRS 61.931, 61.932 and 61.933 (the "Act"), Company shall secure and protect the Personal Information by, without limitation: (i) complying with all requirements applicable to non-affiliated third parties set forth in the Act; (ii) utilizing security and breach investigation procedures that are appropriate to the nature of the Personal Information disclosed, at least as stringent as University's and reasonably designed to protect the Personal Information from unauthorized access, use, modification, disclosure, manipulation, or destruction; (iii) notifying University of a security breach relating to Personal Information in the possession of Company or its agents or subcontractors within seventy-two (72) hours of discovery of an actual or suspected breach unless the exception set forth in KRS 61.932(2)(b)2 applies and Company abides by the requirements set forth in that exception; (iv) cooperating with University in complying with the response, mitigation, correction, investigation, and notification requirements of the Act , (v) paying all costs of notification, investigation and mitigation in the event of a security breach of Personal Information suffered by Company; and (vi) at University's discretion and direction, handling all administrative functions associated with notification, investigation and mitigation.

6.11 Termination for Convenience

The University of Kentucky, Purchasing Division, reserves the right to terminate the resulting contract without cause with a thirty (30) day written notice. Upon receipt by the contractor of a "notice of termination," the contractor shall discontinue all services with respect to the applicable contract. The cost of any agreed upon services provided by the contractor will be calculated at the agreed upon rate prior to a "notice of termination" and a fixed fee contract will be pro-rated (as appropriate).

6.12 Termination for Non-Performance

Default

The University may terminate the resulting contract for non-performance, as determined by the University, for such causes as:

- Failing to provide satisfactory quality of service, including, failure to maintain adequate personnel, whether arising from labor disputes, or otherwise any substantial change in ownership or proprietorship of the Contractor, which in the opinion of the University is not in its best interest, or failure to comply with the terms of this contract;
 - A. Failing to keep or perform, within the time period set forth herein, or violation of, any of the covenants, conditions, provisions or agreements herein contained;
 - B. Adjudicating as a voluntarily bankrupt, making a transfer in fraud of its creditors, filing a petition under any section from time to time, or under any similar law or statute of the United States or any state thereof, or if an order for relief shall be entered against the Contractor in any proceeding filed by or against contractor thereunder. In the event of any such involuntary bankruptcy proceeding being instituted against the Contractor, the fact of such an involuntary petition being filed shall not be considered an event of default until sixty (60) days after filing of said petition in order that Contractor might during that sixty (60) day period have the opportunity to seek dismissal of the involuntary petition or otherwise cure said potential default; or
 - C. Making a general assignment for the benefit of its creditors, or taking the benefit of any insolvency act, or if a permanent receiver or trustee in bankruptcy shall be appointed for the Contractor.

Demand for Assurances

In the event the University has reason to believe Contractor will be unable to perform under the Contract, it may make a demand for reasonable assurances that Contractor will be able to timely perform all obligations under the Contract. If Contractor is unable to provide such adequate assurances, then such failure shall be an event of default and grounds for termination of the Contract.

Notification

The University will provide ten (10) calendar days written notice of default. Unless arrangements are made to correct the non-performance issues to the University's satisfaction within ten (10) calendar days, the University may terminate the contract by giving forty-five (45) days notice, by registered or certified mail, of its intent to cancel this contract.

6.13 Funding Out

The University may terminate this contract if funds are not appropriated or are not otherwise available for the purpose of making payments without incurring any obligation for payment after the date of termination, regardless of the terms of the contract. The University shall provide the contractor thirty (30) calendar days' written notice of termination under this provision.

6.14 Prime Contractor Responsibility

Any contracts that may result from the RFP shall specify that the contractor(s) is/are solely responsible for fulfillment of the contract with the University.

6.15 Assignment and Subcontracting

The Contractor(s) may not assign or delegate its rights and obligations under any contract in whole or in part without the prior written consent of the University. Any attempted assignment or subcontracting shall be void.

6.16 Permits, Licenses, Taxes

The contractor shall procure all necessary permits and licenses and abide by all applicable laws, regulations and ordinances of all federal, state and local governments in which work under this contract is performed.

The contractor must furnish certification of authority to conduct business in the Commonwealth of Kentucky as a condition of contract award. Such registration is obtained from the Secretary of State, who will also provide the certification thereof. However, the contractor need not be registered as a prerequisite for responding to the RFP.

The contractor shall pay any sales, use, personal property and other tax arising out of this contract and the transaction contemplated hereby. Any other taxes levied upon this contract, the transaction or the equipment or services delivered pursuant hereto shall be the responsibility of the contractor.

The contractor will be required to accept liability for payment of all payroll taxes or deductions required by local and federal law including (but not limited to) old age pension, social security or annuities.

6.17 Attorneys' Fees

In the event that either party deems it necessary to take legal action to enforce any provision of the contract and in the event that the University prevails, the contractor agrees to pay all expenses of such action including attorneys' fees and costs at all stages of litigation.

6.18 Royalties, Patents, Copyrights and Trademarks

The Contractor shall pay all applicable royalties and license fees. If a particular process, products or device is specified in the contract documents and it is known to be subject to patent rights or copyrights, the existence of such rights shall be disclosed in the contract documents and the Contractor is responsible for payment of all associated royalties. To the fullest extent permitted by law the Contractor shall indemnify, hold the University harmless, and defend all suits, claims, losses, damages or liability resulting from any infringement of patent, copyright, and trademark rights resulting from the incorporation in the Work or device specified in the Contract Documents.

Unless provided otherwise in the contract, the Contractor shall not use the University's name nor any of its trademarks or copyrights, although it may state that it has a Contract with the University.

6.19 Indemnification

The contractor shall indemnify, hold and save harmless the University, its affiliates and subsidiaries and their officers, agents and employees from losses, claims, suits, actions, expenses, damages, costs (including court costs and attorneys' fees of the University's attorneys), all liability of any nature or kind arising out of or relating to the Contractor's response to this RFP or its performance or failure to perform under the contract awarded from this RFP. This clause shall survive termination for as long as necessary to protect the University.

6.20 Insurance

The successful Contractor shall procure and maintain, at its expense, the following minimum insurance coverages insuring all services, work activities and contractual obligations undertaken in this contract. These insurance policies must be with insurers acceptable to the University.

COVERAGES

Workers' Compensation

Commercial Excess General Liability or, Umbrella Liability Insurance, including operations/ completed operations, products, and contractual liability (including defense and investigation costs) including this contract. May include a Contractor Controlled Insurance Program (CCIP or Wrap-Up)

Business Automobile Liability, covering owned, leased, or non-owned autos

Professional Liability/Errors & Omissions

Construction utilizing Rigging, Cranes or Helicopter operations will require

LIMITS

Statutory Requirements (Kentucky)

\$10,000,000 each occurrence combined single limits for bodily injury and property damage.

\$2,000,000 each occurrence (BI & PD combined)

\$1,000,000 each occurrence

If the work involved requires the use of helicopters, a separate aviation liability policy with limits of liability of \$30,000,000

additional coverage limits naming the University as additional insured

will be required. If cranes and rigging are involved, a separate inland marine policy with liability limits of \$15,000,000 will be required.

There may be additional insurance requirements negotiated for inclusion in the Lease.

This policy shall have a minimum of \$5,000,000 limits for bodily injury and property damage for each occurrence in excess of the applicable limits in the primary policies.

The successful contractor agrees to furnish Certificates of Insurance for the above described coverages and limits to the University of Kentucky, Purchasing Division. The University, its trustees and employees must be added as additional insured on the Commercial General Liability policy with regard to the scope of this solicitation. Any deductibles or self-insured retention in the above-described policies must be paid and are the sole responsibility of the contractor. Coverage is to be primary and non-contributory with other coverage (if any) purchased by the University. All of these required policies must include a Waiver of Subrogation (except Workers' Compensation) in favor of the University, its trustees and employees.

6.21 Method of Award

It is the intent of the University to award a contract to the qualified offeror whose offer, conforming to the conditions and requirements of the RFP, is determined to be the most advantageous to the University, cost and other factors considered.

Notwithstanding the above, this RFP does not commit the University to award a contract from this solicitation. The University reserves the right to reject any or all offers and to waive formalities and minor irregularities in the proposal received.

6.22 Reciprocal Preference

In accordance with KRS 45A.494, a resident offeror of the Commonwealth of Kentucky shall be given a preference against a nonresident offeror. In evaluating proposals, the University will apply a reciprocal preference against an offeror submitting a proposal from a state that grants residency preference equal to the preference given by the state of the nonresident offeror. Residency and non-residency shall be defined in accordance with KRS 45A.494(2) and 45A.494(3), respectively. Any offeror claiming Kentucky residency status shall submit with its proposal a notarized affidavit affirming that it meets the criteria as set forth in the above reference statute.

6.23 Reports and Auditing

The University, or its duly authorized representatives, shall have access to any books, documents, papers, records or other evidence which are directly pertinent to this contract for the purpose of financial audit or program review.

6.24 Confidentiality

The University recognizes an offeror's possible interest in preserving selected information and data included in the proposal; however, the University must treat such information and data as required by the Kentucky Open Records Act, KRS 61.870, et seq.

Information areas which normally might be considered proprietary, and therefore confidential, shall be limited to individual personnel data, customer references, formulae and company financial audits which, if disclosed, would permit an unfair advantage to competitors. If a proposal contains information in these areas and the offeror declares them to be proprietary in nature and not available for public disclosure, the offeror shall declare in the Transmittal Letter the inclusion of proprietary information and shall noticeably label as confidential or proprietary each sheet containing such information. Proposals containing information declared by the offeror to be proprietary or confidential, either wholly or in part, outside the areas listed above may be deemed non-responsive and may be rejected.

The University's General Counsel shall review each offeror's information claimed to be confidential and, in consultation with the offeror (if needed), make a final determination as to whether or not the confidential or proprietary nature of the information or data complies with the Kentucky Open Records Act.

6.25 Conflict of Interest

This Request for Proposal and resulting Contract are subject to provisions of the Kentucky Revised Statutes regarding conflict of interest and the University of Kentucky's Ethical Principles and Code of Conduct (www.uky.edu/Legal/ethicscode.htm). When submitting and signing a proposal, an offeror is certifying that no actual, apparent or potential conflict of interest exists between the interests of the University and the interests of the offeror. A conflict of interest (whether contractual, financial, organizational or otherwise) exists when any individual, contractor or subcontractor has a direct or indirect interest because of a financial or pecuniary interest, gift or other activities or relationships with other persons (including business, familial or household relationships) and is thus unable to render or is impeded from rendering impartial assistance or advice, has impaired objectivity in performing the proposed work or has an unfair competitive advantage.

Questions concerning this section or interpretation of this section should be directed to the University purchasing officer identified in this RFP.

6.26 Extending Contract

The offeror's response to this RFP must state whether or not the offeror will permit the use of this contract by other Universities, state agencies, public and private institutions in the Commonwealth of Kentucky. An answer to this issue must be submitted within the response.

6.27 Personal Service Contract Policies – Not Used

6.28 Copyright Ownership and Title to Designs and Copy

The contractor and University intend this RFP to result in a contract for services, and both consider the products and results of the services to be rendered by the contractor hereunder to be a work

made for hire. The contractor acknowledges and agrees that the work and all rights therein, including (without limitation) copyright, belongs to and shall be the sole and exclusive property of the University. For any work that is not considered a work made for hire under applicable law, title and copyright ownership shall be assigned to the University.

Title to all dies, type, cuts, artwork, negatives, positives, color separations, progressive proofs, plates, copy and any other requirement not stated herein required for completion of the finished product for use in connection with any University job shall be the property of and owned by the University. Such items shall be returned to the appropriate department upon completion and/or delivery of work unless otherwise authorized by the University. In the event that time of return is not specified, the contractor shall return all such items to the appropriate University department within one week of delivery.

6.29 University Brand Standards

The contractor must adhere to all University of Kentucky Brand Standards. University Brand Standards are maintained by the University Public Relations Office (UKPR) and can be viewed at <http://www.uky.edu/pmarketing/brand-standards>. Non-adherence to the standards can have a penalty up to and including contract cancellation. Only the UKPR Director or designee can approve exceptions to the University standards.

Graphics standards for the UK HealthCare areas are governed by UK HealthCare Clinical Enterprise Graphic Standards, found at: <https://ourbrand.ukhealthcare.org>.

Contractor warrants that its products or services provided hereunder will be in compliance with all applicable Federal disabilities laws and regulations, including without limitation the accessibility requirements of Section 255 of the Federal Telecommunications Act of 1996 (47 U.S.C. § 255) and Section 508 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794d), and its implementing regulations set forth at Title 36, Code of Federal Regulations, Part 1194. For purposes of clarity, updated regulations under Section 508 standards now incorporate WCAG 2.0, and for purposes of this agreement WCAG 2.0 Level AA compliance is expressly included. Contractor agrees to promptly respond to, resolve and remediate any complaint regarding accessibility of products or services in a timely manner and provide an updated version to University at no cost. If deficiencies are identified, University reserves the right to request from Contractor, a timeline by which accessibility standards will be incorporated into the products or services provided by Contractor and shall provide such a timeline within a commercially reasonable duration of time. Failure to comply with these requirements shall constitute a material breach of this Agreement and shall be grounds for termination of this Agreement.

Where any customized web services are provided, Contractor represents that it has reviewed the University's Web Policy and all products or services will comply with its published standards.

Contractor will provide University with a current Voluntary Product Accessibility Template (VPAT) for any deliverable(s). If none is available, Vendor will provide sufficient information to reasonably assure the University that the products or services are fully compliant with current requirements.

6.30 Printing Statutes – Not Used

7.0 Scope of Services – POST AWARD

7.1 Developer Services Defined

The Developer will provide the following services:

- Design Phase Services
- Construction, including Acceptance
- Post Construction, including Warranty

The Developer will review with the University any proposed program changes from what is represented by the RFP to ascertain the requirements of the Project. Review and confirm the understanding of these requirements and other design parameters with the University.

Review with the University site use and improvements; selection of materials, building systems and equipment; and construction methods.

Preliminary Project Schedule:

The Developers proposed schedule will be part of the evaluation in Phase 2. The University requires full occupancy of the garage on or before August 1, 2020.

7.2 Detailed Services Defined

The Developer, in consultation with the University, will recommend the design document deliverables and dates for review based on the agreed project schedule consistent with bid packages necessary to complete the construction within the specified time.

Submit one digital copy in PDF format of the Phase final drawings, technical specifications to the University for review. All submittal documents should be clearly marked as "CONSTRUCTION DOCUMENTS REVIEW SUBMITTAL". The University shall review these documents and notify the Developer in writing of any modifications, corrections or any other conditions required for final approval. Upon receipt of the Developers written response to the University's review comments, the University Project Manager will notify the Developer in writing of approval of the documents with authorization to proceed to the next phase.

Submit a narrative introduction summarizing the project and provide calculations used to evaluate storm water collection and conveyance capacity in an Executive Summary, for either Redevelopment or New Construction, form to be provided by UK CPMD Project Manager. Regardless of project area, at the submission of Design Development Documents, the University requires, a digital copy in PDF format of the SWPPP erosion control plan and any geotechnical drawings and reports. For projects disturbing one (1) acre or more provide verification of compliance with all post construction storm water quality standards, complying with the University's Official Design Standards, including State DOW requirements, and LFUCG's current edition "Storm water Manual".

Provide Adobe PDF's of the floor plans with the proposed room numbering system, complying with the University's Official Design Standards for Room Numbering, section 003150S04 Renumbering

Rooms, for review and approval by the University. The approved room numbers then become the basis for the room finish schedule, equipment schedule, etc. If during design or construction there are changes to the floor plans which impact the approved room numbering, then the approval of the room numbering will be void, and a new submission for room numbering approval is required before proceeding to the next phase.

As appropriate and prior to construction submit copies of the Design Documents to all known governmental agencies having jurisdiction (AHJ) for review and approval. The Developer is responsible for any fees/permit costs and for securing final approvals from the AHJ.

The Developer shall submit complete close-out and submittal logs in WPMS, including description of all deliverables to be submitted prior to substantial completion. Complete logs shall be created and submitted through UK's EComm system during design phase.

The Architect of Record shall furnish observation of workmanship and materials; check Contractor's periodic Applications for Payment, certifying to the Developer the proper amount of payments due the Contractors; prepare supplementary drawings as needed to more fully explain the Contract documents; and prepare orders for changes in the work when such changes are approved by the Developer and the University. All such observations and other services shall be in accordance with the professional standards appropriate for the type of project provided for by this agreement, as well as in accordance with the statements of quality included in the response to the solicitation for the project, and shall comply with the specific requirements enumerated below, but not be limited by them.

The Architect of Record shall receive Contractor's submittals such as shop drawings, product data and samples and shall review and approve or take other appropriate action upon them, for conformance with the drawing specifications and design concept of the Project and with the information given in the Contract Documents. Such action shall be taken with reasonable promptness so as to cause no delay.

After receipt of all product material samples for the Project from the Contractors, the Architect of Record shall prepare a finishes sample board for review and approval by the University. This board shall include samples of all materials and colors, including furniture finishes and fabrics, proposed by the Consultant for use in the Project.

As required by Statute, during the progress of construction of the Project, the Architect of Record shall make periodic visits of the Project at intervals appropriate to the stage of construction, to become familiar with the progress and quality of the Work completed and to determine if the Work is being performed in a manner indicating that the Work when completed will be in accordance with the Contract Documents. During normal progress of construction, the Architect of Record, and the consultants employed by him, shall make such site visits no less frequently than once a month, and more often when necessary. The Architect of Record shall have the authority, and shall reject any work which does not conform to the Contract Documents, and may require additional evaluation or testing of the Work in accordance with the provisions of the Contract Documents.

The Architect of Record shall promptly correct any errors, omissions, deficiencies or conflicts in the Architect of Records work product.

Upon completion of construction, the Developer shall make changes to the original drawings, incorporating all ASI's; Change Orders; RFI's; Shop Drawings, as well as the Contractor As-Built where modifications to the project were made during the progress of the Work, so as to provide accurate "RECORD DRAWINGS" of the Project. The Developer shall certify that the Architect of Record has reviewed the Record Drawings and verifies and certifies the accuracy of the Record Drawings. The Developer shall then submit (1) physical copy and (1) digital copy of the Record Drawings to the University with such certification. The cover sheet and title block of each drawing should have "RECORD DRAWINGS" clearly and boldly visible.

The architectural work, drawings, specifications and other documents or things prepared by the Developer and its team shall become and be the sole property of the University. The Developer shall be permitted to retain copies thereof for its records.

7.3 Construction Phase Services

The Developer shall:

1. Enter into direct contracts with all General Contractors, Construction Managers, Trade Contractors and Suppliers as the Developer so determines is in the best interest of the project.
2. Assume the responsibility for the overall administration of construction contracts.
3. Provide full-time staff throughout construction for the purpose of monitoring, managing, inspecting, scheduling, and coordinating the timely progress, performance, quality and contract compliance of the trade contractors and suppliers.
4. Schedule and conduct meetings, as necessary, and prepare and distribute meeting minutes.
5. Develop and maintain a detailed master construction schedule.
6. Request pricing, review and negotiate costs, and make recommendations on all changes to the contracts and/or purchase orders requested by the University.
7. Coordinate construction interfaces, methods, techniques, and sequences.
8. Institute and administer requirements and procedures for the review and approvals of all materials.
9. Prepare and administer all cost control procedures, including monthly pay requests, change order logs, etc... Prepare Budget Cost Summary Reports as required but no less frequently than monthly.
10. Coordinate all requirements of project commissioning and close-out procedures including but not limited to: inspections, Owner's orientation and familiarization, training of Owner's

personnel, and collection of all close-out documents.

11. Represent the owner, moderate, seek solutions, make recommendations or take other appropriate actions in matters relating in disputes between contractors, work stoppages, labor disputes, or other disruptions that may occur during the construction of this project.

7.4 Post Construction Phase Services

The Developer shall:

- Warrant to the Owner that all materials and equipment furnished under the Trade Contracts and Purchase Orders shall be new and in accordance with the requirements of the contract documents, and that all Work shall be of good quality, free from faults and defects and in conformance with the Contract Documents
- Guarantee that labor, material, and equipment shall be free of defects for a period of one (1) year from the date shown on the Certificate of Substantial Completion unless special conditions or additional warranty periods are required by the contract.

7.5 Compliance with State Laws

Any contract resulting from this solicitation shall be governed under, and the rights and obligations of the parties hereto, shall be determined in accordance with the laws of the Commonwealth of Kentucky. The firm selected shall provide equal job opportunity and prohibit discrimination based on race, creed, color, sex, age, religion or national origin as required by Kentucky Revised Statutes 45:550 through 45:640. All contractors and subcontractors are required to comply with Federal Executive Order 11246 entitled "Equal Employment Opportunity" as amended by the Department of Labor regulations (41CFR, Part 60). The successful firm will be required to provide certificates of insurance showing proof of general, vehicle liability and Worker's Compensation insurance and a 100% Performance and Payment Bond for the full amount of the fee negotiated during Phase II of the selection process, adjusted to equal the total contract sum as described above.

7.6 General and Special Conditions

ARTICLE 01 FIELD CONDITIONS

1.1 The Developer will secure all data at the site such as grades, convenience of receiving and sorting material, location of public services, and other information which will have a bearing on proposals or on the execution of the Work and shall address these issues in the preparation of their response.

ARTICLE 02 – Intentionally not used

ARTICLE 03 PHASE 1 ENVIRONMENTAL REPORT

3.1 The Phase I Environmental Site Assessment and hazardous materials investigation report and a draft of a Phase II soils investigation are included within these documents for information purposes only. The Owner will not be responsible for interpretations or conclusions drawn from this report by the Developer. This data is made available solely for the convenience of the Developer.

ARTICLE 04 TIME FOR COMPLETION

4.1 The time for Substantial Completion of Work shall be as agreed and specified in the Contract. Final Completion shall be thirty (30) days thereafter.

ARTICLE 05 LIQUIDATED DAMAGES

5.1 Should the Developer fail to achieve Substantial Completion of the Work under this Contract on or before the date stipulated for Substantial Completion (or such later date as may result from extensions in the Contract Time granted by the Owner), the Developer agrees that the Owner is entitled to, and shall pay the Owner as liquidated damages the sum of (To be negotiated) for each consecutive calendar day that Substantial Completion has not been met.

5.2 Should the Developer fail to achieve Final Completion of the Work under this Contract on or before the date stipulated for Final Completion (or such later date as may result from extensions in the Contract Time granted by the Owner), the Developer agrees that the Owner is entitled to, and shall pay the Owner as liquidated damages the sum of (TBD) for each consecutive calendar day until Final Completion is reached.

ARTICLE 06 PLANS, DRAWINGS, AND SPECIFICATIONS

6.1 All drawings, specifications and copies thereof, prepared by the Design Builder, are the property of the University of Kentucky. They are not to be used on other Work.

ARTICLE 07 PROGRESS MEETINGS

7.1 In addition to specific coordination and pre-installation meetings for each element of Work, and other regular Project meetings held for other purposes, progress meetings will be held as outlined at the Preconstruction Meeting. Each entity then involved in planning, coordination or performance of Work shall be properly represented at each progress meeting. The following areas will be covered at each progress meeting: current status of work in place, Developer's review of upcoming work (1 month look ahead), schedule status, upcoming outages, new outage requests, shop drawings due from contractors, shop drawings being reviewed, outstanding RFI's, outstanding proposed change orders, change orders, new business, As-Built updated, close-out documents status, defective work in place issues, review "pencil copy" of payment application, safety issues and new business or other issues not covered above. With regard to schedule status, discuss whether each element of current work is ahead of schedule, on time, or behind schedule in relation with updated progress schedule; determine how behind-schedule Work will be expedited, and secure commitments from entities involved in doing so; discuss whether schedule revisions are required to ensure that current Work and subsequent Work will be completed within Contract Time; and review everything of significance which could affect the progress of the Work.

7.2 Developer shall prepare and submit at each progress meeting an updated schedule indicating Work completed to date and any needed revisions.

7.3 With the express purpose of expediting construction and providing the opportunity for cooperation of affected parties, progress meetings will be held and attended by representatives of:

- (1) The Owner's Project Manager
- (2) The Developer.
- (3) Design and construction teams.
- (4) Others requested to attend (as deemed necessary).

7.4 A location near the site will be designated where such progress meetings will be held. Participants will be notified of the dates and times of the meetings by the Developer.

ARTICLE 08 WALK-THROUGH

8.1 After the contract is issued but before Work by the Contractor is started, a walk-through of the area is required to document the condition of the space, surfaces, or equipment. It is the responsibility of the Developer to schedule the walk-through with the Owner's Project Manager, the Contractor, and other interested parties.

8.2 During the walk-through, Developer shall identify all damaged surfaces or other defective items that exist prior to construction.

8.3 Written documentation of the walk-through is to be provided by the Developer with copies distributed to all parties. Color photographs are to be provided and labeled by Developer and one (1) copy of such photographs are to be given to the Owner. (Digital photos in a .jpg format are acceptable if submitted on digital media storage) All parties attending the walk-through agree on the list of damages.

ARTICLE 9 FIELD OFFICE

9.1 If needed the Developer shall make his own provision for field office for his own personnel and for incidental use by their Sub-contractors. Quantity and location are subject to approval by the Owner's Project Manager.

ARTICLE 10 TELEPHONE SERVICE

10.1 Developer shall arrange through UKIT Communications and Network Systems for installation of on-site phone, internet and other communications services. Telephone service during the length of construction shall be paid for by the Developer. (Cell phone/Nextel service in lieu of UKIT Communications and Network Systems phone service may be utilized at Developers option.)

ARTICLE 11 CONSTRUCTION FENCE

11.1 Construction fencing has been erected around job site and must be maintained by the Developer where there is a possibility of injury to employees, students or the public. Special precautions must be taken to protect the visually impaired, disabled, children and others using University facilities and public walks and roads. During active excavation/trenching operations, fencing shall be erected to prevent unauthorized entry into the site. All fencing shall comply with the current requirements of the International Building Code except where the following requirements are more stringent. Developer to remove and dispose of fencing at the completion of the project.

11.1.1 All job site perimeter fencing within 5 feet of a walkway, street, plot line, or public right-of-way shall be 8 feet in height. Perimeter fencing that blocks sidewalks must include signs directing pedestrians to a safe walkway or crosswalk. Signage may be attached to the fence, but may also be required to inform pedestrians of sidewalk closures and detours prior to arriving at the closed area. Developer shall provide electrical pedestrian and general lighting along the top rail of the perimeter of the construction site fence to provide a minimum illumination level of 1.5 foot candles. Pedestrian and perimeter fence lighting shall be installed in conduit, raceway, and/or pathway system properly supported to the perimeter fence. Open or flexible cabling will not be acceptable.

11.1.2 All fencing shall be of a woven material such as chain link or a solid type fence. Fencing shall include gates required for construction operations. Gates shall be lockable with both the Developers lock, and a lock provided by the Owner. Lock by Owner shall be keyed for the University Best GA key core. All locks to be "daisy-chained" to provide access to the Owner.

11.1.3 The Developer shall be responsible for removing and replacing any fence sections and/or posts necessary for access to the site on a daily basis. The Developer shall police such conditions to assure the fence and posts are reset in a timely manner and are specifically in place at the close of the working day.

11.1.4 If the Developer fails to comply with these requirements, the Owner may proceed to have the work done and the Developer shall be charged for the cost of the Work done by unilateral deductive change order.

11.1.5 Plastic construction fencing is not acceptable as a perimeter protection fence.

ARTICLE 12 PROJECT SIGN

12.1 No signs, except those attached to vehicles or equipment, may be displayed without permission from the Owner's Project Manager. No political signs will be permitted.

ARTICLE 13 PARKING

13.1 The University of Kentucky will make available for purchase by the Developer up to four (4) parking permits. The category of parking permit and location of parking is determined by the Director, Transportation Services, or a designee. Parking permits may be purchased by the Developer to be used by the Contractor and/or the Contractor's subcontractors and employees during the construction period. The cost of each permit is based on the pro-rata annual cost and may be purchased from Transportation Services, 721 Press Avenue, after the Contract is executed.

Necessary documents required to purchase the passes will be available at the Pre-Construction Conference.

13.2 The Director, Transportation Services, or a designee will determine if parking is available for employees of the Contractor and subcontractors on Campus. The Contractor will be given thirty (30) days' notice should conditions change that will affect parking at the designated parking area and it is necessary to relocate parking or terminate parking privileges. If parking is available, permits may be purchased from Transportation Services, 721 Press Avenue, at the appropriate monthly cost.

ARTICLE 14 SANITARY FACILITIES

14.1 At the beginning of the Project, before any Work is started, the Developer shall furnish, install and maintain ample sanitary facilities for the workforce. Permanent toilets in the existing building shall not be used during construction of the Project. Drinking water shall be provided from an approved safe source, piped or transported as to be kept clean and fresh and served from single service containers or satisfactory types of sanitary drinking stands or fountains. All such facilities and services shall be furnished in strict accordance with existing governing health regulations.

ARTICLE 15 RULES OF MEASUREMENT

15.1 The Developer shall pay for and coordinate all associated Work by utility companies including relocation of utility poles, installation of new street lights, relocation of overhead or underground lines, and any other Work called for the execution of the project.

ARTICLE 16 ALLOWANCES

16.1 As stated in the General Conditions to the Contract, the Developer shall have included in the Contract Amount all costs necessary to complete the Work. Costs based on "allowances" shall be permitted only for objectively quantifiable items and only with the prior written approval of the Owner.

16.2 All materials and equipment are to be brought into the project site from the approved staging location and are not to be brought through the existing buildings or loading docks. Any and **all** exceptions shall be approved by, and closely coordinated with, the Owner's Project Manager in advance of scheduling or performing the work.

16.2.1 The Developer shall coordinate any road and sidewalk closings, utility disruptions, etc. which will affect the use of the existing building(s) with the Owner's Project Manager prior to commencing that Work.

16.3 The adjacent buildings and public areas will remain in use and the Owner shall have access to the existing building(s) throughout the duration of the Project. The Developer shall coordinate construction activity to assure the safety of those who must cross the Project site and shall provide and maintain the necessary barriers and accommodations for a completely safe route of

accessibility. The Developer is to insure that all exits provide for free and unobstructed egress. If exits must be blocked, prior arrangements must be made with the Owner's Project Manager.

16.4 The Developer shall cooperate with the Owner to minimize inconvenience to, or interference with normal use of existing buildings and grounds by staff, students, other Contractors, or the public. Developer shall conduct operations to prevent damage to adjacent building structures and other facilities and in such a manner to protect the safety of building's occupants.

16.5 Special effort shall be made by the Developer to prevent any employee from entering existing buildings for reasons except construction business. In particular, use of toilets, drinking fountains, vending machines, etc. is strictly prohibited.

ARTICLE 17 CRANE & MATERIAL HOIST OPERATIONS

17.1 Developer shall provide appropriate barriers around crane and material hoist to protect pedestrian-and vehicular traffic around operating area. When crane is operating or moving, flag men provided by Developer shall be utilized to prevent pedestrian and vehicular traffic from crossing the pathway of crane lift. Developer's flag men shall coordinate these activities with the appropriate Owner's Project Manager.

17.2 Cranes and material hoists shall be safely secured and inaccessible during non-operating hours and must comply with all applicable FAA requirements.

17.3 Any damage to trees, shrubs or plant material at the placement of crane or material hoist shall be repaired by tree surgery or replaced as directed by the Owner.

ARTICLE 18 CLEANING AND TRASH REMOVAL

18.1 The Developer shall keep clean the entire area of new construction and shall keep streets used as access to and from the site free of mud and debris. This shall include regular lawn care including trimming weeds and grass within the site area and maintenance within the project site during all phases of the project design and construction.

18.2 All exit ways, walks, drives, grass areas, and landscaping must be kept free from debris, materials, tools and vehicles at all times.

18.3 Upon completion of the Work, Developer shall thoroughly clean and re-sod grass areas damaged to match existing areas.

18.4 The Developer shall be responsible for removal from the site of all liquid waste or other waste (i.e. hazardous, toxic, etc.) that requires special handling on a daily basis.

18.5 Dumpsters will be provided and maintained by the Developer.

18.6 During Work at the Project site, the Developer shall clean and protect Work in progress and adjoining Work on a continuing basis. Developer shall apply suitable protective covering on newly

installed Work where needed to prevent damage or deterioration until the time of Substantial Completion. Developer shall clean and perform maintenance on newly installed Work as frequently as necessary through remainder of construction period.

18.7 The Developer shall be responsible for daily cleaning of spillage's and debris resulting from his and his Sub-contractor's operations, (includes removal of dust and debris from wall cavities), and for providing closed, tight fitting (dustproof if required), waste receptacles to transport construction debris from the work area to the dumpster. Broom clean all floors no less than once a week.

18.8 Failure to comply with the above requirements shall be cause for stopping work until the condition is corrected.

ARTICLE 19 BLASTING

19.1 There shall be no blasting under any conditions on University of Kentucky property unless prior approval is given by the Owner's Project Manager. Additional consulting, insurance, surveys, etc. may be required if blasting is a consideration.

ARTICLE 20 CUTTING AND PATCHING - NEW AND EXISTING WORK

20.1 Existing Construction - Refer to Architectural, Mechanical, and Electrical drawings for cutting and patching. All new Work shall be connected to the existing construction in a neat and workmanlike manner, presenting a minimum of contrast between old and new Work. Do all patching of the existing construction as may be required for the new construction to be done. Necessary patching, closing of existing openings, repairing and touching up shall be included as required for a proper, neat and workmanlike finished appearance. Any existing item that is to remain and is damaged during construction shall be replaced at the Developers expense.

ARTICLE 21 UKIT COMMUNICATIONS AND NETWORK SYSTEMS

21.1 The communications wiring is to be provided, installed and terminated by the Developer using a certified and approved communications contractor. All work shall be done in compliance with the latest UKIT Communications and Network Systems Standards, and closely coordinated with UKIT-Communications and Network Systems.

ARTICLE 22 EMERGENCY VEHICLE ACCESS

22.1 Emergency Vehicle Access must be maintained at all times during construction. The Developer shall coordinate with the local Fire and Emergency Medical Services department(s) that would respond to an emergency during the initial startup of construction to ensure a complete understanding of their requirements.

ARTICLE 23 SMOKE DETECTORS / FIRE ALARM SYSTEMS- EXISTING AND/OR NEW FACILITIES

23.1 Developer shall protect all smoke detectors in Work areas to prevent false alarms. The Developer will be responsible for any false alarm caused by dust created in their Work areas or dust traveling to areas beyond the Work past inadequate protection barriers. If there is a need for an existing or newly installed fire alarm system or parts of that system to be serviced, turned off, or disconnected, prior approval must be obtained from the Owner's Project Manager and notification given to the Campus Dispatch Office. The Developer must follow the procedure outlined for Utility Outages and any documented costs charged by the responding fire department due to a false alarm shall be paid by the Developer. As soon as all Work is completed, notification must be given to the Owner's Project Manager and to the Campus Dispatch Office prior to reactivation of the system.

23.1.1 When the function of any fire alarm, detection or suppression system is impaired, a temporary system shall be provided. Developer shall provide daily reports indicating the Superintendent has walked through the project at the end of each work period, to satisfy himself there are no present conditions that may result in an accidental fire. Portable fire extinguishers shall be on site during this time. The Developer is responsible for inspecting and testing any temporary systems on a monthly basis.

ARTICLE 24 TOBACCO PRODUCTS PROHIBITED

24.1 For areas located within Fayette County, Kentucky, the use of all tobacco products is prohibited on all property that is owned, operated, leased, occupied, or controlled by the University. "Property" for purposes of this paragraph includes buildings and structures, grounds, parking structures, enclosed bridges and walkways, sidewalks, parking lots, and vehicles, as well as personal vehicles in these areas. To view the Lexington campus boundaries: <http://www.uky.edu/TobaccoFree/files/map.pdf>.

24.2 Design Builder employees violating this prohibition will be subject to dismissal from the Project.

24.3 For the full Administrative Regulation see University AR 6:5. <http://www.uky.edu/Regs/files/ar/ar6-5.pdf>

ARTICLE 25 HOT WORK PERMITS

25.1 All work involving open flames or producing heat and/or sparks in occupied buildings on the University of Kentucky campus will require the Developer to obtain approval to perform "Hot Work" on site. This includes, but is not limited to: Brazing, Cutting, Grinding, Soldering, Thawing Pipe, Torch Applied Roofing, and Cadwelding. A copy of the Hot Work Permit and the Hot Work Permit Procedure will be passed out at the Preconstruction Conference for the Developers use.

ARTICLE 26 KEY ACCESS

26.1 All keys must be returned to the University's Project Manager upon completion of project work as one of the requirements for Final Payment. Failure to return the keys may require re-keying of all doors in the work area up to and including the entire building if master keys are issued.

The cost of re-keying of the door(s) accessed by the key(s) will be subtracted from the remaining contract dollars including contract retainage.

26.2 All lost or stolen keys must be reported immediately to the University's Project Manager.

ARTICLE 27 AUDIT

27.1 The Developer's Trade Contractors', sub-contractors' and/or vendor's "records" shall upon reasonable notice be open to inspection and subject to audit and/or reproduction during normal business working hours as may be deemed necessary by the Owner at its sole discretion. Such audits may be performed by an Owner's representative or an outside representative engaged by the Owner. The Owner or its designee may conduct such audits or inspections throughout the term of this contract and for a period of three years after final payment, or longer if required by law. Owner's representative may (without limitation) conduct verifications such as counting employees at the Construction Site, witnessing the distribution of payroll, verifying information and amounts through interviews and written confirmations with Developer's employees, field and agency labor, Trade Contractors and vendors.

27.2 "Records" as referred to in this Contract shall include any and all information, materials and data of every kind and character, including without limitation, records, books, papers, documents, subscriptions, superintendents' reports, drawings, receipts, vouchers and memoranda, and any and all other agreements, sources of information and matters that may in the Owner's judgment have any bearing on or pertain to any matters, rights, duties or obligations under or covered by any Contract Document. Such records shall include hard copy, as well as computer readable data if it can be made available, written policies and procedures; time sheets; payroll registers; cancelled payroll checks; subcontract files (including proposals of successful and unsuccessful bidders, bid recaps, etc.); original estimates; estimating work sheets; correspondence; change order files (including documentation covering negotiated settlements); back charge logs and supporting documentation; invoices and related payment documentation; general ledger; records detailing cash and trade discounts earned; insurance rebates and dividends; and any other Developer or contractor records which may have a bearing on matters of interest to the Owner in connection with the Developer's dealings with the Owner (all foregoing hereinafter referred to as the "records") to the extent necessary to adequately permit evaluation and verification of any or all of the following:

- Compliance with Contract requirements for deliverables;
- Compliance with approved plans and specifications;
- Compliance with Owner's business ethics expectations;
- Compliance with Contract provisions regarding the pricing of change orders;
- Accuracy of Developer representations regarding pricing of invoices; and
- Accuracy of Developer representations related to claims submitted by the Developer or its payees.

27.3 The Developer shall require all payees (examples of payees include Trade Contractors, Sub-contractors, vendors, and/or material suppliers) to comply with the provisions of this Article by including the requirements hereof in a written contract agreement between the Developer and payees. Such requirements to include flow-down right of audit provisions in contracts with payees will also apply to Subcontractors and Sub-subcontractors, material suppliers, etc. The Developer will cooperate fully and will cause all related parties and all of the Developer's Trade Contractors and/or subcontractors (including those entering into lump sum subcontracts) to cooperate fully in

furnishing or in making available to Owner from time to time whenever requested, in an expeditious manner, any and all such information, materials and data.

27.4 Owner's authorized representative or designee shall have reasonable access to the Developer's facilities, shall be allowed to interview all current or former employees to discuss matters pertinent to the performance of this contract and shall provide adequate and appropriate work space in order to conduct audits in compliance with this Article. The Developer and its payees agree bear their costs and expenses relating to any inspections and audits.

27.5 If an audit inspection or examination in accordance with this Article discovers any fraud or misrepresentation, or discloses overpricing or overcharges (of any nature) by the Developer to the Owner, in addition to making adjustments for the overcharges, the reasonable actual cost of the Owner's audit shall be reimbursed to the Owner by the Developer. Any adjustments and/or payments that must be made as a result of any such audit or inspection of the Developer's invoices and/or records shall be made within Ninety (90) Calendar Days from presentation of the Owner's findings to the Developer.

27.6 The provisions of Articles 31.1, 31.2 and 31.5 notwithstanding, the Owner shall have the right to conduct inspections and audits of any matter relating to the Contract Documents or the Work, which shall be for the Owner's sole benefit and shall not relieve the Developer, its sureties, contractors, subcontractors suppliers and their respective employees and agents of any obligations under the Contract Documents.

27.7 Any audits or inspections under Article 31 shall not constitute a waiver of any right the Owner has to accounting or discovery of records in the possession, custody or control of the Developer, its sureties, contractors, subcontractors, vendors and their respective employees and agents.

8.0 FINANCIAL OFFER

8.1 Key Financial Components

For each proposed and alternative financing structure described in Section 4.8 Criteria 4 – Project Financing, the Offeror shall provide key financial components in the following format:

Key Financial Component	Proposed Structure	Alternative Structure #1	Alternative Structure #2
Net New Parking Spaces Constructed			
Cost of Parking Construction			
SF of Mixed-Use Constructed			
Cost of Mixed Use Construction			
Cost of Capital			
Cost of Developer’s Fee/Return on Investment			
Estimated Land Lease (if applicable)			
Estimated O&M (if applicable)			
Estimated Other Expenses*			
Estimated Total Project Expense			
Estimated Revenue from Mixed Use Space**			
Estimate of Other Project Revenue***			
Proposed Term of Agreement			

* Provide a narrative description of any expenses included in this line item.

** Provide the rental rate per square foot assumption being used, as well as all assumptions about retail occupancy rates over the term of the Agreement

***Provide a narrative description of any revenues included in this line item.

Provide a description of any and all other assumptions used to develop Offeror’s financial proposal.

8.2 Parking Spaces and Use

The University anticipates that the new Mixed-Uses located on the ground floor of the Project may require access to parking spaces. Offeror will indicate the total number of net new parking spaces (total number of constructed parking spaces, less the number of eliminated spaces). Include a breakdown of the number of spaces made available to the Mixed-Uses tenants of the building(s) and those made exclusively available to the University, and the terms of such availability.

8.3 Alternate Pricing

In addition to the above financial Offer, the Offeror may submit alternative financial proposals, however the information requested above must be supplied and will be used for proposal evaluation purposes.

FCR 13

Office of the President
December 11, 2018

Members, Board of Trustees:

IMPROVE CAMPUS PARKING AND TRANSPORTATION (PARKING STRUCTURE #5) CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Improve Campus Parking and Transportation Capital Project and authorize the Executive Vice President for Finance and Administration to negotiate and execute all documents necessary to create a viable Public-Private-Partnership (P-3).

Background: North campus is home to approximately 2,500 undergraduate and graduate students. This is an increase of approximately 1,170 since 2011. It also is the location of the new Bill Gatton Student Center, a 378,000 sq. ft. facility serving the entire campus and Lexington community. Its location provides parking for both Memorial Coliseum and the Singletary Center. The University recognizes the importance of supporting vibrant, welcoming, and sustainable developments that provide critical links between the University, downtown Lexington, and surrounding urban neighborhoods.

To enhance the quality of life for students, faculty, and staff and partner with the city in its vision for an enhanced commercial corridor, the University has requested proposals for a P-3 business relationship to develop a mixed-use parking facility on the Winslow Street site. This site is located on north campus, bordered by Winslow Street, South Limestone Street, and South Upper Street and is the location of the now closed Kennedy Bookstore and Fazoli's restaurant. The mixed-use facility will consist of street front ground floor retail, restaurant, and/or office space with supported parking above. The new facility will tie into the existing Parking Structure #5 at all levels with the possible exception of the basement.

Parking structure #5 was originally constructed so as to accommodate later expansion. It is anticipated that the project could add up to 1,000 parking spaces to the structure. The new facility must match or complement the existing structure in architectural, structural, mechanical, electrical, and plumbing design. The Request for Proposal process is currently underway with the goal of executing a P3 contract by the end of the calendar year.

This project, authorized by the 2018 Kentucky General Assembly, is anticipated to cost up to \$45,000,000, well within the total legislative authorization of \$150,000,000, and will be funded with third party financing pursuant to KRS Chapter 45A and more specifically KRS §45A.007.

Action taken: Approved Disapproved Other _____



Board of Trustees

Winslow Street Site Redevelopment

Dr. Eric N. Monday
Executive Vice President for Finance and Administration
February 22, 2019



Winslow Street Site



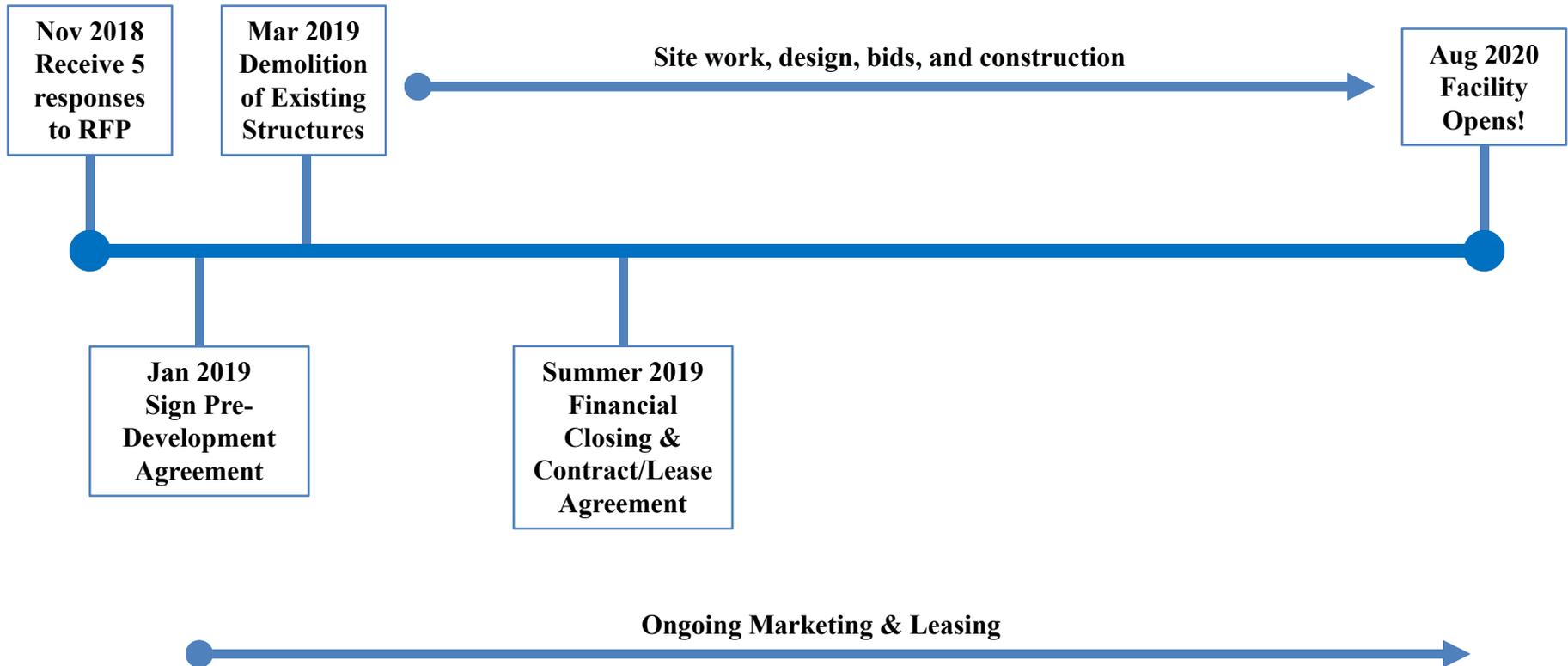


RFP Process Update

- The RFP was issued on October 8 and closed on November 27, 2018
- The University received 5 proposals, selected 2 for in person presentations, and are negotiating an agreement with an apparent preferred developer
- The RFP Committee consists of representatives from Finance & Administration, Purchasing, Transportation Services, Capital Projects Management, University Financial Services, and Real Estate Services



Winslow Redevelopment Timeline





Winslow Redevelopment Vision



DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is entered into as of this [1st day of June, 2019] (“Effective Date”), by and between the **University of Kentucky**, an institution of higher education and agency of the Commonwealth of Kentucky (the “University”), and **Signet KY Development, LLC** (f/k/a Signet UK Parking, LLC), an Ohio limited liability company, or its permitted assigns (the “Developer” or “Signet”), each referred to herein as a “Party” and collectively, as the “Parties”.

RECITALS

A. The University issued a Request for Proposal (University of Kentucky Purchasing Division Request for Proposals UK-1896-19, hereinafter “RFP”) as a means of identifying developers for the design, development and construction of a new Mixed-Use Parking Garage to be developed on its Lexington, Kentucky campus (the “Project”).

B. The Project consists of: (1) a University parking facility (the “Garage”); (2) a commercial space to be occupied by the University or its affiliates (the “Innovation Space”); and (3) a commercial space to be leased to third-party retail tenants (the “Retail Space”).

C. In response to the RFP, Signet proposed (i) to provide the development, design and construction services for, (ii) to cause the construction of, and (iii) to facilitate or provide financing for, the Project on certain land located on the northwest corner of Winslow Street and South Limestone, in Lexington, Kentucky 40508 (the “Winslow Site,” a legal description of which is attached hereto as Exhibit A), which Winslow Site is, or will prior to the commencement of construction be, owned in fee simple by the University.

D. The University desires that the Project be constructed upon the Winslow Site and, in accordance with a resolution adopted by the University dated December 11, 2018, and authorization in an amount up to \$45 million, in H.B. 200 of the General Assembly, 2018 Regular Session, as enacted and vetoed in part, the University is authorized to lease the Winslow Site to Signet pursuant to that certain Ground Lease Agreement dated of even date herewith between the University and Signet’s Affiliate, Signet KY RE, LLC (“Signet KY RE”) (the “Ground Lease”), and Signet KY RE has agreed to lease from the University, the Winslow Site. A copy of the Ground Lease is attached hereto as Exhibit B. Signet, along with its Affiliates as provided herein, intends to develop, design, construct, and own the Project on the Winslow Site.

E. Signet affiliate, Signet KY RE, a Kentucky limited liability company, will own the Project. Pursuant to the aforementioned University resolution, Signet KY RE and the University will enter into that certain Facilities Lease of even date herewith (the “Facilities Lease”) wherein the University has agreed to lease the Project from Signet KY RE. A copy of the Facilities Lease is attached hereto as Exhibit C. The Garage and the Innovation Space and certain core and shell elements of the Retail Space will be financed through the issuance of tax-exempt and taxable certificates of participation by U.S. Bank, National Association (the “COPs”).

F. An affiliate of Signet KY RE, Signet KY Retail, LLC (“Signet KY Retail”), and University will enter into that certain Sublease Agreement (the “Sublease Agreement”) wherein Signet KY Retail has agreed to sublease the Retail Space from University and to lease the Retail Space to third-party commercial tenants. Signet KY Retail will finance certain tenant improvements to the Retail Space, and will maintain, manage and operate the Retail Space in accordance with the terms of the Retail Sublease. A copy of the Sublease Agreement is attached hereto as Exhibit D.

G. To achieve consistency within the University’s campus, Signet and the University have agreed to enter into this Agreement to set forth their respective rights and obligations with respect to the design and construction of the Project.

NOW, THEREFORE, in consideration of the foregoing premises, the terms and conditions set forth below, and intending to be legally bound, the Parties hereto agree as follows:

ARTICLE I
DEVELOPMENT OF THE PROJECT

1.1 Description of the Project. The foregoing recitals are hereby incorporated into and made a part of this Agreement. The Parties agree that Signet will, at its expense, develop, design, construct, and own (through its affiliate Signet KY RE) the Project on the Winslow Site in accordance with the Project timeline attached hereto as Exhibit E (the “Project Timeline”). While the Garage, the Innovation Space, and the core and shell elements of the Retail Space will be financed with proceeds from taxable and tax-exempt certificates of participation issued by U.S. Bank, National Association, Signet will independently finance the interior build-out of the Retail Space. The Project will be known as the “University of Kentucky Mixed-use Parking Project,” or such other name as determined from time to time by the University. The Garage will consist of approximately 918 parking spaces; the Innovation Space will consist of approximately 12,187 square feet; and the Retail Space will consist of approximately 10,072 square feet.

1.2 Developer Conditions. The obligations of Signet under this Agreement are contingent upon the following, unless waived by Signet: (a) the due authorization, execution and delivery of this Agreement, the Ground Lease and the Facilities Lease and Sublease by all parties thereto; (b) issuance of the COPs; (c) Signet’s receipt of firm financing commitments for all additional financing necessary for it to perform its obligations under this Agreement; (d) the commitment of a nationally-recognized title company to issue title policies in form and substance reasonably acceptable to Signet and its lender; (e) Signet’s receipt of all permits necessary for the development and use of the Project in accordance with the approved building plans; (f) the agreement of the parties to approved building plans; (g) Signet’s completion of its environmental, title, survey, and zoning review and determination that the Project and the Winslow Site are suitable for development without undue cost or difficulty; and (h) Signet’s determination that that the final costs of the Project as reflected in the final, approved, building plans, shall not exceed [\$35 million] (subject to adjustment as agreed to in writing between Signet and the University in finalizing the Budget as defined below). In the event that any of the foregoing contingencies are not fully satisfied by July 1, 2019, this Agreement may be terminated by Signet, in which event the Ground Lease, Facilities Lease, and Sublease Agreement shall also automatically terminate. To the extent that the condition giving rise to such

termination failed wholly as a result of the University's actions or inactions in default of its obligations under this Agreement, the University shall reimburse Signet for all documented out-of-pocket expenses incurred by Signet or Signet-related parties prior to the date of such termination up to \$1,508,941.00 (being the maximum amount provided in the Letter of Intent dated January 31, 2019, between the University and Signet), and Signet shall deliver to the University copies of all documents, reports and plans prepared to date for the Project, and upon request of the University, Signet shall assign to the University any or all of such documents as may be requested by the University.

1.3 Construction Documents.

(a) Project Design. All architectural, engineering, interior design, landscaping, construction and other services for the Project to be provided by any third-party shall be provided by qualified professionals, pursuant to separate contractual arrangements between Signet and such firms or between the construction manager or consultant and such firms. Signet shall negotiate contracts with, and shall monitor and oversee all aspects of the performance of, the construction manager and all contractors and any other professional firms providing architectural design, engineering, interior design, landscaping, construction, or other services for the Project. The following entities are intended to be retained by Signet in connection with the Project, and they shall herein be designated as follows (subject to Signet's ability to negotiate mutually agreeable and commercially reasonable terms and conditions in each contract for services):

- (1) "Architect": Sherman Carter Barnhart
- (2) "General Contractor": Wilhelm Construction
- (3) "Structural Engineers": TimHaahs and Associates
- (4) "Civil Engineers": Sherman Carter Barnhart
- (5) "Geotechnical Engineers": Consulting Services Incorporated

Signet shall have the right to select other professionals and subcontractors as necessary or desirable, in addition to or in lieu of the foregoing, for the design, permitting, development, and construction of the Project, all in its reasonable discretion; provided, however, that Signet will work with certain University chosen consultants for the interior build-out of the Innovation Space.

1.4 Schematic Design. The University shall have the opportunity to review and approve, with such approval being provided to Signet in writing, the schematic design for the Project, including but not limited to, the Winslow Site plans, unit mix, elevations, and other general design criteria for the Project (the "Schematic Design"). Signet will present and has presented to the University for review and comment the Winslow Site plans, conceptual program, and floor and unit plans, which Signet will use to prepare the Schematic Design, based upon conceptual program provided by the University. To facilitate the University's review of the

Schematic Design, Signet will discuss with the University and keep the University reasonably apprised of proposed or contemplated changes and additions to the plans and programming as they progress. Except as otherwise agreed to between the Parties, in the event the University does not respond in writing to Signet regarding the Schematic Design within fifteen (15) days of receipt thereof, the Schematic Design, as submitted to the University by Signet, shall be deemed approved by the University.

1.5 Plans and Specifications. The plans and specifications for the Project (the “Plans and Specs”) will be provided by Signet to the University prior to the start of construction for the University's review and approval or rejection prior to the start of construction, which shall be provided in writing to Signet. If the University does not respond in writing to Signet regarding the Plans and Specs within fifteen (15) days of receipt thereof, the Plans and Specs, as submitted to the University by Signet, shall be deemed approved by the University. The Plans and Specs shall be: (a) consistent with the approved Schematic Design (Signet agrees to keep the University apprised of proposed changes and additions to the approved Schematic Design as they progress); and (b) in conformity with the requirements of the Governmental Authorities (defined below). Notwithstanding any other provision of this Agreement, Signet agrees to work together with the University, in good faith, on all aspects of the Project to achieve results that are acceptable to both Signet and the University. Written approval of Plans and Specs by the University shall include a list of the approved variances from the Schematic Design, if any.

1.6 Design Approvals. The University shall actively participate in the design of the Project. The University shall review all of the following for compliance with the Schematic Design:

- (a) Design development documents (“Design Development Documents”) at the 100% level.
- (b) Construction documents (“Construction Documents”) at the 75% level.
- (c) Construction Documents at the 100% level.

The University's review of the Construction Documents at the 100% level shall be limited to comments and verification that the University's comments to the Construction Documents at the 75% level have been incorporated into the Construction Documents at the 100% level and any material deviation of the Construction Documents at the 100% level from the prior construction and Schematic Design Documents previously reviewed and approved. Signet agrees to consider and reasonably act to implement the University's comments and suggestions, including, without limitation, those regarding “value management” in conjunction with the Design Development Documents and the Construction Documents. The schedule for such documents (the “Project Timeline”) is attached hereto as Exhibit E.

Signet shall provide the University notice of any changes in the schedule for delivery of the above documents promptly following Signet learning that the schedule has changed. Signet shall provide such further documents and information as are reasonably requested by the University in conjunction with the University's review and approval of the Design Development

Documents and the Construction Documents. The University agrees to review the Design Development Documents and each level of the Construction Documents within fifteen (15) days of submission by Signet. The University's failure to provide a response within such timeframe shall be deemed to be an approval thereof. The University's review and approval of Schematic Design, Design Development Documents, Construction Documents, Plans and Specs, and Site Plans (hereafter defined) shall not constitute or be interpreted as a representation or indemnity by the University to any person or entity (i) that such Documents or Plans and Specs are in conformity with the requirements of the Governmental Authorities, as defined below, or (ii) against any deficiency in such Schematic Design, Design Development Documents, Construction Documents, Plans and Specs, or Site Plans or for any deficiency or defect in any work thereunder or against any breach of any contract. Inspections and approvals of the Schematic Design, Design Documents, Construction Documents, Plans and Specs, Site Plans, and the Project, the workmanship and materials used in the Project, and the exercise of any other right of inspection, approval, or inquiry granted to the University in this Agreement are acknowledged to be solely for the protection of the University's interests, and under no circumstances shall they be construed to impose any responsibility or liability of any nature whatsoever on the University to Signet or any person or entity, nor shall it constitute a representation or indemnity of the University to any person or entity against any deficiency or defects in the Project or against any claimed breach of contract for the design or construction of the Project.

1.7 Project Budget and Proforma. The proposed initial budget and proforma for the Project, including the amount and timing of all payments to be made to or for the benefit of Signet (the "Budget") will be provided by Signet to the University along with the Plans and Specs for the University's review and approval or rejection prior to the start of construction, which shall be provided in writing to Signet. If the University does not respond in writing to Signet regarding the Budget or Budget update within fifteen (15) days of receipt thereof, the Budget, as submitted to the University by Signet, shall be deemed approved by the University. The Budget shall be: consistent with (a) prior Budget submissions and (b) the approved Schematic Design and Plans and Specs. Signet agrees to keep the University apprised of proposed changes and additions to the Budget as they progress by providing weekly budget updates, substantially in the form attached hereto as Exhibit F. The current proposed Budget reflects a final, not to exceed, cost of the Project of \$[35,000,000] (subject to modification by Change Orders). The Garage, Innovation Space, and shell and core elements of the Retail Space shall be financed through the issuance of the COPs in an initial principal amount not to exceed \$[_____]. Notwithstanding any other provision of this Agreement, Signet agrees to disburse funds only in accordance with the approved Budget, as modified by Change Orders (as hereinafter defined).

1.8 Design Review. Signet and the University agree to communicate and coordinate throughout the design process. Weekly meetings shall be held involving Signet, the Signet Representative (as defined in Section 6.10), the University, the University Representative (as defined in Section 6.10), the Architect and the General Contractor. The University Representative shall be permitted to provide input throughout the design phase regarding all aspects of the Project, including but not limited to exterior elevations, building systems, construction techniques, materials, Plans and Specs and Budget.

1.9 Ownership of Drawings for Project.

(a) Signet shall grant to the University a license to use all digital and paper documents prepared in connection with the development of the Project.

(b) Drawings shall be produced in a format and manner reasonably acceptable to and compatible with the University, and shall include a complete electronic set of “as built” drawings and one complete printed set of “as built” drawings.

(c) Upon Final Completion (as defined in Section 2.1 below), the documents will be assigned to the University upon payment of any amounts due Signet at the time of Final Completion, with digital copies and original paper copies of all documents and drawings being provided.

(d) Notwithstanding the foregoing, in the event of termination of this Agreement before Final Completion (defined below), the documents will, at the University’s request, be assigned to the University upon payment of any amounts due Signet at the time of termination, with digital copies and original paper copies of all documents and drawings being provided.

1.10 Site Plans. Preliminary site plans are attached hereto and incorporated herein as Exhibit G (the “Site Plans”) and are subject to any necessary changes as determined by Signet, provided that such changes are (a) approved in writing by the University, (b) in substantial conformity with the approved Schematic Design, and (c) in conformity with the requirements of the Governmental Authorities, as defined below; provided, however, that if the University does not respond in writing to Signet regarding the Site Plans within fifteen (15) days of receipt thereof, the Site Plans, as submitted to the University by Signet, shall be deemed approved by the University.

1.11 Communications. In the event differences between the Parties arise, the Parties agree to act in good faith to resolve their differences. Signet agrees to provide written, weekly update reports to the University’s Designated Representative regarding the status of the Project’ development and schedule. The University may visit the job site to inspect the progress and performance of the work at any time. If such site visits are during normal business hours and would be of a nature that would interfere with construction, the University will coordinate such visits/inspections with the Signet Representative to avoid undue interference with construction. In entering the Winslow Site, the University and its representatives shall comply with all reasonable restrictions of Signet or its agents, contractors and subcontractors intended to prevent personal injury or property damage.

ARTICLE II
CONSTRUCTION OF THE PROJECT

2.1 Construction of the Project. Developer shall construct and equip the Project, or cause the Project to be constructed and equipped, to Final Completion (hereafter defined) utilizing only new and good quality materials in accordance with the terms of this Agreement.

The University reserves the right to monitor the construction of the Project from inception to Final Completion. “Final Completion” of the Project shall mean: (i) Substantial Completion (hereafter defined), (ii) full completion of all punch list items, (iii) receipt by Developer of a complete set of lien releases from each and every person or entity supplying labor, material or services to the Project, and (iv) the meaning generally ascribed the term in the course of dealing in connection with the completion of the construction and equipping of the Project.

2.2 Staging Areas and Right of Entry. During the Term of this Agreement, as defined below, the University hereby grants to Signet and its employees, contractors, subcontractors, agents and representatives (collectively, the “Signet Parties”), subject to the terms and conditions of this Agreement, the right to enter on to those areas identified as “Staging Areas” on the plan attached hereto as Exhibit H (the “Staging Areas & Site Mobilization Plan”) for the following purposes and subject to the restrictions set forth below:

- (a) Location and maintenance of construction assets and equipment, including construction trailers, prior to and during construction of the Project, as shown on the plan attached hereto as Exhibit H;
- (b) Storage of equipment and materials for the construction of the Project; and
- (c) Short-term parking for Signet Parties while working on the Winslow Site, as shown on the plan attached hereto as Exhibit H.

Upon the vacation of the Staging Areas by the Signet Parties, Signet at its sole cost and expense shall (a) remove any and all structures, equipment, supplies, construction materials, trash and debris from the Staging Areas and (b) repair any damage to the Staging Areas and surrounding areas caused by the Signet Parties and restore them to substantially the same condition that existed prior to Signet’s entry thereon. The University will have no responsibility for security at or of the Staging Areas.

Signet shall, with the assistance and cooperation of the University, obtain license or similar usage agreements for any portions of the Staging Areas not owned by the University.

2.3 Target Completion Date. All time limits for Substantial Completion of components of the Project and milestones within the Project Timeline are of the essence of this Agreement. The target Substantial Completion date for the Garage is August 1, 2020 (the “Target Completion Date”), except to the extent of any delay by the University, or by reason of Force Majeure (defined below). Signet shall give the University prompt written notice of (a) its failure to meet any milestone date set forth in the Project Timeline; or (b) the occurrence of any Force Majeure event or act or omission by the University, that has caused or is reasonably likely to cause a delay (or total stoppage) in the progress of the Project of more than ten (10) days. The term “Substantial Completion of the Garage” shall mean the date on which: (a) Signet provides to the University a certificate of occupancy or equivalent for use of the Garage, and completes the core and shell components of the Innovation Space, both in accordance with the Plans and Specs; (b) the University, its employees, agents and invitees have ready, unobstructed access to the Garage; and (c) the Garage is broom cleaned and ready for its intended use. The University

and Signet shall execute a written confirmation of the date of Substantial Completion of the Garage.

The Parties recognize that time is of the essence of this Agreement and that University will suffer financial loss if the Garage is not completed by the Target Completion Date, plus any extensions thereof allowed in accordance with this Section. If the Project does not reach Substantial Completion of the Garage by the Target Completion Date, University will be entitled to the remedies set forth in Section 5.2(b).

The target Substantial Completion date for the Innovation Space is September 1, 2020 (the “Target Innovation Space Date”), except to the extent of any delay by the University, or by reason of Force Majeure (defined below). Signet shall give the University prompt written notice of (a) its failure to meet any milestone date set forth in the Project Timeline; or (b) the occurrence of any Force Majeure event or act or omission by the University, that has caused or is reasonably likely to cause a delay (or total stoppage) in the progress of the Project of more than ten (10) days. The term “Substantial Completion of the Innovation Space” shall mean the date on which: (a) Signet provides to the University a certificate of occupancy or equivalent for use of the Innovation Space, in accordance with the Plans and Specs; (b) the University, its employees, agents and invitees have ready, unobstructed access to the Innovation Space; and (c) the Innovation Space is broom cleaned and ready for its intended use. The University and Signet shall execute a written confirmation of the date of Substantial Completion of the Innovation Space.

The Parties recognize that time is of the essence of this Agreement and that University will suffer financial loss if the Innovation Space is not completed by the Target Innovation Space Date, plus any extensions thereof allowed in accordance with this Section. If the Project does not reach Substantial Completion of the Innovation Space by the Target Innovation Space Date, University will be entitled to the remedies set forth in Section 5.2(b).

2.4 Performance of Construction.

(a) Signet shall, after the awarding of the construction contracts, cause the commencement and diligent continuance of the construction of the Project. All items of work shown on the Plans and Specs for the construction of the Project’s improvements is sometimes referred to herein as the “Project Work”.

(b) As it relates to this Agreement, Signet shall be solely responsible for all means, methods and techniques in the performance of all Project Work and constructing the Project. The construction of the Project shall be performed in a diligent and continuous fashion utilizing an adequate workforce in order to expeditiously construct the Project.

(c) All Project Work shall be performed pursuant to good construction practices and sound professional standards, and in compliance with all laws and legal regulatory requirements of Governmental Authorities relating to the construction and the performance of the Project Work, and applicable University standards. All construction

shall be performed in a good and workmanlike manner, utilizing new, good quality materials as provided in the Plans and Specs. Signet shall be responsible for the supervision of the Project Work, and shall advise the University as to the progress of such work. The University and its designated engineer shall be advised in advance of, and may attend, any meeting with the construction manager and contractors and may visit the job site to inspect the progress and performance of the work at any time.

2.5 Standard of Work; Warranty.

(a) All work shall be performed in a good and workmanlike manner in accordance with the provisions of this Agreement and all requirements of law, including all applicable rules, regulations, ordinances, statutes, and guidelines promulgated by any applicable governmental or quasi-governmental authorities, agencies, or organizations (collectively referred to as the "Governmental Authorities"). The Project shall be constructed applying sound and generally accepted construction practices and sound professional standards utilizing materials of a quality and type standard in the industry for similar projects.

(b) Signet hereby guarantees and warrants to the University for a period of one (1) year from Final Completion as follows:

(1) That the Project Work has been performed in a good and workmanlike manner.

(2) That the Project Work has been done consistent with the Plans and Specs, as modified by approved Change Orders.

(3) That the Project Work is free from faults and defects.

(4) That the Project Work is in material compliance with all applicable laws, ordinances, rules and regulations, and University standards.

(5) The Project Work has been performed consistent with the requirements of the University and the University Representative.

(c) Signet shall assist the University in conducting a one (1) year warranty inspection of the Project prior to the expiration of the warranty period as identified herein. In addition to foregoing, Signet will make available for the benefit of the University all warranties of contractors, subcontractors, materialmen and suppliers with respect to the Project and Project Work and the materials utilized in connection therewith. Signet will assist the University in the enforcement of warranties and coordinate all warranty work until all provisions of the one (1) year warranty period are satisfied. All warranty notices and claims submitted during the warranty period shall be honored, notwithstanding the expiration of such period following such submittal.

2.6 Signet Obligations. Signet will take all necessary actions to accomplish the construction of the Project and perform the Project Work, including but not limited to, the following:

- (a) Procuring any and all licenses, permits, and approvals for the development and construction of the Project;
- (b) Contracting and paying for all design, engineering, and testing services for the Project;
- (c) Entering into all construction contracts for the construction of the Project;
- (d) Arranging financing for the interior build-out of the Retail Space, and providing \$250,000 toward interior build-out of the Innovation Space;
- (e) Meeting, at weekly intervals during the course of construction of the Project, with representatives of the University and the contractor for the Project;
- (f) Executing all documentation and taking all action necessary to cause the disbursement of funds obtained for the construction of the Project, including furnishings;
- (g) Performing all other actions with regard to the development and construction of the Project as contemplated pursuant to this Agreement;
- (h) Establishing and maintaining at a location on or near the Winslow Site a complete set of the current Plans and Specs for the Project for review by the University and its representatives during regular business hours;
- (i) Being responsible for and paying all over Budget costs and expenses that are not expressly covered by a Change Order as provided in Section 2.7 below; and
- (j) Being responsible for all security for the Winslow Site and any off-site storage or staging areas utilized by Signet during the construction period. Signet will, throughout all construction periods, be responsible for the enforcement of discipline and good order among workers on the Winslow Site and any off-site storage or staging areas. All signage shall be subject to the University's prior written approval.

Notwithstanding any other provision of this Agreement, the Facilities Lease or the Ground Lease to the contrary, Signet will be responsible for the payment of ad valorem personal property taxes assessed against the buildings and other improvements that are part of the Project or the materials used in construction of such buildings or other improvements that are assessed as of any date prior to Substantial Completion of the Garage and Innovation Space.

2.7 Changes to the Project; Change Orders.

(a) General. During the course of construction of the Project, Signet may order changes within the general scope of the Plans and Specs, consisting of additions, deletions, or other revisions that Signet deems necessary or desirable, provided that such changes are (i) approved in writing by the University, which approval shall not be unreasonably withheld, delayed or conditioned, (ii) in conformity with the approved Schematic Design, and (iii) in conformity with the requirements of the Governmental Authorities; provided, however, that if the University does not respond in writing to Signet regarding a proposed change within fifteen (15) days of receipt thereof, such proposed change, as submitted to the University by Signet, shall be deemed approved by the University.

(b) Change Orders. No change in the Plans and Specs, deviation from the Plans and Specs and/or changes related to the Project Work shall occur without the written approval of Signet and the University. At any time, by written order, the University may request changes in the Project Work (individually a “Change Directive,” and collectively the “Change Directives”) consisting of additions, deletions, clarifications, changes, modifications or revisions of the Plans and Specs, the quantity or type of materials, the design of any aspect of the Project, any required equipment or services, or material change in the schedule for performance of the Project Work. Signet agrees to work with the University in good faith to agree upon the scope, timing and cost adjustments, if any, for any requested Change Directive. Signet will review all Change Directives and, if necessary, prepare the corresponding change orders (the “Change Orders”) on standard AIA forms. All Change Orders must be agreed upon in writing and signed by both the University and Signet. Signet agrees to perform the modifications in the Project Work as set forth in each fully executed Change Order. If a Change Order requested by the University results in a net increase in the Budget (including contingencies) for the Project and/or the cost of the Project Work when aggregated with any prior Change Orders requested by the University, then, to the extent applicable contingency funds have been exhausted, the University shall be responsible for and shall fund the net additional monies in advance prior to any work with respect to such Change Order being commenced. In the event the Project Budget and/or the cost of the Project Work as a result of a Change Order shall increase prior to Signet’s execution of the Change Order requested by the University, Signet shall prepare an amendment to the Project Timeline and/or the Project Budget. The University agrees to review and respond to Change Orders, changes in the Project Timeline and/or changes in the Project Budget within five (5) business days after receipt of notice from Signet to the University. Signet shall not be responsible for any change in or departure from the Project Timeline or increase in the Project Budget caused by a Change Order requested by the University. Signet agrees with the University that all Project Work shall be performed in a manner consistent with the Project Budget and the Project Timeline as the same may be modified.

2.8 Review and Inspections; Punch List.

(a) The University shall have the right, but not the obligation, to have such additional independent consulting architects, engineers, or any other appropriate consultants retained and paid for by the University to inspect the construction work as it

progresses and to review the Plans and Specs. Such inspections shall be coordinated through the University's Representative with Signet so as not to interfere with or delay construction of the Project, and, if the University receives any written report from any such consultant that the University believes would be helpful to Signet in administering and enforcing any of the contracts or in completing the Project, the University shall provide Signet with a copy of such written inspection report. If during the course of such construction, the University shall determine that construction is not proceeding in accordance with the Plans and Specs, the University shall give notice in writing to Signet that includes the University's best efforts to specify the particular deficiency or omission. Thereupon, Signet, in its reasonable discretion, may take, or cause to be taken, all steps necessary to correct the same. The failure to give such notice shall not give rise to any liability for the University and shall not be considered a waiver of any right of the University under this Agreement, including without limitation, the enforcement of the representations and warranties of Signet under this Agreement and the requirements with respect to construction of the Project in accordance with the Plans and Specs.

(b) Prior to the University's occupancy of the Project, and concurrent with Signet's preparation of its punch list with its contractor, the University will walk through the Project with Signet and, to the extent that Signet's and such contractor's punch list items pertain to the Project, or to any other of the University's interests in the Project, give input as to matters to be included in said punch list. Signet shall cause all punch list items to be promptly completed or remedied.

2.9 Minimal Disturbance. During the construction of the Project, Signet shall use commercially reasonable efforts to minimize the amount of disturbance to the current facilities located on or around the Winslow Site, including pedestrian and vehicular circuitry around the Winslow Site. Signet shall also use commercially reasonable efforts to minimize heavy construction noise during University's final examination periods or other periods determined by the University in consultation with Signet.

2.10 Permits and Approvals. Signet, at its sole cost and expense, shall apply for and use its best efforts to obtain any and all necessary building permits, licenses, and approvals that are necessary to construct the Project. The University agrees that it shall at all times and at no additional cost to the University cooperate with Signet in the procurement of any such permits, licenses, and approvals, and shall execute such documentation as is reasonably required therefor.

2.11 Assistance and Cooperation. The University shall make all reasonable efforts to assist Signet in obtaining permission for Signet to cause all buildings, structures, and other improvements required for construction of the Project, both above-ground and underground, to be removed from the Winslow Site (including as already provided in the Letter of Intent), and the University shall provide, at no additional cost to the University, reasonable assistance to Signet in obtaining all necessary utilities for the Winslow Site (including without limitation electricity, natural gas, potable water, sanitary sewer, and telephone, telecommunication, and data service in capacities acceptable to Signet). The University's obligations hereunder shall include providing all reasonable assistance to Signet to vacate, in the event that it is necessary, any easements, existing storm water or waste water lines, or rights-of-way located within the

boundaries of the Winslow Site and relocate, as necessary, any utility or other installations within such vacated rights-of-way or other areas of the Winslow Site where feasible. Signet shall reimburse the University, and hold the University Indemnified Parties (hereafter defined) harmless, for any and all costs, expenses or liabilities incurred by the University in relation to the approvals, removals, or relocations described in this Section 2.11. The Parties agree to work in good faith to establish such easements as may be reasonably requested by the other.

2.12 Insurance. Beginning no later than the earlier of commencement of (a) staging or (b) construction of the Project (including, without limitation, commencement of excavation, demolition and other site work) and continuing through at least the date of execution by the University of written confirmation of Substantial Completion of the Garage and Innovation Space, Signet shall procure and maintain the minimum insurance coverage described in this Section 2.12 or such other coverage types and amounts required by its lender. Each requirement of this Section 2.12 applies to Signet KY RE and Signet's contractors and subcontractors as it applies to Signet.

(i) Employers Liability Coverage. Signet shall maintain employers' liability coverage with (1) an each-accident limit of not less than \$1,000,000, (2) an each-employee limit of not less than \$1,000,000, and (3) a disease policy limit of not less than \$1,000,000.

(ii) Pollution Liability Coverage. Signet shall maintain pollution liability insurance with an each-occurrence limit of not less than \$2,000,000, and an aggregate limit of not less than \$2,000,000.

(iii) Commercial General Liability. Signet shall maintain commercial general liability ("CGL") coverage which provides (1) an each-occurrence limit of not less than \$3,000,000, (2) a general-aggregate limit of not less than \$3,000,000, and (3) a deductible not in excess of \$250,000.

(A) The CGL insurance shall be written on ISO occurrence form CG 00 01 10 01 or a substitute form, providing at least equivalent coverage for liability arising from premises, operations, independent contractors, products/completed-operations, personal and advertising injury, and liability assumed under an insured contract.

(B) Signet shall include the University as an additional insured under the CGL policy using ISO endorsement CG 20 26 07 04 or a substitute form(s) providing equivalent coverage.

(C) The CGL insurance provider shall be of recognized financial standing and carry a rating of A-VIII or better by A.M. Best.

(D) The CGL insurance shall apply as primary and non-contributory insurance with respect to any other insurance or self-insurance programs which cover the additional insured(s).

(E) The CGL policy shall not exclude coverage to the additional insured(s) for bodily injury or property damage arising out of the products/completed-operations hazard.

Signet shall cause the General Contractor to maintain CGL coverage as set forth above which shall also include not less than \$2,000,000 of ongoing and completed operations coverage, including two (2) year extended completed operations following Substantial Completion of the Project.

Signet shall cause the General Contractor and all subcontractors to maintain workers compensation coverage meeting the requirements of Kentucky law.

Signet shall cause the General Contractor and all subcontractors to maintain business automobile coverage reasonably satisfactory to the University with a limit of not less than \$1,000,000 each accident, with the University being added as an additional insured under such policy.

(iv) Umbrella/Excess Liability.

(A) Signet may employ an umbrella/excess liability policy to achieve the above-required minimum coverage.

(B) Signet shall maintain umbrella/excess liability coverage with a limit of not less than \$5,000,000 (in addition to the above-required limits).

(C) Signet shall cause the General Contractor to maintain no less than \$10,000,000 of umbrella/excess liability coverage in excess of the CGL amounts it shall be required to carry as set forth above.

(v) Professional Liability. Signet shall cause the General Contractor and the Architect to each maintain professional liability insurance with a per-claim limit of not less than \$1,000,000 and an annual aggregate limit of not less than \$2,000,000.

(A) The professional liability policy shall have an effective date which is on or before the date on which Signet first started to provide any Project-related services.

(B) Upon submission of the associated certificate of insurance and at each policy renewal, Signet shall advise the University in writing of any actual or alleged claims which may erode the professional liability policy's limits.

(vi) Builder's Risk. Signet shall maintain or cause to be maintained All Risk and Builder's Risk - Completed Value Form Property Insurance ("Builder's Risk") covering all physical loss or damage to the Project covered by the extended coverage

endorsement then in use in the Commonwealth of Kentucky (including vandalism and malicious mischief) in an amount not less than full replacement value of the Project with deductible not in excess of \$50,000. All such insurance shall be written on an occurrence basis. Such insurance shall include the University as an additional insured under the Builder's Risk policy.

All insurance policies to be maintained pursuant to this Section 2.12 must be issued by a company authorized to conduct business in the Commonwealth of Kentucky that is reasonably acceptable to the University. All insurance policies shall contain a provision that the policies and coverages shall not be altered or cancelled without thirty (30) days' prior written notice to the University. All insurance shall apply as primary and non-contributory insurance with respect to any other insurance or self-insurance programs which cover the University. All insurance shall be written on an occurrence basis. Signet shall furnish certificates and other evidence of insurance coverage prior to commencement of (y) staging or (z) construction of the Project (including, without limitation, commencement of excavation, demolition and other site work) and prior to each policy renewal date. Upon request of the University, Signet shall furnish or cause to be furnished certified copies of policies evidencing all insurance coverage required under this Agreement.

All insurance policies required to be maintained by the General Contractor, any subcontractor, or the Architect shall name the University and Signet as additional insureds.

2.13 Liens. Signet shall cause title to the Project to be and remain, during construction of the Project, free from and clear of all liens, claims, and encumbrances created by, through or under Signet or any contractor or subcontractor, except for (a) real estate taxes and assessments that are a lien but not yet due and payable, (b) liens or claims for materials supplied or labor or services performed in connection with the Project that are bonded-off or otherwise removed in accordance with applicable laws within sixty (60) days of the filing of such lien and in any event prior to the commencement of an action to foreclose on such lien and (c) any other liens or exceptions that are approved in writing by the University.

2.14 Environmental Laws. Signet shall not knowingly permit a violation of any Environmental Laws (as defined below) to exist with respect to the Project. Neither Signet nor its contractors or subcontractors shall use or permit to be used all or any portion of the Project for the storage, treatment, use or disposal of any substance for which a license or permit is required by state, federal or local Environmental Laws and for which no such license or permit has been obtained. Without limitation express or implied, unless caused by the negligence or willful misconduct of the University, Signet shall pay all sums and take all such actions as may be required to avoid or discharge the imposition of any lien on the Project facilities under any Environmental Law to the extent caused by a violation by Signet, its contractors or subcontractors of this Section 2.14, and Signet shall indemnify and save harmless the University Indemnified Parties (hereafter defined) from any and all loss, claims, liabilities, fines, and expenses (including attorney's and expert fees) incurred or suffered by the University by virtue of the failure of Signet, its contractors, or subcontractors, to comply with the provisions of this Section 2.14 or by virtue of the failure of the Signet, its contractors, or subcontractors, to comply

with any Environmental Law in connection with the presence of any Hazardous Materials in violation of such Environmental Laws.

“Environmental Laws” as used herein shall mean all applicable federal, state and local environmental, land use, zoning, health, chemical use, safety and sanitation laws, statutes, ordinances and codes relating to the protection of the environment and/or governing use, storage, treatment, generation, transportation, processing, handling, production or disposal of Hazardous Materials and the rules, regulations, policies, guidelines, interpretations, decisions, orders and directives of federal, state and local Governmental Authorities with respect thereto, including, without limitation, CERCLA and similar state law. “Hazardous Materials” as used herein shall mean any and all substances, materials, chemicals, or wastes that now or hereafter are classified or considered to be hazardous or toxic under any Environmental Law, or that are or become regulated by any Governmental Authority because of toxicity, infectiousness, radioactivity, explosiveness, ignitability, corrosiveness, or reactivity under any Environmental Law applicable to the Project, and shall also include: (a) gasoline, diesel fuel, and any other petroleum hydrocarbons; (b) asbestos and asbestos containing materials, in any form, whether friable or non-friable; (c) polychlorinated biphenyls; (d) radon gas; and (e) flammable liquids and explosives.

2.15 Unforeseen Conditions. The Parties acknowledge that the University selected the Winslow Site as the location for the Project. Accordingly, in the event Signet encounters any unforeseen conditions at the Winslow Site (including, without limitation, the presence of any Hazardous Materials) after the contingencies deadline set forth in Section 1.2 above, the Parties shall work in good faith to agree upon the scope, timing and cost adjustments necessary to rectify such condition and evidence the same via the University executing a Change Order in accordance with Section 2.7(b) above. In the event that the Parties are unable to agree upon such scope, timing or cost adjustments, either Party may terminate this Agreement. In such event, the University shall reimburse Signet for all documented out-of-pocket expenses incurred by Signet or Signet-related parties prior to the date of such termination.

ARTICLE III

REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the University. The University represents and warrants that the following matters are true and correct as of the date of this Agreement and shall be true and correct throughout the Term of this Agreement:

(a) To the University’s knowledge, all of the documents provided to Signet by the University are true, correct, and complete in all material respects.

(b) There are no actions, suits or proceedings pending or threatened against or affecting the University which could impair the University’s ability to perform its obligations under this Agreement.

(c) This Agreement and all of the documents or instruments being executed in connection with the transactions contemplated hereunder (i) have been duly authorized, executed and delivered, (ii) are the legal, valid and binding obligations of the University,

enforceable against it in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium, and other principles relating to or limiting the rights of contracting parties generally), and (iii) do not violate any provision of any agreement to which it is a party or to which it is subject.

(d) No brokerage commission, finder's fee or other, similar compensation is payable in connection with the transactions contemplated hereunder.

3.2 Representations and Warranties of Signet. Signet represents and warrants that the following matters are true and correct as of the date of this Agreement and shall be true and correct throughout the Term of this Agreement:

(a) To Signet's knowledge, all of the documents provided to the University by Signet are true, correct and complete in all material respects.

(b) There are no actions, suits or proceedings pending or threatened against or affecting Signet which could impair Signet's ability to perform its obligations under this Agreement.

(c) Signet is a limited liability company duly organized, validly existing and in good standing under the laws of the State of Ohio and qualified to do business in the Commonwealth of Kentucky. This Agreement and all of the documents or instruments being executed in connection with the transactions contemplated hereunder (i) have been duly authorized, executed and delivered, (ii) are the legal, valid and binding obligations of Signet, enforceable against it in accordance with their respective terms (except to the extent that such enforcement may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally), and (iii) do not violate any provision of any agreement to which it is a party or to which it is subject.

(d) No brokerage commission, finder's fee or other, similar compensation is payable in connection with the transactions contemplated hereunder.

3.3 Definition of Knowledge. Whenever a representation or warranty is made in this Agreement to the "knowledge" of a Party, such representation and warranty shall be limited to (a) facts and circumstances within the actual and present knowledge of such Party, and (b) facts and circumstances that were disclosed in any written notice at any time received by such Party. The knowledge of the University is limited to the present knowledge after due inquiry of its President, Executive Vice President for Finance and Administration, and Vice President for Facilities Management and Chief Facilities Officer.

ARTICLE IV **INDEMNIFICATION**

4.1 Indemnification Obligations of Signet. Signet hereby agrees to indemnify and hold the University and its officers, members, managers, officials, directors, trustees, employees, and agents (collectively, the “University Indemnified Parties” and each, a “University Indemnified Party”) harmless from and against the losses, liabilities, claims, damages, costs, and reasonable legal fees, (collectively, the “Losses”) imposed upon, incurred by, or asserted against a University Indemnified Party on account of:

(a) a loss of or damage to property, or injury to or death of any person, that is caused by Signet or any of its members, owners, affiliates, employees, consultants, contractors, subcontractors or agents during the construction of the Project, or any part thereof or that occurs on the Winslow Site during the construction of the Project; or

(b) a breach or default on the part of Signet in the performance of a covenant, obligation, or agreement of Signet in this Agreement.

Notwithstanding anything contrary contained herein, Signet shall have no duty to indemnify a University Indemnified Party to the extent the Losses result or resulted from (i) the willful misconduct or gross negligence of a University Indemnified Party; or (ii) the breach by a University Indemnified Party of a material representation, warranty or covenant made in this Agreement.

4.2 Indemnification Obligations of the University. The University, to the extent permitted by the laws of the Commonwealth of Kentucky, including but not limited to Section 177 of the Kentucky Constitution, hereby agrees to indemnify, defend and hold Signet and its affiliates, as well as their respective officers, members, managers, officials, directors, employees, and agents (each, a “Signet Indemnified Party”) harmless from and against the Losses imposed upon, incurred by, or asserted against a Signet Indemnified Party on account of:

(a) a loss of or damage to property, or injury to or death of any person, that is caused by the University or any of its directors, officers, employees, agents, or independent contractors; or

(b) a breach or default by the University in the performance of any of its covenants, obligations, or agreements under this Agreement.

Notwithstanding anything contrary contained herein, the University shall have no duty to indemnify a Signet Indemnified Party in the event the Losses result or resulted from (i) the willful misconduct or gross negligence of a Signet Indemnified Party; or (ii) the breach by a Signet Indemnified Party of a material representation, warranty, or covenant made in this Agreement.

4.3 Successors and Assigns. The indemnification obligations set forth in this Article IV are intended to and shall include the indemnification of all affected officers, members, managers, officials, directors, trustees, employees, and agents of each Party seeking indemnification, respectively, and their successors and permitted assigns. All insurance required

to be maintained pursuant to this Agreement is in support of, and not in satisfaction of Developer's indemnification obligations. The indemnification obligations are intended to and shall be enforceable thereby to the full extent permitted by law and shall survive the termination of this Agreement.

ARTICLE V EVENTS OF DEFAULT

5.1 Events of Default. Any one or more of the following events (each an "Event of Default") shall constitute a breach of this Agreement:

(a) the filing by Signet of any petition for dissolution or liquidation of Signet, or the commencement by Signet of a voluntary case under any applicable bankruptcy, insolvency or other similar law for the relief of debtors, foreign or domestic, now or hereafter in effect, or Signet shall have consented to the entry of an order for relief in an involuntary case under any such law, or the appointment of or taking possession by a receiver, custodian or trustee (or other similar official) for Signet or any substantial part of its property, or a general assignment by Signet for the benefit of its creditors, or Signet shall have taken any corporate action in furtherance of any of the foregoing; or the filing against Signet of an involuntary petition in bankruptcy that results in an order for relief being entered or, notwithstanding that an order for relief has not been entered, the petition is not dismissed or stayed within ninety (90) days of the date of the filing of the petition, or the filing under any law relating to bankruptcy, insolvency or relief of debtors of any petition against Signet that either (i) results in a finding or adjudication of insolvency of Signet, or (ii) is not dismissed or stayed within ninety (90) days of the date of the filing of such petition;

(b) Signet shall fail to maintain or cause to be maintained insurance as required by this Agreement;

(c) Signet shall fail to meet a milestone set forth in the Project Timeline which will, subject to (i) delays attributable to the University, (ii) unforeseen conditions described in Section 2.15, or (iii) Force Majeure, adversely impact the ability of the Project to achieve Substantial Completion by the Target Completion Date;

(d) Signet shall breach in any material respect any of its representations or warranties under this Agreement or shall fail to observe or perform any material term, covenant or condition of this Agreement; provided, however, such failure or breach, shall not constitute an Event of Default so long as Signet gives notice to the University within thirty (30) days of its intention to cure such failure or breach; and if such failure is of such a nature that it cannot be corrected within such thirty (30) day period, institutes curative action within such thirty (30) day period, diligently pursues such action to completion and cures such failure within a reasonable period, after such thirty (30) day period. Notwithstanding the foregoing, the thirty (30) day period shall not apply to an Event of Default under Section 5.1(c) or Signet's failure to timely complete and open the Project, each of which shall constitute an Event of Default immediately upon such failure.

Signet shall pay all reasonable costs and expenses incurred by or on behalf of the University, including without limitation reasonable fees and expenses of counsel, as a result of any Event of Default, including, as applicable any amounts stated in Section 5.2(b) below. Signet acknowledges that its obligations to make such payments shall be absolute and unconditional under any and all circumstances and shall be paid and performed, as the case may be, without notice or demand and without any abatement, reduction, diminution, set-off, defense, counterclaim or recoupment whatsoever is provided.

5.2 Remedies; Remedies Cumulative.

(a) If an Event of Default shall have occurred and be continuing, the University shall have all other rights available at law, in equity or otherwise, including without limitation, the right to (i) remove and replace Signet as the developer of the Project, or (ii) require Signet to complete, or cause to be completed, all or any part of the Project. In either such event, Signet shall hold the University harmless from any damages or additional costs arising from the Event of Default. In the event that the University elects to remove and replace Signet as developer of the Project, the University may, in its discretion, elect to assume control of Signet's work and oversee completion of the Project. The University shall send written notice of such assumption to Signet and any leasehold mortgagee and, upon receipt of such notice, Signet shall forthwith assign to the University or its designee all of Signet's and its affiliates' right, title and interest in and to any and all construction contracts and related agreements and warranties, all payment, completion, construction or surety bonds, any and all insurance policies and all funds then remaining in the accounts subject to the terms of any construction escrow agreement, and all other documents and things reasonably requested by the University or its designee to allow the University or its designee to complete construction of the Project and operate the Project in the manner contemplated by this Agreement, the Ground Lease, and the Facilities Lease.

(b) Remedies for Failure to Meet Target Completion Date. The Parties recognize the delays, expense, and difficulties involved in proving in a legal proceeding the actual loss suffered by the University if the Project does not reach Substantial Completion of the Garage by the Target Completion Date. Accordingly, instead of requiring any such proof, the Parties agree that if the Project does not reach Substantial Completion of the Garage by the Target Completion Date for reasons other than (i) delays attributable to the University, (ii) unforeseen conditions described in Section 2.15, or (iii) Force Majeure, then beginning on [September 1, 2020], Signet shall pay the University the following as liquidated damages for delay (but not as a penalty):

- i. \$ _____, which amount approximates the per-diem debt service obligation on the portion of the COPs financing the Garage, for each day that expires from [September 1, 2020] until the Project reaches Substantial Completion; and

- ii. Reimbursement of any and all reasonable, temporary parking arrangements University makes for faculty, staff and students due to the failure to meet the Target Completion Date, including but not limited to rental of temporary parking space from third parties and shuttle transportation service from temporary parking areas to campus at reasonable regular intervals.

(c) Remedies for Failure to Meet Target Innovation Space Date. The Parties recognize the delays, expense, and difficulties involved in proving in a legal proceeding the actual loss suffered by the University if the Project does not reach Substantial Completion of the Innovation Space by the Target Innovation Space Date. Accordingly, instead of requiring any such proof, the Parties agree that if the Project does not reach Substantial Completion of the Innovation Space by the Target Innovation Space Date for reasons other than (i) delays attributable to the University, (ii) unforeseen conditions described in Section 2.15, or (iii) Force Majeure, then beginning on [September 1, 2020], Signet shall pay the University the following as liquidated damages for delay (but not as a penalty):

\$ _____, which amount approximates the per-diem debt service obligation on the portion of the COPs financing the Innovation Space, for each day that expires from [October 1, 2020] until the Innovation Space reaches Substantial Completion.

(d) No failure to exercise and no delay in exercising, on the part of any Party to this Agreement, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Substantial Completion of the Project will not relieve Developer of its obligation to achieve Final Completion of the Project. The rights, remedies, powers and privileges provided in this Agreement are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

ARTICLE VI **MISCELLANEOUS**

6.1 Term. This Agreement shall remain in effect from the Effective Date until the later of (i) Final Completion of the Project or (ii) termination of the Ground Lease, Facilities Lease, and Sublease Agreement, and all obligations of Signet KY RE thereunder (“Term”).

6.2 Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky. The Parties hereby agree that all demands, claims, actions, causes of action, suits, proceedings and litigation between or among the Parties or arising out of this Agreement shall be filed, tried and litigated only in the Franklin Circuit Court, Commonwealth of Kentucky. In connection with the foregoing, the parties hereto irrevocably consent to the jurisdiction and venue of such courts and expressly waive any claims or defenses of lack of jurisdiction of or proper venue by such courts.

6.3 Exhibits, Entire Agreement, Beneficiaries. All exhibits referred to herein shall be considered a part of this Agreement as fully as if and with the same force and effect as if such exhibit had been included herein in full. This Agreement, and all the agreements and exhibits identified herein, and the RFP, represent the entire agreement between the University and Signet with regard to the Project and all prior agreements are superseded hereby. This Agreement is for the sole benefit of the University and Signet and for any mortgagees of any mortgage that Signet shall hereafter execute, and no other party other than those specifically listed in this Agreement are benefited hereby.

6.4 Relationship of the Parties. The relationship of the Parties shall be limited to the development and construction of the Project. The Parties shall act as independent contractors of each other with regard to this Agreement. All personnel and staff of each Party shall be and remain employees or agents of, or independent contractors with, that Party and not of or with the other Party. Neither Party shall represent to any third-party that the Parties are partners, co-venturers or principal and agent, or have any other relationship other than that of independent contractors with regard to this Agreement.

6.5 No Waiver. The failure of any Party to seek redress for violation, or to insist upon the strict performance of any covenant, agreement, provision, or condition of this Agreement shall not constitute a waiver of such strict performance and the Parties shall have all remedies provided in this Agreement and by applicable law with respect to any subsequent act which would originally constitute a violation.

6.6 Interpretation. Within this Agreement, words of any gender shall be held and construed to include any other gender, and words in the singular number shall be held and construed to include the plural, unless the context otherwise requires. The paragraph headings used in this Agreement are intended for reference purposes only and shall not be considered in the interpretation of the terms and conditions of this Agreement. No provision of this Agreement is to be interpreted for or against either Party because that Party or its legal counsel drafted such provision. If there is any conflict between the terms of this Agreement and specific terms of the Facilities Lease, Ground Lease, Sublease Agreement, or RFP, then the terms of this Agreement will prevail.

6.7 Severability. If one or more of the provisions of this Agreement or any application of this Agreement shall be invalid, illegal, or unenforceable in any respect, the validity, legality, or enforceability of the remaining provisions of this Agreement and any other application of such provisions shall in no way be affected or impaired.

6.8 Amendments and Assignments. This Agreement may be amended, from time to time, only with the written consent of the University and Signet. This Agreement may not be assigned by either Party without the prior written consent of the other Party, which consent may be withheld in the discretion of the non-assigning Party.

6.9 Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument.

6.10 Notices. All notices, demands, requests, consents and other instruments required or permitted to be given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been duly delivered and deemed to have been received (a) upon personal delivery, (b) two (2) business days after deposit with a nationally recognized overnight delivery service, (c) if mailed, upon the first to occur of actual receipt or four (4) business days after being placed in the United States mail, postage prepaid, registered or certified mail, with return receipt requested, or (d) upon receipt of electronic confirmation of receipt in the event of delivery by facsimile or electronic mail (provided that a copy of such correspondence is also delivered by one of the methods described in (a) – (c) above within one (1) day following delivery of such facsimile or electronic mail). The addresses to which notices shall be sent are set forth below. Notice of any change in address by any of the Parties to this Agreement shall be given in writing to the other Party as provided above, and shall be effective only upon actual receipt:

If to the University, to:

University of Kentucky
Office of Legal Counsel
301 Main Building
Lexington, Kentucky 40506-0032
Attn: Finance & Administration Group

With a copy to:

UK Real Estate Services
1500 Bull Lea Rd., Suite 106
Lexington, Kentucky 40511

If to Signet, to:

Signet KY Development, LLC
c/o Signet Real Estate Development
800 West Monroe Street
Jacksonville, Florida 32202
Attention: Jason Perry
Telephone: 904.350.1314
Email: jperry@signetre.com

With a copy to:

Brennan Manna Diamond
The Carnegie Building
75 East Market Street
Akron, Ohio 44308
Attention: Lee S. Walko, Esq.
Facsimile: 330-253-2768

Each of the University and Signet shall designate a representative (hereinafter the “the University Representative” and the “Signet Representative”), who each shall be authorized to receive such oral notices as may be made from time to time under the Agreement (but only if and when oral notices are expressly permitted under this Agreement), perform such actions as are specifically assigned to said representative under this Agreement and act on behalf of the Parties on a day-to-day basis with respect to the Project. A Party may change its representative on ten (10) days’ prior written notice to the other Party.

The initial University Representative shall be David Collins.

The initial Signet Representative shall be Spencer Hyatt.

6.11 Additional Acts. In connection with this Agreement, as well as all transactions contemplated by this Agreement, the University and Signet each agree to work in good faith and execute and deliver such additional documents and instruments and take all such necessary action and perform such additional acts as may be necessary or appropriate to effectuate, carry out, and perform all of the terms, provisions, and conditions of this Agreement and all such transactions; provided, however, this Agreement may be modified only in accordance with the terms hereof.

6.12 Announcements. Except as may be required by law or Governmental Authorities, the Parties shall agree on the content and date of any public announcement or statement concerning the existence of this Agreement or its subject matter or anything related to the Project.

6.13 Force Majeure. The time for performance by a Party of any term, provision or covenant of this Agreement shall be deemed extended by time lost due to delays resulting from acts of God, strikes, civil riots, acts of war or terrorism, floods, restrictions by Governmental Authorities, and any other similar cause not within the control of, or the result of the fault or negligence of, the Party, as the case may be (“Force Majeure”). A Party claiming Force Majeure shall notify the other of such delay by notice in accordance with this Agreement not more than seven (7) business days after the beginning of such delay and the cause(s) thereof.

6.14 Relationship of the Parties. The relationship of the Parties shall be limited to the development and construction of the Project. Nothing herein or in the Ground Lease, Facilities Lease, or Sublease Agreement shall be deemed to create a partnership or joint venture between the Parties, nor to authorize either Party to act as an agent for the other.

[Remainder of page intentionally blank. Signatures appear on the following pages.]

“Signet”:
SIGNET KY
DEVELOPMENT, LLC,
an Ohio limited liability company

By: Signet Development, Ltd.
Its: Sole Member

By: _____
Kenneth J. Krismanth,
Chief Executive Officer

STATE OF OHIO)
) SS:
SUMMIT COUNTY)

BEFORE ME, a Notary Public, in and for said county and state, personally appeared Kenneth J. Krismanth, Chief Executive Officer of Signet Development, Ltd., sole member of Signet KY Development, LLC, LLC, an Ohio limited liability company, by Kenneth J. Krismanth, its Chief Executive Officer, for and on behalf of Signet, who acknowledged that he did sign the foregoing instrument and the same was his free act and deed and the free act and deed of said limited liability company.

IN WITNESS WHEREOF, I hereto affix my hand and official seal at Akron, Ohio, this _____ day of _____, 2019.

Notary Public

[Signet Signature Page to Development Agreement]

EXHIBIT A:

Description of the Winslow Site

WINSLOW SITE LEGAL DESCRIPTION

PARCEL 1: 130 WINSLOW STREET

The following described tracts of land now more commonly known as 130 Winslow Street:

Situated on the East side of South Upper Street between Euclid Avenue and South Limestone Street in Lexington, Fayette County, Kentucky, and more fully described and bounded as follows:

Tract 1:

Beginning at a point in the East property line of South Upper Street, said point being 21 feet South of Euclid Avenue; thence in a southwesterly direction along the line of South Upper Street 46 feet to the line of Rosenberg (formerly Martin); thence in a southeasterly direction along the line of said Rosenberg 67.5 feet to the corner with Rosenberg (formerly Dodson); thence in a northeasterly direction along Rosenberg's line 37 feet; thence in a northwesterly direction 8.7 feet; thence in a northwesterly direction 12.8 feet; thence again in a northwesterly direction 35.8 feet; thence in a southwesterly direction 3.2 feet; thence again in a northwesterly direction 23 feet to the beginning, being known as 462 South Upper Street.

Tract 2:

Beginning at a point where the South line of Euclid Avenue intersects the East line of South Upper Street; thence in a southeasterly direction along Euclid Avenue 67.5 feet to the line of Louis Rosenberg (formerly Harry Dodson); thence in a southwesterly direction along Rosenberg's line 30 feet; thence in a northwesterly direction 8.7 feet; thence in a northeasterly direction 12.8 feet; thence again in a northwesterly direction 12.8 feet; thence again in a northwesterly direction 35.8 feet; thence again in a southwesterly direction 3.2 feet; thence again in a northwesterly direction 23 feet to the aforesaid East line of South Upper Street; thence in a northwesterly direction along the East line of South Upper Street 21 feet to the beginning, being known as 558 South Upper Street.

Tract 3:

Beginning at a point in the South line of Euclid Avenue, said point being 94.5 feet East of South Upper Street; thence in a southeasterly direction along the South line of Euclid Avenue 32.5 feet to the line of McGaughey; thence in a southwesterly direction along McGaughey's line 120 feet to the line of Barney Tracy; thence in a northwesterly direction along Barney Tracy's line 32.5 feet to the line of H. Dodson; thence in a northeasterly direction along Dodson's line 120 feet to the beginning, being known as 122 and 124 Euclid Avenue.

Tract 4:

Known as 126 West Euclid Avenue (formerly Winslow Street) and more particularly described as follows, according to survey and plat prepared by Cecil C. Harp, May 4, 1949, of record in Deed Book 461, Page 71, in the Fayette County Clerk's Office. Beginning at a point in the South side of Euclid Avenue, said point being 77.5 feet East of the easterly line on South Upper Street; thence in an easterly direction along the South side of Euclid Avenue 17 feet to a point, corner to Tract No. 3 on the plat above mentioned; thence in a southerly direction along the line of said Tract No. 3, a distance of 120 feet to a stake, another corner to said Tract No. 3; thence in a westerly direction 17 feet to a stake; thence with the line of Tracts Nos. 8, 7, 6 and 5 on said plat and in a northerly direction, a distance of 120 feet to a point in the South side of Euclid Avenue, the point of beginning, and being all of Tract No. 4 as shown on the plat above mentioned.

Tract 5:

Beginning at a point in the southern property line of Euclid Avenue that is 67.5 feet southeast of the intersection of the Euclid Avenue property line and the South Upper Street property line; thence at right angles in a southerly direction parallel to South Upper Street 67 feet; thence at right angles and parallel with Euclid Avenue in a southeasterly direction 10 feet; thence at right angles and parallel with South Upper Street along the line of Rosenberg, a distance of 67 feet; thence at right angles along Euclid Avenue a distance of 10 feet to the point of beginning.

Tract 6:

Beginning at a point in the East property line of South Upper Street, said point being 67 feet southwest of Euclid Avenue; thence in a southwesterly direction along South Upper Street 26.5 feet to a new line; thence at right angles in a southeasterly direction 77.5 feet to the line of Harry Dodson; thence in a northeasterly direction with Dodson's line 26.5 feet; thence in a northwesterly direction 77.5 feet to the point of beginning, being known as 566 South Upper Street.

Tract 7:

Known as 568 South Upper Street, located in the City of Lexington, Fayette County, Kentucky, and beginning at a point in the East property line of South Upper Street, said point being 93.5 feet southwest of Euclid Avenue; thence in a southwesterly direction along South Upper Street 26.5 feet to Tracy's line; thence at right angles in a southeasterly direction 77.5 feet to the line of Harry Dodson; thence in a northeasterly direction with Dodson's line 26.5 feet; thence in a northwesterly direction 77.5 feet to the point of beginning.

Tract 8:

Situated on the East side of South Upper Street between Winslow Street and what was formerly known as the Poor House Pond, bounded as follows:

Beginning at a point 25 feet from the northerly line of the property of the Brand heirs; thence with Upper Street in a northerly direction, 25 feet; thence at right angles with said Street in an easterly direction 150 feet; thence at right angles in a southerly direction 25 feet; thence at right angles in a westerly direction 150 feet to the beginning, known and designated as 570 South Upper Street.

ALL THE ABOVE being the same property conveyed to the Commonwealth of Kentucky, for the use and benefit of the University of Kentucky by Special Warranty Deed dated February 1, 2018 of record in Deed Book 3558, Page 150 in the Fayette County Court Clerk's Office.

PARCEL 2: KENNEDY BOOK
STORE SITE

401 SOUTH LIMESTONE

LEXINGTON, FAYETTE COUNTY, KENTUCKY

All that tract or parcel of land situated at the southwest intersection of South Limestone and Winslow Street, being more fully described and bounded as follows, to wit:

BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection of the South Limestone northwest right of way and the Winslow Street southwest right of way (DB 23, Pg 380), said point being the southeast corner of Kennedy Book Store (401 S. Limestone, DB 1754, Pg 699); thence with said South Limestone northwest right of way, South 48°03'07" West, 70.00 feet to a point in a statue being a common corner with Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, Pg 248); thence leaving said South Limestone northwest right of way and with said Kennedy Book Store, Inc., (405 S. Limestone), North 41°43'16" West, 75.28 feet to a point inside Kennedy Book Store, said point being a common corner with Kennedy Book Store, Inc., (108 Winslow Street, DB 2538, Pg 106); thence leaving said Kennedy Book Store, Inc., (405 S. Limestone) and with said Kennedy Book Store, Inc., (108 Winslow Street), North 48°16'44" East, 70.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) in said Winslow Street southwest right of way; thence leaving said Kennedy Book Store, Inc., (108 Winslow Street) and with said Winslow Street southwest right of way, South 41°43'16" East, 75.00 feet to the POINT OF BEGINNING, containing 5,260 square feet or 0.12 acre, more or less.

405 SOUTH LIMESTONE

LEXINGTON, FAYETTE COUNTY, KENTUCKY

All that tract or parcel of land situated on the northwest side of South Limestone, 135.00 feet southwest of Winslow Street, being more fully described and bounded as follows, to wit:

BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, Pg 248) and Kennedy Book Store, Inc. (407 S. Limestone, DB 1126, Pg 175) said point being in the South Limestone northwest right of way, 135.00 feet southwest of a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection of said South Limestone northwest right of way and the Winslow Street southwest right of way (DB 23, Pg 380); thence leaving said South Limestone northwest right of way and with said Kennedy Book Store, Inc., (407 South Limestone), North 41°43'16" West, 195.53 feet to a point inside Kennedy Book Store, said point being common to Kennedy Book Store, Inc. (407 S. Limestone, DB 1126, Pg 175 & 120 Winslow Street, DB 1259, Pg 203); thence leaving said Kennedy Book Store, Inc., (407 South Limestone) and with said Kennedy Book Store, Inc., (120 Winslow Street), North 48°16'44" East, 135.00 feet to a set Mag Nail with shiner in said Winslow Street southwest right of way; thence leaving said Kennedy Book Store, Inc., (120 Winslow Street) and with said Winslow Street southwest right of way, South 41°43'16" East, 75.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) at a common corner with Kennedy Book Store, Inc., (108 Winslow Street, DB 2538, Pg 106); thence leaving said Winslow Street southwest right of way and with said Kennedy Book Store, Inc., (108 Winslow Street), South 48°16'44" West, 70.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss); thence with said Kennedy Book Store, Inc., (108 Winslow Street), South 41°43'16" East, passing a common corner with Kennedy Book Store, Inc., (401 S. Limestone, DB 1754, Pg 699) at 45.00 feet, inside Kennedy Book Store, and continuing with said Kennedy Book Store, Inc., (401 S. Limestone) for a total distance of 120.28 feet to a point in a statue in said South Limestone northwest right of way; thence leaving said Kennedy Book Store, Inc., (401 S. Limestone) and with said South Limestone northwest right of way, South 48°03'07" West, 65.00 feet to the POINT OF BEGINNING, containing 17,951 square feet or 0.41 acre, more or less.

407 SOUTH LIMESTONE**LEXINGTON, FAYETTE COUNTY, KENTUCKY**

All that tract or parcel of land situated on the northwest side of South Limestone, 170.00 feet southwest of Winslow Street, being more fully described and bounded as follows, to wit: BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc., (DB 1126, Pg 175) and the Commonwealth of Kentucky for the use and benefit of the University of Kentucky (DB 1353, Pg 44), said point being in the South Limestone northwest right of way, 170.00 feet southwest of a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection of said South Limestone northwest right of way and the Winslow Street southwest right of way (DB 23, Pg 380); thence leaving said South Limestone northwest right of way and with said Commonwealth of Kentucky, North 41°43'16" West, 213.67 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) at a common corner with LFUCG (DB 281, Pg 492); thence leaving said Commonwealth of Kentucky and with said LFUCG and continuing with Lyle Properties, LLC (DB 2577, Pg 177), North 48°16'44" East, 35.00 feet to a point inside a shed, said point being common to Kennedy Book Store, Inc. (120 Winslow Street, DB 1259, Pg 203); thence leaving said Lyle Properties, LLC and with said Kennedy Book Store, Inc., (120 Winslow Street), and continuing with Kennedy Book Store Inc., (405 S. Limestone, DB 1350, Pg 248) South 41°43'16" East, passing a common corner with said Kennedy Book Store Inc., (405 S. Limestone) inside Kennedy Book Store at 18.00 feet for a total distance of 213.53 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) in said South Limestone northwest right of way; thence leaving said Kennedy Book Store, Inc., South 48°03'07" West, 35.00 feet to the POINT OF BEGINNING, containing 7,476 square feet or 0.17 acre, more or less.

108 WINSLOW STREET**LEXINGTON, FAYETTE COUNTY, KENTUCKY**

All that tract or parcel of land situated on the southwest side of Winslow Street, 75.00 feet northwest of South Limestone, being more fully described and bounded as follows, to wit: BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc. (108 Winslow Street, DB 2538, Pg 106 & 401 S. Limestone, DB 1754, PG 699), said point being in the Winslow Street southwest right of way (DB 23, Pg 380) 75.00 feet northwest from a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection with the South Limestone northwest right of way; thence leaving said Winslow Street southwest right of way and with said Kennedy Book Store, Inc., (401 S. Limestone), South 48°16'44" West, 70.00 feet to a point inside Kennedy Book Store in the common line with Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, Pg 248); thence leaving said Kennedy Book Store, Inc. (401 S. Limestone) and with said Kennedy Book Store, Inc., (405 S. Limestone), North 41°43'16" West, 45.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss); thence continuing with said Kennedy Book Store, Inc., (405 S. Limestone), North 48°16'44" East, 70.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) in said Winslow Street southwest right of way; thence leaving said Kennedy Book Store, Inc., (405 S. Limestone) and with said Winslow Street southwest right of way, South 41°43'16" East, 45.00 feet to the POINT OF BEGINNING, containing 3,150 square feet or 0.07 acre, more or less.

120 WINSLOW STREET**LEXINGTON, FAYETTE COUNTY, KENTUCKY**

All that tract or parcel of land situated on the southwest side of Winslow Street, 195.00 feet northwest of South Limestone, being more fully described and bounded as follows, to wit: BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc. (120 Winslow Street, DB 1259, Pg 203) and Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, PG 248), said point being in the Winslow Street southwest right of way (DB 23, Pg 380), 195.00 feet northwest of a set Mag Nail with shiner (PLS 3185 Chambliss)

at the intersection with the South Limestone northwest right of way; thence leaving said Winslow Street southwest right of way and with said Kennedy Book Store, Inc., (405 S. Limestone), South 48016'44" West, 135.00 feet to a point inside Kennedy Book Store, said point being in the common line with Kennedy Book Store, Inc., (407 S. Limestone, DB 1126, Pg 175); thence leaving said Kennedy Book Store, Inc., (405 S. Limestone) and with said Kennedy Book Store, Inc., (407 S. Limestone), North 41043'16" West, 18.00 feet to a point inside a shed, said point being in the common line with Lyle Properties, LLC (DB 2577, PG 177); thence leaving said Kennedy Book Store, Inc., (407 S. Limestone) and with said Lyle Properties, LLC, for three lines:
1) North 48016'44" East, 15.00 feet to a point inside Kennedy Book Store,
2) North 41043'16" West, 23.00 feet to a point inside Kennedy Book Store,
3) North 48016'44" East, 120.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss),
in said Winslow Street southwest right of way; thence leaving said Lyle Properties, LLC and with said Winslow Street southwest right of way, South 41043'16" East, 41.00 feet to the POINT OF BEGINNING, containing 5,190 square feet or 0.12 acre more or less.

ALL THE ABOVE being the same property conveyed to the Commonwealth of Kentucky, for the use and benefit of the University of Kentucky by Special Warranty Deed dated February 1, 2018 of record in Deed Book 3558, Page 138 in the Fayette County Court Clerk's Office.

{00111432}

PARCEL 3: Unnamed Alley On East Side of South Upper Street

All of that parcel and lot of land on South Upper Street, Lexington, Fayette County, Kentucky, being more particularly described as follows:

Situated on the south side and is described as follows to-wit: Beginning at a point in north line of the Broad heirs on said street and thence in a northerly direction twenty-five feet to the line of Margaret Caden; thence in an easterly direction along the line of said Caden one hundred and fifty feet, more or less; thence on a line in a southerly direction twenty-five feet; thence on a line in a westerly direction one hundred and fifty feet, more or less, to the place of beginning.

The foregoing property being more recently described as follows:

Beginning at a point in the southeast right-of-way of South Upper Street, the point being located S 48° 42' 21" W 144.9 feet of the intersection of the southeast right-of-way of South Upper Street and the southwest right-of-way of Winslow Street, and being marked by a witness monument (mag nail with ID tag PLS 3350) located N 42° 06' 12" W 1.01 feet from the point; thence leaving the right-of-way S 41° 43' 51" E 151.11 feet to a point, also marked by a witness monument (mag nail with ID tag PLS 3350) located S 48° 15' 43" W 5.99 feet from the point; thence S 48° 15' 43" W 25 feet, more or less, to a mag nail and shiner found (PLS 3185); thence N 41° 43' 50" W 151.30 feet, more or less, to a point in the southeast right-of-way of South Upper Street; thence with the right-of-way N 48° 42' 21" E 25 feet, more or less, to the beginning. The basis for bearings used herein is KY State Plane North Zone, NAD '83. The parcel herein described contains 3,780 square feet (0.09 acres), more or less.

BEING PART of the same property conveyed to the Commonwealth of Kentucky, for the use and benefit of the University of Kentucky by Quitclaim Deed dated January 3, 2019, of record in Deed Book 3639 page 277 in the Fayette County Court Clerk's office.

EXHIBIT B:
Ground Lease

GROUND LEASE
UNIVERSITY OF KENTUCKY

THIS IS A GROUND LEASE (the “*Lease*” or “*Ground Lease*”) dated July 1, 2019 by and between the COMMONWEALTH OF KENTUCKY, for the use and benefit of the UNIVERSITY OF KENTUCKY acting by and through the Board of Trustees of the University of Kentucky, (“*Ground Lessor*” and sometimes the “*University*”), with a mailing address of 301 Main Building, Lexington, Kentucky 40506-0032 and Signet KY RE, LLC, a Kentucky limited liability company, (“*Ground Lessee*”) with a mailing address of 19 North High Street, Akron, Ohio 44308.

WITNESSETH:

WHEREAS, the University is the owner of what is known as the Winslow Site at the northwest corner of Winslow Street and South Limestone, on the University’s Lexington, Kentucky Campus; and

WHEREAS, University has authorized and solicited proposals for the development of a multi-story mixed-use parking facility on the Winslow Site to enhance the educational mission of the University and promote the mission of economic development in the Commonwealth of Kentucky, by issuing University of Kentucky Purchasing Division Request for Proposals UK-1896-19 (“RFP”); and

WHEREAS, the University has determined that Ground Lessee will enhance the educational and economic development purposes of the University of Kentucky, and upon the basis of such determination, has requested that the Winslow Site containing 1.64 acres, more or less, be leased to Ground Lessee, according to terms and conditions set forth hereinafter, as the site for a 918 space mixed-use parking structure with approximately 23,000 square feet of combined retail space, food and beverage outlets, parking and University of Kentucky flexible use space for educational, administrative and support purposes (the “Project”) to be constructed, occupied, and used for the Term of this Lease pursuant to a Development Agreement (as hereinafter defined).

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein, Ground Lessor and Ground Lessee do hereby covenant and agree as follows:

1. DEFINITIONS

1.1 Together with other capitalized words, terms and phrases specifically defined in this Lease, the following capitalized words, terms and phrases shall have the meanings set forth below:

- (a) “Adequate Assurance” has the meaning set forth in Section 20.7(a)(2).
- (b) “Award” means all compensation paid in connection with a Taking or paid in lieu of a Taking.

- (c) “Code” has the meaning set forth in Section 20.7(a).
- (d) “Commencement Date” under this Lease shall mean [July 1, 2019].
- (e) “Common Areas” has the meaning set forth in Section 5.1.
- (f) “Curable Default” has the meaning set forth in Section 18.2(d).
- (g) “Date of Taking” means the date title to the Property or any portion thereof passes and vests in the condemnor or the date of entry of an order for immediate possession in any judicial proceeding in eminent domain or the date physical possession of the Property is taken or interfered with, whichever first occurs.
- (h) [Intentionally omitted.]
- (i) “Development Agreement” means that certain Development Agreement of even date herewith, entered into by and between the University and Signet KY Development, LLC, and relating to the development of the Project.
- (j) “Event of Default” has the meaning set forth in Section 20.1.
- (k) “Governmental Authorities” means all federal, state and municipal governments, agencies, courts, departments, commissions, boards, and officers having jurisdiction over the Property, the Improvements or the construction thereof.
- (l) “Governmental Requirement(s)” means all present and future laws, ordinances, orders, rules, regulations and requirements of any Governmental Authority having jurisdiction over the Improvements or the Property or the use of either of them or this Lease and all building permits and other licenses and approvals required by the appropriate Governmental Authorities in connection with the Improvements or this Lease.
- (m) “Ground Lessee Parties” has the meaning set forth in Section 12.1.
- (n) “Ground Lessee’s Contractors” means any contractor or subcontractor of Ground Lessee or of Ground Lessee’s Contractors performing work on the Property.
- (o) “Ground Lessor Parties” has the meaning set forth in Section 12.1.
- (p) “Hazardous Discharges” has the meaning set forth in Section 10.3.
- (q) “Hazardous Materials” has the meaning set forth in Section 10.3.
- (r) “Improvements” means the building, any other additions, alterations, expansions and replacements constructed on the Property, and all structures or other

improvements of whatever kind, including, without limitation, parking lots, sidewalks and landscaping features, which are now located or hereafter constructed or installed on the Property.

- (s) “Incurable Default” has the meaning set forth in Section 18.2(d).
- (t) “Indemnified Liabilities” has the meaning set forth in Section 12.1.
- (u) [Intentionally omitted]
- (v) “Leasehold Estate” means Ground Lessee's interest in and to both the Property and Improvements pursuant to this Lease or otherwise.
- (w) “Leasehold Mortgage” has the meaning set forth in Section 18.1(a).
- (x) “Leasehold Mortgagee” means (1) any life insurance company, trust company, bank, national banking association, federal or state savings and loan association, a state licensed branch or agency office of a foreign bank, pension plan, real estate investment trust (as defined in Section 856 of the Internal Revenue Code of 1985, as amended) or other institutional lender which holds a Leasehold Mortgage or (2) any non-institutional lender approved by Ground Lessor which holds a Leasehold Mortgage.
- (y) “Net Insurance Proceeds” has the meaning set forth in Section 14.2.
- (z) “New Ground Lessee” has the meaning set forth in Section 18.2(e).
- (aa) “Partial Taking” means the taking of a part of the Property under the power of eminent domain other than a Total Taking.
- (bb) “Permitted Exceptions” has the meaning set forth in Section 2.1.
- (cc) “Permitted Uses” means any use of the Project or the Property that is not a Prohibited Use.
- (dd) “Prohibited Use” means any use of the Project or the Property specified as such pursuant to Exhibit C hereto.
- (ee) “Project” means the construction of a five-story structure for parking, retail, educational, administrative, support and other uses to be constructed on certain real property located at the corner of South Limestone and Winslow Streets in Lexington, Kentucky, adjacent to the campus of the University of Kentucky as set forth in Section 7.2.
- (ff) “Property” has the meaning set forth in Section 2.1.

- (gg) “Rent” means all amounts payable by Ground Lessee under this Lease.
- (hh) “Restoration” has the meaning set forth in Section 14.2.
- (ii) “Retail Space” means the part of the Project consisting of 10,072 leasable square feet of commercial retail space, to be leased by the University to an affiliate of Ground Lessee, Signet KY Retail, LLC, an Ohio limited liability company, pursuant to a separate Retail Sublease of even date herewith.
- (jj) “Retail Sublease” means that certain Sublease Agreement of even date herewith, entered into between the University, as sublessor, and Signet KY Retail, LLC, as sublessee, and relating to the Retail Space.
- (kk) “Sublease” means a sublease of space in the Improvements between a Sublessee and Ground Lessee.
- (ll) “Sublessee” means the sublessee under a Sublease.
- (mm) “Taking” means a Total Taking or a Partial Taking.
- (nn) “Taxes” has the meaning set forth in Section 6.2.
- (oo) “Term” has the meaning set forth in Section 3.1.
- (pp) “Termination Date” has the meaning set forth in Section 3.1.
- (qq) “Total Taking” means the taking of all of the Property under the power of eminent domain or the taking of so much thereof as will prevent or substantially impair the use of the Property for the uses and purposes then being made or proposed to be made by Ground Lessee.
- (rr) “Unavoidable Delays” means delays caused by acts of God, strikes, civil riots, acts of war or terrorism, floods, restrictions by governmental authorities, and any other similar cause not within the control of, or the result of the fault or negligence of, the affected party.
- (ss) “Winslow Site” means the real estate at the corner of South Limestone and Winslow Streets on the University of Kentucky main campus in Lexington, Kentucky as further described in Exhibit A hereto.

2. PROPERTY

2.1 Ground Lessor hereby leases and lets to Ground Lessee, and Ground Lessee hereby takes and hires from Ground Lessor, upon and subject to the terms, conditions, covenants and provisions hereof, and subject to the “*Permitted Exceptions*” as set forth in **Exhibit B** attached hereto and made a part hereof, a certain tract of land, the Winslow Site, situated in

Fayette County, Kentucky, as further described on **Exhibit A** attached hereto and made a part hereof, together with any and all improvements, appurtenances, rights, privileges and easements benefiting, belonging or pertaining thereto (collectively, the “*Property*”).

2.2 Ground Lessee’s execution of this Lease shall be conclusive evidence of Ground Lessee’s acceptance of the Property in good order and satisfactory condition. Ground Lessee agrees that it is or will be taking possession of the Property “AS IS,” that Ground Lessor has made no representations or warranties as to the condition of the Property or the Property’s compliance with applicable laws, and that Ground Lessor is not required to perform any work, maintenance, repair, or improvements on or to the Property, except as may be otherwise specifically provided herein.

3. TERM

3.1 Term. The term of this Lease (the “*Term*”) shall be for a period beginning on the Commencement Date, and ending on [May 1, 2049] (the “*Termination Date*”), unless sooner terminated as herein provided.

4. RENT

4.1 Payment of Rent. On or before the Commencement Date, Ground Lessee shall pay a lump sum payment of Thirty Dollars and Zero Cents (\$30.00 or \$1.00/year for approximately 30 years) in full satisfaction of the Rent obligation for the full Term of this Lease.

4.2 Manner of Payment. Rent to be paid to Ground Lessor shall be paid in lawful money of the United States of America, which shall be legal tender for the payment of public and private debts, without demand, to Ground Lessor at such address as Ground Lessor may from time to time designate in writing.

4.3 Utilities. Per the Development Agreement, Ground Lessee or its affiliates shall be solely responsible for (i) connection of the Property and the Improvements to all utility services, including any storm-water fees, deposits, tap on fees or charges imposed or incurred in connection therewith; and (ii) all service charges and fees for all utilities used at the Property. Ground Lessor shall not be liable to Ground Lessee for any interruption or discontinuation of any services or utilities except in the event of Ground Lessor’s gross negligence or willful misconduct as a cause of the interruption or discontinuation.

5. COMMON AREAS

5.1 Description/Use. Ground Lessee shall have the right to use, in common with Ground Lessor, Ground Lessor’s invitees, and all other lessees of the Ground Lessor and their invitees, all of the common areas of campus surrounding the Winslow Site, which common areas shall include, but not be limited to: sidewalks, landscaping, common signage, lighting, and such other improvements and features of the surrounding areas which benefit and/or add to the visual and functional uniqueness and operation of the Winslow Site (the “*Common Areas*”). Ground Lessee’s use of the Common Areas shall be nonexclusive and subject to reasonable rules and

regulations implemented by Ground Lessor from time to time. Ground Lessor reserves the right to amend and institute new rules and regulations to preserve, protect, and promote the Common Areas and other aspects of the University of Kentucky.

5.2 Maintenance. Ground Lessor shall be responsible for all costs and expense involved in the maintenance of the Common Areas. Ground Lessor shall have the right to expand, reduce, and alter the Common Areas in its sole and absolute discretion; to construct, maintain, and operate lighting facilities on all Common Areas; to provide security (if any) to the Common Areas; to change the areas, grade, location, and arrangement of the Common Areas; to regulate and restrict parking by Ground Lessee, its officers, sublessees, agents, customers, and employees; to close temporarily all or any portion of the Common Areas, so long as Ground Lessee is not denied reasonable access to the Property. Ground Lessor shall, throughout the Term of this Lease, operate and maintain the Common Areas and shall, among other things: (i) inspect, maintain, repair, resurface, and replace, from time to time, sidewalks; (ii) remove refuse from the Common Areas and cause the removal, to the extent reasonably possible, of snow and ice from the sidewalks; (iii) maintain the signs of the University of Kentucky (not Ground Lessee's signs for Retail Space); (iv) maintain the landscaping, trees, bushes, and plantings as and when and where necessary; and (v) maintain the drainways as deemed advisable by the Ground Lessor located adjacent to the Winslow Site.

6. TAXES AND ASSESSMENTS

6.1 Ground Lessor's Tax Statute. Without limiting the obligations of Ground Lessee hereunder, Ground Lessor is exempt from local, state and federal taxes.

6.2 Payment. Except as otherwise provided in the Facilities Lease, Ground Lessee shall, during the Term of this Lease, pay and discharge punctually, before becoming delinquent and before any penalties accrue thereon, unless and to the extent that the same are being contested in good faith and by proper proceedings, any and all taxes, special and general assessments, extraordinary as well as ordinary (hereinafter "**Taxes**"), and each and every installment thereof which shall or may, during the Term of this Lease, be charged, levied, laid, assessed, imposed, become due and payable, or liens upon or for or with respect to the Property or Improvements or any part thereof, or any other buildings, appurtenances, equipment, or property owned or leased by Ground Lessor thereon or therein or any part thereof, together with all interest and penalties thereon, under or by virtue of all Governmental Requirements.

6.3 Apportionment. All such Taxes, which shall become payable during each of the calendar or fiscal tax years, as the case may be, in which the Term of this Lease commences or terminates, shall be apportioned pro rata between Ground Lessor and Ground Lessee in accordance with the respective portions of such year during which such Term shall be in effect.

6.4 Contest. Ground Lessee or its designees shall have the right to contest or review all such Taxes by legal proceedings, or in such other manner as it may deem suitable (which, if instituted, Ground Lessee or its designees shall conduct promptly at its own cost and expense, and free of any expense to Ground Lessor, and, if necessary, in the name of and with cooperation

of Ground Lessor and Ground Lessor shall execute all documents necessary to accomplish the foregoing).

6.5 Refunds. Ground Lessor covenants and agrees that if there shall be any refunds or rebates on account of the Taxes paid by Ground Lessee under the provisions of this Lease, such refund or rebate shall belong to Ground Lessee. Any refunds received by Ground Lessor shall be paid to Ground Lessee forthwith.

6.6 Exceptions. Nothing herein or in this Lease otherwise contained shall require Ground Lessee to pay inheritance, estate, succession, transfer, gift, franchise, income or profit taxes, which are or may be imposed upon Ground Lessor, its successors or assigns.

7. EXPANSION AND DEVELOPMENT

7.1 Additions, Alterations, Expansion and Replacements. Ground Lessee may make any additions, alterations, expansions or replacements in and to the Property and the Improvements in accordance with the Development Agreement; provided, however, Ground Lessee shall comply with all covenants herein and the additional provisions regarding construction set forth on **Exhibit D** attached hereto and incorporated herein by this reference, including, without limitation, first obtaining Ground Lessor's approval of the Plans and Specifications in accordance with the Development Agreement.

7.2 Obligation to Develop the Property. Following the Commencement Date, Ground Lessee agrees to take possession of the Property and, as set forth in the Development Agreement, promptly design and construct the building and other Improvements on the Property to complete the Project, and do all other work associated with such construction and completion of the Project upon the Property, all of which shall be in compliance with conditions and limitations set forth in this Lease. Development shall be in accordance with and pursuant to the Development Agreement. Financing for the Project shall be as set forth in the Development Agreement.

7.3 Title to the Improvements. Upon the expiration or termination of the Lease, Ground Lessee shall surrender up and deliver the Property and Improvements to Ground Lessor and title to the Improvements, including, without limitation, any buildings, fixtures, equipment and other items installed thereon and any repair, addition, alteration or replacement thereto shall remain the property of Ground Lessor. At the expiration or termination of this Lease, the Improvements shall become the property of, and automatically revert to, Ground Lessor, or its successors and assigns, for no consideration, and at no cost or expense of Ground Lessor, and free and clear of all liens, and encumbrances, including the liens and encumbrances permitted pursuant to Section 18 hereof, but Ground Lessee may remove any and all trade fixtures, equipment and other personal property of Ground Lessee from the Property; provided that Ground Lessee shall, at its sole cost and expense, repair any damage to the Property or the Improvements caused by said removal.

8. COVENANT AGAINST LIENS

8.1 If, because of any act or omission of Ground Lessee, any mechanic's lien or other lien, charge or order for the payment of money shall be filed against Ground Lessor or any portion of the Property, Ground Lessee shall, at its own costs and expense, cause the same to be discharged of record or bonded within thirty (30) days after written notice from Ground Lessor to Ground Lessee of the filing thereof; and Ground Lessee shall indemnify and save harmless Ground Lessor against and from all costs, liabilities, suits, penalties, claims and demands, including reasonable attorney's fees, resulting therefrom; provided, however, Ground Lessee shall be permitted to encumber its Leasehold Estate with a Leasehold Mortgage in accordance with Section 18 of this Lease. Ground Lessee's indemnity obligations under this Section 8.1 shall survive the expiration and termination of this Lease.

9. REPAIRS AND MAINTENANCE

9.1 Except as otherwise provided in the Facilities Lease and Sublease, Ground Lessee covenants and agrees, throughout the Term, without cost to Ground Lessor, to take good and professional care of the Property and the Improvements, and to keep the same in good order and condition, and shall promptly, at Ground Lessee's own cost and expense, make all necessary maintenance and repairs, interior and exterior, structural and nonstructural, ordinary as well as extraordinary, foreseen as well as unforeseen, to keep the Property and the Improvements in safe, aesthetic, clean and sanitary condition. When used in this Section 9.1, the term "repairs" shall include repairs, replacements, and renewals, and all such repairs made by Ground Lessee shall be at least equal in quality and class to the original work, except that Ground Lessee shall not be required to make any repairs or replacements as a result of any damage or destruction which Ground Lessee is not obligated to restore pursuant to Section 14 hereof.

10. USE OF THE PROPERTY

10.1 (a) Use. Ground Lessee may only use the Property for: (i) the Project; or (ii) other lawful purposes that are approved by Ground Lessor and that are not prohibited pursuant to the Prohibited Uses, as modified from time to time by Ground Lessor, and as currently set forth on **Exhibit C** attached hereto and incorporated herein by this reference (the "***Prohibited Uses***"). Ground Lessee shall provide thirty (30) days prior written notice to Ground Lessor of any change in use on the Property. Unless the proposed use is a Prohibited Use, Ground Lessor's approval of such use shall not be unreasonably withheld. Subject to all applicable local zoning and land use regulations and other Governmental Requirements, Ground Lessor represents, to its actual knowledge, that no present existing covenant, condition, easement, agreement or restrictions will prohibit Ground Lessee from using the Winslow Site for the Project. Ground Lessor represents and warrants, to its actual knowledge, the Property contains sufficient acreage so that the Project may be constructed and operated on the Winslow Site.

10.2 Compliance With All Applicable Requirements. In the use and occupation of the Property, the construction and operation of the Improvements, and the conduct of its business thereon, Ground Lessee, at its sole cost and expense, shall promptly comply with, and shall include covenants in any and all Subleases with all of its Sublessees to cause them to promptly comply with, all Governmental Requirements of all Governmental Authorities, which may be applicable to the Property and the sidewalks, curbs and vaults on or adjoining the Property or to

the use or manner of use of the Property or the owners, Ground Lessees, Sublessees, or occupants, thereof, whether or not any such Governmental Requirement shall necessitate structural changes or improvements, or the removal of any encroachments or projections, ornamental, structural or otherwise, onto or over the streets adjacent to the Property, or onto or over other property contiguous or adjacent thereto.

10.3 Environmental Compliance. Ground Lessee shall comply with, and shall include covenants in any Subleases with all of its Sublessees to cause them to comply with, federal, state or local laws ordinances or regulations relating to: (1) the environmental conditions on, under or about the Property including, but not limited to, soil and groundwater conditions, and (2) the use, generation, manufacture, production, and storage on, under, or about the Property or transportation to or from the Property of flammable explosives, radioactive materials, hazardous wastes, toxic substances or related injurious materials, whether injurious by themselves or in combination with other materials (collectively, "**Hazardous Materials**") For purposes of this Lease, Hazardous Materials shall include but not be limited to substances deemed as "hazardous substances," "hazardous materials," or "toxic substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq.; and in the regulations adopted and publications promulgated from time to time pursuant to said laws. Additionally, no underground storage tanks shall be allowed on Property. If Ground Lessee has knowledge of or receives any notice of (a) the happening of any event involving the use, spill, discharge or cleaning up of any Hazardous Material on the Property or Improvements (a "**Hazardous Discharge**"), or (b) any complaint, order, citation or notice with regard to air emissions, water discharges, noise emissions or any other environmental, health or safety matter affecting Ground Lessee, or the Property or Improvements from any person or entity, including, without limitation, the United States Environmental Protection Agency or similar state agency, Ground Lessee shall give immediate notice thereof to Ground Lessor disclosing full details of same. Ground Lessee does and shall indemnify and hold Ground Lessor harmless from all loss, cost, claim, damage and expense, including but not limited to reasonable attorney's fees, incurred by Ground Lessor as a result of any Hazardous Discharge on the Property during the Term of this Lease which is caused by Ground Lessee, or any employee, licensee, invitee, contractor, Sublessee, or other party authorized by Ground Lessee to be on or use the Property or Improvements, and the indemnity of Ground Lessee in favor of Ground Lessor contained in this Section 10.3 shall survive the expiration or termination of this Lease. In the event of any Hazardous Discharge, Ground Lessor may (but shall not be obligated to) direct all necessary or advisable remediation activities related thereto at Ground Lessee's sole expense.

10.4 Fixtures and Equipment. Ground Lessee may, at its own expense, furnish and install on the Property any trade fixtures, furniture and equipment as may be necessary or desired for the operation of Ground Lessee's business or for the business of any Sublessee on the Property. Any trade fixtures, furniture and equipment that Ground Lessee installs in the Property, at its expense, prior to or during the Term hereof shall remain Ground Lessee's property, notwithstanding whether applicable law deems them to be part of the realty, and may be removed by Ground Lessee prior to the expiration or termination of this Lease, provided that Ground Lessee repairs, at its sole cost and expense, any damage to the Property or Improvements caused

by such removal. Ground Lessee shall be permitted to install on the Property telecommunications equipment, subject to approval by Governmental Authorities and Ground Lessor in its reasonable discretion.

11. ACCESS TO PROPERTY

11.1 Ground Lessor or Ground Lessor's agents and designees shall have the right, but not the obligation, to enter upon the Property, with forty-eight hours' (48-hours') prior written notice to Ground Lessee, during regular business hours to examine same or for any other reasonable purpose; provided that in the event of an emergency, such forty-eight hour (48-hour) prior written notice shall not be required. Ground Lessor shall exercise reasonable efforts to not be disruptive while exercising its access rights under this Section 11.1.

12. INDEMNITY

12.1 Indemnity. To the fullest extent permitted by law, Ground Lessee waives and releases and shall and does hereby indemnify Ground Lessor and Ground Lessor's Board of Trustees, officers, agents, contractors, employees, representatives, and affiliates (collectively with Ground Lessor, the "***Ground Lessor Parties***") and agrees to save the Ground Lessor Parties harmless and, at Ground Lessor's sole option and at the Ground Lessor's discretion, defend the Ground Lessor Parties from and against any and all claims, actions, damages (including, without limitation, consequential, special and punitive damages), liabilities (including liabilities related to Hazardous Materials and environmental remediation, but only to the extent such liabilities were not existent prior to the commencement of this Ground Lease) and expenses (including, without limitation, attorney's and other professional fees) judgments, settlement payments, and fines paid, incurred or suffered by any of the Ground Lessor Parties or threatened, alleged, or asserted against any of the Ground Lessor Parties in connection with loss of life, personal injury and/or damage to property or the environment suffered by any person or entity arising from or out of or caused, wholly or in part, from any conduct, activity, occupancy, construction, act, omission, management, or operation involving the Property or Improvements or any part thereof, by Ground Lessee or Ground Lessee's officers, agents, contractors, employees, members, invitees, Sublessees, representatives, or affiliates (collectively with Ground Lessee, the "***Ground Lessee Parties***"), or arising or connected with, directly or indirectly, any non-compliance by the Ground Lessee Parties with the provisions of this Lease, any Sublease, or any applicable Governmental Requirements (collectively, the "***Indemnified Liabilities***"); provided, however, Ground Lessee shall have no obligation to indemnify the Ground Lessor Parties to the extent such Indemnified Liabilities arise from the negligence, fraud, illegal acts, or willful misconduct of the Ground Lessor Parties. In no event shall Ground Lessee's indemnification act as a waiver of any defense, immunity or damages limitation that Ground Lessor may otherwise have available as to any party other than the Ground Lessor Parties. The obligations of Ground Lessee under this Section 12.1 shall survive the expiration or termination of this Lease.

12.2 Ground Lessor Not Responsible for Acts of Others. Ground Lessor shall not be responsible or liable to Ground Lessee, or those claiming by, or through Ground Lessee, for any loss or damage which may be occasioned by or through the acts or omissions of persons occupying space adjoining the Property or any part of the premises adjacent to or connecting

with the Property, or otherwise, for any loss or damage resulting to Ground Lessee, or those claiming by, through or under Ground Lessee, or its or their property, from the breaking, bursting, stoppage or leaking of electrical cable and wires, or water, gas, sewer or steam pipes. To the maximum extent permitted by law, Ground Lessee agrees to use and occupy the Property at Ground Lessee's own risk.

13. INSURANCE

13.1 Required Coverage. Except as provided in the Facilities Lease, Ground Lessee shall, at its expense, provide and keep in force during the Term of this Lease, the following insurance coverages:

(a) Commercial (General) Liability insurance, with respect to liability arising out of the ownership, use, occupancy or maintenance of the Property and all areas appurtenant thereto, to afford protection with respect to personal injury, death or property damage of not less than Five Million Dollars (\$5,000,000.00) per occurrence combined single limit/Ten Million Dollars (\$10,000,000.00) general aggregate.

(b) All-Risk Property and Casualty insurance, written at replacement cost value and with replacement cost endorsement, covering all of the Improvements on the Property from loss or damage, in an amount not less than One Hundred percent (100%) of the full insurable value of the Improvements, excluding foundation and site work, subject to a commercially reasonable deductible (initially, not more than Two Hundred Thousand (\$200,000)) consistent with then-prevailing prudent market practices and amounts.

(c) All Worker's Compensation and Occupational Disease insurance in accordance with Governmental Requirements, including Employer's Liability Insurance to the limit of One Million Dollars (\$1,000,000.00), covering all persons employed by Ground Lessee, subject to such coverage, in and about the Property.

(d) Owners and Contractors Protective Liability insurance for an amount not less than Five Million Dollars (\$5,000,000.00).

(e) Any other insurance or additional amount of insurance required by law or reasonably requested by Ground Lessor. Ground Lessee expressly agrees and acknowledges the types and amounts of insurance that it will reasonably be required to maintain hereunder will change during the Term of the Lease as a result of, without limitation, passing of time and changes in use.

13.2 Policy Requirements. The company or companies writing any insurance which Ground Lessee or Ground Lessee's Contractor(s) is required to carry and maintain or cause to be carried or maintained pursuant to this Lease, shall be licensed to do business in the Commonwealth of Kentucky. The required All-Risk Property and Casualty insurance policies evidencing such insurance shall name Ground Lessor, its board of trustees, its employees and/or its other designee(s) as loss payee. All other policies required under this Lease shall name Ground Lessor, its board of trustees, its employees and/or its other designee(s) as additional

insureds. All insurance policies required by this Lease shall contain a provision by which the insurer agrees that such policy shall not be cancelled, materially changed or not renewed without advance written notice (and not less than ten (10) days' prior written notice for non-payment) to Ground Lessor, by certified mail, return receipt requested, or to such other party or address as may be designated by Ground Lessor or its designee. Certificates of insurance evidencing compliance with the provisions of this Lease shall be delivered to Ground Lessor on the Commencement Date and shall be updated upon Ground Lessor's request.

13.3 Builder's Risk Insurance. In addition to all other insurance coverages required to be maintained under this Lease, Ground Lessee shall effect and maintain, at its sole expense, at all times when any construction or Restoration is being performed on the Property or to the Improvements, Builder's Risk insurance covering Ground Lessor, Ground Lessee, and Ground Lessee's Contractors, as their interests may appear, against loss or damage by fire, vandalism and malicious mischief and such other risks as are customarily covered by a so called "extended coverage endorsement" of the Improvements, and all materials, equipment, supplies and temporary structures of all kinds incidental to the Improvements and equipment, all while forming a part of or contained in such improvements or temporary structures, or while on the Property, or when adjacent thereto, while on sidewalks, streets or alleys, all to the full insurable value thereof at all times on a completed value basis.

13.4 Blanket Insurance. Any insurance required to be provided by Ground Lessee or Ground Lessee's Contractor(s) pursuant to this Lease may be provided by blanket insurance covering the Property and other locations of Ground Lessee, provided such blanket insurance complies with all of the other requirements of this Lease with respect to the insurance involved.

14. DESTRUCTION AND RESTORATION

14.1 Ground Lessee's Obligation to Restore. Except as provided in the Facilities Lease, in case of damage to or destruction of the Property or Improvements or any part thereof by fire or other cause, Ground Lessee at Ground Lessee's sole cost and expense, whether or not the insurance proceeds, if any, shall be sufficient for that purpose, and irrespective of the amount of any loss, shall restore the same as nearly as possible to their value, condition and character immediately prior to such damage or destruction. Such Restoration shall be commenced with due diligence and in good faith, and prosecuted with due diligence and in good faith, Unavoidable Delays excepted; provided, however, if (a) such damage or destruction occurs with less than three (3) years remaining on any Term or renewal or extension term hereunder, (b) such Restoration is reasonably expected to take over one (1) year to complete, and (c) Ground Lessor gives notice of termination to Ground Lessee within thirty (30) days of such damage or destruction, Ground Lessor may, instead of restoring the same, (i) assign all insurance proceeds to the [Trustee as required under the Trust Indenture], and (ii) terminate this Lease. Any Restorations undertaken hereunder shall be made in accordance the additional provisions regarding construction set forth on **Exhibit D** attached hereto and incorporated herein by this reference.

14.2 Application of Insurance Proceeds. All insurance proceeds or money paid as provided herein, on account of any damage, injury or destruction, less the actual cost, fees and

expenses, incurred by Ground Lessor, Ground Lessor and any Leasehold Mortgagee in connection with the adjustment of the loss (the “*Net Insurance Proceeds*”), shall be applied as required in the Facilities Lease and/or Trust Indenture documents.

14.3 No Release of Ground Lessee’s Obligations. Except as expressly permitted in Section 14.1, no destruction of, or damage to the Property or Improvements or any part thereof by fire or any other cause shall permit Ground Lessee to surrender this Lease or shall relieve Ground Lessee from its obligations to pay the full Rent payable under this Lease or from any of its other obligations under this Lease, and Ground Lessee waives any rights now or hereafter conferred upon it by statute or otherwise to quit or surrender this Lease or the Property or any suspension, diminution, abatement or reduction of Rent on account of any such destruction or damage.

15. LIMITATION OF GROUND LESSOR’S LIABILITY

15.1 Except in the case of gross negligence or willful misconduct, Ground Lessor shall have no personal liability with respect to any of the provisions of this Lease. If Ground Lessor is in default with respect to its obligations under this Lease, Ground Lessee shall look solely to the interest of Ground Lessor in and to the Property for satisfaction of Ground Lessee’s remedies, if any. It is expressly understood that Ground Lessor’s liability under the terms of this Lease shall in no event exceed the amount of its interest in and to the Property. In no event shall any partner, member, employee, or representative of Ground Lessor, nor any joint venture of Ground Lessor, nor any officer, employee, agent, trustee, director or shareholder of Ground Lessor, be personally liable with respect to any provisions of this Lease. Ground Lessor, in its sole and absolute discretion, can sell the Property or any part thereof or assign this Lease or any part thereof. Any person or entity that becomes a “Ground Lessor” under this Lease, whether or not named in this Lease, shall have no liability or obligation under this Lease after it ceases to hold title to the Property except for obligations already accrued.

16. CONDEMNATION

16.1 Voluntary Conveyance. Neither party to this Lease will voluntarily convey any interest related to this Lease to any agency, authority or public utility under threat of a Taking in lieu of formal proceedings without first providing at least ten (10) days’ prior written notice to the other of any request or intention to do so. For purposes of this Section 16, any compensation, damages, and any and all other amounts paid pursuant to any agreement with any condemning authority which has been made in settlement of or under threat of any condemnation or other eminent domain proceeding affecting the Property shall be deemed to constitute an Award made in such proceeding.

16.2 Effect of Taking. If during the Term hereof there shall be a Total Taking or a Partial Taking, then the Ground Lessee’s Leasehold Estate in the event of a Total Taking, or the portion thereof taken in the event of a Partial Taking, shall cease and terminate as of the Date of Taking. If Ground Lessee’s Leasehold Estate is so terminated in whole or in part, all unaccrued Rent and other charges payable by Ground Lessee to Ground Lessor hereunder shall be refunded

to Ground Lessee in the event of a Total Taking and proportionately in the event of a Partial Taking.

16.3 Allocation of Award.

(a) Total Taking. Any Award in connection with any Total Taking of the Property shall be distributed in the following priority: (a) to Ground Lessor for reimbursement of any expenses Ground Lessor incurs in relation to the condemnation; (b) to Ground Lessor for the value of its fee interest in the Property (including, without limitation, its reversionary interest in the Improvements as determined in accordance with Kentucky law, but accounting for Ground Lessee's obligation to make payments for the same as provided in Section 4 above); and (c) to Ground Lessee for its Leasehold Estate and its fee interest in the Improvements (subject to Ground Lessor's reversionary interest therein) immediately prior to such Taking. If the Award is insufficient to satisfy all of the foregoing distributions, then Ground Lessor shall not be liable for any such deficiency or otherwise in relation to such condemnation. If the Award exceeds all of the foregoing distributions, then such remaining portion of the Award shall be property of Ground Lessor.

(b) Partial Taking.

(1) In the event of a Partial Taking, except to the extent that the entirety of the Retail Space is taken, this Lease shall continue in full force and effect notwithstanding such Partial Taking. Ground Lessor shall, after any such Partial Taking, to the extent of the award, repair and restore any damage caused by any such Partial Taking in conformity with the Restoration requirements of Section 14.1 so that after the completion of such Restoration, the Improvements shall be, as nearly as possible, in a condition as good as the condition thereof immediately prior to such Partial Taking. In the event of any such Partial Taking, the Award therefore shall be deposited with the Ground Lessor and distributed pursuant to the terms of this Lease.

16.4 [Reserved].

16.5 Temporary Taking. If all or any portion of the Property shall be taken by any competent authority for temporary use or occupancy, this Lease shall continue in full force and effect with an equitable reduction or abatement of Rent, and Ground Lessor shall, in such event, be entitled to any Award specifically made for the repair and restoration of any damage caused by any such Temporary Taking. Ground Lessor, however, shall, upon the termination of the Temporary Taking (or earlier, at Ground Lessor's sole discretion), to the extent of the Award after reducing same for the expenses Ground Lessor incurs in relation to the Temporary Taking, repair and restore any damage to the Property or the Improvements caused by such temporary use or occupancy in conformity with the Restoration requirements of Section 14.1 so that after the completion of such Restoration the Improvements shall be, as nearly as possible, in a condition as good as the condition thereof immediately prior to such Temporary Taking, and any portion of the Award then remaining will belong to Ground Lessor.

16.6 Rights of Leasehold Mortgagee. Notwithstanding anything to the contrary elsewhere in this Lease, in the event that Ground Lessee's Leasehold Estate is subject to a Leasehold Mortgage (only as permitted under Section 18), all amounts payable to Ground Lessee pursuant to this Section, after accounting for required Restoration of the Property and Improvements, if required by the Leasehold Mortgage, shall be paid to the Leasehold Mortgagee to be applied by the Leasehold Mortgagee in accordance with the Leasehold Mortgage. Such Leasehold Mortgagee shall have the right to participate in any condemnation proceeding affecting the Property to the same extent as Ground Lessee.

16.7 Ground Lessee's Award. Ground Lessee may make a separate claim in any condemnation proceedings for the value of any of Ground Lessee's personal property included in such Taking and for any moving expenses, provided any such award is in addition to, and does not result in a reduction of, the Award made to Ground Lessor and otherwise connected to the Taking.

17. ASSIGNMENT AND SUBLETTING

17.1 Ground Lessee shall have the right to assign this Lease, or to sublet all or any portion of the Property (i) to any parent, subsidiary or corporate affiliate of Ground Lessee; (ii) in connection with a merger, consolidation or the sale of all or substantially all of Ground Lessee's assets, or (iii) to any third party so long as (a) Ground Lessee gives Ground Lessor written notice of such assignment or subletting, (b) in the event of assignment, the assignee assumes all of Ground Lessee's obligations hereunder and (c) Ground Lessee remains liable to Ground Lessor on this Lease. Furthermore, Ground Lessee shall have the right to assign this Lease, or sublet all or any part of the Property for any use permitted in this Lease without obtaining the consent of Ground Lessor provided that (i) Ground Lessee gives Ground Lessor written notice of such assignment or subletting; and (ii) in the event of assignment, the assignee assumes all of Ground Lessee's obligations hereunder. In the event of any such assignment by Ground Lessee, Ground Lessee shall not be released from any liability arising under this Lease as a result of the Assignment. Any Assignment of this Lease shall be subject to the Guidelines for Permitted Uses of the University of Kentucky set forth in Exhibit C. Upon any such Assignment, if the remaining term of this Lease is less than thirty (30) years, the assignee may request that: (i) this Lease be terminated, and (ii) a new direct Lease from Ground Lessor to the assignee be granted on the same general terms as this Lease except that the term of such Lease (not including any renewal options) shall not exceed thirty (30) years. In no event, however, shall the Term of this Lease or any new lease granted by Ground Lessor be construed to extend beyond the maximum term permitted by law.

17.2 Ground Lessee or its affiliates shall not be permitted to sublet any part of the Project to CVS, Walgreens, or Walmart until after December 1, 2027.

18. MORTGAGING

18.1 Ground Lessee's Right to Hypothecate.

(a) Ground Lessee shall have no right to encumber, hypothecate or mortgage the Leasehold Estate or any other interest in the Property or Improvements thereon, except

Ground Lessee may, without the prior consent of Ground Lessor, encumber, hypothecate or mortgage (a "***Leasehold Mortgage***") its Leasehold Estate to a Leasehold Mortgagee subject to the terms and conditions contained herein.

(b) The Leasehold Mortgage shall encumber only the Leasehold Estate, and in no event shall the right granted herein to the Ground Lessee to mortgage or otherwise encumber the Ground Lessee's Leasehold Estate be deemed or interpreted as a subordination by the Ground Lessor of the Ground Lessor's interest in this Lease or fee interest in the Property or reversion interest in the Improvements to the Leasehold Mortgage, it being expressly agreed that, under no circumstances, shall the Ground Lessee have any right to mortgage or encumber the Ground Lessor's interest in this Lease or fee interest in the Property or reversion interest in the Improvements, or request from the Ground Lessor any subordination of such interest to the Leasehold Mortgage.

(c) Promptly following the execution and recording of the Leasehold Mortgage, Ground Lessee shall deliver to the Ground Lessor a copy of the recorded Leasehold Mortgage, containing the name and address of the Leasehold Mortgagee. Any notice which may be or is required to be given under this Lease to Leasehold Mortgagee shall be given in the same manner as required under this Lease at the address for the Leasehold Mortgagee provided in writing to Ground Lessor by Ground Lessee.

(d) Ground Lessee shall indemnify and hold harmless Ground Lessor from all damages, losses, claims, and costs (including, without limitation, attorney's fees) that arise from any act or omission of the Leasehold Mortgagee or otherwise related to the Leasehold Mortgage. Ground Lessee's indemnity obligations set forth in this Section 18.1 shall survive the expiration or termination of this Lease.

(e) For avoidance of doubt and notwithstanding anything to the contrary, the Leasehold Mortgagee or its nominee or the purchaser, assignee or transferee of Ground Lessee's interest in this Lease shall, at all times, be restricted in its use of the Property to the use permitted by Ground Lessee under this Lease.

(f) Any and all attempts to encumber, hypothecate or mortgage the Leasehold Estate or any other interest in the Property or Improvements thereon that is not in compliance with this Section 18.1 shall be invalid, void, and ineffective.

18.2 Leasehold Mortgagee's Rights. Should Ground Lessee grant, in accordance with Section 18.1 of the Lease, a valid Leasehold Mortgage on its Leasehold Estate to a Leasehold Mortgagee, it is agreed by and between Ground Lessor and Ground Lessee as follows:

(a) Ground Lessor will mail to the Leasehold Mortgagee a copy of any notice from Ground Lessor to Ground Lessee under this Lease at the time of giving such notice to Ground Lessee, and no termination of this Lease, or of Ground Lessee's right to possession of the Property or any re-letting of the Property by Ground Lessor predicated on the giving of such notice, shall be effective unless Ground Lessor gives to the Leasehold Mortgagee written notice, or a copy of its notice to Ground Lessee of such default or termination and the Leasehold Mortgagee has had the opportunity to cure such default as provided herein. Upon the expiration

of any applicable cure period of Ground Lessee, Ground Lessor will notify Leasehold Mortgagee of Ground Lessee's failure to effectuate a cure within said cure period.

(b) In the event of any default by Ground Lessee under any of the provisions of this Lease, the Leasehold Mortgagee will have the same grace period as is given Ground Lessee for remedying such default or causing it to be remedied, plus, in each case an additional period of thirty (30) days after the expiration thereof or after Ground Lessor has served notice, or a copy of its notice to Ground Lessee, of such default upon the Leasehold Mortgagee, whichever is later. Notwithstanding anything to the contrary, Section 18 of this Lease shall not be interpreted as increasing Ground Lessee's grace period for curing its defaults.

(c) In the event Ground Lessee defaults under any of the provisions of this Lease, regardless of whether such default consists of a failure to pay Rent or a failure to do any other thing which Ground Lessee is required to do hereunder, any Leasehold Mortgagee, without prejudice to any of its rights against Ground Lessee, shall have the right to make good such default hereunder within the applicable grace period provided for in the preceding subsection (b), and Ground Lessor shall accept such performance on the part of the Leasehold Mortgagee as though the same had been performed by Ground Lessee; and for such purpose Ground Lessor and Ground Lessee hereby authorize the Leasehold Mortgagee to enter upon the Property and to exercise any of Ground Lessee's rights and powers under this Lease.

(d) The term "***Incurable Default***" as used herein means a default under this Lease by Ground Lessee which cannot be cured by a Leasehold Mortgagee. The term "***Curable Default***" means any default under this Lease by Ground Lessee which is not an Incurable Default. In the event of any Curable Default by Ground Lessee under any of the provisions of this Lease and if prior to the expiration of the applicable grace period specified in subsection (b) above, the Leasehold Mortgagee shall give Ground Lessor written notice that it intends to undertake the curing of such default, or to cause the same to be cured, or to exercise its rights to acquire the interest of Ground Lessee in the Lease and in the Improvements by foreclosure or otherwise, and shall promptly commence and then proceed with all due diligence to do so, whether by performance on behalf of Ground Lessee of its obligations under this Lease or by entry on the Property by foreclosure or otherwise, then Ground Lessor will not terminate or take any action to effect a termination of this Lease or reenter, take possession of or re-let the Property or otherwise enforce performance of this Lease so long as (1) the Leasehold Mortgagee is with all due diligence and in good faith engaged by all reasonable means in effecting such foreclosure or in the curing of such default and (2) all Rent and other monetary amounts due hereunder (including, without limitation, reimbursement of Ground Lessor's attorney's fees) are being paid currently. Once the Leasehold Mortgagee provides notice to Ground Lessor that it intends cure the default of Ground Lessee or exercise its rights to acquire the interest of Ground Lessee, the Leasehold Mortgagee is obligated to complete such cure or enforcement of its rights with all due diligence, in good faith, and by all reasonable means; provided, however, that the Leasehold Mortgagee shall not be required to continue such foreclosure proceedings or other enforcement of its rights after such default is cured. In the event the nature of any Curable Default is such that the Leasehold Mortgagee must take possession of the Property in order to cure such default, or there is an official restraint such as a judicial order or administrative order, including without limitation an automatic stay, the running of all applicable grace periods shall be tolled so long as all Rent and other monetary amounts due hereunder (including, without

limitation, reimbursement of Ground Lessor's attorney's fees) are being paid currently and the Leasehold Mortgagee is diligently attempting to obtain such possession by all reasonable means. Nothing herein shall preclude Ground Lessor from terminating this Lease with respect to any additional default which may occur during the aforesaid period of forbearance and is not remedied within the period of grace, if any, applicable to any such additional default, except that the Leasehold Mortgagee shall have the same rights specified in this Section with respect to any such additional defaults. For purpose of clarity, an Incurable Default is nevertheless still a default by Ground Lessee under this Lease.

(e) In the event of termination of this Lease by reason of an Incurable Default of Ground Lessee hereunder or in the event Ground Lessee's interest under this Lease shall be sold, assigned or transferred pursuant to the exercise of any remedy of the Leasehold Mortgagee, or pursuant to judicial proceedings or a deed in lieu of foreclosure, and if the Leasehold Mortgagee (or its nominee or to the purchaser, assignee or transferee from the Leasehold Mortgagee) shall have paid all Rent and all other monetary amounts (including, without limitation, reimbursement of Ground Lessor's attorney's fees) which are due or, but for such termination, would have become so due and payable from the date of such termination, and shall have arranged to the reasonable satisfaction of the Ground Lessor for the curing of any Curable Default on the part of the Ground Lessee, then the Ground Lessor, after receiving a written request therefore given any time prior to the thirtieth (30th) day after sale, assignment, transfer, or termination of the Lease, will execute and deliver to the Leasehold Mortgagee or its nominee or to the purchaser, assignee or transferee, as the case may be (the "***New Ground Lessee***"), a new lease of the Property. Such new lease shall be for a term equal to the remainder of the Term before giving effect to such termination and shall contain the same covenants, agreements, conditions and limitations as this Lease. The New Ground Lessee shall reimburse Ground Lessor, on demand, for all costs (including, without limitation, attorney's fees) that Ground Lessor incurs in connection with the drafting and execution of the new lease of the Property. Upon the execution and delivery of such new lease, the New Ground Lessee, in its own name, may take all appropriate steps as may be necessary to remove Ground Lessee from the Property, but Ground Lessor shall not be subjected to any liability for the payment of any fees (including, without limitation, attorney's fees), costs or expenses in connection therewith. The New Ground Lessee shall pay all such fees (including, without limitation, attorney's fees), costs and expenses or, on demand, make reimbursement therefore to Ground Lessor. In such event Ground Lessee's interest in all Improvements shall be deemed to have been transferred directly to the New Ground Lessee. Any new lease made pursuant to this Section 18.2 shall not be disturbed by any mortgage or other lien, charge or encumbrance on the fee interest of the Property created by Ground Lessor so long as the New Ground Lessee is not in default under the new lease beyond all applicable cure periods.

(f) In the event a default under the Leasehold Mortgage shall have occurred, the Leasehold Mortgagee may exercise with respect to the Property any right, power or remedy under the Leasehold Mortgage which is not in conflict with any of the provisions of this Lease.

(g) There shall be no merger of Ground Lessee's Leasehold Estate with the fee estate in the Property by reason of the fact that Ground Lessee's Leasehold Estate may be held directly or indirectly by or for the account of any person who shall also hold directly or indirectly the fee estate in the Property, or any interest in such fee estate, nor shall there be any

such merger by reason of the fact that all or any part of Ground Lessee's Leasehold Estate may be conveyed or mortgaged to a Leasehold Mortgagee who shall also hold directly or indirectly the fee estate, or any part thereof, in the Property or any interest of Ground Lessor under this Lease.

(h) No surrender (except a surrender upon the expiration of the Term or upon termination by Ground Lessor pursuant and subject to the provisions of this Lease) by Ground Lessee to Ground Lessor of this Lease, or of the Property, or any part thereof, or of the Improvements thereon, or of any interest therein, and no termination or rejection of this Lease by Ground Lessee shall be valid or effective, and neither this Lease nor any of the terms hereof may be amended, modified, changed, rejected or cancelled without the prior written consent of the Leasehold Mortgagee, which consent shall not be unreasonably withheld, conditioned, or delayed.

(i) This Lease may be assigned to a Leasehold Mortgagee by an assignment in lieu of foreclosure of a Leasehold Mortgage or pursuant to a foreclosure sale under a Leasehold Mortgage and may be assigned once more by the assignee or purchaser without the prior consent of Ground Lessor, provided: (i) the ultimate assignee assumes all of Ground Lessee's obligations under this Lease (including, without limitation, the payment of all Rent and other charges as they become due); (ii) an executed counterpart of such assumption is delivered to Ground Lessor; and (iii) the assignee shall provide proof to Ground Lessor that it has a total net worth of [\$75,000,000] or more. If the Leasehold Mortgagee or its affiliate shall be the initial assignee of this Lease, its liability under such assumption agreement shall be limited to the period of ownership of this Lease, provided that the party to whom this Lease is assigned by the Leasehold Mortgagee or its affiliate shall deliver to Ground Lessor at the time of such assignment an assumption agreement in which it assumes all of Ground Lessee's obligations under this Lease, including, without limitation, the payment of all Rent and other charges, without limitation as to duration of liability.

(j) The provisions of this Section are for the benefit of, and are to be enforceable by, the Leasehold Mortgagee.

(k) In the event that there is more than one Leasehold Mortgage affecting the Leasehold Estate, the most senior Leasehold Mortgagee has priority in terms of exercising the rights of a Leasehold Mortgagee pursuant to the provisions of this Section 18.2.

19. QUIET ENJOYMENT

19.1 Ground Lessor covenants and warrants that Ground Lessor is the true and lawful owner of the Property and has good right and full power to let and lease the same. Ground Lessor agrees that, so long as no Event of Default exists hereunder, Ground Lessee shall quietly and peaceably hold, possess and enjoy the Property for the full Term of this Lease, or any extension thereof (if any), without any hindrance or molestation by the agents or employees of Ground Lessor, and further, Ground Lessor shall defend the title of the Property and the use and occupancy of the same by Ground Lessee against the lawful claims of all persons whomsoever, except those claiming by or through the Ground Lessee and the Permitted Exceptions.

19.2 Ground Lessor covenants and warrants that (a) that Ground Lessor is an agency and instrumentality of the Commonwealth of Kentucky validly existing under the laws of the Commonwealth of Kentucky; (b) Ground Lessor has the power to own its current properties, and to execute, deliver and perform its obligations under the Lease; (c) all necessary action has been taken to authorize the execution, delivery and performance of this Lease by Ground Lessor; and (d) upon execution and delivery of this Lease, this Lease will have been duly executed and delivered by Ground Lessor and constitute the valid and legally binding obligation of Ground Lessor, enforceable against Ground Lessor in accordance with its terms; (e) the execution, delivery and performance by Ground Lessor of this Lease does not violate or result in any violation of, or conflict with, or constitute a default under, any mortgage, indenture or deed of trust encumbering the Property or assets of Ground Lessor, or under any term or provision of any other material obligation or material contract of Ground Lessor, or of any existing law, regulation or order of any court or administrative body by which Ground Lessor is bound or to which it is subject; and (f) no consent, approval, order authorization of, or registration, declaration or filing by Ground Lessor with any government or public body or authority or agency or any other entities is required for the valid execution, delivery and performance of this Lease.

20. DEFAULT [Subject to Trustee Review.]

20.1 Events of Default by Ground Lessee. Subject to Section 18 of this Lease, the happening of any one or more of the following events (hereinafter any of the which may be referred to as “*Event of Default*”) during the Term of this Lease, or any renewal or extension thereof (if any), shall constitute a breach of this Lease on the part of Ground Lessee: (i) Ground Lessee fails to pay the Rent or any other monetary amount due under this Lease as provided herein and such failure continues for five (5) days after receipt of written notice thereof from Ground Lessor; provided, however, if Ground Lessee shall default in any payment under this Lease two (2) or more times in any twelve (12) month period, then notwithstanding that each of such defaults shall have been cured by Ground Lessee, any further monetary or non-monetary default shall be deemed an Event of Default without Ground Lessee’s ability for cure; (ii) Ground Lessee fails to comply with or abide by and perform any non-monetary obligation imposed upon Ground Lessee under this Lease and such failure continues for thirty (30) days after receipt written notice thereof from Ground Lessor, unless such default is of such nature that it cannot be cured within such thirty (30) day period, in which case no Event of Default shall occur so long as Ground Lessee diligently commences the curing of the default within such thirty (30) day period and shall thereafter diligently prosecute the curing of same by all reasonable means; provided, however, if Ground Lessee shall default in the performance of any such non-monetary obligation under this Lease two (2) or more times in any twelve (12) month period, then notwithstanding that each of such defaults shall have been cured by Ground Lessee, any further monetary or non-monetary default shall be deemed an Event of Default without Ground Lessee’s ability for cure; (iii) Ground Lessee abandons the Property, and such abandonment continues for thirty (30) days after receipt written notice thereof from Ground Lessor; (iv) Ground Lessee is adjudicated bankrupt; (v) a permanent receiver is appointed for Ground Lessee’s property and such receiver is not removed within sixty (60) days after written notice from Ground Lessor to Ground Lessee to obtain such approval; (vi) Ground Lessee, either voluntarily or involuntarily, takes advantage of any debt or relief proceedings under any present

or future law, whereby the rent or any part thereof is, or proposed to be, reduced or payment thereof deferred; (vii) Ground Lessee makes an assignment for benefit of creditors; (viii) Ground Lessee's effects are levied upon or attached under process against Ground Lessee, which is not satisfied or dissolved within thirty (30) days after written notice from Ground Lessor to Ground Lessee to obtain satisfaction thereof; or (ix) the occurrence of any other event described as constituting an "Event of Default" elsewhere in this Lease.

20.2 Remedies Upon Ground Lessee's Default. Ground Lessor shall be entitled, at its election, to exercise concurrently or successively any one or more of the following rights, in addition to all remedies otherwise provided in this Lease and otherwise available at law or in equity under the laws of the Commonwealth of Kentucky:

(i) to bring suit for the collection of any amounts for which Ground Lessee may be in default, or any amount of accelerated Rent (which all Rent hereunder may be accelerated at Ground Lessor's option upon an Event of Default), or for any damages caused by Ground Lessee, or for the performance of or other appropriate injunctive relief concerning any other covenant or agreement devolving upon Ground Lessee, without entering into possession of the Property or terminating this Lease; and/or

(ii) enter upon and take possession of the Property and expel and permanently exclude Ground Lessee and any other person who may be occupying the Property therefrom without terminating this Lease. The aforementioned reentry by Ground Lessor shall not affect Ground Lessee's obligations under this Lease; and/or

(iii) terminate this Lease, without prejudice to any other remedy, in which event Ground Lessee shall immediately surrender the Property to Ground Lessor and if Ground Lessee fails to do so, Ground Lessor may enter upon and take possession of the Property and expel or remove Ground Lessee and any other person who may be occupying the Property or any part thereof. In the event Ground Lessor shall elect to terminate this Lease, as aforesaid, all obligations of Ground Lessor and all rights of Ground Lessee, and of any permitted successors and assigns, shall cease and terminate, with it being expressly understood that Ground Lessor shall have and retain full right to sue for and collect all other amounts for the payment of which Ground Lessee shall then be in default, and the accelerated amount of all Rent that would thereafter become due during the remaining Term of this Lease, and all damages to Ground Lessor by reason of any such breach; provided, however, all such monetary recovery under this paragraph shall be reduced by the actual amount Ground Lessor receives upon reletting the Property (if any), which shall be relet for a Permitted Use and on terms and conditions approved by Ground Lessor in its reasonable discretion (with it expressly understood that Ground Lessor, as a non-profit educational institution, is not required to maximize the value of Property upon any reletting).

20.3 Remedies Upon Ground Lessor's Default. In the event that Ground Lessor shall at any time be in default in the observance or performance of any of the covenants and agreements required to be performed and observed by Ground Lessor hereunder and any such default shall continue for a period of thirty (30) days after written notice to Ground Lessor (or if such default is incapable of being cured in a reasonable manner within thirty (30) days, then such

longer period as may be reasonable, provided Ground Lessor commences such cure within such thirty (30) day period and thereafter diligently prosecutes the same to completion) and Ground Lessor shall not thereafter cure such default, Ground Lessee shall be entitled at its election to exercise concurrently or successively any one or more of the following rights, in addition to all remedies otherwise provided in this Lease and otherwise available at law or in equity under the laws of the Commonwealth of Kentucky (except in no event shall Ground Lessee be entitled to recover consequential damages from Ground Lessor):

(i) to bring suit for the collection of any amounts for which Ground Lessor may be in default, or for the performance of or other appropriate injunctive relief concerning any other covenant or agreement devolving upon Ground Lessor, without terminating this Lease; and/or

(ii) to terminate this Lease upon sixty (60) days' written notice to Ground Lessor without waiving Ground Lessee's rights to damages (excluding consequential damages) for Ground Lessor's failure to perform its obligations hereunder. In the event Ground Lessee shall elect to terminate this Lease, as aforesaid, all rights and obligations of Ground Lessee, and of any permitted successors or assigns, shall cease and terminate, except that Ground Lessee shall have and retain full right to sue for and collect all amounts for the payment of which Ground Lessor shall then be in default and all damages (excluding consequential damages) to Ground Lessee by reason of any such breach.

20.4 Self Help. If either party defaults in the performance of any obligation imposed on it by this Lease and does not cure such default within the applicable cure period set forth above in this Section 20 (excluding any cure period provided only to a Leasehold Mortgagee pursuant to Section 18) following written notice from the other party specifying the default (or does not within said period commence and diligently proceed to cure such default as provided above), the other party, without waiver of or prejudice of any other right or remedy it may have, shall have the right, at any time thereafter, to cure such default for the account of the defaulting party. In the event of emergencies, or where necessary to prevent injury to persons or damage to property, either party may cure a default by the other party before the expiration of the aforementioned cure period, but after giving such written or oral notice to the other party as is practical under all of the circumstances. If Ground Lessee is the defaulting party, it shall upon demand immediately reimburse Ground Lessor for all costs incurred by Ground Lessor as a result of exercising its rights under this Section 20.4.

20.5 Remedies Cumulative. All remedies of Ground Lessor or Ground Lessee herein created or remedies otherwise existing at law or in equity are cumulative and the exercise of one or more rights or remedies shall not be taken to exclude or waive the right to the exercise of any other. Except as limited hereinabove, all rights and remedies may be exercised and enforced concurrently and whenever and as often as Ground Lessor or Ground Lessee shall deem necessary.

20.6 Ground Lessor's Legal Expenses. In the event Ground Lessee fails to comply with the provisions of this Lease, Ground Lessor shall be entitled to recover from Ground Lessee upon demand all expenses, including, without limitation, attorney's fees and court costs, incurred

as a result of Ground Lessee's non-compliance. Ground Lessor's rights under this Section 20.6 shall not be conditioned upon such non-compliance being an Event of Default or Ground Lessor commencing a legal action against Ground Lessee, and shall survive the expiration or termination of this Lease.

20.7 Remedies in Event of Bankruptcy or Other Proceeding.

(a) Assumption of Lease. In the event Ground Lessee shall become a Debtor under Chapter 7 of the Bankruptcy Code ("**Code**") or a petition for reorganization or adjustment of debts is filed concerning Ground Lessee under Chapters 11 or 13 of the Code, or a proceeding is filed under Chapter 6 and is transferred to Chapters 11 or 13, the Trustee or Ground Lessee, as Debtor and as Debtor-in-Possession, may not elect to assume this Lease unless, at the time of such assumption, the Trustee or Ground Lessee has:

(1) Cured or provided Ground Lessor "Adequate Assurance" (as defined below) that:

(A) Within ten (10) days from the date of such assumption the Trustee or Ground Lessee will cure all monetary defaults under this Lease and compensate Ground Lessor for any actual pecuniary loss resulting from any existing default, including without limitation, Ground Lessor's reasonable costs, expenses, accrued interest, and attorney's fees incurred as a result of the default;

(B) Within thirty (30) days from the date of such assumption the Trustee or Ground Lessee will cure all non-monetary defaults under this Lease; and

(C) The assumption will be subject to all provisions of this Lease.

(2) For purposes of this Section 20.7, Ground Lessor and Ground Lessee acknowledge that, in the context of a bankruptcy proceeding of Ground Lessee, at a minimum "**Adequate Assurance**" means:

(A) The Trustee or Ground Lessee has and will continue to have sufficient unencumbered assets after the payment of all secured obligations and administrative expenses to assure Ground Lessor that the Trustee or Ground Lessee will have sufficient funds to fulfill the obligations of Ground Lessee under this Lease, and to continue to operate upon the Property;

(B) The Bankruptcy Court shall have entered an Order segregating sufficient cash payable to Ground Lessor and/or the Trustee or Ground Lessee shall have granted a valid and perfected first lien and security interest and/or mortgage in property of Trustee or Ground Lessee acceptable as to value and kind to Ground Lessor, to secure to Ground Lessor the obligation of the Trustee or Ground Lessee to cure the monetary and/or non-monetary defaults under this Lease within the time periods set forth above; and

With a copy to: Brennan, Manna & Diamond, LLC
75 E. Market Street
Akron, Ohio 44308
Attn: Lee Walko

(b) If to Ground Lessor: Office of Legal Counsel
University of Kentucky
301 Main Building
Lexington, Kentucky 40506-0032

Copy to: UK Real Estate Services
1500 Bull Lea Rd., Suite 106
Lexington, Kentucky 40511

or at such other address as may be specified from time to time in writing by either party. All such notices hereunder shall be deemed to have been made on the date marked on the return receipt unless delivery is refused or cannot be made, in which case, the date of postmark shall be deemed as the date notice has been given.

22. ESTOPPEL CERTIFICATES

22.1 Either party shall, without charge, at any time and from time to time hereafter, within ten (10) days after written request of the other, certify by written instrument duly executed and acknowledged to any mortgagee, if permitted, or purchaser, or any other person, firm or corporation specified in such request:

- (a) Whether this Lease has been supplemented or amended, and if so the substance and manner of such supplement or amendment;
- (b) The validity and force and effect of this Lease, in accordance with its tenor as the constituted;
- (c) The existence of any default hereunder;
- (d) The existence of any offsets, counterclaims or defenses hereto on the part of such other party;
- (e) The commencement and expiration dates of the Term of this Lease; and
- (f) Any other matters as may reasonably be so requested.

Any such certificates may be relied upon by the party requesting it and any other person, firm or corporation to whom the same may be addressed and the contents of such certificate shall be binding on the party executing same.

23. GOVERNING LAW

23.1 This lease and the performance thereof shall be governed, interpreted, construed and regulated by the laws of the Commonwealth of Kentucky.

24. SEVERABILITY

24.1 If any term, covenant, condition or provision of this Lease or the application hereof to any person or circumstance shall, at any time or to any extent, be invalid or unenforceable the remainder of this Lease or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term, covenant, condition and provision of this Lease shall be valid and enforced to the fullest extent permitted by the law.

25. SHORT FORM LEASE

25.1 The parties will at any time, at the request of either one, promptly execute duplicate originals of an instrument, in recordable form, which will constitute a short form of lease, setting forth a description of the Property, the Term of this Lease and any other provisions as approved by Ground Lessor in its reasonable discretion, but always excluding all rental and other financial provisions.

26. INTERPRETATION

26.1 Whenever herein the singular number is used, the same include the plural, and the masculine gender shall include the feminine and neuter genders, and vice versa, as the context shall require. The headings used herein are for reference convenience only and shall not enter into the interpretation hereof. This Lease may be executed in several counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument. The various signed copies may be exchanged between the parties after execution via facsimile, electronic mail, or by other means. As used in this Lease, the words "person" or "entity" shall mean, where appropriate, an individual and/or an entity. All exhibits attached hereto are incorporated herein by this reference. Time is of the essence in the performance by Ground Lessor and Ground Lessee of their respective obligations under this Lease. In the event that any time period set forth in this Lease ends or expires on a Saturday, Sunday or legal holiday in the locality where Property is located, such time period shall instead end or expire on the nearest business day thereafter.

27. NO MODIFICATION

27.1 This writing is intended by the parties as a final expression of their agreement and as a complete and exclusive statement of the terms thereof, all negotiations, considerations and representations between the parties having been incorporated herein. No course of prior dealings between the parties or their officers, employees, agents or affiliates shall be relevant or admissible to supplement, explain or vary any of the terms of this Lease. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior agreement between the

parties or their affiliates shall not be relevant or admissible to determine the meaning of any of the terms of this Lease. No representations, understandings or agreements have been made or relied upon in the making of this Lease other than those specifically set forth herein. This Lease can be modified only by a writing signed by both parties hereto.

28. SUCCESSORS AND ASSIGNS

28.1 This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Ground Lessor, its successors and assigns, and shall be binding upon Ground Lessee, its successors and assigns and shall inure to the benefit of Ground Lessee and the assigns and sublessees of Ground Lessee.

29. REPRESENTATIONS BY GROUND LESSEE

29.1 Ground Lessee represents and warrants to Ground Lessor that: (i) Ground Lessee is a duly organized and existing legal entity, in good standing in the state of its organization or incorporation and is qualified to do business in the state where the Property is located; (ii) Ground Lessee has full right and authority to execute, deliver and perform this Lease; (iii) the person executing this Lease on behalf of Ground Lessee was authorized to do so; and (iv) upon Ground Lessor's request, such person will deliver satisfactory evidence of his or her authority to execute this Lease.

30. BROKER'S COMMISSION

30.1 Ground Lessee and Ground Lessor represent and warrant to each other that they have dealt with no broker, agent or other intermediary in connection with this Lease. Ground Lessee agrees to indemnify, defend and hold Ground Lessor harmless from and against any claims made by any broker, agent or other intermediary, with respect to a claim for any broker's commission or fee or similar compensation brought by any person in connection with this Lease to the extent such broker, agent or other intermediary makes a claim through Ground Lessee.

31. NO JOINT VENTURE

31.1 Any intention to create a venture or partnership relation between the parties hereto is hereby expressly disclaimed.

32. NO OPTION

32.1 The submission of this Lease for examination does not constitute a reservation of or option for the Property and this Lease shall become effective only upon execution and delivery thereof by both parties.

33. THIRD PARTY BENEFICIARY

33.1 Nothing contained in this Lease shall be construed so as to confer upon any other party the rights of a third party beneficiary except rights contained herein for the benefit of a Leasehold Mortgagee.

34. NON-WAIVER OF DEFAULT

34.1 No acquiescence by either party to any default by the other party hereunder shall operate as a waiver of its rights with respect to any other breach or default, whether of the same or any other covenant or condition. No payment received by Ground Lessor of a lesser amount than the Rent or other charges due hereunder shall be deemed to be other than on account of the earliest stipulated Rent or other charges, nor shall any statement on a check or any letter accompanying a payment of Rent or other charges be deemed an accord and satisfaction. Ground Lessor may accept payment without prejudice to Ground Lessor's right to recover the balance of Rent or other charges or pursue any remedy in this Lease.

35. HOLDING OVER

35.1 In the event of Ground Lessee's continued occupancy of the Property after the expiration of the Term of this Lease or any renewal or extension thereof, or any earlier termination provided or permitted by this Lease, such tenancy shall be from month-to-month and such continued occupancy shall not defeat Ground Lessor's right to possession of the Property. All other covenants, provisions, obligations and conditions of this Lease shall remain in full force and effect during such month-to-month tenancy, except the Rent due hereunder shall double.

36. EQUAL OPPORTUNITY

36.1 Ground Lessee shall comply with Ground Lessor's nondiscrimination policy and shall not in its operations or employment practices discriminate on the basis of race, color, national origin, ethnic origin, religion, creed, age, physical or mental disability, veteran status, uniformed service, political belief, sex, sexual orientation, gender identity, gender expression, pregnancy, marital status, genetic information, social or economic status, or smoker or nonsmoker status, as long as the person complies with Ground Lessor's policy concerning smoking.

37. CONSENT TO JURISDICTION AND VENUE

37.1 Ground Lessee hereby consents to the jurisdiction of Franklin Circuit Court and irrevocably agrees that, subject to Ground Lessor's sole and absolute election, any case or proceeding relating to the Lease and any actions relating to the Property shall be litigated in such courts, and Ground Lessee waives any objection Ground Lessee may have based on improper venue or forum non-conveniens to the conduct of any proceeding in any such court. Nothing contained in this Section shall affect the right of Ground Lessor to bring any action or proceeding against Ground Lessee or the property of Ground Lessee in the courts of any other jurisdiction.

Ground Lessee and Ground Lessor hereby waive their right to trial by jury in any litigation related to this Lease.

Remainder of Page Intentionally Left Blank; Signature Pages Follow

IN WITNESS WHEREOF, the parties have executed this Lease on the day and year first above written.

GROUND LESSOR:

COMMONWEALTH OF KENTUCKY,
UNIVERSITY OF KENTUCKY

By: _____
Eric N. Monday
Executive Vice President
Finance and Administration

COMMONWEALTH OF KENTUCKY

COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me this __ day of _____, 20__, by Eric N. Monday, as Executive Vice President for Finance and Administration of the University of Kentucky, for and on behalf of the University of Kentucky.

My Commission expires: _____.

NOTARY PUBLIC

GROUND LESSEE:

SIGNET KY RE, LLC

By: _____

Title: _____

STATE OF OHIO

COUNTY OF SUMMIT

The foregoing instrument was acknowledged before me this __ day of _____, 20__, by _____, as _____ of Signet KY RE, LLC, a Kentucky limited liability company, on behalf of said company.

My Commission expires: _____.

NOTARY PUBLIC

Examined for form and legality by:
Legal Counsel, University of Kentucky

Shannan Stamper

Reviewed by:

UK Real Estate Services

EXHIBIT A

LEGAL DESCRIPTION

WINSLOW SITE LEGAL DESCRIPTION

PARCEL 1: 130 WINSLOW STREET

The following described tracts of land now more commonly known as 130 Winslow Street:

Situated on the East side of South Upper Street between Euclid Avenue and South Limestone Street in Lexington, Fayette County, Kentucky, and more fully described and bounded as follows:

Tract 1:

Beginning at a point in the East property line of South Upper Street, said point being 21 feet South of Euclid Avenue; thence in a southwesterly direction along the line of South Upper Street 46 feet to the line of Rosenberg (formerly Martin); thence in a southeasterly direction along the line of said Rosenberg 67.5 feet to the corner with Rosenberg (formerly Dodson); thence in a northeasterly direction along Rosenberg's line 37 feet; thence in a northwesterly direction 8.7 feet; thence in a northwesterly direction 12.8 feet; thence again in a northwesterly direction 35.8 feet; thence in a southwesterly direction 3.2 feet; thence again in a northwesterly direction 23 feet to the beginning, being known as 462 South Upper Street.

Tract 2:

Beginning at a point where the South line of Euclid Avenue intersects the East line of South Upper Street; thence in a southeasterly direction along Euclid Avenue 67.5 feet to the line of Louis Rosenberg (formerly Harry Dodson); thence in a southwesterly direction along Rosenberg's line 30 feet; thence in a northwesterly direction 8.7 feet; thence in a northeasterly direction 12.8 feet; thence again in a northwesterly direction 12.8 feet; thence again in a northwesterly direction 35.8 feet; thence again in a southwesterly direction 3.2 feet; thence again in a northwesterly direction 23 feet to the aforesaid East line of South Upper Street; thence in a northwesterly direction along the East line of South Upper Street 21 feet to the beginning, being known as 558 South Upper Street.

Tract 3:

Beginning at a point in the South line of Euclid Avenue, said point being 94.5 feet East of South Upper Street; thence in a southeasterly direction along the South line of Euclid Avenue 32.5 feet to the line of McGaughey; thence in a southwesterly direction along McGaughey's line 120 feet to the line of Barney Tracy; thence in a northwesterly direction along Barney Tracy's line 32.5 feet to the line of H. Dodson; thence in a northeasterly direction along Dodson's line 120 feet to the beginning, being known as 122 and 124 Euclid Avenue.

Tract 4:

Known as 126 West Euclid Avenue (formerly Winslow Street) and more particularly described as follows, according to survey and plat prepared by Cecil C. Harp, May 4, 1949, of record in Deed Book 461, Page 71, in the Fayette County Clerk's Office. Beginning at a point in the South side of Euclid Avenue, said point being 77.5 feet East of the easterly line on South Upper Street; thence in an easterly direction along the South side of Euclid Avenue 17 feet to a point, corner to Tract No. 3 on the plat above mentioned; thence in a southerly direction along the line of said Tract No. 3, a distance of 120 feet to a stake, another corner to said Tract No. 3; thence in a westerly direction 17 feet to a stake; thence with the line of Tracts Nos. 8, 7, 6 and 5 on said plat and in a northerly direction, a distance of 120 feet to a point in the South side of Euclid Avenue, the point of beginning, and being all of Tract No. 4 as shown on the plat above mentioned.

Tract 5:

Beginning at a point in the southern property line of Euclid Avenue that is 67.5 feet southeast of the intersection of the Euclid Avenue property line and the South Upper Street property line; thence at right angles in a southerly direction parallel to South Upper Street 67 feet; thence at right angles and parallel with Euclid Avenue in a southeasterly direction 10 feet; thence at right angles and parallel with South Upper Street along the line of Rosenberg, a distance of 67 feet; thence at right angles along Euclid Avenue a distance of 10 feet to the point of beginning.

Tract 6:

Beginning at a point in the East property line of South Upper Street, said point being 67 feet southwest of Euclid Avenue; thence in a southwesterly direction along South Upper Street 26.5 feet to a new line; thence at right angles in a southeasterly direction 77.5 feet to the line of Harry Dodson; thence in a northeasterly direction with Dodson's line 26.5 feet; thence in a northwesterly direction 77.5 feet to the point of beginning, being known as 566 South Upper Street.

Tract 7:

Known as 568 South Upper Street, located in the City of Lexington, Fayette County, Kentucky, and beginning at a point in the East property line of South Upper Street, said point being 93.5 feet southwest of Euclid Avenue; thence in a southwesterly direction along South Upper Street 26.5 feet to Tracy's line; thence at right angles in a southeasterly direction 77.5 feet to the line of Harry Dodson; thence in a northeasterly direction with Dodson's line 26.5 feet; thence in a northwesterly direction 77.5 feet to the point of beginning.

Tract 8:

Situated on the East side of South Upper Street between Winslow Street and what was formerly known as the Poor House Pond, bounded as follows:

Beginning at a point 25 feet from the northerly line of the property of the Brand heirs; thence with Upper Street in a northerly direction, 25 feet; thence at right angles with said Street in an easterly direction 150 feet; thence at right angles in a southerly direction 25 feet; thence at right angles in a westerly direction 150 feet to the beginning, known and designated as 570 South Upper Street.

ALL THE ABOVE being the same property conveyed to the Commonwealth of Kentucky, for the use and benefit of the University of Kentucky by Special Warranty Deed dated February 1, 2018 of record in Deed Book 3558, Page 150 in the Fayette County Court Clerk's Office.

PARCEL 2: KENNEDY BOOK
STORE SITE

401 SOUTH LIMESTONE

LEXINGTON, FAYETTE COUNTY, KENTUCKY

All that tract or parcel of land situated at the southwest intersection of South Limestone and Winslow Street, being more fully described and bounded as follows, to wit:

BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection of the South Limestone northwest right of way and the Winslow Street southwest right of way (DB 23, Pg 380), said point being the southeast corner of Kennedy Book Store (401 S. Limestone, DB 1754, Pg 699); thence with said South Limestone northwest right of way, South 48°03'07" West, 70.00 feet to a point in a statue being a common corner with Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, Pg 248); thence leaving said South Limestone northwest right of way and with said Kennedy Book Store, Inc., (405 S. Limestone), North 41°43'16" West, 75.28 feet to a point inside Kennedy Book Store, said point being a common corner with Kennedy Book Store, Inc., (108 Winslow Street, DB 2538, Pg 106); thence leaving said Kennedy Book Store, Inc., (405 S. Limestone) and with said Kennedy Book Store, Inc., (108 Winslow Street), North 48°16'44" East, 70.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) in said Winslow Street southwest right of way; thence leaving said Kennedy Book Store, Inc., (108 Winslow Street) and with said Winslow Street southwest right of way, South 41°43'16" East, 75.00 feet to the POINT OF BEGINNING, containing 5,260 square feet or 0.12 acre, more or less.

405 SOUTH LIMESTONE

LEXINGTON, FAYETTE COUNTY, KENTUCKY

All that tract or parcel of land situated on the northwest side of South Limestone, 135.00 feet southwest of Winslow Street, being more fully described and bounded as follows, to wit:

BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, Pg 248) and Kennedy Book Store, Inc. (407 S. Limestone, DB 1126, Pg 175) said point being in the South Limestone northwest right of way, 135.00 feet southwest of a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection of said South Limestone northwest right of way and the Winslow Street southwest right of way (DB 23, Pg 380); thence leaving said South Limestone northwest right of way and with said Kennedy Book Store, Inc., (407 South Limestone), North 41°43'16" West, 195.53 feet to a point inside Kennedy Book Store, said point being common to Kennedy Book Store, Inc. (407 S. Limestone, DB 1126, Pg 175 & 120 Winslow Street, DB 1259, Pg 203); thence leaving said Kennedy Book Store, Inc., (407 South Limestone) and with said Kennedy Book Store, Inc., (120 Winslow Street), North 48°16'44" East, 135.00 feet to a set Mag Nail with shiner in said Winslow Street southwest right of way; thence leaving said Kennedy Book Store, Inc., (120 Winslow Street) and with said Winslow Street southwest right of way, South 41°43'16" East, 75.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) at a common corner with Kennedy Book Store, Inc., (108 Winslow Street, DB 2538, Pg 106); thence leaving said Winslow Street southwest right of way and with said Kennedy Book Store, Inc., (108 Winslow Street), South 48°16'44" West, 70.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss); thence with said Kennedy Book Store, Inc., (108 Winslow Street), South 41°43'16" East, passing a common corner with Kennedy Book Store, Inc., (401 S. Limestone, DB 1754, Pg 699) at 45.00 feet, inside Kennedy Book Store, and continuing with said Kennedy Book Store, Inc., (401 S. Limestone) for a total distance of 120.28 feet to a point in a statue in said South Limestone northwest right of way; thence leaving said Kennedy Book Store, Inc., (401 S. Limestone) and with said South Limestone northwest right of way, South 48°03'07" West, 65.00 feet to the POINT OF BEGINNING, containing 17,951 square feet or 0.41 acre, more or less.

407 SOUTH LIMESTONE**LEXINGTON, FAYETTE COUNTY, KENTUCKY**

All that tract or parcel of land situated on the northwest side of South Limestone, 170.00 feet southwest of Winslow Street, being more fully described and bounded as follows, to wit: BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc., (DB 1126, Pg 175) and the Commonwealth of Kentucky for the use and benefit of the University of Kentucky (DB 1353, Pg 44), said point being in the South Limestone northwest right of way, 170.00 feet southwest of a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection of said South Limestone northwest right of way and the Winslow Street southwest right of way (DB 23, Pg 380); thence leaving said South Limestone northwest right of way and with said Commonwealth of Kentucky, North 41°43'16" West, 213.67 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) at a common corner with LFUCG (DB 281, Pg 492); thence leaving said Commonwealth of Kentucky and with said LFUCG and continuing with Lyle Properties, LLC (DB 2577, Pg 177), North 48°16'44" East, 35.00 feet to a point inside a shed, said point being common to Kennedy Book Store, Inc. (120 Winslow Street, DB 1259, Pg 203); thence leaving said Lyle Properties, LLC and with said Kennedy Book Store, Inc., (120 Winslow Street), and continuing with Kennedy Book Store Inc., (405 S. Limestone, DB 1350, Pg 248) South 41°43'16" East, passing a common corner with said Kennedy Book Store Inc., (405 S. Limestone) inside Kennedy Book Store at 18.00 feet for a total distance of 213.53 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) in said South Limestone northwest right of way; thence leaving said Kennedy Book Store, Inc., South 48°03'07" West, 35.00 feet to the POINT OF BEGINNING, containing 7,476 square feet or 0.17 acre, more or less.

108 WINSLOW STREET**LEXINGTON, FAYETTE COUNTY, KENTUCKY**

All that tract or parcel of land situated on the southwest side of Winslow Street, 75.00 feet northwest of South Limestone, being more fully described and bounded as follows, to wit: BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc. (108 Winslow Street, DB 2538, Pg 106 & 401 S. Limestone, DB 1754, PG 699), said point being in the Winslow Street southwest right of way (DB 23, Pg 380) 75.00 feet northwest from a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection with the South Limestone northwest right of way; thence leaving said Winslow Street southwest right of way and with said Kennedy Book Store, Inc., (401 S. Limestone), South 48°16'44" West, 70.00 feet to a point inside Kennedy Book Store in the common line with Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, Pg 248); thence leaving said Kennedy Book Store, Inc. (401 S. Limestone) and with said Kennedy Book Store, Inc., (405 S. Limestone), North 41°43'16" West, 45.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss); thence continuing with said Kennedy Book Store, Inc., (405 S. Limestone), North 48°16'44" East, 70.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) in said Winslow Street southwest right of way; thence leaving said Kennedy Book Store, Inc., (405 S. Limestone) and with said Winslow Street southwest right of way, South 41°43'16" East, 45.00 feet to the POINT OF BEGINNING, containing 3,150 square feet or 0.07 acre, more or less.

120 WINSLOW STREET**LEXINGTON, FAYETTE COUNTY, KENTUCKY**

All that tract or parcel of land situated on the southwest side of Winslow Street, 195.00 feet northwest of South Limestone, being more fully described and bounded as follows, to wit: BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc. (120 Winslow Street, DB 1259, Pg 203) and Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, PG 248), said point being in the Winslow Street southwest right of way (DB 23, Pg 380), 195.00 feet northwest of a set Mag Nail with shiner (PLS 3185 Chambliss)

at the intersection with the South Limestone northwest right of way; thence leaving said Winslow Street southwest right of way and with said Kennedy Book Store, Inc., (405 S. Limestone), South 48016'44" West, 135.00 feet to a point inside Kennedy Book Store, said point being in the common line with Kennedy Book Store, Inc., (407 S. Limestone, DB 1126, Pg 175); thence leaving said Kennedy Book Store, Inc., (405 S. Limestone) and with said Kennedy Book Store, Inc., (407 S. Limestone), North 41043'16" West, 18.00 feet to a point inside a shed, said point being in the common line with Lyle Properties, LLC (DB 2577, PG 177); thence leaving said Kennedy Book Store, Inc., (407 S. Limestone) and with said Lyle Properties, LLC, for three lines:
1) North 48016'44" East, 15.00 feet to a point inside Kennedy Book Store,
2) North 41043'16" West, 23.00 feet to a point inside Kennedy Book Store,
3) North 48016'44" East, 120.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss),
in said Winslow Street southwest right of way; thence leaving said Lyle Properties, LLC and with said Winslow Street southwest right of way, South 41043'16" East, 41.00 feet to the POINT OF BEGINNING, containing 5,190 square feet or 0.12 acre more or less.

ALL THE ABOVE being the same property conveyed to the Commonwealth of Kentucky, for the use and benefit of the University of Kentucky by Special Warranty Deed dated February 1, 2018 of record in Deed Book 3558, Page 138 in the Fayette County Court Clerk's Office.

PARCEL 3: Unnamed Alley On East Side of South Upper Street

All of that parcel and lot of land on South Upper Street, Lexington, Fayette County, Kentucky, being more particularly described as follows:

Situated on the south side and is described as follows to-wit: Beginning at a point in north line of the Broad heirs on said street and thence in a northerly direction twenty-five feet to the line of Margaret Caden; thence in an easterly direction along the line of said Caden one hundred and fifty feet, more or less; thence on a line in a southerly direction twenty-five feet; thence on a line in a westerly direction one hundred and fifty feet, more or less, to the place of beginning.

The foregoing property being more recently described as follows:

Beginning at a point in the southeast right-of-way of South Upper Street, the point being located S 48° 42' 21" W 144.9 feet of the intersection of the southeast right-of-way of South Upper Street and the southwest right-of-way of Winslow Street, and being marked by a witness monument (mag nail with ID tag PLS 3350) located N 42° 06' 12" W 1.01 feet from the point; thence leaving the right-of-way S 41° 43' 51" E 151.11 feet to a point, also marked by a witness monument (mag nail with ID tag PLS 3350) located S 48° 15' 43" W 5.99 feet from the point; thence S 48° 15' 43" W 25 feet, more or less, to a mag nail and shiner found (PLS 3185); thence N 41° 43' 50" W 151.30 feet, more or less, to a point in the southeast right-of-way of South Upper Street; thence with the right-of-way N 48° 42' 21" E 25 feet, more or less, to the beginning. The basis for bearings used herein is KY State Plane North Zone, NAD '83. The parcel herein described contains 3,780 square feet (0.09 acres), more or less.

BEING PART of the same property conveyed to the Commonwealth of Kentucky, for the use and benefit of the University of Kentucky by Quitclaim Deed dated January 3, 2019, of record in Deed Book 3639 page 277 in the Fayette County Court Clerk's office.

EXHIBIT B

PERMITTED EXCEPTIONS

[to be completed upon update of title]

EXHIBIT C

PROHIBITED USES

PROHIBITED USES

Without the prior written consent of the University, in its sole discretion, no portion of the Property shall be used for:

- Overnight public accommodation
- Community outreach organizations primarily serving non university individuals with previous criminal convictions and or mental health concerns
- Retail operation as would be in violation of local business zoning standards in and adjacent to residential spaces and living quarters.
- Public policy advocacy organizations
- Political parties or campaign operations
- Pawn shops
- Nude or semi-nude dance halls; adult bookstores; or retail operations principally featuring sexually explicit materials or services for purchase
- No head shop or drug paraphernalia sales operations
- Package liquor sales or sales by the drink when this is the primary source of revenue
- Tobacco, vapor, e-cigarette, or hookah sales or use operations
- Religious bookstores and or specific faith advocacy operations or any operation that may reasonably be viewed as a cult in nature
- Illegal operations or use
- Gambling operations including but not limited to; slots; card games of chance; off track horse race betting parlors or bingo
- Video and/or digital computer gaming retail sales or retail operations that feature adult restricted games and/or what would be reasonably perceived as excessively or gratuitously violent and/or sexual games.
- Retail operation that principally retails or wholesales non-medicinal ingestible materials (liquids, pills; supplements and stimulants) that can be reasonably considered to carry health risks due to usage
- Health care clinical services or associated facilities
- “sub leases” to entities or operations specifically excluded under this listing or other terms of the ground lease
- Educational materials sales which would violate student or faculty ethical standards of the university
- Sales of products governed by vendor agreements, for example, bookstores • Retail operations that are principally designed to encourage acquisition of credit cards or promote other credit applications
- Night club, dance hall or similar place of recreation or amusement
- Business whose major source of business is derived from the cashing of checks or making loans
- Textbook retail or wholesale store
- Tattoo shop

- Car wash or automotive repair
- Outdoor storage or display, except temporary and related to a permitted use
- Construction yard except incidental to repair, restoration or construction of improvement on the property
- Employment agency for day labor
- Helistop or heliport
- Manufacturing, fabrication, and assembly of non-biotechnology finished products or subassemblies, except incidental to office and retail use (such as assembly of office cubicles)
- • Mortuary or cremation
- Newspaper or magazine printing, except editorial and administrative offices or retail copying and printing services
- Dependent care center
- Public baths
- Blood bank and blood plasma center
- Second-hand/used merchandise sales
- Self-service laundry
- Public storage garages or facilities
- Dry cleaning laundry services
- Any use which directly competes with the University's existing retail or commercial enterprises
-

EXHIBIT D

CONSTRUCTION REQUIREMENTS

[reference Relevant document reference here.]

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EXHIBIT E

PROJECT DESCRIPTION

The “Project” shall mean the design, development and construction of a new mixed-use parking structure to be developed on its Lexington, Kentucky campus. The Project consists of (1) a 918-space University parking facility; (2) a 12,187 square foot commercial space to be occupied by the University or its affiliates; and (3) a 10,072 square foot commercial space to be leased to third-party retail tenants.

4830-4469-5958, v. 1
4830-4469-5958, v. 2

EXHIBIT C:

Facilities Lease

FACILITIES LEASE

By and Between the

UNIVERSITY OF KENTUCKY

As University

And

SIGNET KY RE, LLC

As Facilities Lessor

Dated as of July __, 2019

TABLE OF CONTENTS

SECTION 1.	DEFINED TERMS	1
SECTION 2.	LEASE OF PROJECT	6
SECTION 3.	TERM	6
SECTION 4.	RENT	6
SECTION 5.	MANAGEMENT OF THE PROJECT AFTER THE project COMPLETION DATE; UTILITIES AND JANITORIAL SERVICES	7
SECTION 6.	OPTION TO PURCHASE.....	7
SECTION 7.	CONSENT TO ASSIGNMENT	8
SECTION 8.	TAXES AND ASSESSMENTS	8
SECTION 9.	USE OF THE PROJECT	8
SECTION 10.	ACCEPTANCE OF THE PROJECT.....	9
SECTION 11.	UNIVERSITY’S PROPERTY.....	9
SECTION 12.	RISK OF LOSS; CASUALTY INSURANCE	9
SECTION 13.	FIRE AND OTHER CASUALTY.....	10
SECTION 14.	CONDEMNATION.....	10
SECTION 15.	TEMPORARY TAKING.....	11
SECTION 16.	MECHANIC’S LIENS	11
SECTION 17.	CASUALTY INSURANCE	11
SECTION 18.	LIABILITY INSURANCE.....	12
SECTION 19.	ASSIGNMENT AND SUBLETTING BY FACILITIES LESSEE	12
SECTION 20.	ATTORNMEN BY FACILITIES LESSEE.....	12
SECTION 21.	INDEMNIFICATION.....	12
SECTION 22.	ESTOPPEL CERTIFICATE.....	13
SECTION 23.	DEFAULT	13
SECTION 24.	REMEDIES.....	13
SECTION 25.	QUIET ENJOYMENT.....	14
SECTION 26.	LIMITED OBLIGATIONS OF FACILITIES LESSOR.....	14
SECTION 27.	EMPLOYMENT	15
SECTION 28.	ACCORD AND SATISFACTION.....	15
SECTION 29.	ACTS BEYOND CONTROL OF THE PARTIES.....	15
SECTION 30.	DEFEASANCE.....	15
SECTION 31.	NOTICES.....	15
SECTION 32.	HEADINGS	16
SECTION 33.	SUCCESSORS AND ASSIGNS	16
SECTION 34.	ENTIRE AGREEMENT.....	17
SECTION 35.	CONDITIONS AND COVENANTS	17
SECTION 36.	COMPUTATION OF TIME.....	17
SECTION 37.	RELATIONSHIP OF THE PARTIES.....	18
SECTION 38.	COUNTERPARTS	18
SECTION 39.	RECORDING	18
SECTION 40.	EXHIBITS	18
SECTION 41.	GOVERNMENTAL REGULATIONS	18
SECTION 42.	SEVERABILITY	18
SECTION 43.	GOVERNING LAW.....	18

FACILITIES LEASE

This Facilities Lease is made and entered into as of July __, 2019 (this “Facilities Lease” or “Lease”), by and between the **UNIVERSITY OF KENTUCKY**, party of the first part (the “University”) and **SIGNET KY RE, LLC**, a Kentucky limited liability company, party of the second part, its successors and assigns (the “Facilities Lessor”).

WITNESSETH:

WHEREAS, the University, in order to cause the development of a five-story mixed-use parking facility on certain real property owned by the University and located at the corner of Limestone and Winslow Streets in Lexington, Kentucky (the “Winslow Site”), solicited proposals from developers pursuant to the RFP (as hereinafter defined);

WHEREAS, the University selected the proposal of a development team led by Signet Real Estate Group (“SREG”), for development of the Winslow Site pursuant to the RFP;

WHEREAS, under SREG’s plan of development, the University, as ground lessor, is entering into a Ground Lease dated the date hereof with the Facilities Lessor as ground lessee, such Ground Lease (or memorandum of ground lease) to be recorded in the real estate records of Fayette County, Kentucky;

WHEREAS, the Facilities Lessor pursuant to a Development Agreement (as hereinafter defined) will cause the development of a five-story, approximately 918 space parking facility, with a portion of the first floor space allocated to retail, educational, administrative, support and other uses (the “Project”), to be constructed on the Winslow Site;

WHEREAS, the Facilities Lessor wishes to lease the Project to the University, and the University wishes to lease the Project from the Facilities Lessor, pursuant to this Facilities Lease;

WHEREAS, pursuant to a Lease Assignment Agreement dated as of even date herewith (the “Assignment Agreement”) between the Facilities Lessor and U.S. Bank National Association, as trustee (the “Trustee”), Facilities Lessor will assign all of its right, title and interest in this Facilities Lease to the Trustee, in consideration of the execution and delivery by the Trustee of the (i) Certificates of Participation, Series 2019A (University of Kentucky Mixed-use Parking Project), (ii) Certificates of Participation, Taxable Series 2019B (University of Kentucky Mixed-use Parking Project), evidencing a Proportionate Interest (as defined in the Indenture hereinafter defined) in Base Rent to be paid by the University (collectively, the “Certificates”), pursuant to a Trust Indenture dated as of July __, 2019 (the “Indenture”) between the Facilities Lessor and the Trustee, the proceeds of which are to be used to finance the acquisition, construction, installation and equipping of the Project;

WHEREAS, the University has executed and delivered a Sublease Agreement (as hereinafter defined), which Sublease Agreement grants a leasehold interest to the Sublessee (as hereinafter defined) in a portion of the Project;

NOW, THEREFORE, in consideration of the foregoing, the parties hereto agree as follows:

SECTION 1. DEFINED TERMS. In addition to the words and terms defined in the recitals and elsewhere in this Facilities Lease, the words and terms defined in this Section 1 shall,

for all purposes of this Facilities Lease, have the meanings herein specified, except as otherwise expressly provided or unless the context otherwise requires. Those words and terms not expressly defined herein and used herein with initial capitalization where rules of grammar do not otherwise require capitalization, or which are otherwise defined terms under the Indenture, shall have the meanings set forth in the Indenture.

“Additional Rent” means all payments of Lease Payments other than payments of Base Rent, including, but not be limited to, ad valorem taxes (if any) and applicable insurance premiums (if any), to be paid by Lessee under the Facilities Lease or the Indenture, and any Federal arbitrage rebate amounts.

“Administrative Expense Fund” means the Administrative Expense Fund established under the Indenture for the purpose of paying the costs of issuance of the Certificates.

“Architect” means Sherman Carter Barnhart Architects.

“Assignment of Lease” means the Lease Assignment Agreement of even date herewith whereby the Facilities Lessor assigned all of its right, title and interest in this Facilities Lease to the Trustee, and any permitted amendments or supplements thereto.

“Authorized Officer”, means, (i) when used with respect to the Facilities Lessor, any representative of the Facilities Lessor who is designated in writing by the manager of the Facilities Lessor as an Authorized Officer for purposes of this Facilities Lease, (ii) when used with respect to the Trustee, the President, any Vice President, any trust officer or any officer of the Trustee who is designated in writing by the Board of Directors of the Trustee as an Authorized Officer for purposes of this Facilities Lease and (iii) when used with respect to the University, the Executive Vice President for Finance and Administration of the University of Kentucky, or any representative of the University of Kentucky designated in writing by the University of Kentucky as an Authorized Officer for purposes of this Facilities Lease.

“Base Rent” means that portion of the Lease Payments described in Section 4 hereof, including the payment of principal and interest on the Certificates and the fees of the Trustee, and may be credited with any lawful earnings accruing thereto under the Indenture.

“Business Day” means a day of the year, other than (a) a Saturday; (b) a Sunday; (c) a day on which the corporate trust office of the Trustee is required or authorized by law to remain closed; or (d) a day on which the New York Stock Exchange is closed.

“Capitalized Interest Account” means the Capitalized Interest Account of the Construction Fund, established under Section 5.02 of the Indenture for the purpose of paying interest due and payable on the Certificates during the Construction Period.

“Certificate Payment Fund” means the Certificate Payment Fund established under the Indenture for the purpose of paying principal of, and interest on, the Certificates when due.

“Certificate of Occupancy” means the final certificate of occupancy for the Project issued by the Commonwealth of Kentucky, Department of Housing, Buildings and Construction, evidencing that the Project has been completed and is available for occupancy by the University.

“Certificate Owner” means the registered owner of any outstanding Certificate.

“Certificate Payment Date” means the semi-annual dates set forth in the Indenture for the payment of interest on the Certificates.

“Certificates” means the certificates of participation executed and delivered by the Trustee pursuant to the Indenture, evidencing the proportionate interests of the Certificate Owner thereof in this Facilities Lease, including payments of Base Rent to be made by the University hereunder, and in the Project.

“Closing Date” means the date of initial delivery of the Certificates to the Original Purchaser.

“Code” means the Internal Revenue Code of 1986, as amended, including the regulations and proposed and temporary regulations promulgated thereunder.

“Company” or “Facilities Lessor” means Signet KY RE, LLC.

“Construction Contract” means, collectively, (i) Standard Form of Agreement between the Company and the Contractor (AIA Document A101) dated _____, 20__, and (ii) General Conditions of the Contract for Construction (AIA Document A201).

“Construction Fund” means the Construction Fund established under the Indenture for the purpose of paying the costs of the acquisition, construction, installation and equipping of the Project.

“Construction Period” means the period between (i) the earlier of the Closing Date or the date of the beginning of the acquisition, construction and installation of the Project, and (ii) the Project Completion Date.

“Contractor” means Wilhelm Construction.

“Developer” means Signet KY Development, LLC, an Ohio limited liability company authorized to do business in the Commonwealth of Kentucky.

“Development Agreement” means the Development Agreement dated ___, 2019 by and between the Developer and the University.

“Event of Default” means any of the events described in Section 23 hereof.

“Facilities Lease” means this Facilities Lease and any permitted amendments or supplements thereto.

“Fiscal Year” means a year beginning on July 1 and ending on June 30.

“General Receipts” means General Receipts as defined in the General Receipts Indenture, as amended.

“General Receipts Indenture” means the Trust Agreement dated as of November 1, 2005 between the University of Kentucky and the General Receipts Trustee, as supplemented, with respect to the General Receipts Bonds.

“General Receipts Trustee” means the trustee under the General Receipts Indenture.

“Government Obligations” means (a) direct obligations of the United States of America for the payment of which the full faith and credit of the United States of America is pledged, (b) obligations issued by a person controlled or supervised by and acting as an instrumentality of the United States of America, the payment of the principal of, premium, if any, and interest on which is fully guaranteed as a full faith and credit obligation of the United States of America (including any securities described in (a) or (b) issued or held in book-entry form on the books of the Department of Treasury of the United States of America or Federal Reserve Bank), and (c) securities which represent an interest in the obligations described in (a) and (b) above.

“Ground Lease” means the Ground Lease dated as of July __, 2019 between the University of Kentucky, as fee owner, and the Company, as ground lessee, whereby the University of Kentucky has leased the Winslow Site to the Company for the term set forth therein, and any permitted amendments or supplements thereto.

“Improvements” as used herein means the improvements to be constructed at the Winslow Site for the Project, comprised of a five-story structure for parking, retail, educational, administrative, support and other uses, as set forth in the Plans and Specifications.

“Indenture” means the Trust Indenture dated as of July __, 2019 between the Facilities Lessor and the Trustee, pursuant to which the Certificates are being issued and delivered, as supplemented or amended.

“Innovation Space” means certain space in the first floor of the Project to be occupied by the University or its affiliates for a mix of educational, administrative, support and other uses.

“KRS” means the Kentucky Revised Statutes, as the same may be amended from time to time.

“Lease Documents” means the Ground Lease, this Facilities Lease, the Assignment of Lease, the Certificates, the Indenture and the Sublease Agreement.

“Lease Payment Date” means October 20, 2020 and each April 20 and October 20 thereafter during the Lease Term.

“Lease Payments” means amounts payable by the University under this Facilities Lease comprised of Base Rent and Additional Rent.

“Lease Term” has the meaning set forth in Section 6 hereof.

“Obligations” means Obligations as defined in the General Receipts Indenture, as amended.

“Original Purchaser” means KeyBanc Capital Markets Inc.

“Outstanding”, when used with reference to the Certificates and as of any particular date, means all Certificates theretofore delivered except: (a) any Certificate cancelled by the Trustee on or before said date, (b) any Certificate in lieu of or in substitution for which another Certificate

shall have been delivered pursuant to the Indenture, and (c) Certificates which are deemed paid in accordance with the Indenture.

“Plans and Specifications” means the detailed plans and specifications for the construction of the Improvements in accordance with the Construction Contract.

“Project” means the construction of a five-story structure for parking, retail, educational, administrative, support and other uses to be constructed on certain real property located at the corner of South Limestone and Winslow Streets in Lexington, Kentucky, adjacent to the campus of the University of Kentucky.

“Project Completion Date” means the date of the delivery of the Certificate of Occupancy for the Project by the Commonwealth of Kentucky, Department of Housing, Buildings and Construction Division of Building Inspection for Lexington Fayette Urban County Government, accompanied by a certificate of substantial completion with respect thereto by the Architect.

“Purchase Date” has the meaning set forth in Section 6 hereof.

“Purchase Price” has the meaning set forth in Section 6 hereof.

“Retail Space” means certain space on the first floor of the Project to be used as commercial space to third-party retail tenants.

“RFP” means University of Kentucky Purchasing Division Request for Proposals UK-1896-19.

“Special Counsel” means a nationally recognized firm of municipal bond attorneys, selected by the Company with the consent of the University.

“Sublease Agreement” means the Sublease Agreement between the University and the Sublessee, whereby the University has subleased certain space within the Project to the Sublessee, and any permitted amendments or supplements thereto.

“Sublessee” means Signet KY Retail, LLC, an Ohio limited liability company, its successors and assigns.

“Tax Certificate” means the Tax Certificate of the University.

“Termination Date” means May 1, 2049.

“Trustee” means U.S. Bank National Association, Louisville, Kentucky, its successor or successors, and any other banking corporation or association which may at any time be substituted in its place pursuant to the Indenture.

“Trust Funds” means, collectively, the Administrative Expense Fund, the Certificate Payment Fund, the Construction Fund and the Rebate Fund.

“University” means the University of Kentucky.

“Winslow Site” means the real estate and interest in real estate constituting the site of, and part of, the Project, as described in Exhibit B attached hereto as a part hereof.

SECTION 2. LEASE OF PROJECT. Facilities Lessor, in consideration of the terms, covenants and conditions hereinafter set forth, does hereby demise, lease and rent the Project to University and Facilities Lessor does hereby demise, lease and rent the Project from Facilities Lessor, as provided herein. All leasehold rights granted to University by Facilities Lessor under this Facilities Lease shall vest in University without further action on the part of Facilities Lessor; provided, however, that University's possession of the Project shall not occur until the Project Completion Date and University's obligation to pay rent under Section 4 hereof shall not commence until October 20, 2020.

University declares its current need for the Project and further determines and declares its expectations that the Project will (so long as it is subject to the terms hereof) adequately serve the needs for which it is acquired throughout the Lease Term. The University hereby determines and declares that, to the best of its knowledge, the period during which the University has the option to purchase the Project (i.e. years 10-30 of this Facilities Lease) does not exceed the useful life of the Project.

In order to secure its obligations hereunder, University hereby grants to Facilities Lessor a security interest in the University's General Receipts and all proceeds thereof, which security interest shall be subordinate only to the University's pledge of General Receipts in support of, and as security for, Obligations currently existing or that may be issued or entered into from time to time under the General Receipts Indenture; provided that the amount of General Receipts pledged hereunder is expressly limited to the Base Rent that is due and unpaid.

SECTION 3. TERM. The term of this Facilities Lease will be for the period beginning on the date of this Facilities Lease and ending on the first to occur of the following (the "Termination Date"):

- (a) May 1, 2049; or
- (b) Exercise by the University of its option to purchase the Project under Section 6 hereof; or
- (c) A default by the University under this Facilities Lease and termination of the Facilities Lease as described in Section 24 hereof; or
- (d) The complete payment and performance by the University of all Lease Payments and other obligations as set forth in this Facilities Lease.

SECTION 4. RENT. During the Lease Term, the University shall pay, without notice or demand, the Base Rent due on the Lease Payment Dates indicated on Exhibit A hereto, such payments to be made at least ten (10) days prior to any day upon which payments on the Certificates are required to be made under the Indenture and for which amounts are not then on deposit in the Certificate Payment Fund or Capitalized Interest Fund and available to make payments of the principal of, or interest on, the Certificates in full. All payments of Base Rent shall be made to the Trustee, as assignee of Facilities Lessor, in immediately available funds, at such place as the Trustee may reasonably specify. The obligation of the University to make such payments of Base Rent on such dates is absolute and unconditional and is not subject to any set-off, abatement, defense, counterclaim or recoupment for any reason whatsoever. Without limiting the foregoing, the University shall be entitled to a credit against Base Rent due from time to time for any amounts available therefor in the Certificate Payment Fund, all as defined in and to the

extent provided by the Indenture; provided that there is no representation, warranty, or covenant, express or implied, that any such amounts shall be so available.

Any amounts other than Base Rent payable by the University hereunder are hereinafter referred to as “Additional Rent” and shall be paid to the entity and at the times specified herein. All Lease Payments shall be made in lawful money of the United States of America.

The University reasonably believes and warrants that funds will be available to make all Lease Payments during the Lease Term and hereby covenants that, unless the University has given notice of its option to purchase the Project pursuant to Section 6 hereof and paid the Purchase Price, hereinafter defined, it will do all things lawfully within its power to obtain, maintain, and properly request and pursue funds from which the Lease Payments may be made, including making provisions for such payments in budgets submitted for the purpose of obtaining funding, using its bona fide best efforts to have such portion of the budget approved and exhausting all available administrative reviews and appeals, if any, in the event such portion of the budget is not approved. It is the University’s intent to make Lease Payments for the Lease Term if funds are legally available therefor, and in that regard University represents that the use of the Project will be essential to its proper, efficient, and economic operation.

SECTION 5. MANAGEMENT OF THE PROJECT AFTER THE PROJECT COMPLETION DATE; UTILITIES AND JANITORIAL SERVICES. On and after the Project Completion Date and the acceptance of the Project by the University, the University shall be solely responsible for management and operation of the Project, except as provided in the Sublease Agreement. While occupying the Project, the University shall pay all charges for utilities (including gas, electric, water and telephone) and janitorial services (including pest control) furnished to the Project during the Lease Term, except as provided in the Sublease Agreement. Facilities Lessor shall not be responsible for the quality, quantity, interruption or failure in the supply of any utility to the Project when said supply is so affected as a result of conditions beyond the control of Facilities Lessor, except as provided in the Sublease Agreement.

SECTION 6. OPTION TO PURCHASE. Facilities Lessor hereby grants to the University the option to purchase the entire interest of Facilities Lessor in the Project in accordance with the provisions of this Facilities Lease, the RFP and KRS 45A.077. The University shall have the right to exercise such option to purchase on any date (the “Purchase Date”) on or after May 1, 2029, upon giving 30 days written notice to the Trustee, as assignee of Facilities Lessor. The University may not purchase less than Facilities Lessor’s entire interest in the Project.

The purchase price (the “Purchase Price”) for the Project shall be equal to the sum of (i) the amount set forth in Exhibit A under the heading Optional Purchase Price, (ii) accrued interest through the Purchase Date, and (iii) any Additional Rent then due. Notwithstanding the foregoing, the University shall receive a credit against the Purchase Price in an amount equal to the aggregate amounts on deposit in the Certificate Payment Fund on the Purchase Date. The Purchase Price, shall be payable by the University in cash in lawful money of the United States to the Trustee, as assignee of Facilities Lessor, on the Purchase Date.

Upon payment of the Purchase Price, Facilities Lessor shall deliver to the University any documents the University may reasonably request and such documents shall be executed and in recordable form conveying Facilities Lessor’s interest in the Project which shall be conveyed free and clear of all liens, encumbrances, covenants, conditions, restrictions, easements, and rights of

pay of record, leases or other tenancy agreements, and other matters of record, except (i) current taxes which are a lien but not yet delinquent, (ii) those portions of current assessments not yet due and payable, (iii) anything of record or not of record that in any way affects title to the Project resulting from the acts or omissions of the University, (iv) any liens and encumbrances existing on the date of the Ground Lease or placed on the Winslow Site during the term of this Facilities Lease by the University and Facilities Lessor jointly, (v) any covenants, conditions, restrictions, easements, rights of way of record, and leases or other tenancy agreements existing on the effect date of ground leasing of the Winslow Site under the Ground Lease, (vi) any covenants, conditions, restrictions, easements, rights of way of record, and leases or other tenancy agreements existing on the Purchase Date under subleases entered into in accordance with the Sublease Agreement and (vii) easements, conditions and matters incorporated in and subdivision plat approved by the Lexington Fayette Urban County Government.

SECTION 7. CONSENT TO ASSIGNMENT. The University hereby consents to the assignment by Facilities Lessor of its right, title, and interest in this Facilities Lease to the Trustee pursuant to the Assignment of Lease. The University agrees that the Trustee (rather than Facilities Lessor) shall be entitled to exercise all remedies provided for herein. Except for the assignment under the Assignment of Lease, the Facilities Lessor shall not convey its interests in the Project to a third party except with the written consent of the University.

SECTION 8. TAXES AND ASSESSMENTS. The University shall be responsible for the payment before they become delinquent, of any ad valorem taxes (if any) that may be assessed against the Project, except as provided in the Sublease Agreement, and shall have the right to contest its liability or the amount of any such tax assessment. Facilities Lessor agrees to cooperate fully with the University in any such contest, including, but not limited to, execution of any documents necessary or beneficial to the University's case. In the event that such tax assessment shall be accepted by the University as valid, or if contested, and thereafter adjudged by the Kentucky Board of Tax Appeals or upon appeal, by a court of competent jurisdiction, to be valid, the University agrees that it shall cause to be paid as Additional Rent the amount of ad valorem taxes payable, inclusive of interest, penalty, and costs and expenses of contesting the assessment.

SECTION 9. USE OF THE PROJECT. The University understands and acknowledges that the Project is financed with both tax-exempt Certificates (the Series 2019A Certificates) and taxable Certificates (the Series 2019B Certificates) and that the Code imposes certain limitations on the uses of proceeds of tax-exempt Certificates. The University will comply with all restrictions, limitations and requirements that are necessary to maintain the exclusion of the interest portion of the Series 2019A Certificates from gross income for federal income tax purposes.

Neither Facilities Lessor nor the University shall use, or permit the use of, the Project in any manner which would result in the amounts shown in the Series 2019A Certificates interest column of Exhibit A becoming subject to federal income taxation.

Additionally, subject to the terms of the Sublease Agreement, the University shall be required to keep the Project in good repair pursuant to the requirements of this Facilities Lease and the University shall not use or occupy the Project or permit the same to be used or occupied contrary to any statute, rule, order, ordinance, requirement or regulation applicable thereto, or in any manner which would cause the value or the usefulness of the Project to be substantially diminished or would cause a public nuisance or waste.

Facilities Lessor and the University agree that the University shall have the right to direct the Facilities Lessor, or its agents, to make such tenant improvements, capital improvements and renovations to the Project on and after the Project Completion Date and not otherwise provided for in the Construction Contract or this Facilities Lease as may be requested from time to time by the University; provided that all costs of such supplemental improvements shall be payable solely to the extent that the University pays such costs. Facilities Lessor and the University each acknowledge and agree such improvements will be completed in accordance with a separate agreement incorporating conditions stated in the RFP.

SECTION 10. ACCEPTANCE OF THE PROJECT. The University covenants and agrees to diligently pursue, and cooperate with Facilities Lessor, following the substantial completion of the Project, in securing in an expeditious manner, from the Commonwealth of Kentucky, Department of Housing, Buildings and Construction, the Certificate of Occupancy for the Project, accompanied by a certificate of substantial completion with respect thereto by the Architect. The University understands that the Trustee has not made and does not hereby make any warranty as to the condition of the Project or as to the fitness or security of the Improvements for any specific use. Nothing contained herein, however, shall operate to nullify or reduce Developer's obligations under the Development Agreement.

SECTION 11. UNIVERSITY'S PROPERTY. Except as otherwise provided in the Ground Lease or the Sublease Agreement, and upon completion and acceptance of the Improvements for the Project, all fixtures, furnishings, non-buildings systems equipment, inventory and other personal property at any time located at the Project shall be kept and maintained by the University at its sole risk, and the University shall bear all cost, loss and expense for any casualty or theft risk in connection with such fixtures, furnishings, non-buildings systems equipment, inventory and other personal property. The University, to the extent permitted by the laws of the Commonwealth of Kentucky, including but not limited to Section 177 of the Kentucky Constitution, shall indemnify and save harmless Facilities Lessor from and against any and all loss, cost and expense, including but not limited to reasonable attorney fees, by reason of any damage to or destruction of any fixtures, furnishings, non-buildings systems equipment, inventory and other personal property and any such additions, alterations and improvements made to the Project by the University.

SECTION 12. RISK OF LOSS; CASUALTY INSURANCE. At such times as builder's risk insurance under the Construction Contract is no longer in effect or inadequate, the University shall keep the Improvements insured for their full insurable value against damage or destruction by fire, windstorm, earthquake or other casualty through a solvent insurance company authorized to do business in Kentucky, (as permitted through KRS 164A.575(18)), or through the State Fire and Tornado Insurance Fund (as provided in KRS 56.065 et. seq.), as their respective interests may appear, a policy of fire and extended coverage insurance insuring all Improvements at any time located upon the Project and all additions, alterations and Improvements to the same, against damage and destruction by all causes generally insured against in policies of fire and extended coverage insurance written on properties in Fayette County, Kentucky including earthquake insurance for the replacement cost of the Improvements, as determined by the insurance company issuing such policy of insurance but in no event shall the amount of such insurance be less than the outstanding par amount of the Certificates. All such insurance coverage shall name the Facilities Lessor, the Facilities Lessor and the Trustee as insureds, as their respective interests may appear. Such policy of insurance shall bear an endorsement to the effect that the insurer agrees to notify the Trustee not less than thirty (30) days in advance of any modification or cancellation thereof. Such policy of insurance shall be in a form acceptable to the Facilities Lessor and the

Trustee. The University shall, upon demand, provide evidence satisfactory to Facilities Lessor and the Trustee of the payment of such premiums and of the renewal of such policy of insurance. No loss or destruction of, damage to, defect in, or unfitness or obsolescence of, the Winslow Site or the Improvements shall relieve the University of the obligation to make Base Rent payments at the times and in the amounts and under the conditions described herein.

SECTION 13. FIRE AND OTHER CASUALTY. If any building, fixture or other improvement now or hereafter situated on the Project Site, except movable fixtures, furniture, furnishings or non-buildings systems equipment, should at any time during the term of this Facilities Lease following acceptance of the Improvements in accordance with the Development Agreement be damaged or destroyed by fire or otherwise, the Facilities Lessor shall, at its sole cost and expense (to the extent of available insurance proceeds received by the Facilities Lessor or to the extent that Facilities Lessor shall be reimbursed out of insurance proceeds received from the Trustee), and subject to the provisions of third paragraph of this Section 13, restore and rebuild the same as nearly as possible to the condition they were in immediately prior to such damage or destruction or build a replacement improvement which, with the approval of the University, is determined to be at least as desirable under the circumstances, and such restoration and rebuilding prosecuted with reasonable diligence, shall be completed as soon as reasonably possible.

Should Facilities Lessor fail to cause the repair or replacement of the damaged improvements to be done with all due speed, the University may, but shall not be required to, cause the same to be done, and Facilities Lessor shall pay the costs thereof to the University immediately upon the University's giving notice of the same to Facilities Lessor; no such action by the University shall in any way be deemed to be a waiver by the University of any right the University may have hereunder on account of any default by Facilities Lessor. In lieu of the above, the University may elect to purchase the Project in accordance with Section 6 hereof and direct Facilities Lessor to apply any proceeds of insurance on the Project received from the Trustee to payment of the Purchase Price.

If the Improvements are partially destroyed or damaged by fire or other casualty rendering not more than twenty five percent (25%) of the Improvements either untenable or undesirable for habitation by the University or its sub-lessees, such occurrence shall not relieve the University of the obligation to make Base Rent payments at the times and in the amounts and under the conditions described herein. If the Improvements are destroyed or damaged by fire or other casualty rendering more than twenty five percent (25%) of the Leased Premises either untenable or undesirable for habitation by the University or its sub-lessees, the University may (i) continue to make Lease Payments under the Facilities Lease during such period or (ii) terminate this Facilities Lease by exercising its option to purchase the Project pursuant to Section 6 hereof and giving the thereunder required written notice to the Facilities Lessor; provided, however, that under such circumstances, in addition to any credits provided for under Section 6 hereof, any proceeds payable under the casualty insurance policy to be maintained under Sections 12 and 13 hereof shall be paid to Facilities Lessor and further credited against the Purchase Price; provided, further, that if the proceeds payable under such casualty insurance policy exceed the Purchase Price, the University shall be entitled to retain such excess.

SECTION 14. CONDEMNATION. If all or any part of the Project shall be taken by condemnation or eminent domain, Facilities Lessor and the University shall each retain their respective right to seek damages from the condemning authority. In the event of a negotiated sale of all or a portion of the Project in lieu of condemnation, the proceeds shall be distributed as

provided in cases of condemnation. The University, at its option, may elect (i) that the proceeds of any condemnation award be applied to the replacement of that portion of the Project so condemned, in the manner provided above for damage and destruction of the Improvements in which case this Facilities Lease shall continue in full force and effect, without any abatement of Lease Payments, or (ii) that the proceeds of any condemnation award be applied to payment of the Purchase Price pursuant to Section 6 hereof.

Facilities Lessor and the University agree that the deprivation of the University's use of all or any part of the Improvements during the term of this Facilities Lease shall entitle the University to its pro tanto share of any appropriation award, subject to the rights of the Facilities Lessor under the Ground Lease and this Section 14.

SECTION 15. TEMPORARY TAKING. If the temporary use of the whole or any part of the Project shall be taken at any time during the term of this Facilities Lease for any public or quasi-public purpose by any lawful power or authority, the University shall give prompt notice thereof to Facilities Lessor and the term of this Facilities Lease shall not be reduced or affected in any way. In such case, the University shall continue to pay in full the Lease Payments, including payments of Base Rent. The University shall be entitled to the entire award for such taking (whether paid by way of damages, rent, or otherwise). In any such proceeding, Facilities Lessor shall have the right to intervene and participate; provided that if such intervention shall not be permitted by law, the University shall, at the University's expense, consult with Facilities Lessor, its attorneys and experts, and make all reasonable efforts to cooperate with Facilities Lessor in the prosecution or defense of such proceeding.

SECTION 16. MECHANIC'S LIENS. If, as a result of any additions, alterations, improvements, repairs or replacements ("Construction Improvements"), the Project or any part thereof shall, at any time during the term of this Facilities Lease become subject to any vendor's, mechanics, laborer's, materialman's or other similar lien based upon furnishing of materials or labor to the Project, Facilities Lessor shall cause the same to be discharged at its sole cost and expense within sixty (60) days after Facilities Lessor shall have actual notice of the existence thereof under and subject to the provisions of the public improvements mechanic's lien law, KRS 376.195 to 376.260. If Facilities Lessor fails to discharge any such lien within said sixty (60) day period, the University may cause the same to be discharged and Facilities Lessor shall promptly pay such amount to the University.

Facilities Lessor shall not be liable for any work performed or to be performed on the Winslow Site, or in any building or Improvements thereon, or in connection with any appurtenances thereto, if such work is not performed by Facilities Lessor or Facilities Lessor's agents or contracting parties, including the Contractor, or for any materials furnished or to be furnished at the Project for the University, and that no such mechanic's or other such lien for such work or materials shall attach to the reversionary or other interest of Facilities Lessor.

SECTION 17. CASUALTY INSURANCE. Upon completion of the Improvements and receipt of a certificate of occupancy, during the term of this Facilities Lease or any renewal thereof, the University shall, at its sole cost and expense, carry and maintain for the mutual benefit of itself, the Trustee and Facilities Lessor, as their respective interests may appear, a casualty insurance policy on all fixtures, furnishings, non-buildings systems equipment, inventory and other personal property at any time located upon the Winslow Site and all additions, alterations and improvements to the same. Such policy of insurance shall bear an endorsement to the effect that the insurer agrees

to notify the Trustee not less than thirty (30) days in advance of any modification or cancellation thereof. Such policy of insurance shall be issued by an insurance company licensed to do business within the Commonwealth of Kentucky and shall be in a form acceptable to Facilities Lessor and the Trustee. The University shall, upon demand, provide evidence satisfactory to Facilities Lessor and the Trustee of the payment of such premiums and of the renewal of such policy of insurance. To the extent available the University's obligations hereunder may be met through the State Fire and Tornado Insurance Fund as provided in KRS 56.065 et. seq.

SECTION 18. LIABILITY INSURANCE. During the term of this Facilities Lease, claims for personal injuries, wrongful death or property damage occurring on or about the Project against the Lessee shall be filed with the Kentucky Claims Commission, as set forth in KRS 49.030 et. seq. In the event the Kentucky Claims Commission shall be dissolved, or if claims against the University shall no longer be subject to determination by the Kentucky Claims Commission, the University covenants to self-insure, or to procure a policy or policies of liability insurance with reputable insurance companies authorized to transact business in the Commonwealth of Kentucky, against all claims of personal injury, wrongful death or property damage occurring on or about the Project. In addition, upon acceptance of the Improvements in accordance with the Development Agreement, the University shall cause to be issued and shall maintain during the term of this Facilities Lease such Worker's Compensation and disability insurance as may, from time to time, be required by applicable city, county, state or federal laws.

SECTION 19. ASSIGNMENT AND SUBLETTING BY FACILITIES LESSEE. Except for the Sublease Agreement, the University shall not assign, transfer, pledge, hypothecate or grant any security interest in the Project or its interest under this Facilities Lease, without the prior written consent of Facilities Lessor and the Trustee and receipt of an opinion of nationally recognized bond counsel to the effect that such assignment, transfer or other disposition will not adversely affect the excludability from gross income for federal income tax purposes of the interest component of Base Rent. Any consent by Facilities Lessor to any assignment shall not constitute a waiver of the necessity of such consent to any subsequent assignment. Each assignee or transferee shall assume and be deemed to have assumed this Facilities Lease and shall remain liable jointly and severally with the University for the payment of all rent and for the due performance of all the terms, covenants, conditions and agreements herein contained on the University's part to be paid and performed for the Lease Term. No assignment shall be binding on Facilities Lessor unless such assignee or the University shall deliver to Facilities Lessor a counterpart of such assignment and an instrument in recordable form which contains a covenant of assumption by the assignee. No assignment by the University with the consent of the Trustee shall relieve the University of its obligations hereunder unless Facilities Lessor expressly so agrees in writing.

SECTION 20. ATTORNMEN T BY FACILITIES LESSEE. The University acknowledges that Facilities Lessor is assigning all of its right, title and interest in this Facilities Lease to the Trustee on the date of delivery hereof pursuant to the Indenture, and the University hereby consents to such assignments and agrees to perform all duties required to be performed on its part pursuant to the Indenture. The University agrees to recognize the Trustee as Facilities Lessor hereunder and will continue to be bound by the terms and conditions of this Facilities Lease.

SECTION 21. INDEMNIFICATION. The University, to the extent permitted by the laws of the Commonwealth of Kentucky, including but not limited to Section 177 of the Kentucky Constitution, shall indemnify and save and hold harmless Facilities Lessor, the Trustee, and their

respective officers, agents and employees from and against any and all loss, liability, damage, cost and expense, including but not limited to reasonable attorney fees, for injury, death, loss or damage of whatever nature to any person, property or any other claim by the University or its officers, employees, agents, customers, licensees, invitees or any other person, firm or corporation resulting from its occupancy or use of the Project and not in any way attributable to any act or omission of the Facilities Lessor or the Trustee, or their respective officers, employees, contractors or agents. In the event that any action or proceeding is instituted against Facilities Lessor or the Trustee by reason of any such claim or event, the University shall to the extent permitted by the Kentucky Revised Statutes, resist and defend such action or proceeding at the University's sole cost and expense.

SECTION 22. ESTOPPEL CERTIFICATE. Facilities Lessor shall at any time and from time to time upon not less than thirty (30) days prior written notice from the University execute, acknowledge and deliver to the University a statement in writing certifying that this Facilities Lease is unmodified and in full force and effect, or if there has been any modification thereof, that the same is in full force and effect as modified and identifying the modification or modifications; that there are no existing defaults, or if there is any claimed default, stating the nature and extent thereof; and stating the dates to which Base Rent and other charges have been paid in advance. The University shall at any time and from time to time at Facilities Lessor's request, upon thirty (30) days prior written notice, provide a similar statement certifying the same type of information to Facilities Lessor.

It is expressly understood and agreed that any such writing pursuant to this Section may be relied upon by any prospective assignee or sublessee of the leasehold estate of the University or any perspective assignee of the interest in the Project of Facilities Lessor or any lender on the security of the Project or any part thereof.

SECTION 23. DEFAULT. The occurrence of any of the following events shall constitute an "Event of Default" under this Facilities Lease: (i) the University shall default in the payment of any Base Rent, Lease Payments or of any other sum of money which the University shall be obligated to pay under the provisions of this Facilities Lease to Facilities Lessor or others; provided, however, if on the due date of any such payment there are then on deposit in the Certificate Payment Fund sufficient moneys to make the payments of principal of, and interest on, the Certificates on the next ensuing interest payment date for the Certificates, no Event of Default under this clause (i) shall be deemed to have occurred if such payment is made within ten (10) days of the due date, or (ii) the University shall default in the performance or observance of any of the other material terms, covenants, conditions or agreements of this Facilities Lease for sixty (60) days after receipt of written notice and demand; provided, however if such default is of such nature that it cannot be cured within such thirty (30) day period, no Event of Default shall be declared while the University is diligently pursuing cure of same.

SECTION 24. REMEDIES. Pursuant to Section 2 hereof, the University has granted to Facilities Lessor a subordinate security interest in the University's General Receipts. Upon the occurrence of any Event of Default described in clause (i) of Section 23, the Trustee, as assignee of all rights of Facilities Lessor under this Facilities Lease, shall seek to enforce the pledge of General Receipts set forth in Section 2 hereof to satisfy the payment of Base Rent then due and payable, but only if the Trustee has obtained from the General Receipts Trustee a written certification that (i) the University's payment of the Base Rent will leave sufficient Pledged Receipts for the payment of any amounts payable during the current Fiscal Year with respect to

Obligations that are outstanding under the General Receipts Indenture and (ii) no default exists, or with the passage of time would exist, under the General Receipts Indenture.

In addition to the foregoing, upon the occurrence of any Event of Default hereunder, the Facilities Lessor may, and upon the written direction of the holders of 25% or more the Certificates shall, declare this Facilities Lease to be terminated on the 30th day following such Event of Default without prejudice to Facilities Lessor's rights in respect of the obligations of the University then accrued and remaining unsatisfied. In the event of any such termination of this Facilities Lease without payment of the Purchase Price, the right of the University to occupy the Project shall terminate and the Facilities Lessor shall have the right, in addition to its other rights under this Section 24, to relet or dispose of the Project or to have a receiver appointed for the Project and to terminate the University's right to occupy the Project.

The University shall remain liable for all covenants and obligations under this Lease, and for all legal fees and other costs and expenses, including court costs awarded by a court of competent jurisdiction, incurred by Facilities Lessor with respect to the enforcement of any of the remedies under this Facilities Lease, when a court of competent jurisdiction has finally adjudicated that an Event of Default has occurred. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair or be construed to be a waiver of any such right or power, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Facilities Lessor to exercise the remedy reserved to it in this Facilities Lease, it shall not be necessary to give any notice, other than any notice required by law or for which express provision is made in this Facilities Lease.

No failure by Facilities Lessor to insist upon strict performance by the University of any provision of this Facilities Lease shall constitute a waiver of Facilities Lessor's right to strict performance and no express waiver shall be deemed to apply to any other existing or subsequent right to remedy the failure by the University to observe or comply with any provision of this Facilities Lease.

The University shall notify Facilities Lessor immediately if it becomes aware of the occurrence of any Event of Default or of any fact, condition, or event which, with the giving of notice or passage of time or both, would become an Event of Default.

In addition to the foregoing, the Trustee, as assignee of the rights of Facilities Lessor hereunder, may pursue any other remedies available at law or by contract to pursue collection of Base Rent and Additional Rent following the occurrence and continuation of an Event of Default under this Facilities Lease.

SECTION 25. QUIET ENJOYMENT. So long as the University shall promptly pay the Lease Payments and keep and perform the terms, covenants and conditions of this Facilities Lease on its part to be kept and performed, the University shall peaceably and quietly hold, occupy and enjoy the Project during the term hereof without hindrance or molestation from Facilities Lessor or by any person lawfully claiming through or under Facilities Lessor.

SECTION 26. LIMITED OBLIGATIONS OF FACILITIES LESSOR. Facilities Lessor shall not be requested to provide any services or do any act or thing with respect to the Project, or the appurtenances hereto, except as may be specifically provided herein or in the Ground Lease, and the Lease Payments reserved herein shall be paid to Facilities Lessor without any claim on the

part of the University for diminution, set-off or abatement and nothing shall suspend, abate or reduce any Base Rent to be paid hereunder.

SECTION 27. EMPLOYMENT. During the term of this Facilities Lease, Facilities Lessor shall not discriminate against any employee or applicant for employment with respect to hiring, promotion, termination, pay, job assignment or any other working condition on the basis of race, color, national origin, ethnic origin, religion, creed, age, physical or mental disability, veteran status, uniformed service, political belief, sex, sexual orientation, gender identity, gender expression, pregnancy, marital status, genetic information, social or economic status, or smoker or nonsmoker status, as long as the person complies with Facilities Lessor's policy concerning smoking.

SECTION 28. ACCORD AND SATISFACTION. No payment by the University or receipt by Facilities Lessor of a lesser amount than the Lease Payments herein stipulated shall be deemed to be other than on account of the Lease Payments, nor shall any endorsement or statement or any check or any letter accompanying any check or payment as Lease Payments be deemed an accord and satisfaction, and Facilities Lessor may accept such check or payment without prejudice to Facilities Lessor's right to recover the balance of such Lease Payments or pursue any other remedies provided in this Facilities Lease.

SECTION 29. ACTS BEYOND CONTROL OF THE PARTIES. In the event that Facilities Lessor or the University shall be delayed or hindered or prevented from the performance of any act required hereunder by reason of the circumstances set forth in Section 6.13 of the Development Agreement, the performance of such acts shall be excused for the period of the delay until return to the status quo, provided that this provision shall not operate to excuse the University from payment of any Lease Payments required by the terms of this Facilities Lease or payment of the Purchase Price, when due.

SECTION 30. DEFEASANCE. Upon the payment by the University of all Lease Payments due hereunder and defeasance of the Indenture pursuant to the provisions thereof, this Facilities Lease shall cease, terminate and become void; title to the Project shall vest in the University; and Facilities Lessor shall execute and deliver any instruments reasonably requested by the University to evidence such termination and transfer of title. All investments made pursuant to this Section shall be made in a manner which will not violate the provisions of Section 148 of the Code or cause interest on the Series 2019A Certificates to become includable in gross income for Federal income tax purposes.

SECTION 31. NOTICES. Any notice required by this Facilities Lease to be given by either Facilities Lessor or the University to the other shall be in writing, sent by certified mail, return receipt requested, and unless otherwise specifically stated herein, shall be deemed to be given when deposited in the United States mail, postage prepaid, addressed to Facilities Lessor or the University at their respective addresses as follows:

If to the University:

University of Kentucky
Office of Legal Counsel
301 Main Building
Lexington , Kentucky 40506-0032
Attn: Finance & Administration Group

With a copy to:

UK Real Estate Services
1500 Bull Lea Rd., Suite 106
Lexington, Kentucky 40511

or at such other address as to which the University gives notice to Facilities Lessor.

If to Facilities Lessor:

Signet KY RE, LLC
19 North High Street
Akron, Ohio 44308

With a copy to:
Brennan Manna Diamond
The Carnegie Building
75 East Market Street
Akron, Ohio 44308
Attn: Lee S. Walko, Esq.

or at such other address as to which Facilities Lessor gives notice to the University.

If to the Trustee, as assignee of Facilities Lessor:

U.S. Bank National Association
One Financial Square
Louisville, Kentucky 40202

or at such other address as to which the Trustee gives notice to the University.

SECTION 32. HEADINGS. It is understood and agreed that the headings of the various Sections of this Facilities Lease have been inserted only as a matter of convenience and for reference and in no way define, limit, or describe the scope or intent of this Facilities Lease or any of its provisions. The singular number and gender of personal pronouns as used throughout this Facilities Lease shall be construed to mean such number and gender as the context, circumstances or its antecedent may require.

SECTION 33. SUCCESSORS AND ASSIGNS. Any term, covenant or condition of this Facilities Lease which inures to the benefit of or is binding upon Facilities Lessor shall also inure to the benefit of and be binding upon the Trustee, its successors and assigns as assignee of Facilities

Lessor. Any term, covenant or condition of this Facilities Lease which inures to the benefit of or is binding upon the University shall also inure to the benefit of and be binding upon the successors and assigns of the University.

SECTION 34. ENTIRE AGREEMENT. This Facilities Lease constitutes the entire agreement between Facilities Lessor and the University in respect of the subject matter thereof and this Facilities Lease supersedes all prior and contemporaneous leases, if any, between Facilities Lessor and the University in connection with the subject matter of this Facilities Lease; provided, however, that nothing contained herein shall operate to nullify any covenant, term, condition or agreement contained in the Ground Lease.

It is the intention of the parties hereto that this Facilities Lease shall not supersede, but shall be complementary to the terms and conditions of the Development Agreement, and this Facilities Lease shall be read in conjunction with the Development Agreement. In the event of a conflict between a provision of this Facilities Lease and a provision of the Development Agreement, this Facilities Lease shall prevail.

This Facilities Lease may be modified only by a writing signed by both Facilities Lessor and the University in accordance with the requirements of the Indenture.

Except as expressly provided in the foregoing paragraph, this Facilities Lease shall not be modified, amended, altered or changed without the prior written consent of the Trustee. As provided in the Indenture, the Trustee without the consent of the Certificate Owners may consent to any amendment to the Lease which in its judgment is not to the prejudice of the Trustee or the Certificate Owners. The Trustee shall not consent to any amendment, change or modification of this Facilities Lease which would change the amount of the Base Rent required to be paid under this Facilities Lease or the Lease Payment Dates, unless the Certificate Owners of not less than a majority in aggregate principal amount of the Certificates then outstanding shall approve the Trustee's consent to such amendment; provided, however, that no amendment to this Facilities Lease shall be consented to if the amendment would result: (i) in an extension of the maturity of the principal or the interest with respect to any Certificate executed and delivered under the Indenture, or a reduction in the principal with respect to any Certificate or the rate of interest or prepayment premium with respect thereto, unless each Certificate Owner so affected consents; or (ii) in a privilege or priority of any Certificate over any other Certificate, or a reduction in the aggregate principal with respect to the Certificates required for consent to such amendment, unless the Certificate Owners of all of the Certificates then Outstanding so consent.

SECTION 35. CONDITIONS AND COVENANTS. All of the provisions of this Facilities Lease shall be deemed as running with the land, and construed to be "conditions" as well as "covenants" as though the words specifically expressing or imparting covenants and conditions were used in each separate provision.

SECTION 36. COMPUTATION OF TIME. In any case where the date of maturity of interest, or principal, with respect to the Certificates, including any principal amortization date, or the date fixed for prepayment of the Certificates, shall be a Saturday, Sunday or a day on which the Trustee is required, or authorized or not prohibited, by law (including executive orders) to close and is closed, then payment of such interest or principal and any prepayment premium need not be made by or on such date but may be made on the next succeeding Business Day on which the

Trustee is open for business with the same force and effect as if made on the date of maturity or the date fixed for prepayment, and no interest shall accrue for the period after such date.

SECTION 37. RELATIONSHIP OF THE PARTIES. Nothing contained in this Facilities Lease shall be deemed or construed by the parties or by any third person to create the relationship of an agent or of partnership or of joint venture or of any association between Facilities Lessor and the University, and neither the method of computation of rent nor any other provisions contained in this Facilities Lease nor any acts of the parties shall be deemed to create any relationship between Facilities Lessor and the University other than landlord and tenant.

SECTION 38. COUNTERPARTS. This Facilities Lease may be executed by the parties in several counterparts, each of which shall be deemed to be an original copy.

SECTION 39. RECORDING. An executed counterpart of this Facilities Lease shall be filed for record with the County Clerk of Fayette County, Kentucky on the date of initial issuance and delivery of the Certificates.

SECTION 40. EXHIBITS. The following Exhibits attached hereto are made a part hereof as fully as if set forth herein:

Exhibit A Schedule of Base Rent, Payments, and Purchase Option Price

Exhibit B Description of Winslow Site

SECTION 41. GOVERNMENTAL REGULATIONS. The University and Facilities Lessor shall comply with all laws, ordinances and regulations of the Government of the United States, Commonwealth of Kentucky, and county and municipal authorities with respect to the use, occupancy, or maintenance of the Project by the University and Facilities Lessor, respectively.

SECTION 42. SEVERABILITY. If any provision of this Facilities Lease shall be held by a court of competent jurisdiction to conflict with or be invalid or unenforceable under any statute or principle of law in effect in the Commonwealth of Kentucky, such Lease provision shall be construed so as to harmonize with the requirements of the statute or principle of law if it is possible to do so, but in the event such provision cannot be harmonized with the requirements of the statute or principle of law, the invalid or unenforceable provision shall not affect the remainder of this Facilities Lease and this Facilities Lease shall be construed and enforced as if it did not contain such provision.

SECTION 43. GOVERNING LAW. This Facilities Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.

IN WITNESS WHEREOF, Facilities Lessor and the University have caused their duly authorized representatives to execute this Facilities Lease.

SIGNET KY RE, LLC

as Facilities Lessor

By: _____, its Manager

By: _____

Title: _____

UNIVERSITY OF KENTUCKY

as Facilities Lessor

By: _____

Dr. Eric N. Monday
Executive Vice President for Finance and
Administration

Reviewed by:

By: _____

Title: University of Kentucky, General Counsel

STATE OF _____)
) SS
COUNTY OF _____)

On this ____ day of July, 2019, before me, a Notary Public in and for said County, personally appeared _____, manager of Signet KY RE, LLC, and acknowledged the execution of the instrument to be his/her voluntary act and deed and the voluntary act and deed of said company.

Notary Public

My Commission Expires: _____

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF _____)

On this ____ day of July, 2019. before me, a Notary Public in and for said County, personally appeared Dr. Eric N. Monday, known to me to be the Executive Vice President for Finance and Administration of the University of Kentucky, and acknowledged the execution of the instrument to be his voluntary act and deed and the voluntary act and deed of the University of Kentucky.

Notary Public

My Commission Expires: _____

John S. Egan
Frost Brown Todd LLC
400 West Market Street, Suite 3200
Louisville, Kentucky 40202

EXHIBIT A

Base Rent

Lease Payment Date	Series 2019A Certificates		Taxable Series 2019B Certificates		Trustee Fees	Optional Purchase Price ⁽¹⁾
	Principal	Interest	Principal	Interest		
10/20/2019	-	-	-	-	-	
4/20/2020	-	-	-	-	-	
10/20/2020	-	-	-	-	-	
4/20/2021					[\$.00]	
10/20/2021	-	-	-	-	-	
4/20/2022					[\$.00]	
10/20/2022	-	-	-	-	-	
4/20/2023					[\$.00]	
10/20/2023	-	-	-	-	-	
4/20/2024					[\$.00]	
10/20/2024	-	-	-	-	-	
4/20/2025					[\$.00]	
10/20/2025	-	-	-	-	-	
4/20/2026					[\$.00]	
10/20/2026	-	-	-	-	-	
4/20/2027					[\$.00]	
10/20/2027	-	-	-	-	-	
4/20/2028					[\$.00]	
10/20/2028	-	-	-	-	-	
4/20/2029					[\$.00]	
10/20/2029	-	-	-	-	-	
4/20/2030					[\$.00]	
10/20/2030	-	-	-	-	-	
4/20/2031					[\$.00]	
10/20/2031	-	-	-	-	-	
4/20/2032					[\$.00]	
10/20/2032	-	-	-	-	-	
4/20/2033					[\$.00]	
10/20/2033	-	-	-	-	-	
4/20/2034					[\$.00]	
10/20/2034	-	-	-	-	-	
4/20/2035					[\$.00]	
10/20/2035	-	-	-	-	-	

Lease Payment Date	Series 2019A Certificates		Taxable Series 2019B Certificates		Trustee Fees	Optional Purchase Price ⁽¹⁾
	Principal	Interest	Principal	Interest		
4/20/2036					[\$.00]	
10/20/2036	-		-		-	
4/20/2037					[\$.00]	
10/20/2037	-		-		-	
4/20/2038					[\$.00]	
10/20/2038	-		-		-	
4/20/2039					[\$.00]	
10/20/2039	-		-		-	
4/20/2040					[\$.00]	
10/20/2040	-		-		-	
4/20/2041					[\$.00]	
10/20/2041	-		-		-	
4/20/2042					[\$.00]	
10/20/2042	-		-		-	
4/20/2043					[\$.00]	
10/20/2043	-		-		-	
4/20/2044					[\$.00]	
10/20/2044	-		-		-	
4/20/2045					[\$.00]	
10/20/2045	-		-		-	
4/20/2046					[\$.00]	
10/20/2046	-		-		-	
4/20/2047					[\$.00]	
10/20/2047	-		-		-	
4/20/2048					[\$.00]	
10/20/2048	-		-		-	
4/20/2049					[\$.00]	
Total						

⁽¹⁾ Represents the remaining principal balance after payment of Base Rent due on such date. Accrued interest on the Certificates through the date of redemption of the Certificates is payable in addition thereto.

EXHIBIT B

Winslow Site

4843-9916-3274v8

WINSLOW SITE LEGAL DESCRIPTION

PARCEL 1: 130 WINSLOW STREET

The following described tracts of land now more commonly known as 130 Winslow Street:

Situated on the East side of South Upper Street between Euclid Avenue and South Limestone Street in Lexington, Fayette County, Kentucky, and more fully described and bounded as follows:

Tract 1:

Beginning at a point in the East property line of South Upper Street, said point being 21 feet South of Euclid Avenue; thence in a southwesterly direction along the line of South Upper Street 46 feet to the line of Rosenberg (formerly Martin); thence in a southeasterly direction along the line of said Rosenberg 67.5 feet to the corner with Rosenberg (formerly Dodson); thence in a northeasterly direction along Rosenberg's line 37 feet; thence in a northwesterly direction 8.7 feet; thence in a northwesterly direction 12.8 feet; thence again in a northwesterly direction 35.8 feet; thence in a southwesterly direction 3.2 feet; thence again in a northwesterly direction 23 feet to the beginning, being known as 462 South Upper Street.

Tract 2:

Beginning at a point where the South line of Euclid Avenue intersects the East line of South Upper Street; thence in a southeasterly direction along Euclid Avenue 67.5 feet to the line of Louis Rosenberg (formerly Harry Dodson); thence in a southwesterly direction along Rosenberg's line 30 feet; thence in a northwesterly direction 8.7 feet; thence in a northeasterly direction 12.8 feet; thence again in a northwesterly direction 12.8 feet; thence again in a northwesterly direction 35.8 feet; thence again in a southwesterly direction 3.2 feet; thence again in a northwesterly direction 23 feet to the aforesaid East line of South Upper Street; thence in a northwesterly direction along the East line of South Upper Street 21 feet to the beginning, being known as 558 South Upper Street.

Tract 3:

Beginning at a point in the South line of Euclid Avenue, said point being 94.5 feet East of South Upper Street; thence in a southeasterly direction along the South line of Euclid Avenue 32.5 feet to the line of McGaughey; thence in a southwesterly direction along McGaughey's line 120 feet to the line of Barney Tracy; thence in a northwesterly direction along Barney Tracy's line 32.5 feet to the line of H. Dodson; thence in a northeasterly direction along Dodson's line 120 feet to the beginning, being known as 122 and 124 Euclid Avenue.

Tract 4:

Known as 126 West Euclid Avenue (formerly Winslow Street) and more particularly described as follows, according to survey and plat prepared by Cecil C. Harp, May 4, 1949, of record in Deed Book 461, Page 71, in the Fayette County Clerk's Office. Beginning at a point in the South side of Euclid Avenue, said point being 77.5 feet East of the easterly line on South Upper Street; thence in an easterly direction along the South side of Euclid Avenue 17 feet to a point, corner to Tract No. 3 on the plat above mentioned; thence in a southerly direction along the line of said Tract No. 3, a distance of 120 feet to a stake, another corner to said Tract No. 3; thence in a westerly direction 17 feet to a stake; thence with the line of Tracts Nos. 8, 7, 6 and 5 on said plat and in a northerly direction, a distance of 120 feet to a point in the South side of Euclid Avenue, the point of beginning, and being all of Tract No. 4 as shown on the plat above mentioned.

Tract 5:

Beginning at a point in the southern property line of Euclid Avenue that is 67.5 feet southeast of the intersection of the Euclid Avenue property line and the South Upper Street property line; thence at right angles in a southerly direction parallel to South Upper Street 67 feet; thence at right angles and parallel with Euclid Avenue in a southeasterly direction 10 feet; thence at right angles and parallel with South Upper Street along the line of Rosenberg, a distance of 67 feet; thence at right angles along Euclid Avenue a distance of 10 feet to the point of beginning.

Tract 6:

Beginning at a point in the East property line of South Upper Street, said point being 67 feet southwest of Euclid Avenue; thence in a southwesterly direction along South Upper Street 26.5 feet to a new line; thence at right angles in a southeasterly direction 77.5 feet to the line of Harry Dodson; thence in a northeasterly direction with Dodson's line 26.5 feet; thence in a northwesterly direction 77.5 feet to the point of beginning, being known as 566 South Upper Street.

Tract 7:

Known as 568 South Upper Street, located in the City of Lexington, Fayette County, Kentucky, and beginning at a point in the East property line of South Upper Street, said point being 93.5 feet southwest of Euclid Avenue; thence in a southwesterly direction along South Upper Street 26.5 feet to Tracy's line; thence at right angles in a southeasterly direction 77.5 feet to the line of Harry Dodson; thence in a northeasterly direction with Dodson's line 26.5 feet; thence in a northwesterly direction 77.5 feet to the point of beginning.

Tract 8:

Situated on the East side of South Upper Street between Winslow Street and what was formerly known as the Poor House Pond, bounded as follows:

Beginning at a point 25 feet from the northerly line of the property of the Brand heirs; thence with Upper Street in a northerly direction, 25 feet; thence at right angles with said Street in an easterly direction 150 feet; thence at right angles in a southerly direction 25 feet; thence at right angles in a westerly direction 150 feet to the beginning, known and designated as 570 South Upper Street.

ALL THE ABOVE being the same property conveyed to the Commonwealth of Kentucky, for the use and benefit of the University of Kentucky by Special Warranty Deed dated February 1, 2018 of record in Deed Book 3558, Page 150 in the Fayette County Court Clerk's Office.

PARCEL 2: KENNEDY BOOK
STORE SITE

401 SOUTH LIMESTONE

LEXINGTON, FAYETTE COUNTY, KENTUCKY

All that tract or parcel of land situated at the southwest intersection of South Limestone and Winslow Street, being more fully described and bounded as follows, to wit:

BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection of the South Limestone northwest right of way and the Winslow Street southwest right of way (DB 23, Pg 380), said point being the southeast corner of Kennedy Book Store (401 S. Limestone, DB 1754, Pg 699); thence with said South Limestone northwest right of way, South 48°03'07" West, 70.00 feet to a point in a statue being a common corner with Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, Pg 248); thence leaving said South Limestone northwest right of way and with said Kennedy Book Store, Inc., (405 S. Limestone), North 41°43'16" West, 75.28 feet to a point inside Kennedy Book Store, said point being a common corner with Kennedy Book Store, Inc., (108 Winslow Street, DB 2538, Pg 106); thence leaving said Kennedy Book Store, Inc., (405 S. Limestone) and with said Kennedy Book Store, Inc., (108 Winslow Street), North 48°16'44" East, 70.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) in said Winslow Street southwest right of way; thence leaving said Kennedy Book Store, Inc., (108 Winslow Street) and with said Winslow Street southwest right of way, South 41°43'16" East, 75.00 feet to the POINT OF BEGINNING, containing 5,260 square feet or 0.12 acre, more or less.

405 SOUTH LIMESTONE

LEXINGTON, FAYETTE COUNTY, KENTUCKY

All that tract or parcel of land situated on the northwest side of South Limestone, 135.00 feet southwest of Winslow Street, being more fully described and bounded as follows, to wit:

BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, Pg 248) and Kennedy Book Store, Inc. (407 S. Limestone, DB 1126, Pg 175) said point being in the South Limestone northwest right of way, 135.00 feet southwest of a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection of said South Limestone northwest right of way and the Winslow Street southwest right of way (DB 23, Pg 380); thence leaving said South Limestone northwest right of way and with said Kennedy Book Store, Inc., (407 South Limestone), North 41°43'16" West, 195.53 feet to a point inside Kennedy Book Store, said point being common to Kennedy Book Store, Inc. (407 S. Limestone, DB 1126, Pg 175 & 120 Winslow Street, DB 1259, Pg 203); thence leaving said Kennedy Book Store, Inc., (407 South Limestone) and with said Kennedy Book Store, Inc., (120 Winslow Street), North 48°16'44" East, 135.00 feet to a set Mag Nail with shiner in said Winslow Street southwest right of way; thence leaving said Kennedy Book Store, Inc., (120 Winslow Street) and with said Winslow Street southwest right of way, South 41°43'16" East, 75.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) at a common corner with Kennedy Book Store, Inc., (108 Winslow Street, DB 2538, Pg 106); thence leaving said Winslow Street southwest right of way and with said Kennedy Book Store, Inc., (108 Winslow Street), South 48°16'44" West, 70.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss); thence with said Kennedy Book Store, Inc., (108 Winslow Street), South 41°43'16" East, passing a common corner with Kennedy Book Store, Inc., (401 S. Limestone, DB 1754, Pg 699) at 45.00 feet, inside Kennedy Book Store, and continuing with said Kennedy Book Store, Inc., (401 S. Limestone) for a total distance of 120.28 feet to a point in a statue in said South Limestone northwest right of way; thence leaving said Kennedy Book Store, Inc., (401 S. Limestone) and with said South Limestone northwest right of way, South 48°03'07" West, 65.00 feet to the POINT OF BEGINNING, containing 17,951 square feet or 0.41 acre, more or less.

407 SOUTH LIMESTONE**LEXINGTON, FAYETTE COUNTY, KENTUCKY**

All that tract or parcel of land situated on the northwest side of South Limestone, 170.00 feet southwest of Winslow Street, being more fully described and bounded as follows, to wit: BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc., (DB 1126, Pg 175) and the Commonwealth of Kentucky for the use and benefit of the University of Kentucky (DB 1353, Pg 44), said point being in the South Limestone northwest right of way, 170.00 feet southwest of a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection of said South Limestone northwest right of way and the Winslow Street southwest right of way (DB 23, Pg 380); thence leaving said South Limestone northwest right of way and with said Commonwealth of Kentucky, North 41°43'16" West, 213.67 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) at a common corner with LFUCG (DB 281, Pg 492); thence leaving said Commonwealth of Kentucky and with said LFUCG and continuing with Lyle Properties, LLC (DB 2577, Pg 177), North 48°16'44" East, 35.00 feet to a point inside a shed, said point being common to Kennedy Book Store, Inc. (120 Winslow Street, DB 1259, Pg 203); thence leaving said Lyle Properties, LLC and with said Kennedy Book Store, Inc., (120 Winslow Street), and continuing with Kennedy Book Store Inc., (405 S. Limestone, DB 1350, Pg 248) South 41°43'16" East, passing a common corner with said Kennedy Book Store Inc., (405 S. Limestone) inside Kennedy Book Store at 18.00 feet for a total distance of 213.53 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) in said South Limestone northwest right of way; thence leaving said Kennedy Book Store, Inc., South 48°03'07" West, 35.00 feet to the POINT OF BEGINNING, containing 7,476 square feet or 0.17 acre, more or less.

108 WINSLOW STREET**LEXINGTON, FAYETTE COUNTY, KENTUCKY**

All that tract or parcel of land situated on the southwest side of Winslow Street, 75.00 feet northwest of South Limestone, being more fully described and bounded as follows, to wit: BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc. (108 Winslow Street, DB 2538, Pg 106 & 401 S. Limestone, DB 1754, PG 699), said point being in the Winslow Street southwest right of way (DB 23, Pg 380) 75.00 feet northwest from a set Mag Nail with shiner (PLS 3185 Chambliss) at the intersection with the South Limestone northwest right of way; thence leaving said Winslow Street southwest right of way and with said Kennedy Book Store, Inc., (401 S. Limestone), South 48°16'44" West, 70.00 feet to a point inside Kennedy Book Store in the common line with Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, Pg 248); thence leaving said Kennedy Book Store, Inc. (401 S. Limestone) and with said Kennedy Book Store, Inc., (405 S. Limestone), North 41°43'16" West, 45.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss); thence continuing with said Kennedy Book Store, Inc., (405 S. Limestone), North 48°16'44" East, 70.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss) in said Winslow Street southwest right of way; thence leaving said Kennedy Book Store, Inc., (405 S. Limestone) and with said Winslow Street southwest right of way, South 41°43'16" East, 45.00 feet to the POINT OF BEGINNING, containing 3,150 square feet or 0.07 acre, more or less.

120 WINSLOW STREET**LEXINGTON, FAYETTE COUNTY, KENTUCKY**

All that tract or parcel of land situated on the southwest side of Winslow Street, 195.00 feet northwest of South Limestone, being more fully described and bounded as follows, to wit: BEGINNING at a set Mag Nail with shiner (PLS 3185 Chambliss) at the common corner of Kennedy Book Store, Inc. (120 Winslow Street, DB 1259, Pg 203) and Kennedy Book Store, Inc., (405 S. Limestone, DB 1350, PG 248), said point being in the Winslow Street southwest right of way (DB 23, Pg 380), 195.00 feet northwest of a set Mag Nail with shiner (PLS 3185 Chambliss)

at the intersection with the South Limestone northwest right of way; thence leaving said Winslow Street southwest right of way and with said Kennedy Book Store, Inc., (405 S. Limestone), South 48016'44" West, 135.00 feet to a point inside Kennedy Book Store, said point being in the common line with Kennedy Book Store, Inc., (407 S. Limestone, DB 1126, Pg 175); thence leaving said Kennedy Book Store, Inc., (405 S. Limestone) and with said Kennedy Book Store, Inc., (407 S. Limestone), North 41043'16" West, 18.00 feet to a point inside a shed, said point being in the common line with Lyle Properties, LLC (DB 2577, PG 177); thence leaving said Kennedy Book Store, Inc., (407 S. Limestone) and with said Lyle Properties, LLC, for three lines:
1) North 48016'44" East, 15.00 feet to a point inside Kennedy Book Store,
2) North 41043'16" West, 23.00 feet to a point inside Kennedy Book Store,
3) North 48016'44" East, 120.00 feet to a set Mag Nail with shiner (PLS 3185 Chambliss),
in said Winslow Street southwest right of way; thence leaving said Lyle Properties, LLC and with said Winslow Street southwest right of way, South 41043'16" East, 41.00 feet to the POINT OF BEGINNING, containing 5,190 square feet or 0.12 acre more or less.

ALL THE ABOVE being the same property conveyed to the Commonwealth of Kentucky, for the use and benefit of the University of Kentucky by Special Warranty Deed dated February 1, 2018 of record in Deed Book 3558, Page 138 in the Fayette County Court Clerk's Office.

PARCEL 3: Unnamed Alley On East Side of South Upper Street

All of that parcel and lot of land on South Upper Street, Lexington, Fayette County, Kentucky, being more particularly described as follows:

Situated on the south side and is described as follows to-wit: Beginning at a point in north line of the Broad heirs on said street and thence in a northerly direction twenty-five feet to the line of Margaret Caden; thence in an easterly direction along the line of said Caden one hundred and fifty feet, more or less; thence on a line in a southerly direction twenty-five feet; thence on a line in a westerly direction one hundred and fifty feet, more or less, to the place of beginning.

The foregoing property being more recently described as follows:

Beginning at a point in the southeast right-of-way of South Upper Street, the point being located S 48° 42' 21" W 144.9 feet of the intersection of the southeast right-of-way of South Upper Street and the southwest right-of-way of Winslow Street, and being marked by a witness monument (mag nail with ID tag PLS 3350) located N 42° 06' 12" W 1.01 feet from the point; thence leaving the right-of-way S 41° 43' 51" E 151.11 feet to a point, also marked by a witness monument (mag nail with ID tag PLS 3350) located S 48° 15' 43" W 5.99 feet from the point; thence S 48° 15' 43" W 25 feet, more or less, to a mag nail and shiner found (PLS 3185); thence N 41° 43' 50" W 151.30 feet, more or less, to a point in the southeast right-of-way of South Upper Street; thence with the right-of-way N 48° 42' 21" E 25 feet, more or less, to the beginning. The basis for bearings used herein is KY State Plane North Zone, NAD '83. The parcel herein described contains 3,780 square feet (0.09 acres), more or less.

BEING PART of the same property conveyed to the Commonwealth of Kentucky, for the use and benefit of the University of Kentucky by Quitclaim Deed dated January 3, 2019, of record in Deed Book 3639 page 277 in the Fayette County Court Clerk's office.

EXHIBIT D:
Sublease Agreement

SUBLEASE AGREEMENT

THIS SUBLEASE AGREEMENT is made effective [June 1, 2019] (“Effective Date”) in Lexington, County of Fayette, Commonwealth of Kentucky, by and between the following:

SUBLESSOR: Commonwealth of Kentucky, for the use and benefit of the University of Kentucky, acting by and through the Board of Trustees of the University of Kentucky
SUBLESSEE: Signet KY Retail, LLC, an Ohio limited liability company

Section 1. Fundamental Lease Terms. Sublessor hereby subleases to Sublessee nonexclusive use of the premises described as follows:

(a) **“Premises”** shall mean approximately 10,072 leasable square feet of commercial retail space within a larger mixed-use parking structure (the “Project”), located on the real estate at the corner of South Limestone and Winslow Streets on the University of Kentucky main campus in Lexington, Kentucky (the “Winslow Site”), as depicted in the floor plan attached hereto as Exhibit A.

(b) **“Ground Floor Common Areas”** shall mean the areas of the Project and the Winslow Site within which the Premises are situated which are designated by Sublessor from time to time for use in common by all tenants of the ground floor of the Project (i.e., the “Retail Space” and “Innovation Space” defined below) and their respective employees and business visitors, which may include, by way of illustration and not limitation, entrances and exits, exterior features of the ground floor, hallways, restrooms, sidewalks, on-street parking and loading areas, driveways, exterior and interior lighting, and other areas as may be designated by Sublessor. During the Term, Sublessee shall have the non-exclusive right to use the Ground Floor Common Areas in common with other tenants in the Project and subject to rules which Sublessor may prescribe from time to time.

(c) **“Other Project Common Areas”** shall mean areas on other floors of the Project and the Winslow Site within which the Premises are situated which are designated by Sublessor from time to time for use in common by all tenants of the Project, which common areas shall include, but not be limited to: stairwells, elevators, garage ramps, sidewalks, landscaping, lighting, and such other improvements and features of the Winslow Site which benefit and/or add to the visual and functional uniqueness and operation of the Winslow Site (the **“Other Project Common Areas”**). During the Term, Sublessee shall have the non-exclusive right to use the Other Project Common Areas in common with other tenants in the Project and subject to rules which Sublessor may prescribe from time to time.

Section 2. Facilities Lease. Sublessor represents to Sublessee that it is the tenant under a Facilities Lease [of even date herewith] (the “Facilities Lease,” a copy of which is attached as Exhibit B hereto) with Signet KY RE, LLC, a Kentucky limited liability company (“Facilities Lessor”), for the Project, consisting of an approximately 918-space parking structure with approximately 12,187 square feet innovation space (“Innovation Space”) and 10,072 square feet of retail space (“Premises” or “Retail Space”) located on Winslow Site. Sublessor and

Sublessee shall at all times comply with the terms of the Facilities Lease that affect Sublessee's use of the Premises, subject to the specific terms hereof.

This Sublease and Sublessee's rights hereunder are subject to (a) that certain Ground Lease of even date herewith (the "Ground Lease," a copy of which is attached as Exhibit C hereto, with the Ground Lease and the Facilities Lease being referred to herein as the "Senior Leases"), entered into by and between the Sublessor, as ground lessor, and the Facilities Lessor, as ground lessee, and relating to the Winslow Site; (b) the Facilities Lease, (c) the lien of any real estate taxes and installments of assessments; (c) building and zoning laws, ordinances and regulations; (d) legal highways; (e) any first mortgage, trust indenture, or deed of trust on the Real Estate or the Project under the Senior Leases, (f) any other mortgages, deeds of trust or trust indentures heretofore or hereafter granted by Facilities Lessor or Sublessor as contemplated in Section 19 below; and (g) covenants, conditions and restrictions of record.

Section 3. Term. The term of this Sublease (the "Term") shall be for a period which shall commence on the date that the Facilities Lease commences (the "Commencement Date"), and shall end at midnight on the date the Facilities Lease terminates under Section 3 of the Facilities Lease (e.g., May 1, 2049), unless sooner terminated pursuant to the terms hereof; provided, however, that if Sublessor shall take possession of a portion of the Premises for Sublessor's use and occupancy prior to the Sublessee's Improvements (as hereinafter defined) being Substantially Completed, the Term of this Sublease shall not commence until the Sublessee's Improvements for the Premises are Substantially Completed pursuant to the Facilities Lease; and provided further that if the Sublessor shall have approved pursuant to Section 29 hereof a sub-sublease of any or all of the Premises that extends beyond the Term of this Sublease, the Sublessee shall have right, but not the obligation, to extend the Term of this Sublease to accommodate the term of the sub-sublease. Not later than thirty (30) days after the Commencement Date, Sublessor and Sublessee shall execute the Confirmation of Commencement Date attached hereto as Exhibit D to confirm the Commencement Date of this Sublease.

Section 4. Early Access. At no cost to Sublessee, Sublessor shall provide Sublessee access to the Premises prior to the Commencement Date in order to enable Sublessee to install Sublessee's furniture and equipment; provided that such installation shall be completed at Sublessee's sole risk and expense. Such early access by Sublessee shall be on the terms and subject to the conditions imposed upon Sublessee under this Sublease (e.g. insurance, responsibilities, etc.) other than Sublessee's obligation to pay Rent.

Section 5. Base Rent. On or before the Commencement Date, Lessee shall pay a lump sum payment of Thirty Dollars and Zero Cents (\$30.00 or \$1.00/year for approximately 30 years) in full satisfaction of the rent obligation for the full Term of this Lease (the "Base Rent")

Section 6. Additional Rent. In addition to the Base Rent, Sublessee shall pay to Sublessor throughout the Term as additional rent ("Additional Rent"), in the manner provided for in Section 7 below, the following items: (i) Sublessee's Share of Ground Floor Common Area Maintenance Expenses; (ii) Sublessee's Share of Property Insurance Expenses; and (iii) Sublessor's Share of Net Income. All Additional Rent shall be determined on an

accrual basis. For purposes of this Sublease, Base Rent and Additional Rent shall be referred to collectively hereinafter as “Rent.”

For the purposes of Sections 6 and 7, Capitalized Terms shall have the following meaning:

- “Ground Floor Common Area Maintenance Expenses” shall mean Sublessee’s Share of the Ground Floor Common Area maintenance expenses incurred by Sublessor pursuant to Section 14(b).
- “Gross Rental Receipts” shall mean any and all rents received by Sublessee pursuant to subleases of the Premises, authorized in accordance with Section 29 hereof.
- “Insurance Expenses” shall mean Property Insurance Expenses and Other Insurance Expenses.
- “Maintenance Expenses” shall mean any expenses incurred by Sublessee pursuant to Section 14(a).
- “Management Fees” shall mean any expenses incurred by Sublessee pursuant to Section 15.
- “Net Income” shall mean Gross Rental receipts less the sum of Sublessee’s (a) Common Area Expenses, (b) Insurance Expenses, (c) Maintenance Expenses, (d) Management Fees, (e) Property Tax Obligations, and (f) Utility Expenses (i.e., Net Income effectively reflects the result of triple net leases between Sublessee and its retail tenants).
- “Other Insurance Expenses” shall mean any expenses incurred by Sublessee pursuant to section 9(b).
- “Property Insurance Expenses” shall mean Sublessee’s Share of the all-risk property and casualty insurance expenses incurred by Sublessor pursuant to Section 13.1(b) of the Ground Lease.
- “Property Tax Obligations” shall mean any expenses incurred by Sublessee pursuant to Section 49.
- “Sublessee’s Share” shall be the quotient of (a)[_____], which represents the number of the total square feet of the Premises and (b) [_____], which represents the number of total square feet of the ground floor (Retail Space and Innovation Space).
- “Sublessor’s Share” shall mean 50% of Net Income for the first seven (7) years of the Term, after which the Parties will periodically review each party’s Improvement Basis and adjust Sublessor’s Share if necessary.
- “Utility Expenses” shall mean any expenses incurred by Sublessee in pursuant to Section 48.

Section 7. Common Expense Budget and Payment of Additional Rent.

Additional Rent shall be paid by Sublessee to Sublessor in accordance with this section. No less than 30 days prior to the Commencement Date, Sublessor shall provide to Sublessee an estimate of the total projected Ground Floor Common Area Maintenance Expenses for the Premises for the balance of the fiscal year in which the Commencement Date occurs. For each fiscal year thereafter, Sublessor shall deliver to Sublessee, not later than the first day of each such fiscal year, or as soon thereafter as is reasonably practical, an estimate of the total projected Ground Floor Common Area Maintenance Expenses for the Premises for that calendar year.

On or before the first day of each fiscal year, Sublessor shall provide to Sublessee its estimate of the total amount of Common Expenses for the Premises for that year. Using these projected Ground Floor Common Area Maintenance Expenses, Sublessee shall pay on or before the [fifteenth] day of each calendar quarter during the Term Sublessor's Share of Net Income for that month. The parties shall then reconcile such estimated Ground Floor Common Area Maintenance Expenses in the following year based on actual Ground Floor Common Area Maintenance Expenses for such year paid by Sublessor, as provided below.

No later than 30 days following the end of each fiscal year, Sublessor shall furnish Sublessee with a statement showing (a) actual Ground Floor Common Area Maintenance Expenses incurred by Sublessor with respect to the Premises and (b) the amount of the projected Ground Floor Common Area Maintenance Expenses paid by Sublessee ("Sublessor's Reconciliation Notice"). Using Sublessor's Reconciliation Notice, Sublessee shall, within 15 days of its receipt thereof, furnish Sublessor with a statement showing (a) actual Net Income generated by the Premises and (b) the amount of Net Income paid to Sublessor ("Sublessee's Reconciliation Notice"). If Sublessee's Reconciliation Notice reflects that Sublessor's Share of actual Net Income generated by the Premises for that year exceeds the amount paid to Sublessor as Additional Rent pursuant to this section (the "Deficiency"), Sublessee shall pay to Sublessor the Deficiency within 30 days after its receipt of the Sublessor's Reconciliation Notice. If the Sublessee's Reconciliation Notice reflects that the amounts paid to Sublessor as Additional Rent exceeds Sublessor's Share of Net Income actually generated by the Premises for that year (the "Excess"), Sublessor shall pay to Sublessee the Excess within 30 days after the its receipt of Sublessee's Reconciliation Notice. In no event shall either party be required to pay any interest on any over-payment or under-payment made under this section. Sublessor and Sublessee's obligations under this section shall survive the expiration or termination of this Sublease.

Section 8. Deposit. Sublessee is not required to pay any security deposit for this Sublease.

Section 9. Insurance.

- (a) **Sublessor Requirements.** Sublessor shall maintain all-risk property and casualty insurance as set forth in Section 13.1(b) of the Ground Lease. Sublessee shall be responsible for Sublessee's Share of such expenses as Additional Rent.
- (b) **Sublessee Requirements.** At all times during the Term, Sublessee shall at its sole cost and expense, maintain the following insurance coverages: (a) commercial general liability "occurrence form", covering Sublessee's use of the Premises, with limits not less than \$3,000,000 per occurrence, \$3,000,000 annual aggregate for bodily injury, personal injury and property damage liability together with \$5,000,000 umbrella/excess liability coverage. Such liability policy shall name Sublessor and Lessor as additional insureds; (b) property insurance covering (i) all furniture, trade fixtures, office equipment, exercise equipment, merchandise and all other items of Sublessee's property located in or on the Premises; (ii) all improvements, alterations and additions to the Premises; (d) Workers'

Compensation Insurance (at statutory limits); and (e) Employer's Liability Insurance with (1) an each-accident limit of not less than \$1,000,000, (2) an each-employee limit of not less than \$1,000,000, and (3) a disease policy limit of not less than \$1,000,000. All insurance policies above shall be carried with companies licensed to do business in the Commonwealth of Kentucky, reasonably satisfactory to Sublessor, and shall be non-cancelable and not subject to material change without thirty (30) days written notice to Sublessor. Sublessee shall deliver such policies or certificates or other evidence thereof to Sublessor prior to Sublessee's occupancy of the Premises and from time to time as may be requested by Sublessor. Each insurer shall agree, by endorsement to the policy, that it will give Sublessor not less than thirty (30) days' written notice before the policy or policies shall be altered, allowed to expire or canceled.

If Sublessee does or permits anything to be done in the Premises, the Project or on the Winslow Site, or brings or keeps anything therein which may in any way increase the rate of fire or other insurance on the Premises, the Project or on the Winslow Site, or conflicting with any insurance policy upon the Premises or any part thereof, or with any statutes, rules or regulations enacted or established by the appropriate governmental authorities, then Sublessee shall pay to Sublessor as Additional Rent all amounts necessary to reimburse Sublessor for such increase or otherwise remedy such situation.

- (c) **Mutual Waiver of Subrogation.** Notwithstanding anything in this Sublease to the contrary, each party hereby waives any and all rights of recovery, claim, action or cause of action against the other for any loss of or damage to property occurring in, on or about or to the Premises or personal property therein by reason of fire or other casualty which could be insured against under a special form (all risk) insurance policy, regardless of cause, including the negligence of the other party. The foregoing waiver shall not excuse the parties from their willful misconduct. [Subject to approval of UK Risk Management].

Section 10. Quiet Enjoyment. Provided that Sublessee observes and performs the covenants and agreements under this Sublease, Sublessee shall, at all times during the Term, peacefully and quietly have and enjoy possession of the Premises without encumbrance or hindrance from Sublessor.

Section 11. Use of Premises/Compliance with Laws. Except for those prohibited uses set forth in Exhibit E hereto, the Sublessee may use the Premises for any other lawful purposes that are approved by Ground Lessor (collectively, the Permitted Uses"), which approval shall not be unreasonably delayed, conditioned or withheld. The Sublessee shall provide the Sublessor with 30 days' prior written notice of any anticipated change to the use of the Premises. Sublessee shall occupy and use the Premises only in a careful, safe, and proper manner and shall not commit or permit any waste of or on the Premises. Sublessee shall not use the Premises in violation of any law, regulation, order or requirement of federal, state, or local

governments, courts, or other lawful authorities having jurisdiction over the Premises (collectively, the “Laws”), and which now or at any time hereafter may apply to or affect the Premises or any business conducted by Sublessee on the Premises, whether present or future, foreseen or unforeseen, ordinary or extraordinary, and whether or not presently contemplated by Sublessor or Sublessee. Sublessee shall obtain, maintain, and comply with all permits, licenses, and other authorizations required for any use then being made of the Premises by Sublessee.

No abatement or interruption in Rent or other charges required to be paid by Sublessee pursuant to this Sublease shall be claimed by or allowed to Sublessee for any inconvenience, interruption or loss of business caused directly or indirectly by any present or future laws, ordinances, regulations, requirements, or orders of any lawful authority whatsoever, except as may be expressly provided for herein, and no diminution in the amount of space used by Sublessee caused by legally required changes in the Premises shall entitle Sublessee to any abatement or reduction in Rent or any other charges required to be paid by Sublessee under this Sublease.

Section 12. Construction of Tenant Improvements. Sublessee, or an affiliate thereof, shall complete or cause the completion of the work to the Premises (“Tenant Improvements”) in accordance with plans and specifications to be mutually approved by the Sublessor and the Sublessee. Sublessor and Sublessee agree that they will work cooperatively to finalize the plans and specifications for Tenant Improvements. Sublessee acknowledges that the Sublessor has financed the shell and core components of the Retail Space. Sublessee agrees to pay for all expenses related to the interior build-out of the Retail Space during its initial development. Sublessor and Sublessee shall cooperate in good faith to negotiate these terms and amounts as subsequent improvements to the Premises become necessary throughout the Term of this Sublease.

Section 13. Force Majeure. In the event Sublessor or Sublessee shall be delayed or hindered or prevented in the performance of any obligations required under this Sublease by reason acts of God, strikes, civil riots, acts of war or terrorism, floods, restrictions by governmental authorities, and any other similar cause not within the control of, or the result of the fault or negligence of, the Party, as the case may be, the performance of such obligations shall be excused for the period of such delay and the period for the performance of any such act shall be extended for a period equivalent to the period of any such delay. Notwithstanding the foregoing, this section shall not be applicable with respect to the obligations imposed upon Sublessee with regard to the payment of Rent and other charges to be paid by Sublessee pursuant to this Sublease.

Section 14. Building Standards; Maintenance.

(a) **Premises.** At all times during the Term, Sublessee shall inspect, service, repair, upgrade, operate and maintain, which includes, without limitation, reasonable and customary periodic and routine preventative maintenance of the Premises in a manner consistent with the terms and conditions set forth in this Sublease.

During the Term, Sublessee shall use the Premises with reasonable care and diligence so that the Premises remains in good condition, ordinary wear and tear and damage by fire or other

casualty excepted, pursuant to all requirements of the Facilities Lease and this Sublease. Sublessee shall keep the Premises in good order and condition throughout the Term and shall at its sole cost and expense make all repairs thereto caused by its negligence or use of the premises not customary for the use permitted under this Sublease. Sublessee shall not damage the Premises or otherwise commit waste thereof. Sublessor shall be responsible for maintaining and repairing only those structural components relating to the Premises' core and shell. Sublessee shall be responsible for all other maintenance and repair to the Premises; provided, however that the Parties agree that such costs shall be an operating expense for the Premises, to be deducted from Gross Rental Receipts when determining Sublessee's Additional Rent obligations.

(b) **Common Areas.** Sublessor shall be responsible for all costs and expense involved in the maintenance of the Ground Floor Common Areas and Other Project Common Areas. Sublessor shall have the right to expand, reduce, and alter these Common Areas in its sole and absolute discretion (subject to Sublessor's contractual obligations under the Facilities Lease); to construct, maintain, and operate lighting facilities on all Common Areas; to provide security (if any) to the Common Areas; to change the areas, grade, location, and arrangement of the Common Areas; to regulate and restrict parking by Sublessee, its officers, sublessees, agents, customers, and employees; to close temporarily all or any portion of the Common Areas, so long as Sublessee is not denied reasonable access to the Property. Sublessor shall, throughout the Term of this Sublease, operate and maintain the Common Areas and shall, among other things: (i) inspect, maintain, repair, resurface, and replace, from time to time, sidewalks; (ii) remove refuse from the Common Areas and cause the removal, to the extent reasonably possible, of snow and ice from the sidewalks; (iii) maintain the signs of the University of Kentucky (not Sublessee's signs subject to Section 32); (iv) maintain the landscaping, trees, bushes, and plantings as and when and where necessary; and (v) maintain the drainways as deemed advisable by the Sublessor located within the Project Site.

Section 15. Services and Property Management. Sublessor shall provide only those maintenance services described in Section 14(b) above. Sublessee shall be responsible for Sublessee's Share of Ground Floor Common Area Maintenance Expenses as Additional Rent. Sublessee acknowledges that it shall be responsible for all other operations, maintenance, and property management services for the Premises. Sublessee may enter into a third-party management agreement for the provision of such services. The Parties agree that such maintenance and property management costs shall be an operating expense for the Premises, to be deducted from Gross Rental Receipts when determining Sublessee's Additional Rent obligations.

Section 16. Alterations. No alteration, addition, improvement, or other change in or to the Premises (hereinafter an "Alteration") shall be made by Sublessee except under the following circumstances: (a) no Alteration shall be made without the prior written consent of Sublessor and Facilities Lessor to the specific Alteration, provided, however, that Sublessee may make usual nonstructural interior remodeling Alterations of less than \$50,000 per occurrence which enhances the value of the Leased Premises with the prior written consent of Sublessor only; (b) no permitted Alteration shall be commenced until Sublessee has first obtained and paid for all required permits and authorizations of all governmental authorities having jurisdiction; (c) any permitted Alteration shall be made promptly and in a good and workmanlike manner and in compliance with all laws, ordinances, regulations, and

requirements of all governmental authorities; (d) the cost of any such Alteration shall be paid in cash or its equivalent, so that the Premises shall at all times be free of liens and claims from work, labor, or materials supplied or claimed to have been supplied to the Premises and, if Sublessor or Facilities Lessor at any time so requests, no Alteration shall commence or proceed unless Sublessee gives evidence satisfactory to Sublessor or Facilities Lessor that such Alteration will be fully paid for upon completion; (e) throughout the performance of any permitted Alteration, Sublessee shall require any contractor of Sublessee performing Sublessee's Alterations to carry and maintain commercial general liability insurance with limits of not less than One Million and 00/100 Dollars (\$1,000,00.00) per occurrence, Three Million and 00/100 Dollars (\$3,000,000.00) in the annual aggregate; and (f) any Alteration shall immediately become and remain the property of Facilities Lessor, unless Facilities Lessor otherwise agrees, in writing, subject to the rights of Sublessee under this Sublease; provided that upon termination of this Sublease, Sublessor shall have the right at its option to require Sublessee to remove any Alteration and to restore the Premises to the same condition as before the Alteration was made, unless Facilities Lessor expressly waives the foregoing right in its written consent to the Alteration.

Section 17. Damage or Destruction to Premises.

- (a) **Repair of Damage to Premises by Sublessor.** If the Premises or the Project shall be partially or totally destroyed or damaged by fire, casualty or other cause, and either the Facilities Lessor or Sublessor elects to terminate the Facilities Lease, then this Sublease shall terminate upon the date the Facilities Lease is terminated. If the Premises or the Project shall be partially or totally destroyed or damaged by fire, casualty or other cause, and neither the Facilities Lessor or Sublessor elects to terminate the Facilities Lease, then Sublessor shall use commercially reasonable efforts repair all such casualty pursuant to Section 13 of the Facilities Lease.
- (b) **Sublessee's Option to Terminate.** In the event that the Premises are totally or substantially damaged or destroyed, if restoration of such damage or destruction is reasonably expected to take over one (1) year to complete, Sublessee may, at its option, exercisable within 30 days of the date of the occurrence of such damage or destruction, terminate this Sublease upon delivery of notice to Sublessor. After provision of notice to Sublessor of its election to terminate as herein provided, Sublessee shall vacate the Premises as quickly as is reasonably possible, provided, however, that Sublessee shall be entitled to occupy the Premises or any part thereof without liability, except for any due Base Rent or Additional Rent, to Sublessor for as long as is reasonably necessary to salvage or remove therefrom its personal property and equipment.
- (c) **Sublessor's Option to Terminate.** Notwithstanding the terms of Section 18(a), above, Sublessor shall have the option to elect to terminate this Sublease by delivery of notice to Sublessee in writing of such termination within 30 days after the date of damage, if all of the following conditions

is present: (i) if restoration of such damage or destruction is reasonably expected to take over one (1) year to complete; or (ii) such damage or destruction occurs with less than three (3) years remaining in the Term. If Sublessor elects to terminate this Sublease as provided for herein, this Sublease shall terminate effective as of the date the Facilities Lease terminates. After receipt of notice from Sublessor of its election to terminate as herein provided, Sublessee shall vacate the Premises as quickly as is reasonably possible, provided, however, that Sublessee shall be entitled to occupy the Premises or any part thereof without liability to Sublessor for as long as is reasonably necessary, as determined by Facilities Lessor, to salvage or remove therefrom its personal property and equipment.

Section 18. Condemnation. If all or a material part of the Premises are taken by any condemning authority under the power of eminent domain or by any purchase or other acquisition in lieu thereof, this Sublease shall terminate as of the date possession is acquired by the condemning authority. In addition, if any portion of the Project (other than the Premises) is so taken, Sublessor and Facilities Lessor, pursuant to Section 14 of the Facilities Lease, shall have the right at the option of each to terminate this Sublease at any time prior to or within 30 days after the date possession is acquired by the condemning authority. In the event of any such termination, the Rent payable by Sublessee shall be apportioned as of the termination date. In any event, Sublessor, pursuant to Section 14 of the Facilities Lease, shall be entitled to receive the entire appropriated award or consideration paid by the condemning authority. Nothing herein shall prevent Sublessor and Sublessee from seeking separate awards, consideration or compensation from the condemning authority and each shall be entitled to the entire award or consideration made to it, without claim from the other. Upon termination, Sublessee shall vacate the Premises as quickly as is reasonably possible, provided, however, that Sublessee shall be entitled to occupy the Premises or any part thereof without liability, except for any due Base Rent or Additional Rent, to Sublessor for as long as is reasonably necessary to salvage or remove therefrom its personal property and equipment.

For purposes of this section, any negotiated sale to a public or quasi-public authority under the threat of condemnation shall be deemed to constitute a taking by such public or quasi-public authority under the power of eminent domain.

Section 19. Subordination of Lease. This Sublease and Sublessee's rights under this Sublease are and shall at all times be subject and subordinate to the Ground Lease, the Facilities Lease and all mortgages or trust indentures now encumbering or that may hereafter encumber the Premises, the Project and/or the Winslow Site upon which the Project is located, and to all advances made or to be made thereon and all renewals, modifications, consolidations, replacements or extensions thereof to the full extent of all sums secured thereby. This provision shall be automatic and self-operative and no further instrument of subordination shall be necessary to effectuate such subordination and the recording of any such mortgage shall have preference and precedence and be superior and prior to this Sublease, irrespective of the date of recording. However, Sublessee shall upon request of Sublessor, Facilities Lessor, or the holder of any such mortgage, execute and deliver to Sublessor or Facilities Lessor within 10 days after Sublessor's or Facilities Lessor's request any instrument

that would effect such a subordination and would contain such other requirements reasonably required by Facilities Lessor or such holder; provided that (i) such holder agrees that so long as Sublessee complies with all of its obligations under this Sublease the rights of Sublessee under the Sublease shall remain in full force and effect and Sublessee's possession of the Premises hereunder shall remain undisturbed during the Term; and (ii) no such instrument shall adversely affect Sublessee's rights or increase Sublessee's obligations under this Sublease or under such instrument. That instrument would contain language which provides that upon Sublessee's compliance therewith, such holder would not disturb Sublessee's interest under this Sublease.

Section 20. Estoppel Certificates. Sublessor and Sublessee shall from time to time during the Term promptly following the request of the other, execute and deliver to the other a statement certifying that this Sublease is in full force and effect, the date through which Base Rent, Additional Rent, and other charges under this Sublease have been paid, and any other factual matter reasonably requested by the other.

Section 21. Indemnification/Responsibility.

- (a) **Sublessee's Responsibility.** Sublessee shall indemnify and hold harmless Sublessor for all losses, costs, damages, expenses, claims, injuries, liabilities and judgments incurred by Sublessor from third parties arising from or in connection with: (i) Sublessee's use of, occupancy of, or activities in or about the Premises during the Term to the extent such arises from a breach of Sublessee's obligations under the terms of the Management Agreement; (ii) any breach or default by Sublessee of its obligations under this Sublease; or (iii) any negligent act of Sublessee, its contractors, employees and agents while working within the scope of their employment or agency, except to the extent that any of the foregoing are caused by Sublessor's negligence or willful misconduct.
- (b) **Sublessor's Responsibility.** Sublessor, to the extent permitted by the laws of the Commonwealth of Kentucky, including but not limited to Section 177 of the Kentucky Constitution, shall indemnify and save and hold harmless Sublessee from all losses, costs, damages, expenses, claims, injuries, liabilities and judgments incurred by Sublessee from third parties arising from or in connection with: (i) any breach or default by Sublessor of its obligations under this Sublease; or (iii) any negligent act of Sublessor, its contractors, employees and agents while working within the scope of their employment or agency, except to the extent that any of the foregoing are caused by Sublessee's negligence or willful misconduct.

Section 22. Limitation of Liability. Notwithstanding any provision in this Sublease to the contrary or any general rule of law, in no event whatsoever shall Sublessor or any member, partner, trustee, director, officer, employee, agent, or other principal have any personal liability whatsoever with respect to this Sublease. Sublessor shall not be liable to

Sublessee for any losses, damages, injuries, costs or expenses whatsoever relating to the Premises (including without limitation any interruption or cessation of the business of Sublessee) arising from or in connection with (a) explosion, fire, steam, rain, snow or wind; (b) breakage, leakage or obstruction of plumbing and HVAC, electrical, sanitary, safety or other utilities and systems of the Building or Premises, and (c) any complete or partial destruction of the Building or any portion thereof, including the Premises, resulting from an identifiable event of a sudden, unexpected or unusual nature (i.e. floods, storms, fires accidents or other casualty); (d) any condemnation, taking, appropriation of the Building or any portion thereof, including the Premises, or (e) any restoration of the Building or any part thereof, including the Premises, due to casualty or condemnation. Nothing in this Section shall exempt Sublessor from liabilities caused by Sublessor's negligence or willful misconduct.

Section 23. Personal Property. All goods, effects, equipment, personal property, business and trade fixtures owned by Sublessee or installed by or on Sublessee's behalf in the Premises (collectively "Sublessee's Property") shall remain the personal property of Sublessee and may be removed by Sublessee at any time, and from time to time, during the Term of this Sublease provided Sublessee shall, in removing any of Sublessee's Property, repair all damage to the Premises, caused by such removal and fully restore the Premises to the condition that existed prior to the installation of such Sublessee's Property, ordinary wear and tear and damage by fire and other casualty excepted. All of Sublessee's Property and the Equipment used or located within the Premises shall be at the sole risk of Sublessee. Sublessor shall not be liable for any accident or damages to property of Sublessee resulting from the use or operation of elevators or of the heating, cooling, electrical, mechanical, hydraulic, plumbing or other building systems or components. Sublessor shall not be liable for damages to property resulting from water, steam or other causes. Sublessee shall pay, prior to delinquency, all taxes assessed against or levied upon its occupancy of the Premises or upon the Sublessee's Property and Equipment used or located within the Premises.

In the event the Facilities Lease and the Sublease term are terminated at the same time, the Tenant Improvements and all alterations, additions, substitutions, fixtures and improvements made and installed in and on the Premises, with the exception of Sublessee's Property shall be and remain part of the Premises, and Sublessee shall not remove such without the written consent of Sublessor. In the event the Sublease shall terminate prior the termination of the Facilities Lease and if Sublessor remains a tenant in possession under the Facilities Lease, the Tenant Improvements and all alterations, additions, substitutions, fixtures and improvements made and installed on the Premises, with the exception of Sublessee's Property shall be and remain Sublessor's property and Sublessee shall not remove such property without the written consent of the Sublessor.

Section 24. Liability Relating to Sublessee's Operations. Sublessor assumes no liability or responsibility whatsoever with respect to the conduct and operation of the business to be conducted in the Premises. Sublessor shall not be liable for any accident or injury to any person(s) or property in or about the Premises which are caused by the conduct and operation of that business or by virtue of equipment or property of Sublessee in the Premises. The foregoing does not exculpate Sublessor from its gross negligence or willful misconduct.

Section 25. Events of Default/Remedies upon Default.

- (a) **Sublessee Default.** Each of the following shall be deemed an event of default by Sublessee under this Sublease:
- (i) failure by Sublessee to make any payment of Rent to Sublessor and such nonpayment continues for ten (10) days or more after written notice to Sublessee that the same is due and payable;
 - (ii) failure by Sublessee to make any other payment or perform or observe any other obligation or condition to be performed or observed by Sublessee under this Sublease and failure by Sublessee to correct such default within 30 days after Sublessor gives Sublessee notice of the default, if because of the nature of such default it cannot be corrected within such 30-day period, failure by Sublessee to commence correction within such 30-day period and thereafter to expeditiously and continuously prosecute the correction to completion;
 - (iii) except as permitted under Section 29, assignment or sublease of any interest or rights of Sublessee under this Sublease; or
 - (iv) the filing, execution or occurrence of any one or more of the following:
 - (A) petition in bankruptcy by or against Sublessee;
 - (B) petition or answer against Sublessee seeking a reorganization, arrangement, composition, readjustment, liquidation, dissolution, or relief relating thereto, under any provision of the Bankruptcy Act or any statute of like tenor or effect;
 - (C) adjudication of Sublessee as a bankrupt or insolvent;
 - (D) assignment for benefit of creditors of Sublessee, whether by trust, mortgage, or otherwise, or the execution of a composition agreement with Sublessee's creditors;
 - (E) petition or other proceeding by or against Sublessee for the appointment of a trustee, receiver, guardian, conservator, or liquidator of Sublessee, with respect to all or substantially all of Sublessee's property;
 - (F) petition or other proceeding by or against Sublessee resulting in the dissolution or termination of existence of Sublessee; or

- (G) the creation of a lien upon Sublessee's leasehold interest under this Sublease, or any part thereof or any property of Sublessee materially affecting or used in connection with Sublessee's business located therein upon execution, attachment, or other process of law or equity.

Immediately upon the occurrence of any event of default or at any time thereafter, unless that event of default has been cured with the written consent of Sublessor or expressly waived by Sublessor in writing, Sublessor may at its option elect either to: (a) continue this Sublease in full force and effect notwithstanding the occurrence of such event of default; (b) terminate this Sublease; or (c) continue this Sublease and immediately re-enter and repossess (with or without a court order) the Premises and recover from Sublessee an amount equal to: (i) all unpaid Rent accruing hereunder prior to Sublessor's actual recovery of possession of the Premises, (ii) all other unpaid amounts which were to have been paid by Sublessee to anyone hereunder prior to Sublessor's actual recovery of possession of the Premises, (iii) Sublessor's damages for Sublessee's breach of this Sublease, and (iv) late charges, if any, due and unpaid under the following paragraph. In connection with (iii), above, Sublessor shall use reasonable efforts to mitigate its damages relating to lost rent during the remainder of what would otherwise have been the Term of this Sublease. Until such time as Sublessor expressly elects to terminate this Sublease as permitted under this section, this Sublease shall continue in full force and effect notwithstanding the occurrence of such event of default. In the event Sublessor elects to so terminate this Sublease, Sublessee thereupon shall be deemed to have assigned and transferred to Sublessor all deposits made with public utilities.

If Sublessee fails to pay any Rent on or before the fifth day after any such payment becomes due and payable, Sublessor shall provide written notice to Sublessee of such failure. If Sublessee thereafter fails to pay such overdue Rent within ten (10) days after such written notice from Sublessor, Sublessee shall pay to Sublessor a late charge of 5% of the amount of such overdue payment. In addition, any Rent not paid when due shall bear interest at the lesser of 18%, per annum, or the maximum rate allowed by law, until paid. Acceptance of the foregoing sums shall not constitute a waiver of any event of default. Upon Sublessor's receipt of any check from Sublessee which is dishonored for payment, Sublessor shall have the right to require Sublessee to make all future payments due to Sublessor hereunder by cash, certified or cashier's check. Notwithstanding the foregoing, Sublessor and Sublessee may reach an agreement to resolve late payments of Rent without Sublessor exercising its rights under this section and without Sublessor waiving its right to invoke such rights under this section at any time.

- (b) **Sublessor's Default.** In the event of a default by Sublessor in the prompt and full performance of any provision of this Sublease or the Facilities Lease, and failure by Sublessor to cure such default within 30 days after written demand by Sublessee that the default be cured (unless Sublessor commences to cure such default within 30 days and pursues such curing activities diligently to completion for defaults which cannot be cured within 30 days), or such shorter time if required under the terms of the Facilities Lease, in addition to the other rights which Sublessee may have for money damages against Sublessor, at Sublessee's option, Sublessee may:

- (i) pay any sum necessary to perform any obligation of Sublessor hereunder and deduct the cost thereof from the Rent thereafter to become due; and/or,
- (ii) sue for injunctive relief, specific performance of this Sublease, and/or damages, as the case may be.

The provisions of this section shall be cumulative in nature and nothing contained in this section shall in any manner impair or otherwise affect adversely any right, recourse, or remedy which otherwise would be available to Sublessor or Sublessee at law or in equity.

Section 26. Right to Cure Defaults. If Sublessee fails to perform and observe all obligations and conditions to be performed and observed by it under this Sublease, then Sublessor may, but shall not be obligated to, cause the performance and observance of such obligations or conditions, and all costs and expenses incurred by Sublessor in connection therewith, shall thereupon be due and payable immediately from Sublessee to Sublessor, with interest thereon from the time such costs and expenses were paid by Sublessor until Sublessor is reimbursed in full by Sublessee at a rate equal to the interest rate described in Section 24 above, which shall be deemed Additional Rent to be paid by Sublessee to Sublessor.

Section 27. Cumulative Rights and Remedies. Each right or remedy of Sublessor and Sublessee under this Sublease or now or hereafter available to Sublessor and Sublessee by statute, at law, in equity, or otherwise shall be cumulative and concurrent and shall be in addition to every other such right or remedy, and neither the existence, availability, nor exercise of any one or more of such rights or remedies shall preclude or otherwise affect the simultaneous or later exercise by Sublessor or Sublessee of any or all such other rights or remedies.

Section 28. Holding Over. If Sublessee retains possession of the Premises or any part thereof after the expiration of the Term of this Sublease, and if the Sublessor remains in possession of the Premises under the Facilities Lease, Sublessee shall pay to Sublessor Base Rent in an amount equal to 125% of the monthly rate in effect immediately prior to the termination of the Term from the time Sublessee remains in possession. Sublessee shall also pay Additional Rent as required under Section 6, above. The provisions of this section do not exclude Sublessor's rights of re-entry or any other right provided under this Sublease or available at law or in equity. No such holding over shall be deemed to constitute a renewal or extension of the Term hereof; however, all other provisions of this Sublease, including the payment of Additional Rent, shall remain in full force and effect.

Section 29. Assignment and Subletting. Sublessee shall not assign, convey, mortgage, pledge, encumber or otherwise transfer this Sublease or any interest therein, sublet the Premises or any part thereof, or permit the use or occupancy of the Premises or any part thereof by anyone other than Sublessee, without the prior written consent of Sublessor. The foregoing notwithstanding, Sublessor shall cooperate in good faith with Sublessee to review and approve the terms of any proposed sublease of the Premises to retail and commercial tenants.

Section 30. Access and Other Rights of Sublessor. Upon reasonable advance 24-hour notice, except in the case of emergency, to Sublessee by Sublessor, Sublessee shall permit Facilities Lessor, Sublessor, their respective agents or employees, or any mortgagee of the Facilities Lessor, pursuant to the Facilities Lease, to enter the Premises at all reasonable times to examine, inspect or protect the Premises; to make such alterations and repairs to the Premises as Facilities Lessor deems necessary; to exhibit the Premises to prospective tenants during the last six months of the Term or following the commencement of any action to evict Sublessee; and to exhibit the Premises to prospective mortgagees, purchasers, brokers at any time during the Term.

In addition to the foregoing, Sublessee acknowledges that Sublessor shall have the right at any time in the event of an emergency to make all inspections, repairs, alterations, additions, and improvements to the Project, including without limitation the Premises, as may be necessary or desirable for the safety, protection, or preservation of the Premises or the Project or Sublessor's interest therein or as may be necessary or desirable for the operation or improvement of the Project.

In connection with this section, Sublessee acknowledges Sublessor shall have the right to maintain a key (along with any key card or access codes) necessary to access the Premises and that Sublessee shall not change the locks or other security access cards or codes to the Premises without providing Sublessor with new keys and/or other access cards or codes necessary to enable Sublessor such access.

Section 31. Hazardous Materials.

- (a) For purposes of this Sublease: (i) "CERCLA" means The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended; (ii) "Hazardous Material" or "Hazardous Materials" means and includes petroleum (including, without limitation, gasoline, crude oil, fuel oil, diesel oil, lubricating oil, sludge, oil refuse, oil mixed with wastes and any other petroleum related products), flammable explosives, radioactive materials, any substance defined or designated as a "hazardous substance" under Sections 101(14) and 102 of CERCLA or any other materials defined or designated as hazardous under any federal, state, or local statute, law, ordinance, code, rule, regulation, order or decree; (iii) "Release" shall have the meaning given such term, or any similar term, in Section 101(22) of CERCLA; and (iv) "Environmental Law" or "Environment Laws" shall mean any "Superfund" or "Super Lien" law or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order or decree, regulating, relating to or imposing liability or standards of conduct concerning any Hazardous Materials as may now or at any time hereafter be in effect and as amended from time to time, including without limitation, the follow (amended or replaced from time to time) and all regulations promulgated thereunder or in connection therewith; CERCLA; the Superfund Amendments and Reauthorization Act of 1986 ("SARA"); The Clean Air Act ("CAA"); The Clean Water Act ("CWA"); The Toxic Substances Control Act

("TSCA"); The Solid Waste Disposal Act ("SWDA"); as amended by the Resource Conservation and Recovery Act ("RCRA"); and the Occupational Safety and Health Act of 1970 ("OSHA").

- (b) Sublessee hereby covenants and agrees that (i) neither it nor its agents, employees or contractors acting within the scope of their agency or employment will use, maintain, generate, store, treat, or dispose of any Hazardous Materials in or on the Premises in violation of applicable Environmental Laws. If at any time during the Term of this Sublease it is determined that there are any Hazardous Materials located in, on, under, around or above the Premises which are introduced to the Premises by Sublessee or any of its agents or its employees which is required to be abated, removed or otherwise remediated in accordance with all applicable Environmental Laws, Sublessee shall commence with diligence and within 30 days after receipt of notice of the presence of the Hazardous Materials requiring remediation and shall continue to diligently take all appropriate action, at Sublessee's sole expense, to comply with all such Environmental Laws. Failure of Sublessee to comply with all Environment Laws shall constitute a default under this Sublease.

Section 32. Signage; Parking.

- (a). Sublessee shall obtain Sublessor's consent to all signage prior to its installation, which consent shall not be unreasonably conditioned, delayed, or withheld. Sublessor and Sublessee agree to work together with Facilities Lessor to create signage plans for Sublessee's signage to be approved by Facilities Lessor and Sublessor. This Section 32(a) does not apply to the media wall attached to the upper floors of the Project, but nothing in this Section 32(a) prohibits Sublessor and Sublessee from entering into a separate agreement for any use of the media wall by Sublessee.
- (b) Visitors to the Premises will be able to access University parking resources in the Project (or in the existing garage connected to the Project), subject to the University's Vehicle, Parking and Permit Regulations on generally the same terms as other visitors to University's campus.
- (c) Sublessor and Sublessee acknowledge and agree to that Sublessee may desire a certain number of dedicated or reserved parking spaces in the Project during the Term of this Sublease. Sublessor and Sublessee will enter into a separate agreement to delineate number and compensation for these dedicated parking spaces.

Section 33. Notices. All notices and other communications required or desired to be given to either party under this Sublease shall be in writing and shall be deemed given when delivered personally, telecopied (which is confirmed electronically) to that party at the telecopy number for that party set forth below, three days after having been mailed by certified mail (return receipt requested) to that party at the address for that party (or at such other address for such party as shall have specified in a notice to the other party), or one day after having been delivered by Federal Express, UPS, or any similar nationally-recognized express delivery service for overnight delivery to that party at that address:

If to Sublessee:

Signet KY Retail, LLC
19 North High Street
Akron, Ohio 44308
Attn: Jason Perry

With a copy to:

Brennan, Manna & Diamond, LLC
75 E. Market Street
Akron, Ohio 44308
Attn: Lee Walko

If to Sublessor:

University of Kentucky
Office of Legal Counsel
301 Main Building
Lexington , Kentucky 40506-0032
Attn: Finance & Administration Group

With a copy to:

UK Real Estate Services
1500 Bull Lea Rd., Suite 106
Lexington, Kentucky 40511

Section 34. Survival of Obligations. No termination of this Sublease and no repossession of the Premises or any part thereof shall relieve Sublessee of its liabilities or obligations hereunder, all of which shall survive such termination or repossession.

Section 35. Memorandum of Sublease. This Sublease shall not be recorded; however, at the request of either Sublessor or Sublessee, the other party shall execute, acknowledge, and deliver a memorandum of Sublease (which would exclude all economic terms of this Sublease) for purposes of giving public notice of the rights and obligations of Sublessor and Sublessee under this Sublease.

Section 36. Non-Waiver. No failure by Sublessor or Sublessee to exercise any option hereunder or to enforce its rights or seek its remedies upon any default, and no acceptance by Sublessor of any rent accruing before or after any default, shall effect or constitute a waiver of Sublessor's or Sublessee's rights to exercise that option, enforce that right, or seek that remedy with respect to that default or any prior or subsequent default.

Section 37. No Third Party Benefit. This Sublease is intended for the benefit of Sublessor and Sublessee and, except as otherwise provided in this Sublease, their respective successors and assigns, and nothing contained in this Sublease shall be construed as creating any rights or benefits in or to any third party.

Section 38. Severability. The intention of the parties to this Sublease is to comply fully with all laws governing leases and this Sublease shall be construed consistently with all such laws to the extent possible. If and to the extent that any court of competent jurisdiction is unable to so construe part or all of any provision of this Sublease, and holds that part or all of that provision to be invalid, such invalidity shall not affect the balance of that provision or the remaining provisions of this Sublease, which shall remain in full force and effect.

Section 39. Governing Law; Venue. This Sublease has been negotiated and executed in the Commonwealth of Kentucky and relates to Winslow Site located in the Commonwealth of Kentucky. All questions concerning the validity or intention of this Sublease shall be resolved under the laws of the Commonwealth of Kentucky.

Section 40. Exhibits. All exhibits attached to this Sublease are incorporated herein by reference.

Section 41. Complete Agreement. This document contains the entire sublease between the parties and supersedes any prior discussions, representations, warranties, or agreements between them respecting the subject matter. No changes, alterations, modifications, additions, or qualifications to this Sublease shall be made or be binding unless made in writing and signed by each of the parties.

Section 42. Counterparts. This Sublease may be executed in several counterparts and each executed counterpart shall be considered an original of this Sublease.

Section 43. Genders and Numbers. When the context permits, each pronoun used in this Sublease includes pronouns of the same person in other genders or numbers and each noun used in this Sublease includes the same noun in different numbers.

Section 44. Time of the Essence. The time for payment of Rent and all other amounts to be paid by Sublessee under this Sublease and for performance and observance of all other obligations and conditions to be performed or observed by Sublessee under this Sublease shall be of the essence of this agreement.

Section 45. Captions. The captions at the beginning of the sections of this Sublease are not part of the context of this agreement, but are merely labels to assist in locating those sections, and shall be ignored in construing this Sublease.

Section 46. Successor in Interest. Except as otherwise provided in this Sublease, all provisions of this agreement shall be binding upon, inure to the benefit of, and be enforceable by and against the respective heirs, personal representatives, successors, and assigns of each party to this Sublease.

Section 47. Authority. Sublessee warrants that Sublessee has fully approved and authorized the execution and delivery of this Sublease by Sublessee and its delivery upon Sublessor and that no further action is required by Sublessee prior to entering into this Sublease.

Section 48. Utilities. Sublessee shall pay all charges for utilities (including gas, electric, water and telephone) and janitorial services (including pest control) furnished to the Premises. The Parties agree that such utility costs shall be an operating expense for the Premises, to be deducted from Gross Rental Receipts when determining Sublessee's Additional Rent obligations.

Section 49. Property Taxes and Assessments. Sublessee shall be directly responsible for all taxes, assessments and special assessments, general or special, ordinary or extraordinary, including without limitation, municipal, school, county, open space taxes and business improvement and special improvement district assessments, levied, assessed or imposed at any time by any governmental authority upon or against the Premises. The Parties agree that such taxes and assessments shall be an operating expense for the Premises, to be deducted from Gross Rental Receipts when determining Sublessee's Additional Rent obligations.

Section 50. No Guarantee. Notwithstanding anything herein to the contrary, nothing contained in this Sublease shall be construed as a guarantee by Sublessor of any of Facilities Lessor's obligations, covenants, warranties, agreements or undertakings under the Facilities Lease, nor is Sublessor undertaking Facilities Lessor's obligations, warranties and covenants under the Facilities Lease.

Section 51. Ground Lease and Facilities Lease.

- A. This Sublease and is subject to all of the terms of the Ground Lease and the Facilities Lease (collectively, the "Senior Leases") with the same force and effect as if fully set forth herein at length. Sublessee acknowledges that it has read and is familiar with the terms of the Senior Leases and agrees that this Sublease is subordinate and subject to the Senior Leases. The foregoing notwithstanding, the Sublessor agrees that, except as provided in Sections 17 and 18 hereof, Sublessor's termination of the Senior Leases shall not terminate this Sublease prior to the end of its Term without Sublessee's written consent.
- B. Sublessee covenants and agrees that Sublessee shall not do or suffer or permit anything to be done which would constitute a default under the Senior Leases or would cause the Senior Leases to be canceled, terminated or forfeited by virtue of any rights of cancellation, termination or forfeiture reserved or vested in Landlord under the Senior Leases.

Section 52. Capitalized Terms. Any capitalized or other term contained in this Sublease and not specifically otherwise defined herein shall have the same definition and meaning set forth in the Facilities Lease.

[SIGNATURE PAGE TO FOLLOW]

SUBLESSOR:

UNIVERSITY OF KENTUCKY
as Facilities Lessor

By: _____
Dr. Eric N. Monday
Executive Vice President for Finance and
Administration

SUBLESSEE:

SIGNET KY Retail, LLC

By: _____

Title: _____

STATE OF _____)
) SS
COUNTY OF _____)

On this ____ day of _____, 2019, before me, a Notary Public in and for said County, personally appeared _____, manager of Signet KY Retail, LLC, and acknowledged the execution of the instrument to be his/her voluntary act and deed and the voluntary act and deed of said company.

Notary Public

My Commission Expires: _____

COMMONWEALTH OF KENTUCKY)
) SS
COUNTY OF _____)

On this ____ day of _____, 2019, before me, a Notary Public in and for said County, personally appeared Dr. Eric N. Monday, known to me to be the Executive Vice President for Finance and Administration of the University of Kentucky, and acknowledged the execution of the instrument to be his voluntary act and deed and the voluntary act and deed of the University of Kentucky.

Notary Public

My Commission Expires: _____

EXHIBIT A
Floor Plan

(Still under development)

EXHIBIT B
Facilities Lease

EXHIBIT C
Ground Lease

Exhibit D
Confirmation of Commencement Date

CONFIRMATION AGREEMENT

THIS AGREEMENT ("Agreement") is entered into on _____, 201__, by and between Commonwealth of Kentucky, for the use and benefit of the University of Kentucky, acting by and through the Board of Trustees of the University of Kentucky ("Sublessor") and Signet KY Retail, LLC, an Ohio limited liability company ("Sublessee").

1. On _____, 201__, Sublessor and Sublessee entered into a Sublease (the "Sublease") covering certain premises located at the Winslow Site (the "Premises"), more particularly described in the Sublease.

2. In accordance with the Sublease, Sublessor and Sublessee are executing, acknowledging, and delivering this Agreement for the purpose of specifying the commencement and termination dates of the initial term of the Sublease.

3. The "Commencement Date" under the Sublease is _____, 201__ and the Term shall terminate on _____, 20__ at 12:00 midnight, unless extended in accordance with the terms of the Sublease.

IN WITNESS WHEREOF, Sublessor and Sublessee have executed two (2) originals hereof on the above date.

SUBLESSOR:

UNIVERSITY OF KENTUCKY

By: _____
Dr. Eric N. Monday
Executive Vice President for Finance and
Administration

SUBLESSEE:

SIGNET KY Retail, LLC

By: _____

Title: _____

EXHIBIT E Prohibited Uses

Without the prior written consent of the University, in its sole discretion, no portion of the Property shall be used for:

- Overnight public accommodation
- Community outreach organizations primarily serving non university individuals with previous criminal convictions and or mental health concerns
- Retail operation as would be in violation of local business zoning standards in and adjacent to residential spaces and living quarters.
- Public policy advocacy organizations
- Political parties or campaign operations
- Pawn shops
- Nude or semi-nude dance halls; adult bookstores; or retail operations principally featuring sexually explicit materials or services for purchase
- No head shop or drug paraphernalia sales operations
- Package liquor sales or sales by the drink when this is the primary source of revenue
- Tobacco, vapor, e-cigarette, or hookah sales or use operations
- Religious bookstores and or specific faith advocacy operations or any operation that may reasonably be viewed as a cult in nature
- Illegal operations or use
- Gambling operations including but not limited to; slots; card games of chance; off track horse race betting parlors or bingo
- Video and/or digital computer gaming retail sales or retail operations that feature adult restricted games and/or what would be reasonably perceived as excessively or gratuitously violent and/or sexual games.
- Retail operation that principally retails or wholesales non-medicinal ingestible materials (liquids, pills; supplements and stimulants) that can be reasonably considered to carry health risks due to usage
- Health care clinical services or associated facilities
- “sub leases” to entities or operations specifically excluded under this listing or other terms of the ground lease
- Educational materials sales which would violate student or faculty ethical standards of the university
- Sales of products governed by vendor agreements, for example, bookstores • Retail operations that are principally designed to encourage acquisition of credit cards or promote other credit applications
- Night club, dance hall or similar place of recreation or amusement
- Business whose major source of business is derived from the cashing of checks or making loans
- Textbook retail or wholesale store
- Tattoo shop
- Car wash or automotive repair

- Outdoor storage or display, except temporary and related to a permitted use
- Construction yard except incidental to repair, restoration or construction of improvement on the property
- Employment agency for day labor
- Helistop or heliport
- Manufacturing, fabrication, and assembly of non-biotechnology finished products or subassemblies, except incidental to office and retail use (such as assembly of office cubicles)
- • Mortuary or cremation
- Newspaper or magazine printing, except editorial and administrative offices or retail copying and printing services
- Dependent care center
- Public baths
- Blood bank and blood plasma center
- Second-hand/used merchandise sales
- Self-service laundry
- Public storage garages or facilities
- Dry cleaning laundry services
- Any use which directly competes with the University's existing retail or commercial enterprises

EXHIBIT E:
Project Timeline
(Subject to change)

Exhibit E

UK Winslow Mixed-Use Parking Project

Project Timeline

MILESTONE	START DATE	END DATE
Building Demolition & Abatement	20-Mar-19	30-Apr-19
GMP Pricing	1-May-19	3-Jun-19
GMP Review and Approval	3-Jun-19	7-Jun-19
Sanitary Line Replacement	3-May-19	15-Jul-19
Relocate Overhead Utilities	3-Jun-19	15-Jul-19
UK Review - DD Level 100% Documents	1-May-19	16-May-19
UK Review - CD Level 75% Documents	10-Jun-19	14-Jun-19
UK Review - CD Level 100% Documents	2-Jul-19	9-Jul-19
Mobilization	1-Jul-19	15-Jul-19
Site Preparation	15-Jul-19	26-Jul-19
Foundations	29-Jul-19	26-Dec-19
Elevated Slab Structures	12-Aug-19	10-Apr-20
Innovation Space Design Complete		3-Apr-20
Exterior Façade	7-Feb-20	14-May-20
Innovation Space Buildout Bid & Award	3-Apr-20	14-May-20
Building Finishes & Hardscape	16-Mar-20	1-Jun-20
Punchlist / Turnover	1-Jun-20	1-Jul-20
<i>Onboarding & Contingency/Owner Move in</i>	<i>1-Jul-20</i>	<i>31-Jul-20</i>
PROJECT DELIVERY/SUBSTANTIAL COMPLETION		1-Aug-20
<i>UK Innovation Space Buildout</i>	<i>1-May-20</i>	<i>1-Sep-20</i>

Exhibit F:

Form of Budget Update

(Still under development)

EXHIBIT G:

Preliminary Site Plans

(Subject to Change)

Utility MH
T.R. 954.13
BOT 946.43
Top of Wire
951.13

WINSLOW STREET

SOUTH UPPER STREET

RETAIL

GARAGE EXPANSION

SOUTH LIMESTONE

EXISTING GARAGE

SCALE IN FEET

0 5 10 40

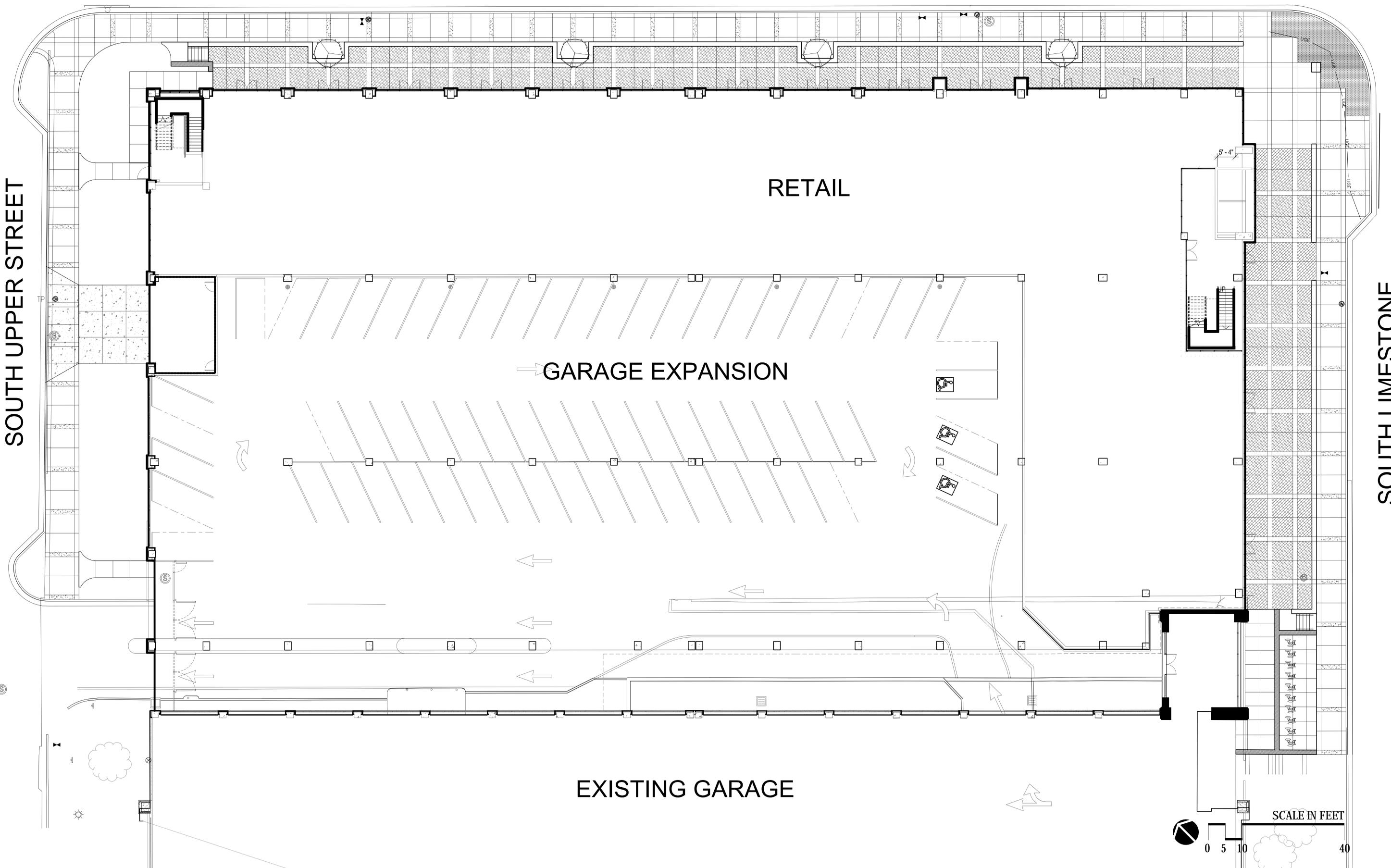


Exhibit H:
Staging Areas & Site Mobilization Plan
(Still under development)

4810-4871-3869, v. 6