



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

May 9, 2024

Senator Rick Girdler, Co-Chair  
Representative Deanna Frazier Gordon, Co-Chair  
Capital Projects and Bond Oversight Committee  
Capital Annex Building – Room 136  
702 Capitol Avenue  
Frankfort, Kentucky 40601

107 Main Building  
Lexington, KY 40506-0032  
P: 859-257-1841  
F: 859-323-5650  
www.uky.edu

Dear Senator Girdler and Representative Frazier Gordon 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, Construct/Improve Student Housing Capital Project, which is authorized in the 2024-2026 Executive Branch Budget Bill, House Bill 6.

The Phase IV Student Housing Project will include the construction of a four-story residence hall on the site of the previously demolished Kirwan Blanding Complex. Phase IV will be the continuation of an initiative to expand and improve campus housing that started in 2011. Over the past thirteen years through the partnership with Greystar (formerly EdR), the University has improved/added more than 6800 beds across fourteen new residence halls. With Phase IV we are excited to continue that partnership and extend the number of new/improved beds on campus to approximately 7500. Since this continues our existing partnership awarded through RFP UK-1122-12 in 2011, we did not request proposals for this project.

Undergraduate students perform better when they live on campus for at least their first year - in terms of grade point average, graduation and retention rates, student involvement and a sense of connectedness with the campus and other people. In addition to record enrollment of nearly 34,000 students, demand for living on UK's campus is at an all-time high. While there is no requirement for undergraduate students to live on campus, about 85 percent of the first-year students choose to live in the residence halls as well as an increasing number of returning students. The public-private partnership (P3) strategy continues to be appropriate given its success and the University's desire to continue to expand its housing stock quickly.

A summary of the Phase IV Student Housing Project follows:

- Lease one site on south campus (former Kirwan/Blanding Complex) to a subsidiary of Greystar Real Estate Partners, LLC (parent of Greystar Student Housing Growth and Income OP, LLC f/k/a Education Realty Operating Partnership, LP (EdR)) for development and management of a new student-housing facility
- The new student housing facility will include approximately 650 beds, dedicated study rooms, multi-purpose social spaces, laundry rooms, kitchens, administrative spaces for both Residence Life staff and Greystar staff
- University must approve all plans and specifications of the facility

see blue.

An Equal Opportunity University

- Greystar will be responsible for all costs of construction and fit up of the facility (100% equity funded), estimated to be \$81 million
- Scheduled completion of the new facility is July 2026, in time for occupancy for the 2026-2027 Academic Year
- The term of the Lease will be 75 years, provided the University will have options to terminate the Lease early at various intervals upon payment of an early termination fee to be determined by third party appraisal
- Greystar, at its sole cost, will be required to maintain the facility in first class condition at all times, budgeting funds and making specific allocations for short and long term repairs, replacements and capital improvements in accordance with a schedule reviewed and updated periodically in collaboration with the University
- Greystar, at its sole cost, will manage and operate the facility
- University will receive annual lease income of approximately 7.25% of total gross revenue generated from the facility, and when applicable in any year, 25% of the net revenues over and above certain thresholds
- Initial student rental rates will be 105% of existing rates, and rate increases will be limited to the greater of (i) 4% percent; (ii) rate of increase in student rental rates of the premium university-owned housing for the corresponding academic year; or (iii) Student Resident Rent Consumer Price Index percentage increase
- Greystar shall not mortgage, pledge, or encumber the facilities or property
- Greystar must comply with the University's existing vendor contracts
- University will provide residence life programming, including resident advisors and a resident hall director
- University may audit Greystar's financial records

The University includes the following for your information and consideration:

- The University's Board of Trustees' approval, (FCR 22), at its December 2023 meeting for the negotiation of the project in an amount not to exceed \$81,000,000 including attached exhibits
- The signed and executed Pre-Development MOU and Amended Pre-Development MOU between the University and Greystar LLC including attached exhibits
- Renderings of the Phase IV Student Housing Project
- The Ground Lease between the University and Greystar including attached exhibits
- The Affiliation Agreement between the University and Greystar including attached exhibits
- The Guarantee Agreement between the University Greystar Real Estate Partners, LLC

Elizabeth Baker and Jennifer Fraker will attend the May 23, 2024 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

## **Construct/Improve Student Housing Capital Project for the University of Kentucky Using a P3 Method of Delivery**

### **Project Summary:**

This project will be Phase IV of the University's initiative to expand and improve campus housing that started in 2011. Over the past thirteen years through our partnership with Greystar, (formerly EdR), the University has improved/added more than 6800 beds across fourteen new residence halls. As the University continues to experience record enrollment, demand for living on the University's campus is at an all-time high. The public-private partnership continues to be appropriate given its success and the University's desire to continue to expand its housing stock quickly. This project will include construction of a four-story residence hall on the site of the previously demolished Kirwan Blanding Complex and extend the number of new/improved beds on campus to approximately 7500. The new facility will include approximately 650 beds, dedicated study rooms, multi-purpose social spaces, laundry rooms, kitchens, and administrative spaces for both Residence Life staff and Greystar staff. The University must approve all plans and specifications of the facility. Greystar is responsible for all costs of construction and fit up of the facility (100% equity funded) which is estimated to total \$81 million. Scheduled completion of the new facility is July 2026, in time for occupancy for the 2026-27 Academic Year.

### **Project Finance/Roles Structure:**

Greystar, at its sole cost, will be required to always maintain the facility in first class condition, budgeting funds and making specific allocations for short- and long-term repairs, replacements and capital improvements pursuant to a schedule that is reviewed and updated periodically in collaboration with the University. Greystar, at its sole cost, will manage and operate the facility. The University will receive annual lease income of approximately 7.25% of total gross revenue generated from the facility, and when applicable in any year, 25% of the net revenues over and above certain thresholds. Initial student rental rates will be 105% of existing rates, and rate increases will be limited to the greater of (i) 4%; (ii) rate of increase in student rental rates of the premium university-owned housing for the corresponding academic year; or (iii) Student Resident Rent Consumer Price Index percentage increase. Greystar may not mortgage, pledge, or encumber the facilities or property. Using its share of the revenue, the University will provide residence life programming, including resident advisors and a resident hall director.

# FCR 22

Office of the President  
December 5, 2023

Members, Board of Trustees:

## CONSTRUCT/IMPROVE STUDENT HOUSING CAPITAL PROJECT

Recommendation: that the Board of Trustees support and approve the pursuit of legislative authority from the Commonwealth of Kentucky for the Construct/Improve Student Housing capital project and authorize the President, or his designee, to negotiate and enter into a pre-development agreement and a long-term lease with Greystar Real Estate Partners, LLC (formerly Education Realty Trust, Inc. (EdR)) or one of its affiliates for purposes of development and management of Phase IV of the student housing project.

Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated cost of \$1,000,000 or more must be approved by the Board prior to initiation.

### Authorization of Lease for Phase IV Student Housing

In 2011, the average age of the university's residence halls was 44 years. In October 2011, the Board of Trustees identified the need to expand and improve student housing facilities as a strategic priority based on data that showed increasing student dissatisfaction with both housing and dining. A Request for Proposal was subsequently issued seeking developers with the capacity and interest in partnering with the university to complete a long-term housing plan. On December 13, 2011, the university announced that it would negotiate with EdR (now Greystar), a third-party developer, to improve, expand and potentially manage student housing.

A summary of the existing leases with Greystar by phase follows:

<b>Project Phase</b>	<b>Development Cost</b>	<b>Number of Beds</b>	<b>Board Approval</b>	<b>Online</b>
Phase I	\$ 25,200,138	601	February 2012	August 2013
Phase II-A	138,026,392	2,381	See Below <sup>1</sup>	August 2014
Phase II-B	101,172,427	1,610	May 2013	August 2015
The Study/Coffee Shop	3,000,000	n/a	December 2013	August 2014
Phase II-C	83,910,979	1,141	January 2014	August 2016
Creative Arts LLP Space <sup>2</sup>	2,200,000	n/a	May 2015	August 2016
Phase III-A	74,037,607	771	June 2015	August 2017
Phase III-B	37,132,174	346	February 2016	August 2017
Creative Arts LLP Space <sup>2</sup>	819,500	n/a	February 2016	August 2017
<b>Total</b>	<b>\$465,499,217</b>	<b>6,850</b>		

Greystar is a leading, fully integrated real estate company offering expertise in investment management, development, and management of rental housing properties. Headquartered in Charleston, South Carolina, Greystar manages and operates over \$221 billion of real estate in 224 markets globally including offices throughout North America, Europe, South America, and the Asia-Pacific region. Greystar is the largest operator of apartments in the United States and manages over 768,000 units/beds, including more than 102,000 beds across 87 different university partners.

Undergraduate students perform better when they live on campus for at least their first year - in terms of grade point average, graduation and retention rates, student involvement and a sense of connectedness with the campus and other people. In addition to record enrollment of more than 33,000 students, demand for living on UK's campus is at an all-time high. While there is no requirement for undergraduate students to live on campus, about 85 percent of the first-year students choose to live in the residence halls as well as an increasing number of returning students.

The public-private partnership (P3) strategy continues to be appropriate given the university's desire to continue to expand its housing stock quickly while reserving debt capacity for other capital projects. With a preliminary development scope of \$81,000,000, Phase IV includes one facility on the south side of campus with a currently preferred location at the former site of the Kirwan/Blanding Complex. The four-story building is intended to house undergraduate students and will include approximately 644 beds.

<sup>1</sup> Phase II-A approved October 2012; Phase II-A Amendment approved May 2013.

<sup>2</sup> Creative Arts LLP Space scope change from \$2,200,000 (approved in May 2015) to \$3,019,500 (recommended in February 2016).

Greystar is expected to provide a 100 percent equity investment in this UK student housing project. The university will continue to provide the Residence Life programs. The Phase IV lease will have provisions similar to the existing leases including term, maintenance standards, rental rates parameters, ground lease, and revenue sharing. Any substantive modifications will be reported to the Board. A summary of the anticipated Phase IV lease provisions is provided in Exhibit 2.

Following Board approval and obtaining legislative authorization, an affiliation agreement between the university and Greystar for the Phase IV student housing project is expected to be negotiated and executed. The affiliation agreement will have provisions similar to the existing affiliation agreements. Any substantive modifications will be reported to the Board.

This \$81,000,000 capital project is well within the legislative authorization scope requested from the 2024 Kentucky General Assembly. Pursuant to the university's Debt Policy, the Debt Management Committee supports the proposed recommendation.

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Action taken:  Approved       Disapproved       Other \_\_\_\_\_

# Exhibit 1



Imagery Source: Pictometry (Spring 2022)  
Created by UK Facilities Information Services  
GeospatialRequests@uky.edu  
REV: 20231117



**University of Kentucky and Greystar  
Lease Agreement – Phase IV  
Summary of Anticipated Terms  
December 5, 2023**

1. Lease of one site on south campus (former Kirwan/Blanding Complex) to Greystar Real Estate Partners, LLC (formerly Education Realty Trust, Inc. (EdR)) or one of its affiliates for development and management of a student-housing facility
2. Estimated development cost: \$81 million (100% equity funded by Greystar)
3. University shall approve all plans and specifications
  - a. Occupancy: August 2026
4. A single facility including:
  - a. Approximately 644 beds
  - b. Dedicated study rooms
  - c. Multi-purpose social spaces
  - d. Laundry rooms
  - e. Kitchens
  - f. Administrative spaces for both Residence Life staff and Greystar staff
  - g. Conference room
5. Greystar will seek LEED certification for the facility
6. Term: 75 years
  - a. University shall have the option to terminate the lease upon payment of an early termination fee
7. Room Configurations Unit Type (Approximate)

	<b># Beds</b>
2 bedroom, 1 bath	626
RA, 1 bedroom, 1 bath	16
Resident Director, 2 bedroom, 1 bath apartment	2
<b>Total</b>	<b>644</b>

8. Residential Rental Rate Increases:
  - a. Annual rate increase limited to the greater of:
    - a) Four percent or
    - b) Rate of increase in student rental rates of the premium university-owned housing for the corresponding academic year; or
    - c) Student Resident Rent Consumer Price Index percentage increase



**University of Kentucky and Greystar  
Lease Agreement – Phase IV  
Summary of Anticipated Terms  
December 5, 2023**

9. Greystar Financial Requirements:

- a. Greystar shall not mortgage, pledge, or encumber the facilities or property
- b. Allocate \$225 per bed per year for Repairs and Maintenance plus \$200 per bed per year for Replacement Reserve beginning with the first year. An additional \$350 per bed per year for Long-term Capital Expenditures will commence in year ten; allocations to increase over time by an amount sufficient to ensure the facilities are maintained in a first-class manner

10. UK Financial Requirement:

- a. UK shall provide residence life programming, including resident advisors and resident hall director

11. UK Financial Return:

- a. Annual lease income of 7.25% of total revenue

12. Rights, Risk and Other Requirements:

- a. Greystar assumes construction and operating risks
- b. Greystar must comply with the university's existing vendor contracts
- c. University may audit Greystar's financial records

13. University retains all naming rights

14. Dispute resolution process:

- a. Good faith negotiation
- b. Private mediation
- c. Legal action

15. Operating Responsibilities:

- a. Greystar responsible for maintenance and operation related to the facility, except lawn care and snow removal to be provided by UK
- b. Greystar and UK jointly responsible for insuring facility
- c. Fire, safety, and sewer provided by UK
- d. UK Residence Life will staff the facility with a resident director and resident advisors

**University of Kentucky and Greystar  
Lease Agreement – Phase IV  
Summary of Anticipated Terms  
December 5, 2023**

16. Defaults:

- a. If Greystar defaults, UK has a number of remedies including pursue legal action for damages, specific performance, terminate lease, or require Greystar to market and transfer the lease to a third party
- b. Tenant defaults include failure to pay rent; failure to observe and perform terms; bankruptcy; abandonment; failure to discharge liens; assignment of lease in violation of terms

17. Change of Control and Early Termination Fee requirements for Qualified Assignee and terms of a Permitted Assignment

18. Facility exempt from property tax

19. Students living in all student housing are governed by the Code of Student Conduct

MEMORANDUM OF UNDERSTANDING  
(Phase IV)

THIS MEMORANDUM OF UNDERSTANDING (the “**Memorandum**”) is entered into by and among Greystar Development East, LLC, a Delaware limited liability company (hereinafter referred to as the “**Developer**”) and the University of Kentucky, an agency of the Commonwealth of Kentucky (the “**University**”), effective as of the \_\_\_ day of October, 2023. For purposes of this Memorandum, the Developer and the University are sometimes referred to herein collectively as the “**Parties**” and individually as a “**Party**”.

WITNESSETH

WHEREAS, the University issued a Request for Proposal (“**RFP**”) UK 1122-12, on October 26, 2011, soliciting proposals for a Developer to replace most of the existing 5,145 undergraduate beds and 861 family and graduate apartments in phases (the “**Development**”); and

WHEREAS, pursuant to the RFP, the Developer was selected to negotiate with the University for the Development, construction and management of the overall project.

WHEREAS, pursuant to the RFP, upcoming phases will include mutually acceptable leases for each development location (“**Leases**”) and amendments to that certain Affiliation Agreement entered into between the Parties as of April 16, 2012, as amended by that certain Amended and Restated Affiliation Agreement executed October 18, 2012 effective as of August 1, 2014, that Second Amended and Restated Affiliation Agreement effective August 1, 2014, that Third Amended and Restated Affiliation Agreement effective August 1, 2014, that Fourth Amendment and Restated Affiliation Agreement effective June 30, 2015, that Fifth Amended and Restated Affiliation Agreement dated March 18, 2016, as amended by that certain First Amendment to Fifth Amended and Restated Affiliation Agreement dated July 1, 2016, and as further amended by that certain Second Amendment to Fifth Amended and Restated Affiliation Agreement dated March 1, 2017 (collectively, the “**Affiliation Agreement**”) and such other documents as may be necessary to effectuate the Parties’ agreement;

WHEREAS, the Phase IV site will encompass the property located on the campus of the University at the former site of Kirwan and Blanding towers, adjacent to the 90 to the north, University Flats to the west, Ingels Hall to the south, and Smith and Baldwin Halls to the east, and will be comprised of the development of approximately 644 beds in a single building (and referred to herein as the “**Project**”) which is property located on the campus of the University and generally described or depicted on **Exhibit A** attached hereto (collectively herein, the “**Site**”); and

WHEREAS, the Parties desire Developer to begin certain early due diligence in anticipation of presentation of the Project for initial approvals by University’s Board of Trustees in December 2023.

NOW, THEREFORE, in consideration of the mutual promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Early Work Period - Due Diligence.

(a) Early Work Period. Because the University requires the Project to be available for occupancy in August 2026, the Developer agrees to begin due diligence, design activities, and other associated pre-development work between the effective date of this Agreement and November 30, 2023 (“**Early Work Period**”).

(b) Scope. During the Early Work Period, Developer shall (a) work with the University to develop a site plan, design, and program (“**Project Design**”) and (b) advance a construction and development budget corresponding with the Project Design (“**Project Budget**”) known collectively as (“**Due Diligence Activities**”). This work is further outlined in Exhibit B attached hereto.

(c) Deliverables. On or before November 30<sup>th</sup>, 2023, Developer shall (a) meet with the University to discuss the findings from the Early Work Period and (b) complete and submit to the University due diligence materials that summarize the findings of the Early Work Period, as performed by Developer and the 3<sup>rd</sup> Party Consultants, to support University Board of Trustee meeting presentations, approvals, and all other relevant activities needed to advance the Project.

(d) The Developer shall keep the University informed as to progress of all Due Diligence Activities. The Developer and the University agree to reasonably and timely cooperate with one another in good faith in connection with the Project, the performance of the Due Diligence Activities, and the granting of any required approvals in connection therewith.

2. Entry Upon Site. The University hereby grants the Developer, its agents and employees, and third parties engaged by the Developer to provide Due Diligence Activities during the term of this Memorandum, the right to enter upon the Site for the purpose of conducting Due Diligence Activities upon reasonable prior notice to the University in each instance that such entry is desired.

3. Continued Pre-Development Activities after Early Work Period.

In the event continuation of the Project is approved by the University’s Board of Trustees at its December 2023 meeting, the Parties will meet to amend this Memorandum to add continued pre-development activities and expenditures (“**Pre-Development Activities**” and “**Pre-Development Expenditures**”, respectively). It is anticipated that the future amended Memorandum will include a 50/50 cost share of future Pre-Development Expenditures.

4. Insurance. Developer 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, Disability  
Employer’s Liability

LIMITS

Statutory Requirements (Kentucky)  
\$500,000/\$500,000/\$500,000

Commercial General Liability, including  
operations/ completed operations,  
products, and contractual liability (including

\$1,000,000 per occurrence and a \$2,000,000  
aggregate including, but not limited to,  
coverage for bodily injury, personal injury,

defense and investigation costs) including this contract.	property damage, ongoing and completed operations, products and contractual liability
Business Automobile Liability, covering owned, leased, or non-owned autos	\$1,000,000 combined single limit for bodily injury or property damage
Umbrella	increase to \$25,000,000 the limits of coverage provided by the insurance required
Developer will require Architect's and Engineers maintain Professional Liability/Errors & Omissions coverage	Minimum of \$2,000,000 each occurrence

5. Due Diligence Expenditures.

The Parties agree that the Due Diligence Activities shall be performed directly by the Developer or by third parties engaged by the Developer and that all reasonable third-party costs and expenses as shown in the schedule attached hereto at **Exhibit C** incurred by the Developer or third parties engaged by Developer in connection with the Due Diligence Activities (collectively, the “**Due Diligence Expenses**”) shall be funded by the Developer, subject to the termination reimbursement provisions in Section 7 below. The initial pre-development budget agreed upon by the Parties in accordance with the schedule attached hereto at **Exhibit C** sets forth Developer’s estimation of Due Diligence Expenses. Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that, until the Parties have authorized an increase in the Due Diligence Expenses in writing, neither Party’s obligation for Due Diligence Expenses shall exceed \$627,500 (the “**Early Work Period Maximum Obligation**”). Should additional costs or scope modifications associated with Pre-Development Activities arise during the time in which this Memorandum is applicable, the Parties agree to discuss and review proposed changes to Due Diligence Expenses and/or the scope of Due Diligence Activities. Following the timely review and mutual agreement by the Parties, Developer will issue an updated **Exhibit C** to the University. Any future updates to **Exhibit C** shall override the version attached herein.

6. Ownership of Materials. Upon termination of this Memorandum under terms defined in Section 7, Developer shall, concurrently with payment and repayment of all amounts due Developer under this Memorandum, if any, assign to University all of Developer’s right, title and interest in and to the design documents and the contract documents, including but not limited to, the investigations, samples, reports and other documents or materials prepared by Developer and the third party vendors for the Project (hereinafter “**Project Documents**”). Developer may retain for its records copies of the design documents and contract documents and any documents furnished by the University; provided, however, that in no event shall Developer use, or be permitted to use, any portion or all of such University documents on other projects without University’s prior written authorization.

7. Reimbursement.

(a) In the event that University does not obtain Board of Trustees’ approval to proceed with the Project on or before December 8, 2023, or terminates this Memorandum for any

other reason, then the University shall reimburse Developer an amount equal to the lesser of (A) the Due Diligence Expenses and fees paid or incurred by Developer pursuant to Section 5 of this Memorandum, or (B) the Early Work Period Maximum Obligation stated in Section 5 (collectively, the “**Termination Payment**”). Developer shall provide documentation, satisfactory to the University, for all requested Due Diligence Expenses.

(b) In the event that the University shall be required to make a payment to the Developer pursuant to Section 7(a), such payment shall be made within ninety (90) days after University’s receipt of Developer’s invoice therefore.

(c) Notwithstanding anything set forth herein to the contrary, in no event shall either Party be liable hereunder for (and each Party hereby waives the right to claim or sue for) any indirect, consequential or punitive damages as a result of termination of this Memorandum.

(d) Any amendments to this Memorandum for further Pre-Development Activities or Pre-Development Expenses under Section 3 will include updated terms for reimbursement of Pre-Development Expenses.

8. Term. This Memorandum shall remain in full force and effect until the earlier of

(a) Mutual execution by the Parties of the Ground Lease for the Site and any necessary amendment to the Affiliation Agreement.

(b) Termination of this Memorandum by either Party pursuant to Section 7. Upon termination of this Memorandum, all obligations and liabilities of the Parties by reason of this Memorandum shall cease, except that any obligations or liabilities under Sections 5, 7, and 10 hereof shall survive any termination or expiration of this Memorandum.

9. Assignment. This Memorandum may not be assigned by the Developer or the University without the written consent of the other Party; provided, however, the University consent shall not be required if Developer assigns this Memorandum to an affiliate controlled by Greystar Real Estate Partners, LLC.

10. Representations and Warranties.

(a) The Developer hereby represents and warrants to the University as follows:

(i) The Developer has all requisite power and authority to enter into this Memorandum and consummate the transaction herein contemplated, and by proper action has duly authorized the execution and delivery of this Memorandum and the consummation of the transaction herein contemplated and no permission, approval or consent by third parties or governmental authorities is required in order for the Developer to enter into and consummate this Memorandum;

(ii) This Memorandum is a valid obligation of the Developer and is binding upon and enforceable against the Developer in accordance with its terms; and

(iii) The consummation by the Developer of the transaction contemplated hereby does not, and will not, constitute a violation of any order, rule or regulation of any court or of any federal or state or municipal regulatory body or administrative agency or other governmental body having jurisdiction over the Developer.

(iv) Developer warrants that it has revealed:

a. Any final determination of a violation by Developer within the previous five (5) year period pursuant to KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that apply to the Developer, its contractors or subcontractors; and

b. That it always will be in continuous compliance with the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that apply to the contractor or subcontractor for the duration of this Memorandum.

(v) The Developer's failure to reveal a final determination of a violation as set forth above of KRS Chapters 136, 139, 141, 337, 338, 341, and 342 or to comply with these statutes for the duration of the Memorandum shall be grounds for the University's:

a. Cancellation of this Memorandum; and

b. Disqualification of the Developer from eligibility for future state contracts for a period of two (2) years.

#### 11. Miscellaneous.

(a) This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original. This Memorandum shall be binding upon and shall inure to the benefit of the University and the Developer and their respective successors and assigns. This Memorandum shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky (Commonwealth).

(b) The University hereby covenants with the Developer as follows: (i) in the event that approvals or consents of the University or any governmental authority are required in order for the Project to be properly authorized, the University shall use reasonable effort to obtain such approvals or consents and (ii) the University shall not take any action which would cause a change in the applicable building or development codes which are applicable to the design, development or construction of the Project.

(c) Any notice, request or other communication given or made hereunder ("**Notice**") shall be in writing and sent by any of the Parties or their respective attorneys by any of the following means: (i) by registered or certified mail, return receipt requested, postage prepaid, (ii) by personal delivery, (iii) by recognized overnight delivery service or (iv) by facsimile. Any such Notice shall be addressed to the other Party at the addresses or facsimile numbers set forth below, or to such other address or addresses or facsimile number or numbers for each Party as each Party shall hereafter designate by Notice given to the other Parties pursuant to this Section 11(c):

To Developer:

Greystar Development East, LLC  
999 South Shady Grove, Suite 600  
Memphis, Tennessee 38120  
Attention: Julie Skolnicki  
Telephone: (901) 259-2500  
Facsimile: (901) 259-2594

To University:

University of Kentucky  
322 Peterson Service Building  
Lexington, KY 40506-0005  
Attention: Director of Purchasing  
Telephone: (859) 257-9100  
Facsimile: (859) 257-1951

With a Copy to:

University of Kentucky  
Office of Legal Counsel  
Academics, Finance, Students, and Athletics Group  
301 Main Building  
Lexington, KY 40506  
Telephone: (859) 257-2936  
Facsimile: (859) 323-1062

The language in all parts of this Memorandum shall in all cases be construed as a whole and simply according to its fair meaning and not strictly for nor against any of the Parties, and the construction of this Memorandum and any of its various provisions shall be unaffected by any claims, whether or not justified, that it has been prepared, wholly or in substantial part, by or on behalf of any of the Parties. The Parties do not intend to become, and nothing contained in this Memorandum shall be interpreted to deem that the University and the Developer are, partners or joint venturers in any way or that the Developer is an agent or representative of the University for any purpose or in any manner whatsoever. A male or female person may be referred to in this Memorandum by a neuter or masculine pronoun. The singular includes the plural, and the plural includes the singular. A provision of the Memorandum which prohibits a Party from performing an action shall be construed so as to prohibit the Party from performing the action or from permitting others to perform the action. Except to the extent, if any, to which this Memorandum specifies otherwise, each Party shall be deemed to be required to perform its obligations under this Memorandum at its own expense, and each Party shall be permitted to exercise its rights and privileges only at its own expense. "Including" means "including but not limited to." "Include" means "include but not limited to." "Any" means "any and all." Except to the extent context requires otherwise, "may" means "may but shall not be obligated to." "At any time" means "at any time and from time to time." An expense incurred on behalf of a Party shall be deemed to have been incurred by that Party. An obligation performed on a Party's behalf and pursuant to its request or consent shall be deemed to have been performed by that Party. If a Party is required



not to unreasonably withhold consent or approval, the Party shall also be required not to unreasonably delay consent or approval.

(d) No officer, official, employee, agent or representative of the University shall be personally liable to the Developer or any successor in interest, in the event of any default or breach by the University for any amount which may become due to the Developer or any successor in interest, or on any obligation incurred under the terms of this Memorandum.

(e) Except for the Related Agreements as defined by the Affiliation Agreement, any agreements between the University on the one hand and the Developer on the other hand before the date of this Memorandum and relating to the Project are superseded by this Memorandum. All prior negotiations are merged into this Memorandum. The submission of any unexecuted copy of this Memorandum shall not constitute an offer to be legally bound by the provisions of the document submitted; and no Party shall be bound by this Memorandum until it is executed and delivered by both Parties.

(f) Any titles of the several parts, Articles and Sections of this Memorandum are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions. Any reference to a Section or Article means a Section or Article of this Memorandum, unless otherwise defined.

(g) Nothing in this Memorandum shall be construed to permit anyone other than the University and the Developer and their respective successors and assigns to rely upon the covenants and agreements herein contained nor to give any such third party a cause of action (as a third-party beneficiary or otherwise) on account of any nonperformance hereunder.

(h) For the purposes of any of the provisions of this Memorandum, neither the University nor the Developer shall be considered in breach of or in default of its obligations hereunder in the event of any delay in the performance of such obligations due to causes beyond the control of, and without the fault or negligence of, such Party, including without limitation acts of God, acts of the public enemy, acts of war or terrorism, acts of the federal government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, severe or inclement weather, shortages in labor, supplies or materials, or delays due to such causes; it being the purpose and intent of this Section 11(h) that in the event of the occurrence of any such delay, the time or times for performance of the obligations of the Party suffering such delay hereunder shall be extended for the period of the delay.

(i) Access to Records. The Developer as defined in KRS 45A.030(9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this Memorandum for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The Developer also recognizes that any books, documents, papers, records, or other evidence received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

(j) Compliance with Campaign Finance Law. Developer through its authorized officer hereby swears under penalty of perjury that neither it nor any of its offering employees have violated any provision of the campaign finance laws of the Commonwealth and that the award of a contract to a bidder or offeror will not violate any provision of the campaign finance laws of the Commonwealth. “Knowingly” means, with respect to conduct or to a circumstance described by a statute defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

(k) Compliance with Prevailing Wage. The Parties acknowledge that Prevailing Wage is not required on this project unless required by law.

(l) This Memorandum shall be construed in accordance with the laws of the Commonwealth of Kentucky and venue for any action based upon this Memorandum shall be in the Circuit Court of Franklin County pursuant to KRS 45A.245.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, each of the Parties hereto has executed this Memorandum, either individually or by an authorized representative, effective as of the day and year first set forth above.

DEVELOPER:


GREYSTAR DEVELOPMENT EAST, LLC

By:   
John Roberson

Date: 10/04/23

UNIVERSITY:

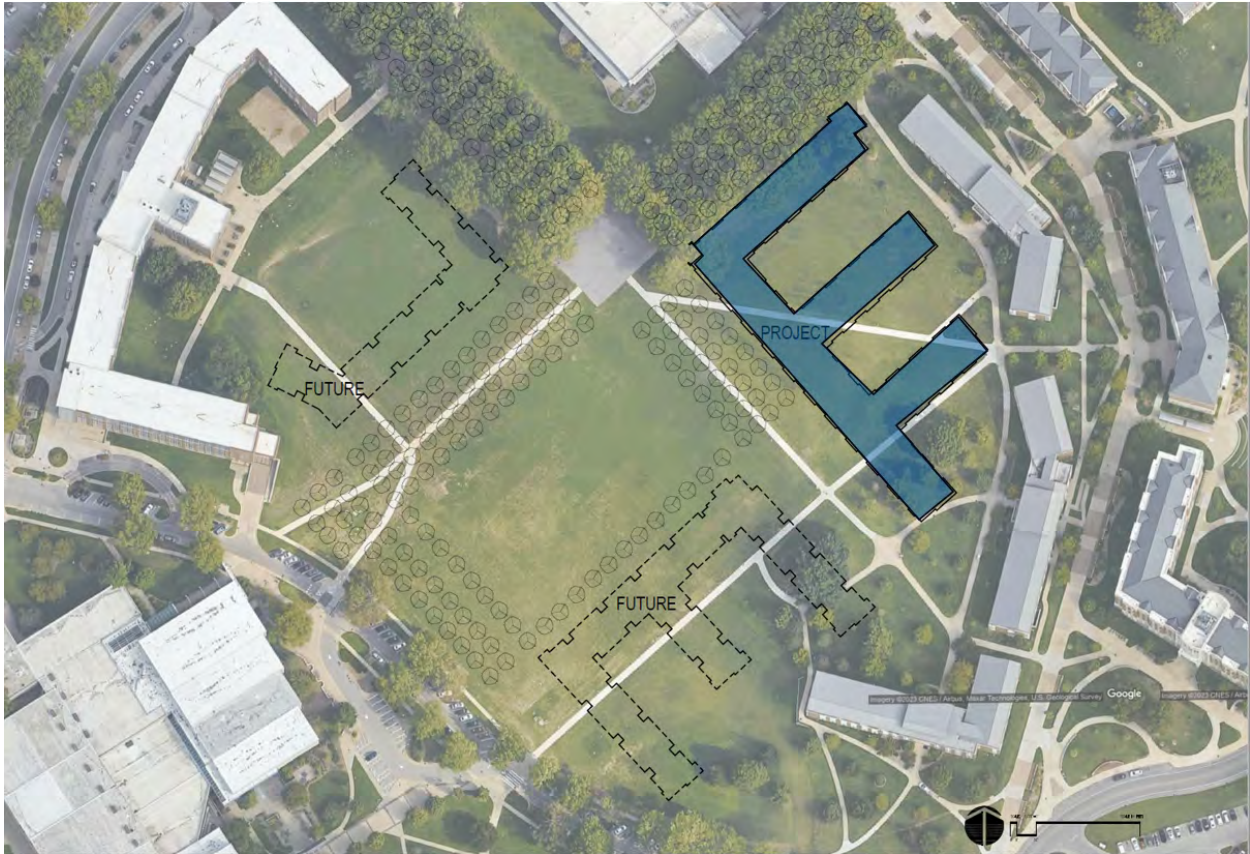
UNIVERSITY OF KENTUCKY

By:   
Name: Eric N. Monday  
Title: VPFA  
Date: 100323

MEMORANDUM OF UNDERSTANDING  
(Phase IV Kirwan-Blanding)

**Exhibit A**

Depiction of Site



MEMORANDUM OF UNDERSTANDING  
(Phase IV Kirwan-Blanding)

Exhibit B

**Due Diligence Activities**

During the Early Work Period, Developer shall perform, or cause to be performed, due diligence activities and studies related to the Project, outlined below, to support the Deliverables.

**Project Design:**

Developer will work with the University, Sherman Carter Barnhart architects, and other consultants identified by the University to identify a mutually acceptable Project Design including the following components:

- Develop site plan
- Outline proposed program including uses and required areas.
- Create project massing including height and density.
- Identify proposed façade materials and design strategy.
- Develop ground floor plan and typical floor plans.
- Develop pro forma unit mix and typical room plans.

**University Support:**

- Attend regular Project Implementation Team (“PIT”) meetings to provide feedback on site plan.
- Provide all existing site survey and topographical information.
- Provide all existing geotechnical and environmental diligence data and reports and provide Developer access to consultants to discuss key parameters.
- Provide site utility infrastructure reports.
- Provide all relevant materials related to the demolition of Kirwan and Blanding towers, including (but not limited to) demolition drawings and site related studies or reports

**Project Budget and Schedule:**

Developer will work to develop a Project Budget and Schedule including the following:

- Developer, in conjunction with Messer Construction (the “GC”) will develop a detailed hard cost budget
- Developer and GC to develop qualification and assumptions for hard cost estimate.
- Developer and GC to develop construction schedule.
- Developer to create comprehensive soft cost budget for design, engineering, and construction of the project with support from consultants.

**University Support:**

- Share any analysis or opinions related to zoning regulations and entitlements.
- Outline expected permitting and entitlement process and overview current status.

- Provide access to land use counsel to support developing a predevelopment schedule and identify any mitigation requirements.

MEMORANDUM OF UNDERSTANDING  
(Phase IV Kirwan-Blanding)

Exhibit C

**Due Diligence Expenses**

Project Milestone	Execute Agreement		Total
	Oct-23	Nov-23	
<b>Month/Year</b>			
<b>Architecture and Design</b>			
Schematic Design	\$150,000	\$150,000	\$300,000
Design Development	\$0	\$150,000	\$150,000
Construction Documents	\$0	\$0	\$0
Landscape Architect	\$0	\$0	\$0
Interior Design	\$0	\$15,000	\$15,000
<b>Due Dilligence</b>			
Geotechnical Report	\$25,000	\$10,000	\$35,000
Phase 1 Enviromental Study	\$10,000	\$10,000	\$20,000
Survey	\$15,000	\$15,000	\$30,000
Permitting	\$0	\$0	\$0
Impact/Tap	\$0	\$0	\$0
Additional Consultants (Low Volt, Waterproofing etc)	\$0	\$0	\$0
Legal and Related	\$10,000	\$10,000	\$20,000
Travel and Overhead	\$3,000	\$4,500	\$7,500
Development Fee	\$25,000	\$25,000	\$50,000
<b>Total Due Diligence Expenses (By Month)</b>	<b>\$238,000</b>	<b>\$389,500</b>	<b>\$627,500</b>
<b>Total Due Diligence Expenses (Cumulative)</b>	<b>\$238,000</b>	<b>\$627,500</b>	
Deferred Development Fee	\$25,000	\$25,000	\$50,000
<b>Total Including Deffered Development Fee (By Month)</b>	<b>\$263,000</b>	<b>\$414,500</b>	<b>\$677,500</b>
<b>Total Including Deffered Development Fee (Cumulative)</b>	<b>\$263,000</b>	<b>\$677,500</b>	

AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING  
(Phase IV Kirwan-Blanding Site)

THIS AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING (the “**Memorandum**”) is entered into by and among Greystar Development East, LLC, a Delaware limited liability company (hereinafter referred to as the “**Developer**” or “**Greystar**”) and the University of Kentucky, an agency of the Commonwealth of Kentucky (the “**University**”), effective as of the \_\_\_ day of January, 2024. For purposes of this Memorandum, the Developer and the University are sometimes referred to herein collectively as the “**Parties**” and individually as a “**Party**”.

WITNESSETH

WHEREAS, the University issued a Request for Proposal (“**RFP**”) UK 1122-12, on October 26, 2011, soliciting proposals for a Developer to replace most of the existing 5,145 undergraduate beds and 861 family and graduate apartments in phases (the “**Development**”); and

WHEREAS, pursuant to the RFP, the Developer was selected to negotiate with the University for the Development, construction and management of the overall project.

WHEREAS, pursuant to the RFP, upcoming phases will include mutually acceptable leases for each development location (“**Leases**”) and amendments to that certain Affiliation Agreement entered into between the Parties as of April 16, 2012, as amended by that certain Amended and Restated Affiliation Agreement executed October 18, 2012 effective as of August 1, 2014, that Second Amended and Restated Affiliation Agreement effective August 1, 2014, that Third Amended and Restated Affiliation Agreement effective August 1, 2014, that Fourth Amendment and Restated Affiliation Agreement effective June 30, 2015, that Fifth Amended and Restated Affiliation Agreement dated March 18, 2016, as amended by that certain First Amendment to Fifth Amended and Restated Affiliation Agreement dated July 1, 2016, and as further amended by that certain Second Amendment to Fifth Amended and Restated Affiliation Agreement dated March 1, 2017 (collectively, the “**Affiliation Agreement**”) and such other documents as may be necessary to effectuate the Parties’ agreement.

WHEREAS, the Phase IV site will encompass the property located on the campus of the University at the former site of Kirwan and Blanding towers, adjacent to the 90 to the north, University Flats to the west, Ingels Hall to the south, and Smith and Baldwin Halls to the east, and will be comprised of the development of approximately 649 beds in a single building (and referred to herein as the “**Project**”) which is property located on the campus of the University and generally described or depicted on Exhibit A attached hereto (collectively herein, the “**Site**”). Additional detail is provided in Exhibit B (the “**Project Narrative**”), attached hereto and incorporated herein.

WHEREAS, on October 9, 2023, the Parties entered into that certain Memorandum of Understanding and now desire to amend and restate that memorandum in its entirety.

NOW, THEREFORE, in consideration of the mutual promises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:



1. Pre-Development Activities. University requires the Project to be available for occupancy by July 15, 2026. The Developer agrees to undertake to perform certain services pursuant to this Memorandum which are necessary to make the Project available for occupancy by such date. Such schedule requires that the following pre-development activities (collectively, the “**Pre-Development Activities**”) be performed by the Developer and/or certain third parties engaged by Developer:

(a) Visits to the Site and attend meetings with representatives of the University.

(b) In consultation with University, select the design, engineering, architectural and other professionals and consultants necessary for the planning, design and engineering of the Project. Enter into contracts with any such professionals and consultants to accomplish the Pre-Development Activities.

(c) In consultation with University, prepare, schematic designs, design development and construction documents including final specifications for the Project (the foregoing drawings, design, specifications and documents are referenced to collectively herein as the “**Plans**”) and preliminary construction pricing and preliminary development analysis related to the Project.,

The Developer shall keep the University informed as to progress of all Pre-Development Activities. The Developer and the University agree to reasonably and timely cooperate with one another in good faith in connection with the Project, the performance of the Pre-Development Activities and the granting of any required approvals in connection therewith.

2. Entry Upon Site. The University hereby grants the Developer, its agents and employees, and third parties engaged by the Developer to provide Pre-Development Activities during the term of this Memorandum, the right to enter upon the Site for the purpose of conducting Pre-Development Activities upon reasonable prior notice to the University in each instance that such entry is desired.

3. Insurance. Developer 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, Disability  
Employer’s Liability

LIMITS

Statutory Requirements (Kentucky)  
\$500,000/\$500,000/\$500,000

Commercial General Liability, including operations/ completed operations, products, and contractual liability (including defense and investigation costs) including this contract.

\$1,000,000 per occurrence and a \$2,000,000 aggregate including, but not limited to, coverage for bodily injury, personal injury, property damage, ongoing and completed operations, products and contractual liability

Business Automobile Liability, covering owned, leased, or non-owned autos	\$1,000,000 combined single limit for bodily injury or property damage
Umbrella	increase to \$25,000,000 the limits of coverage provided by the insurance required
Developer will require Architect's and Engineers maintain Professional Liability/Errors & Omissions coverage	Minimum of \$2,000,000 each occurrence

4. Pre-Development Expenditures. The Parties agree that the Pre-Development Activities shall be performed directly by the Developer or by third parties engaged by the Developer and that all reasonable third-party costs and expenses as shown in the schedule attached hereto at Exhibit C (the "**Pre-Development Budget**") incurred by the Developer or third parties engaged by Developer in connection with the Pre-Development Activities (collectively, the "**Pre-Development Expenses**") shall be initially funded by the Developer but the risks shared equally by the Developer and University. The pre-development budget agreed upon by the Parties in accordance with the schedule attached hereto at Exhibit C sets forth Developer's estimation of the Pre-Development Expenses. Notwithstanding anything herein to the contrary, the Parties acknowledge and agree that, until the Parties have authorized an increase in the Pre-Development Budget, the Developer's obligation for its share of Pre-Development Expenses shall not exceed \$1,247,200 (the "**Developer's Maximum Obligation**"), and the University's maximum reimbursement obligation shall not exceed \$1,247,200 (the "**University's Maximum Obligation**"). Should additional costs or scope modifications associated with Pre-Development Activities arise during the time in which this Memorandum is applicable, the Parties agree to discuss and review proposed changes to Pre-Development Expenses and/or the scope of Pre-Development Activities. Following the timely review and mutual agreement by the Parties, Developer will issue an updated Exhibit C to the University within 30 days. Any future updates to Exhibit C mutually agreed to in this manner shall override the version attached herein.

5. Ownership of Materials. Upon termination of this Memorandum under terms defined in Section 6, Developer shall, concurrently with payment and repayment of all amounts due Developer under this Memorandum, if any, assign to University all of Developer's right, title and interest in and to the design documents and the contract documents, including but not limited to, the investigations, samples, reports and other documents or materials prepared by Developer and the third party vendors for the Project (hereinafter "**Project Documents**"). Developer may retain for its records copies of the design documents and contract documents and any documents furnished by the University; provided, however, that in no event shall Developer use, or be permitted to use, any portion or all of such University documents on other projects without University's prior written authorization.

6. Reimbursement.

(a) In the event that University and Developer mutually execute a Ground Lease for the Site, Developer shall be reimbursed for Pre-Development Expenses advanced by Developer under Section 4 above by drawing from the proceeds from the Project.

(b) In the event that University (i) does not obtain legislative and board (if necessary) approval to proceed with the Project on or before the Outside Closing Date (as defined herein), (ii) fails to complete the site requirements as set forth on **Exhibit D** attached hereto on or before the dates specified in **Exhibit D**, (iii) decides not to proceed with the Project, or (iv) terminates this Memorandum on or before the Outside Closing Date for convenience and does not wish to utilize the Project Documents in any future development, then the University shall reimburse Developer an amount equal to (A) if applicable, the University's share of Pre-Development Expenses advanced by Developer on behalf of the University pursuant to Section 4(a) of this Memorandum, which have not yet been reimbursed to Developer, plus (B) the lesser of (1) the Developer's share of Pre-Development Expenses paid by Developer pursuant to Section 4(a) of this Memorandum, or (2) the Developer's Maximum Obligation (collectively, the "**Termination Payment**"). Developer shall provide documentation, satisfactory to the University, for all requested Pre-Development Expenses.

(c) In the event that the University terminates this Memorandum pursuant to Section 6(b) but wishes to utilize the Project Documents to pursue the Project itself or for future development purposes, in addition to the Termination Payment pursuant to Section 6(b), the University shall pay Developer an amount equal to the Development Fee identified in the Pre-Development Budget, prorated to the date of termination (the "**Option Payment**").

(d) In the event that Developer decides to terminate this Memorandum for convenience prior to the Outside Closing Date, the Developer shall receive no reimbursement from the University for any Pre-Development Expenses.

(e) In the event that a ground lease for the Site is not executed by the Parties on or before July 1, 2024 (the "**Outside Closing Date**") for any reason other than as set forth in Sections 6(b) or 6(d) above, either Party may terminate this Memorandum and the University shall reimburse Developer an amount equal to, if applicable, the University's share of Pre-Development Expenses advanced by Developer on behalf of University pursuant to Section 4(a) of this Memorandum, which have not yet been reimbursed to Developer.

(f) Notwithstanding anything set forth herein to the contrary and in addition to any Termination Payment due to Developer (if applicable), to the extent this Memorandum is terminated for any reason, the University shall be responsible to pay any cancellation fee incurred by Messer for the costs to cancel orders for certain electrical equipment which is required to be ordered prior to the Closing Date. The amount of the cancellation fee is estimated to be approximately \$200,000.00, but the exact amount will be determined at the time the University and Developer mutually agree to authorize Messer to place the order for the necessary equipment. In the event that the University shall be required to make a payment pursuant to this Section 6(f), such payment shall be made to Greystar to pay to Messer within ninety (90) days after Greystar's and University's receipt of Messer's invoice for the cancellation fee.

(g) In the event that the University shall be required to make a payment to the Developer pursuant to Section 6(b), 6(c) or 6(e), such payment shall be made within ninety (90) days after University's receipt of Developer's invoice, or July 1, 2024, whichever is later.

(h) Notwithstanding anything set forth herein to the contrary, in no event shall either Party be liable hereunder for (and each Party hereby waives the right to claim or sue for) any indirect, consequential or punitive damages as a result of termination of this Memorandum.

7. Term. This Memorandum shall remain in full force and effect until the earlier of

(a) Mutual execution by the Parties of the Ground Lease for the Site and any necessary amendment to the Affiliation Agreement. For clarity, the effective date of any Ground Lease, regardless of when executed, shall be no earlier than July 1, 2024.

(b) Termination of this Memorandum by either Party pursuant to Section 6. Upon termination of this Memorandum, all obligations and liabilities of the Parties by reason of this Memorandum shall cease, except that any obligations or liabilities under Sections 4, 6, and 9 hereof shall survive any termination or expiration of this Memorandum.

8. Assignment. This Memorandum may not be assigned by the Developer or the University without the written consent of the other Party; provided, however, the University consent shall not be required if Developer assigns this Memorandum to an affiliate controlled by Greystar Real Estate Partners, LLC.

9. Representations and Warranties.

(a) The Developer hereby represents and warrants to the University as follows:

(i) The Developer has all requisite power and authority to enter into this Memorandum and consummate the transaction herein contemplated, and by proper action has duly authorized the execution and delivery of this Memorandum and the consummation of the transaction herein contemplated and no permission, approval or consent by third parties or governmental authorities is required in order for the Developer to enter into and consummate this Memorandum;

(ii) This Memorandum is a valid obligation of the Developer and is binding upon and enforceable against the Developer in accordance with its terms; and

(iii) The consummation by the Developer of the transaction contemplated hereby does not, and will not, constitute a violation of any order, rule or regulation of any court or of any federal or state or municipal regulatory body or administrative agency or other governmental body having jurisdiction over the Developer.

(iv) Developer warrants that it has revealed:

a. Any final determination of a violation by Developer within the previous five (5) year period pursuant to KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that apply to the Developer, its contractors or subcontractors; and

b. That it always will be in continuous compliance with the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that apply to the contractor or subcontractor for the duration of this Memorandum.

(v) The Developer's failure to reveal a final determination of a violation as set forth above of KRS Chapters 136, 139, 141, 337, 338, 341, and 342 or to comply with these statutes for the duration of the Memorandum shall be grounds for the University's:

- a. Cancellation of this Memorandum; and
- b. Disqualification of the Developer from eligibility for future state contracts for a period of two (2) years.

10. Miscellaneous.

(a) This Memorandum may be executed in one or more counterparts, each of which shall be deemed an original. This Memorandum shall be binding upon and shall inure to the benefit of the University and the Developer and their respective successors and assigns. This Memorandum shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky (Commonwealth).

(b) The University hereby covenants with the Developer as follows: (i) in the event that approvals or consents of the University or any governmental authority are required in order for the Project to be properly authorized, the University shall use reasonable effort to obtain such approvals or consents and (ii) the University shall not take any action which would cause a change in the applicable building or development codes which are applicable to the design, development or construction of the Project.

(c) Any notice, request or other communication given or made hereunder ("**Notice**") shall be in writing and sent by any of the Parties or their respective attorneys by any of the following means: (i) by registered or certified mail, return receipt requested, postage prepaid, (ii) by personal delivery, (iii) by recognized overnight delivery service or (iv) by email. Any such Notice shall be addressed to the other Party at the addresses or facsimile numbers set forth below, or to such other address or addresses or facsimile number or numbers for each Party as each Party shall hereafter designate by Notice given to the other Parties pursuant to this Section 10(c):

To Developer:

Greystar Development East, LLC  
1545 Peachtree Street NE, Suite 700  
Atlanta, GA 30309  
Attention: Julie Skolnicki  
Telephone: (770) 512-4000  
Email: [Julie.skolnicki@greystar.com](mailto:Julie.skolnicki@greystar.com)

And

Greystar Development East, LLC  
465 Meeting Street, Suite 500  
Charleston, South Carolina 29403  
Attention: Ashley Heggie

Telephone: (843) 817-4366  
Email: [aheggie@greystar.com](mailto:aheggie@greystar.com)

To University:

University of Kentucky  
322 Peterson Service Building  
Lexington, KY 40506-0005  
Attention: Chief Procurement Officer, Procurement Services Division  
Telephone: (859) 257-9100  
Email: [barry.swanson@uky.edu](mailto:barry.swanson@uky.edu)

With a Copy to:

University of Kentucky  
Office of Legal Counsel  
Academics, Finance, Students, and Athletics Group  
301 Main Building  
Lexington, KY 40506  
Telephone: (859) 257-2936  
Email: [shannan.stamper@uky.edu](mailto:shannan.stamper@uky.edu)

The language in all parts of this Memorandum shall in all cases be construed as a whole and simply according to its fair meaning and not strictly for nor against any of the Parties, and the construction of this Memorandum and any of its various provisions shall be unaffected by any claims, whether or not justified, that it has been prepared, wholly or in substantial part, by or on behalf of any of the Parties. The Parties do not intend to become, and nothing contained in this Memorandum shall be interpreted to deem that the University and the Developer are, partners or joint venturers in any way or that the Developer is an agent or representative of the University for any purpose or in any manner whatsoever. A male or female person may be referred to in this Memorandum by a neuter or masculine pronoun. The singular includes the plural, and the plural includes the singular. A provision of the Memorandum which prohibits a Party from performing an action shall be construed so as to prohibit the Party from performing the action or from permitting others to perform the action. Except to the extent, if any, to which this Memorandum specifies otherwise, each Party shall be deemed to be required to perform its obligations under this Memorandum at its own expense, and each Party shall be permitted to exercise its rights and privileges only at its own expense. "Including" means "including but not limited to." "Include" means "include but not limited to." "Any" means "any and all." Except to the extent context requires otherwise, "may" means "may but shall not be obligated to." "At any time" means "at any time and from time to time." An expense incurred on behalf of a Party shall be deemed to have been incurred by that Party. An obligation performed on a Party's behalf and pursuant to its request or consent shall be deemed to have been performed by that Party. If a Party is required not to unreasonably withhold consent or approval, the Party shall also be required not to unreasonably delay consent or approval.

(d) No officer, official, employee, agent or representative of the University shall be personally liable to the Developer or any successor in interest, in the event of any default or breach by the University for any amount which may become due to the Developer or any successor in interest, or on any obligation incurred under the terms of this Memorandum.

(e) Except for the Related Agreements as defined by the Affiliation Agreement, any agreements between the University on the one hand and the Developer on the other hand before the date of this Memorandum and relating to the Project are superseded by this Memorandum. All prior negotiations are merged into this Memorandum. The submission of any unexecuted copy of this Memorandum shall not constitute an offer to be legally bound by the provisions of the document submitted; and no Party shall be bound by this Memorandum until it is executed and delivered by both Parties.

(f) Any titles of the several parts, Articles and Sections of this Memorandum are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions. Any reference to a Section or Article means a Section or Article of this Memorandum, unless otherwise defined.

(g) Nothing in this Memorandum shall be construed to permit anyone other than the University and the Developer and their respective successors and assigns to rely upon the covenants and agreements herein contained nor to give any such third party a cause of action (as a third-party beneficiary or otherwise) on account of any nonperformance hereunder.

(h) For the purposes of any of the provisions of this Memorandum, neither the University nor the Developer shall be considered in breach of or in default of its obligations hereunder in the event of any delay in the performance of such obligations due to causes beyond the control of, and without the fault or negligence of, such Party, including without limitation acts of God, acts of the public enemy, acts of war or terrorism, acts of the federal government, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, severe or inclement weather, shortages in labor, supplies or materials, or delays due to such causes; it being the purpose and intent of this Section 10(h) that in the event of the occurrence of any such delay, the time or times for performance of the obligations of the Party suffering such delay hereunder shall be extended for the period of the delay.

(i) Access to Records. The Developer as defined in KRS 45A.030(9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this Memorandum for the purpose of financial audit or program review. Records and other prequalification information confidentially disclosed as part of the bid process shall not be deemed as directly pertinent to the contract and shall be exempt from disclosure as provided in KRS 61.878(1)(c). The Developer also recognizes that any books, documents, papers, records, or other evidence received during a financial audit or program review shall be subject to the Kentucky Open Records Act, KRS 61.870 to 61.884.

(j) Compliance with Campaign Finance Law. Developer through its authorized officer hereby swears under penalty of perjury that neither it nor any of its offering

employees have violated any provision of the campaign finance laws of the Commonwealth and that the award of a contract to a bidder or offeror will not violate any provision of the campaign finance laws of the Commonwealth. "Knowingly" means, with respect to conduct or to a circumstance described by a statute defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

(k) This Memorandum shall be construed in accordance with the laws of the Commonwealth of Kentucky and venue for any action based upon this Memorandum shall be in the Circuit Court of Franklin County pursuant to KRS 45A.245.

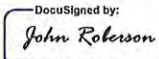
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IN WITNESS WHEREOF, each of the Parties hereto has executed this Memorandum, either individually or by an authorized representative, effective as of the day and year first set forth above.

DEVELOPER:

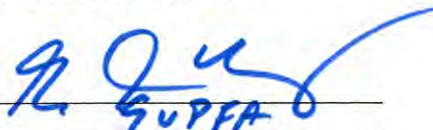
GREYSTAR DEVELOPMENT EAST, LLC

By:   
Name: John Roberson  
Title: Managing Director

Date: January 3, 2024

UNIVERSITY:

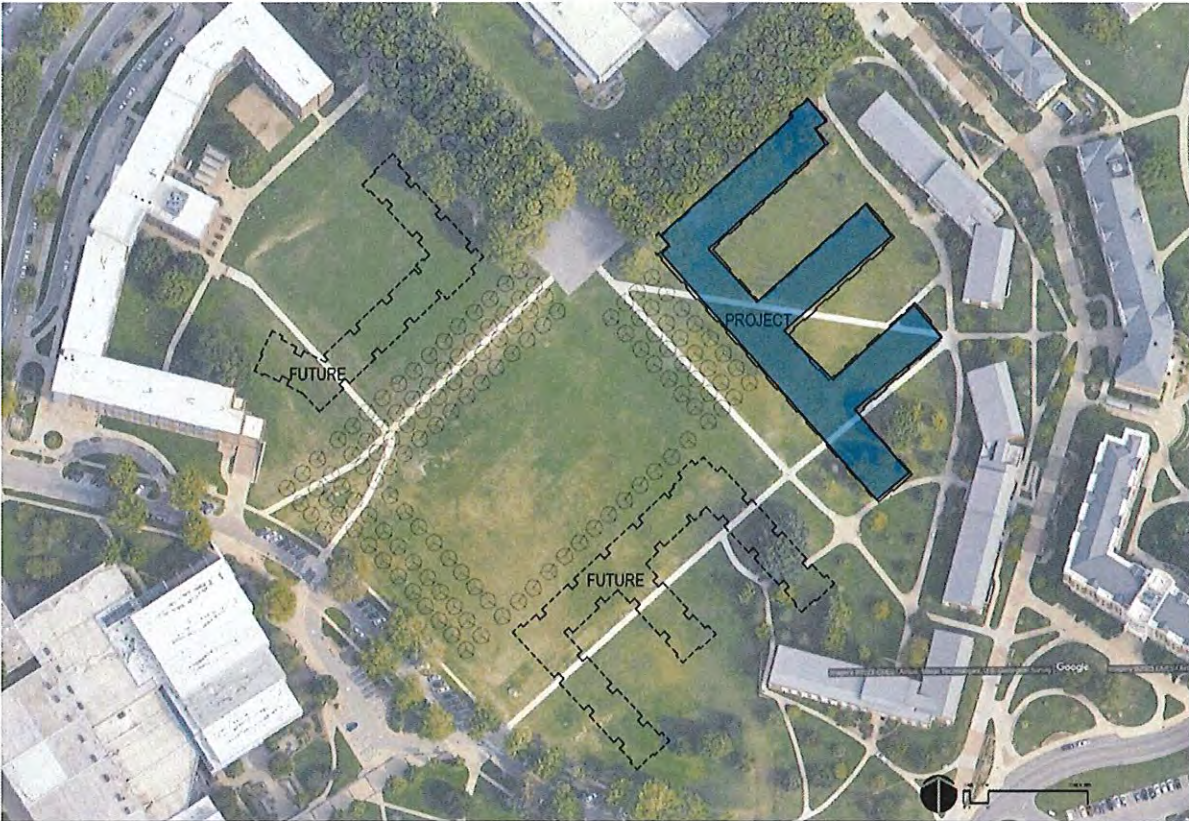
UNIVERSITY OF KENTUCKY

By:   
Name: \_\_\_\_\_  
Title: SUPFA  
Date: 01/04/23

AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING  
(Phase IV Kirwan-Blanding)

**Exhibit A**

Depiction of Site



AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING  
(Phase IV Kirwan-Blanding)

Exhibit B Project Narrative

**Project Narrative and Key Terms**

**Project Concept**

The Project will build on the success of the previous 6,850 beds delivered since 2012. Due to the growth in first year students attending the University, more housing is needed. This Project will deliver a 4-story building, offering 649 beds of suite-style housing that utilizes Developer's own B Unit, of which over 4,000 beds have been delivered in prior phases. The parcel to be used for the project, as shown in Exhibit A, was the former home of Kirwan and Blanding towers (now demolished). The Project will deliver a cohesive student experience with all existing phases, providing critical access to high-quality housing for underclassmen students.

**Project Highlights:**

The Pre-Development phase will be focused on Greystar and the University working collaboratively to detail and finalize the Project design and timing with the following objectives:

- Projected to open for occupancy for the Fall 2026 semester with the Project to be fully equipped and available for occupancy by July 15, 2026.
- +/- 649 beds consisting of suite style B Units, RA rooms, and hall director apartment.
- +/- 224,000 SF

**Project Budget:**

<u>Cost Item</u>	<u>Total</u>	<u>Residential</u>	<u>Per Unit</u>	<u>Per Bed</u>	<u>Per GSF</u>
Land Cost	\$0	\$0	\$0	\$0	\$0
Other Upfront Costs	\$0	\$0	\$0	\$0	\$0
<b>Total Upfront Payment Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
Construction Hard Costs	\$62,700,000	\$62,700,000	\$189,426	\$97,360	\$280
Greystar HC Contingency	\$3,135,000	\$3,135,000	\$9,471	\$4,868	\$14
<b>Total Hard Costs</b>	<b>\$65,835,000</b>	<b>\$65,835,000</b>	<b>\$198,897</b>	<b>\$102,228</b>	<b>\$294</b>
Taxes Prior to Opening	\$0	\$0	\$0	\$0	\$0
Legal and Related	\$450,000	\$450,000	\$1,360	\$699	\$2
Closing Costs	\$250,000	\$250,000	\$755	\$388	\$1
Municipal Fees	\$675,000	\$675,000	\$2,039	\$1,048	\$3
Architectural	\$2,787,000	\$2,787,000	\$8,420	\$4,328	\$12
Engineering and Related	\$1,050,000	\$1,050,000	\$3,172	\$1,630	\$5
Preleasing Expenses	\$320,000	\$320,000	\$967	\$497	\$1
FFE	\$1,809,200	\$1,809,200	\$5,466	\$2,809	\$8
Marketing	\$210,000	\$210,000	\$634	\$326	\$1
Other Development Costs	\$200,000	\$200,000	\$604	\$311	\$1
Insurance & Bond	\$940,500	\$940,500	\$2,841	\$1,460	\$4
Greystar CM Fee	\$1,152,113	\$1,152,113	\$3,481	\$1,789	\$5
Greystar SC Contingency	\$600,000	\$600,000	\$1,813	\$932	\$3
Development Fee	\$3,813,941	\$3,813,941	\$11,522	\$5,922	\$17
<b>Total Soft Costs</b>	<b>\$14,257,753</b>	<b>\$14,257,753</b>	<b>\$43,075</b>	<b>\$22,139</b>	<b>\$64</b>
<b>Total Project Cost</b>	<b>\$80,092,753</b>	<b>\$80,092,753</b>	<b>\$241,972</b>	<b>\$124,368</b>	<b>\$358</b>

### Key Terms:

- Project targeted opening in Fall 2026 - ready for full occupancy on or before July 15, 2026.
- Ground Lease Term of 75 years, in line with all previous ground lease agreements
- Development and Construction Management fees paid to Greystar
  - Development fee of 5%, calculated as 5% of total project costs, excluding the fee itself, as shown in the budget above. This fee is currently estimated to total \$3,813,941.
  - Construction management fee of 1.75%, calculated as 1.75% of total hard costs, as shown in the budget above. This fee is currently estimated to total \$1,152,113.
- Financial Structuring Assumptions:
  - The project will be exempt from property taxes
  - Ground Rent payable to the University shall be 7.25% of gross revenues, consistent with previous phases
  - Student rents are assumed to be approximately 5% above comparable B unit rents
  - Project financed with 100% equity.
- Project Feasibility Revisions - Should the Project encounter issues that strain financial feasibility during the course of Pre-Development Activities as defined herein, Developer and the University, as applicable, will mutually agree to review and implement where necessary, from, but not limited to, the following feasibility levers (collectively, the “Project Feasibility Revisions”):
  - Project value engineering exercises
  - Changes to Project program
  - Adjustment to Project rental rates
  - Adjustment to University ground rent payments

- University support, including credit enhancements or contributions to the Project

The Ground Lease and property management agreement for the Project shall contain the following terms and conditions:

- No ground rent charged by University until earlier to occur of occupancy or an outside date to be negotiated in the Ground Lease.
- Permitted Residents and Resident Rent Rate increases will be on terms similar to previous phases
- Greystar property management fee
- University will pay for real property taxes and assessments, should they be assessed

Additionally, the Ground Lease will be materially consistent with the recent University Flats ground lease with the following exceptions:

- Tenant – Joint Venture between Greystar and Harrison Street
- Guarantor/Guaranty – Either Greystar Real Estate Partners, LLC or current GEDR Fund entity are approved guarantors
- Parent – redefine as necessary to incorporate nuance of JV structure
- LEED Certifications – the Project will initially obtain LEED Certification upon completion of construction; however, will not be required to obtain annual recertifications
- Affiliation Agreement – same terms as current 5<sup>th</sup> Amended and Restated version (as amended) – would require consistent management team with other Greystar on-campus properties, but Phase IV would not be cross-defaulted with the other existing phases
- Greystar shall allocate \$225 per bed per year for repairs and maintenance plus \$200 per bed per year for replacement reserve beginning in the first year after occupancy. An additional \$350 per bed per year for long-term capital expenditures will commence in year ten; allocations to increase over time by an amount sufficient to ensure the facilities are maintained in a first-class manner, using methodology similar to that in University Flats lease.
- Default Provision – removing cross-default provision (Section 25.01(j)) with respect to other Greystar on-campus leases; however, if other existing phases default and there is a change in management in the other phases, Phase IV will agree to engage the new manager on terms similar to existing management agreement.
- Force Majeure – should update to specifically include pandemic
- Early Termination Option/Early Termination Fee – replace current valuation method to a reasonable third-party appraisal process
- Assignment and Change of Control Provisions – to be updated as necessary to incorporate nuances related to Greystar/Harrison Street JV structure
- Prevailing wage shall not be required
- The Ground Lease will also be revised to incorporate the University's obligations as set forth in Exhibit D of this Memorandum (i.e., utility and environmental certifications)

The definitive agreements (ground lease, operating agreement) once executed, will supersede the terms of this Pre-Development Agreement.

AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING  
(Phase IV Kirwan-Blanding)

**Pre-Development Spend Schedule - Exhibit C**

[to be attached]

AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING  
(Phase IV Kirwan-Blanding)

**University Pre-Development Obligations - Exhibit D**

1. Existing Utility Capacity. On or before January 13, 2024, the University shall provide written certification via email to Greystar that the existing system capacity of the University provided utilities are adequate to support the Project requirements as set forth in the Site Utilities Plan attached hereto as Exhibit D-1. If it is determined that the existing system capacity is insufficient to support the Project requirements, the University shall, on or before February 28, 2024, complete adequate modifications to the utility infrastructure as necessary to provide the required system capacity.
2. Environmental Clearance Letter. On or before February 2, 2024, the University shall provide an environmental clearance letter in form and substance as required by Developer's environmental consultant.
3. Remediation of old Kirwan-Blanding Fill. On or before June 1, 2024, the University shall have substantially completed all activities necessary to remediate the fill issues with the former Kirwan tower site, including but not limited to, the removal of all non-native fill material and the addition and compaction of suitable fill material. Prior to final completion, Greystar and the University shall be allowed to inspect the site and will consult and agree upon a punch list of any remaining or non-conforming work. On or before June 24, 2024, all punch list items to be complete to allow Greystar and its architects, geotechnical engineers and general contractor to certify the site.



**University of Kentucky**  
**Pre-Development Cost Estimate**

Tuesday, January 2, 2024



Project Milestone	Executs Agreement		Financial Close							
	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Total
<b>UK Board of Trustees</b>										
<b>Month/Year</b>										
<b>Architecture and Design</b>										
Schematic Design	\$150,000	\$150,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$300,000
Design Development	\$0	\$150,000	\$300,000	\$0	\$0	\$0	\$0	\$0	\$0	\$450,000
Construction Documents	\$0	\$0	\$0	\$200,000	\$200,000	\$200,000	\$200,000	\$0	\$0	\$800,000
Landscape Architect	\$0	\$0	\$0	\$10,000	\$10,000	\$10,000	\$10,000	\$0	\$0	\$40,000
Interior Design	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$120,000
<b>Due Diligence</b>										
Geotechnical Report	\$25,000	\$10,000	\$7,400	\$0	\$0	\$0	\$0	\$0	\$0	\$42,400
Phase 1 Environmental Study	\$10,000	\$10,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000
Survey	\$15,000	\$15,000	\$0	\$0	\$0	\$0	\$15,000	\$0	\$0	\$60,000
Permitting	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$75,000	\$0	\$150,000
Impact/Tap	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,000	\$0	\$50,000
Additional Consultants (Low Volt, Waterproofing, LEED etc.)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,000	\$0	\$10,000
Legal and Related	\$10,000	\$10,000	\$35,000	\$20,000	\$10,000	\$20,000	\$20,000	\$10,000	\$0	\$290,000
Travel and Overhead	\$3,000	\$4,500	\$4,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$7,500	\$57,000
Development Fee	\$25,000	\$25,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$400,000
<b>Total Pre-Development Cost (By Month)</b>	<b>\$238,000</b>	<b>\$389,500</b>	<b>\$421,900</b>	<b>\$312,500</b>	<b>\$342,500</b>	<b>\$352,500</b>	<b>\$367,500</b>	<b>\$232,500</b>	<b>\$237,500</b>	<b>\$2,894,400</b>
<b>Total Pre-Development Cost (Cumulative)</b>	<b>\$238,000</b>	<b>\$627,500</b>	<b>\$1,049,400</b>	<b>\$1,361,900</b>	<b>\$1,704,400</b>	<b>\$2,056,900</b>	<b>\$2,424,400</b>	<b>\$2,656,900</b>	<b>\$2,894,400</b>	
Deferred Development Fee	\$25,000	\$25,000								\$50,000
<b>Total Including Deferred Development Fee</b>	<b>\$263,000</b>	<b>\$677,500</b>								<b>\$2,944,400</b>

1 Total approved in executed MOU agreement dated October 9th, 2023



**KIRWAN BLANDING RESIDENCE HALL  
VIEW OF ENTRY**  
LEXINGTON, KENTUCKY





**KIRWAN BLANDING RESIDENCE HALL  
SOUTH FACADE**  
LEXINGTON, KENTUCKY



LEASE AGREEMENT

BETWEEN

UNIVERSITY OF KENTUCKY  
(LANDLORD)

AND

[\_\_\_\_\_ LLC] (TENANT)

KIRWAN-BLANDING

DATED [JULY 1, 2024]

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THIS LEASE (“**Lease**”) is made as of [July 1, 2024], between the UNIVERSITY OF KENTUCKY, an agency of the Commonwealth of Kentucky (“**Landlord**” or the “**University**”) and [\_\_\_\_\_ LLC] (“**Tenant**”), a Delaware limited liability company, which is a subsidiary of [Greystar Member] (“**Greystar Member**”) and [HS Member] (“**HS Member**”).

## RECITALS

A. The Landlord is a public university founded under the land grant of 1862 by the Congress of the United States and existing in accordance with the laws of the Commonwealth of Kentucky. It is the flagship institution of higher learning in the Commonwealth, offering Bachelor’s, Master’s and Doctoral Degrees.

B. In 2012, the University’s housing stock for undergraduate students and graduate students/families had an average age of 44 years and 48 years, respectively, and had accumulated a deferred maintenance expense in excess of \$200 million.

C. The housing inventory available to students had become obsolete and had outlived its useful life and needed to be replaced.

D. Undergraduate students who live on-campus are more academically successful than those that do not.

E. New housing will enable the University to attract and retain high quality students.

F. The University desires to preserve debt capacity for other capital projects.

G. The University determined that it should pursue a public/private partnership arrangement to finance the replacement and management of the student housing stock.

H. In furtherance of the above, the University desires to lease the Land and Improvements to Tenant and Tenant desires to lease the Land and Improvements from the University pursuant to the terms, conditions, covenants and provisions of this Lease and to construct Improvements upon the Land (collectively, the Land and Improvements are referred to herein as the “**Premises**”).

I. The purpose for which Tenant is leasing the Land and constructing the Improvements is to sub-lease the Improvements in the manner and to the persons described in Section 3.01.

J. As a condition to this Lease, University requires that Greystar Real Estate Partners, LLC, a Delaware limited liability company (“**Greystar**” or “**Guarantor**”), an affiliate of Tenant, guarantee the performance of Tenant’s covenants and obligations under this Lease.

K. Simultaneously with this Lease, University and Tenant have entered into an Affiliation Agreement, containing certain additional agreements regarding the operation and management of the Premises (as may be amended from the time to time the “**Affiliation Agreement**”).

L. The University and certain Graystar affiliates (“**EdR Tenants**”) are parties to certain other ground lease agreements which are listed on the attached Schedule L (collectively, and as may be amended from time to time, the “**EdR Leases**”) pursuant to which the EdR Tenants constructed improvements (the “**EdR Facilities**”) which are used for purposes similar to those set forth in this Lease. The University and the EdR Tenants are parties to that certain Fifth Amended and Restated Affiliation Agreement dated March 18, 2016, as amended by a First Amendment dated July 1, 2016 and Second Amendment dated March 1, 2017 (collectively, and as may be amended from the time to time, the “**EdR Leases Affiliation Agreement**”).

M. The EdR Tenants are controlled by Greystar Student Housing Growth and Income OP, LP (f/k/a Education Realty Operating Partnership, LP). Greystar Student Housing Growth and Income OP, LP (f/k/a Education Realty Operating Partnership, LP) and the Greystar Member are both under the common control of Greystar.

## AGREEMENTS

NOW, THEREFORE, in consideration hereunder, the mutual covenants and agreements herein set forth by each party to be kept and performed, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby expressly acknowledged by each party hereto, Landlord and Tenant hereby agree as follows with the intent to be legally bound:

### ARTICLE 1

#### PREMISES AND EASEMENT

Section 1.01 Land. Landlord is the holder of fee simple title to certain land located in the city of Lexington, county of Fayette, Commonwealth of Kentucky which is more particularly described in Exhibit A attached to this Lease, together with all rights, easements and appurtenances thereto or in anywise belonging (the “**Land**”).

Section 1.02 Lease Grant. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, upon and subject to the terms, conditions, covenants and provisions of this Lease, on an as-is, where-is basis (a) the Land, together with all rights, privileges, easements and appurtenances belonging to or in any way pertaining to the Land and (b) any Improvements thereon, including the right to use the contents of the Improvements for the purposes set forth in this Lease, at the time of the execution of this Lease or at any time thereafter.

Section 1.03 Easements.

(a) Landlord grants to Tenant a non-exclusive easement, which shall be coterminous with the Term of this Lease for the benefit of Tenant, Tenant’s invitees, licensees and all occupants under Permitted Leases and the invitees and licensees of such occupants, over and across and the right to use in connection with others for purposes of ingress and egress to and from the Premises, those areas designated as the “**Ingress and Egress Easement Areas**” on Exhibit B attached hereto (the “**Ingress and Egress Easement**”). Landlord agrees to maintain and repair the Ingress and Egress Easement Areas consistent with Landlord’s maintenance and repair procedures for similar areas on the University’s main campus. At Tenant’s request, Landlord and

Tenant will execute and deliver in a form suitable for recording at the Fayette County Clerk's office a further customary Easement Agreement consistent with the foregoing. Landlord and Tenant agree to reasonably cooperate with one another in good faith relative to the granting of additional easements or licenses on the Land and Landlord's adjacent property. Without limiting the generality of the foregoing, Landlord agrees to timely grant to Tenant sidewalk and or/or utility easements (including without limitation electricity, water and sewer) and licenses over and across Landlord's adjacent property as are reasonably needed for Tenant's development, construction and operation of the Premises.

(b) Landlord grants to Tenant a temporary exclusive easement in the areas designated as the "**Construction Easement Areas**" on Exhibit B attached hereto (the "**Construction Easement**"). The Construction Easement Areas shall be used solely for the purpose of Tenant's construction of the Improvements. Tenant shall be solely responsible for the safety and security of the Construction Easement Areas and shall provide appropriate fencing (including appropriate screening) and signage. The Construction Easement is temporary and shall cease upon the Substantial Completion of the Improvements.

## ARTICLE 2

### TERM

The term of this Lease shall commence on the date on which the Landlord and Tenant execute and deliver this Lease (the "**Commencement Date**") and shall expire on the seventy-fifth (75th) anniversary of the Substantial Completion of the Improvements (the "**Term**"). The portion of the term from and after the Commencement Date through and until Substantial Completion of the Improvements is referred to herein as the "**Construction Term**".

## ARTICLE 3

### USE OF PREMISES

#### Section 3.01 Use of Premises.

(a) Tenant shall use the Premises exclusively for (i) the housing of full-time or part-time undergraduate and graduate students enrolled at the University ("**Student Residents**"), (ii) the housing of (A) individuals participating in, attending events at, sponsored by, sanctioned or otherwise related to the University ("**University Event Residents**"), and (B) such other persons as may be reasonably acceptable to Landlord ("**Other Residential Residents**" and together with Student Residents and University Event Residents, collectively, "**Residential Residents**" or "**Permitted Residents**"), and (iii) the provision of services and amenities to permitted occupants of the Premises, including the operation and maintenance of a clubhouse type facility.

(b) The parties agree that the Premises shall not be used for any of the uses described on Exhibit CE 1 – Prohibit Commercial Uses, as the same may be amended from time to time, and which is incorporated by reference herein (the "**Prohibited Commercial Uses**"), attached to the Affiliation Agreement.



Section 3.02 Management Agreement. Tenant shall engage a management company (the “**Manager**”), pursuant to the terms of a management agreement, to manage and operate the Premises for and on behalf of the Tenant in accordance with the terms of this Lease. The Manager shall be the same management company as engaged by the EdR Tenants to manage and operate the EdR Facilities, unless otherwise approved by University in writing, which approval shall be in the sole and absolute discretion of the University. Tenant agrees that the fee to be paid to Manager under such management agreement shall be no more than the Management Fee set forth in below Section 4.03(b), and that the Manager shall receive no additional compensation from Tenant under such management agreement.

Section 3.03 Permitted Resident Rent.

(a) Tenant shall determine the rental rates for the Student Residents (“**Student Resident Rent**”), subject to the limitations set forth herein. For the 2026-2027 Academic Year, the Student Resident Rent shall be equal to one hundred five percent (105%) of the rent charged for the same room type(s) under any of the other leases between the University and the EdR Tenants (the “**Initial Student Resident Rent**”). Thereafter, changes to the Student Resident Rent will be determined by Tenant in accordance with the following schedule (“**Rate Adjustment Schedule**”): Beginning with the rates set for the 2027-2028 Academic Year and thereafter throughout the Term, Tenant may increase the Student Resident Rent each year by the greater of (A) four percent (4%); (B) the rate of increase in student rental rates of the Premium Existing University Housing for the Corresponding Academic Year; or (C) the Student Resident Rent CPI Percentage Increase. Notwithstanding anything else herein, in no event shall the percentage increase in Student Resident Rent rates in any one Academic Year be any greater than the average percentage increase of student resident rent rates for the EdR Leases in the same Academic Year. For the avoidance of doubt, the maximum rate increase permitted by this Section 3.03(a) shall be in addition to any rate increase provided for in Section 8.01(a)(i) hereof.

(b) Tenant may request that Landlord amend the Student Resident Rent and Rate Adjustment Schedule every two years beginning in August 2028 to be effective the following Academic Year. The Student Resident Rent and Rate Adjustment Schedule may be amended upon the prior written approval of Landlord, which approval will not be unreasonably denied, withheld or delayed, provided that Tenant provides evidence that supports its request including, but not limited to, actual financial performance of the Premises compared to original financial projections, rates at other comparable universities including other facilities owned or managed by the affiliates of Tenant, similar facilities at public Kentucky universities, facilities at other benchmark universities, and local student housing market comparisons. In addition, in the event that Tenant is unable or unwilling to implement a Student Resident Rent increase equal to the maximum amount permitted by Section 3.03(a) in a given year, Tenant shall be permitted to increase the Student Resident Rent in subsequent years in order to match the actual Student Resident Rent to the Student Resident Rent that would have resulted if the Tenant had increased the Student Resident Rent each year by the maximum amount permitted by Section 3.03(a) (a “**Catch-Up**”); provided that the amount of a Catch-Up in any given year shall not exceed two percent (2%) of the Student Resident Rent for the immediately preceding year. For the avoidance of doubt, the Catch-Up shall be in addition to any rate increased permitted by Section 8.01(a)(i).

(c) Tenant shall determine the rental rates for all Residential Residents other than the Student Residents.

(d) Not later than six months prior to the start of each Academic Year, Tenant shall determine and provide written notification to Landlord of the Student Resident Rate for such Academic Year.

(e) For purposes of this Lease, the following Terms shall have the following definitions:

(i) “**Academic Year**” means the academic year calendar determined by the University in its sole and absolute discretion.

(ii) “**Corresponding Academic Year**” means the same Academic Year in which the increase in the Student Resident Rent is effective. For example, for the 2026-2027 Academic Year, the Corresponding Academic Year is the 2026-2027 Academic Year.

(iii) “**Index**” means the Consumer Price Index for All Urban Consumers, All Items, South Region (1982-1984=100) published by the Bureau of Labor Statistics of the United States Department of Labor. In the event such index ceases to be published or is converted to a different standard or otherwise revised, the index used for determination of the Qualified Assignee Net Worth CPI Percentage Increase and Student Resident Rent CPI Percentage Increase shall be adjusted by any then applicable conversion factor published by the Bureau of Labor Statistics, or a standard agreed upon by Landlord and Tenant.

(iv) “**Premium Existing University Housing**” means the residence halls on the University’s campus that are currently known as Baldwin Hall, Ingels Hall, Roselle Hall (formerly known as North Hall), and Smith Hall.

(v) “**Project**” means the contemplated development between Landlord and the Tenant of a student housing facility pursuant to this Lease on land on the campus of the University to be known as known as Kirwan-Blanding

(vi) “**Student Resident Rent CPI Percentage Increase**” means the average percentage change in the Index in each of the two years immediately preceding Tenant’s determination of the Student Resident Rent for the subsequent Academic Year. Tenant shall determine the Index data month to be used to calculate the Student Resident Rent CPI Percentage Increase not later than December 31, 2026, which month shall be used as the measuring month for determining the Student Resident Rent CPI Percentage Increase for the remainder of the Term. The measuring month shall be at least nine months prior to the start of the 2027-2028 Academic Year. For example, if the 2027-2028 Academic Year begins in August, the measuring month must be no later than November 2026, and if November 2026 was selected as the measuring month, then for the 2027-2028 Academic Year the Student Resident Rent CPI Percentage Increase would equal the average of (A) the percentage change of the November 2024 Index compared to the November 2025 Index and (B) the percentage change of the November 2025 Index compared to the November 2026 Index.

Section 3.04 Permitted Leases. Residential Residents shall occupy the Premises pursuant to a written lease, license or sublease that complies with the Requirements and which is in a form substantially similar in all material respects to Exhibit CE 2 – Permitted Undergraduate Residential Lease attached to the Affiliation Agreement, as the same may be amended from time to time, and which is incorporated by reference herein (each referred to herein as a “**Permitted Residential Lease**” or collectively as the “**Permitted Residential Leases**” or “**Permitted Leases**”). Tenant shall not deviate in any material respect from the foregoing form except with Landlord’s prior written consent, which consent may be granted or withheld in Landlord’s sole and absolute discretion.

Section 3.05 Tenant’s Rights to Enforce Permitted Residential Leases, Control the Premises, and Determine Rental Rates. Landlord acknowledges that Tenant must have the ability to enforce the Permitted Residential Leases, control the Premises, and, subject to the limitations set forth in Section 3.03, set rental rates for the Premises. Except as otherwise set forth in this Lease, Landlord agrees that so long as Tenant is acting in a good faith and commercially reasonable manner in the best interests of the operation of the Premises in accordance with the terms of this Lease, it shall not interfere with Tenant’s decisions with respect to the enforcement of Permitted Residential Leases, actions taken to prevent damage of the Premises and maintain the safety and security of the Premises and the persons and property located thereon, and the determination of rental rates for the Premises; provided, however, that in the event a dispute arises over whether Tenant has made such decisions in a good faith and commercially reasonable manner in the best interests of the operation of the Premises in accordance with the terms of this Lease, such dispute shall be resolved pursuant to the Dispute Resolutions procedures set forth in Article 24.

Section 3.06 Student Resident Parking. The University shall permit the Student Residents to use the existing University parking upon the same terms and conditions as the student residents of other residence halls located on the University’s main campus.

Section 3.07 Tenant’s Employee Parking. Tenant’s staff shall have the same parking privileges as are available to University employees.

Section 3.08 Dining. The Student Residents will be required by Landlord or permitted to use the existing University dining services upon the same terms and conditions as the student residents of other residence halls located on the University’s main campus.

Section 3.09 Student Amenities. Student Residents shall have the same access as residents of other residence halls located on the University’s main campus to amenities provided by the University, including but not limited to athletic, recreational or study spaces and the University’s bus or shuttle system, which shall serve the Premises.

Section 3.10 Residence Life. The University’s Office of Residence Life will manage and provide programming for Student Residents in a manner determined by the University in its sole and absolute discretion. The residence life staff may include Hall Directors, Front Desk Staff, Resident Advisors, Senior Staff or other such staff members that the University determines, in its sole and absolute discretion, to be in the best interest of residence life at the Improvements (the “**Residence Life Staff**”). The Residence Life Staff who reside at the Premises will pay rent in the same amount and under the same conditions as the other Student Residents of the Premises.

Notwithstanding anything above to the contrary, the Residence Life Staff will cooperate with Tenant in its marketing, operation and maintenance of the Premises and use best efforts to assist Tenant in maintaining the Premises in a first-class manner.

Section 3.11 Compliance with Landlord Contracts. Tenant's use of the Premises shall strictly comply with all terms of the contracts and agreements set forth on Exhibit CE 3 – University Vendor Contracts attached to the Affiliation Agreement, as the same may be amended, extended or renewed from time to time, and which is incorporated by reference herein (the “**University Vendor Contracts**”).

## ARTICLE 4

### RENT

Section 4.01 Rent Commencement Date. Landlord agrees to abate rent prior to and during the Construction Term. Tenant shall have no liability for rent under this Lease until Substantial Completion of the Improvements (such date being the “**Rent Commencement Date**”).

Section 4.02 Base Rent.

(a) Beginning at the Rent Commencement Date and continuing throughout the Term of this Lease, Tenant shall pay Landlord base rent (“**Base Rent**”) in an amount equal to Seven and Twenty-Five Hundredths percent (7.25%) of Tenant's total annual revenue from the Premises (“**Gross Revenue**”).

(b) Tenant's Gross Revenue shall consist of all revenues and other income received from the operation of the Premises, which shall include, but not be limited to, all residential, commercial or other rental income (including summer conferences, summer school sessions, move-in prior to the start of the Lease term or hold over after the end of the Lease term), application, damage, termination and other fees, vending and laundry income, other retail income, and summer income, provided, however, Gross Revenue shall be net of bad debt expense. In furtherance of the foregoing, Landlord and Tenant acknowledge and agree that revenue and other income collected but not yet recognized as earned by Tenant shall not be included in Gross Revenue until such time that Tenant does recognize such revenue and other income as earned. For example, to the extent that Student Resident Rent is collected in full at the beginning of a semester, but Tenant recognizes such Student Resident Rent as earned on a monthly basis during the semester, such pre-paid Student Resident Rent would be included in Gross Revenue at the time that Tenant recognizes it as earned. In addition, amounts that are included in gross revenue for GAAP purposes only, such as damage recovery fee income, do not constitute Gross Revenues for purposes of the calculation of Rent.

(c) Base Rent for the previous month shall be due and payable to Landlord on the 20<sup>th</sup> day of each month of each “**Fiscal Year**” measured July 1 through June 30. Within sixty (60) days of the end of each Fiscal Year, Tenant shall provide Landlord a written statement showing Tenant's Gross Revenue earned from the Premises for the preceding Fiscal Year (“**Annual Base Rent Statement**”) and shall contain a certification by a responsible official of the statement's truth, accuracy, and completeness.

Section 4.03 Percentage Rent.

(a) For each Fiscal Year in which the Tenant's cumulative and compounding internal rate of return on the Total Development Costs for the Project is equal to or above nine percent (9%) (the "**Overall Project IRR**"), in addition to the payment of Base Rent, Tenant covenants and agrees to pay to Landlord percentage rent ("**Percentage Rent**") equal to twenty five percent (25%) of Net Income that exceeds the Overall Project IRR for such Fiscal Year. The method for calculating the Overall Project IRR and Percentage Rent is represented in the Financial Model attached hereto as **Exhibit C** (the "**Financial Model**"). Percentage Rent shall be due and payable to Landlord within four calendar months after the end of each Fiscal Year for which Landlord is entitled to Percentage Rent.

(b) As used herein, the term "**Net Income**" for each Fiscal Year means the amount by which (i) Gross Revenue exceeds (ii) the sum of GAAP expenditures (excluding amortization and depreciation and including the Permitted Replacement Reserve Amount, in accordance with the remainder of this Section 4.03(b)) made by Tenant or which Tenant is obligated to make for or during such Fiscal Year in connection with the management and operation of the Premises ("**Operating Expenses**"). Operating Expenses shall consist of the following expenses: marketing; postage and other on-site office expenses, compensation of on-site personnel; a management fee based upon two percent (2%) of Gross Revenue during such Fiscal Year ("**Management Fee**"); student amenities; utilities; data/cable; maintenance and repair of the Premises in excess of the Replacement Reserve or any insurance proceeds received for repair or replacement of the Premises; landscaping; taxes; costs of insurance; the Permitted Replacement Reserve Expense Amount allowed pursuant to Article 7 hereto; capital improvements required in excess of the Replacement Reserve or any insurance proceeds received for repair or replacement of the Premises; payments to Landlord for Base Rent; and any other costs directly related to the operation of the Premises. Net Income shall not include any development costs or depreciation or amortization of such costs. Within sixty (60) days of the end of each Fiscal Year, Tenant shall provide Landlord a written statement showing Tenant's calculation of its Net Income for the preceding Fiscal Year ("**Annual Percentage Rent Statement**"), similar in form and content to the Financial Model, which shall contain a certification by a responsible official of the statement's truth, accuracy, and completeness.

(c) The Overall Project IRR shall be calculated based upon Net Income, including the Total Development Costs reflected in the final Development Budget for the Project, and cumulative Net Income under this Lease.

(d) If Tenant has not achieved the Overall Project IRR, no Percentage Rent shall be paid to Landlord hereunder. It is further understood that Landlord is under no obligation, express or implied, to contribute, pay or refund any amount to Tenant if Tenant does not achieve the Overall Project IRR during the Term of this Lease.

Section 4.04 Landlord's Right to Audit. Landlord shall have the right, from time to time, to examine and make copies of records pertaining to the Base Rent Statement and the Annual Percentage Rent Statement ("**Audit**"). Upon request of Landlord to review said records, Tenant shall promptly provide Landlord reasonable access to them electronically if feasible, or otherwise at a site located in Fayette County, Kentucky. If the Audit discloses any deficiency in the payment

of Base Rent or Percentage Rent by Tenant (“**Deficient Amount**”), then Tenant shall promptly pay Landlord the Deficient Amount upon demand. If the Deficient Amount is greater than five percent (5%) of the actual Base Rent and Percentage Rent (if any) due, then Tenant shall reimburse Landlord for the cost of the Audit and Tenant shall also pay Landlord interest on the Deficient Amount at the Default Rate accruing from the date the Deficient Amount was originally due to Landlord. If the Audit shall disclose any overpayment of Base Rent or Percentage Rent to Landlord, Landlord shall promptly reimburse Tenant for said overpayment.

Section 4.05 Late Payment. If Tenant shall fail to pay Base Rent or Percentage Rent (collectively, the “**Rent**”) or any other amount due under this Lease, when the same is due and payable, such unpaid amount shall bear interest from the due date thereof to the date of payment at the rate of twelve percent (12%) per annum (“**Default Rate**”). In no event shall the default rate be higher than the legal limit, and if the legal limit is lower than twelve percent (12%), the Default Rate shall be deemed to be the highest rate permitted by law. If any installment of Rent is delinquent by more than thirty (30) days from the date when due, Tenant shall also pay to Landlord a late charge in an amount equal to ten percent (10%) of the amount of the delinquent installment, which late charge shall be immediately due and payable without notice or demand from Landlord and which itself shall bear interest at the Default Rate from the date due until paid. The charges under this provision shall be in addition to all of Landlord’s other rights and remedies hereunder or at law and shall not be construed as a penalty.

Section 4.06 Rent Payments. Tenant shall pay Landlord all Rent due hereunder, without offset or abatement and without previous demand, at the office of the Landlord, or at such other address as the Landlord may designate by notice to Tenant. Rent for any partial Fiscal Years or payment periods shall be prorated. If Landlord collects rent under Permitted Residential Leases on behalf of Tenant, then, in the event that Tenant is in default hereunder for failure to pay Rent or other sums due, after the expiration of any applicable cure period, Landlord shall have the right to offset any amounts due and payable to Landlord by Tenant under this Lease against such rent.

## ARTICLE 5

### DEVELOPMENT OF IMPROVEMENTS

#### Section 5.01 Tenant’s Obligation to Construct Improvements.

(a) On behalf of Landlord and for the consideration set forth herein, Tenant shall construct the buildings, structures, improvements and fixtures on the Premises (the “**Improvements**”) at Tenant’s sole cost and expense in accordance with plans and specifications (the “**Plans**”) approved by the Vice President for Facilities Management & Chief Facilities Officer of Landlord. As depicted on the conceptual drawings attached hereto as **Exhibit D**, the Improvements shall generally consist of one four story building containing 649 beds, lobby/lounge areas, study rooms, multi-purpose rooms, offices for Tenant’s staff and Residence Life Staff, all with appropriate furnishings and all as may be finally agreed upon and described in the Plans.

(b) Prior to commencement of construction of any phase of the Improvements, the Plans for such phase shall have been approved by the Commonwealth of Kentucky Department of Housing, Buildings & Construction, and Tenant shall have provided a copy of such approved

Plans to Landlord. Any construction activity conducted prior to the approval by either Landlord or the Department of Housing, Buildings & Construction of the Plans for any phase shall be at the complete financial risk of Tenant, and the approval of any one phase of the Plans shall not imply Landlord's approval of any future phases of the Plans. Landlord shall promptly respond to each approval request received from Tenant. Following approval, any material change to the Plans is subject to the prior written approval of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Landlord makes no representations or warranties regarding the Land or any Improvements thereon. Except for Landlord's Remediation Obligations (if any), Landlord is not responsible to Tenant for known and unknown surface and subsurface conditions in or on the Land or any Improvements thereon. Tenant agrees to seek LEED certification upon Substantial Completion of the Improvements. Tenant shall not be required to obtain any recertification or additional certification of LEED Certified status after the initial certification upon Substantial Completion.

(c) The initial budget for the design, development and construction of the Improvements (as it may be amended from time to time, the "**Development Budget**") is attached hereto as **Exhibit E**, which sets forth the estimated development costs for the Premises, including hard costs, furniture, fixtures and equipment, design fees, development/legal/closing costs, pre-opening costs, capitalized labor cost and project travel cost (collectively, the "**Estimated Development Costs**"). If the actual development costs incurred by Tenant during the construction of the Improvements exceed the Estimated Development Costs, Tenant shall be responsible for paying for all such costs, shall amend the Development Budget to reflect all such increases, and shall promptly (and in any event within ten (10) days) provide Landlord written notice of such changes. If the actual development costs incurred by Tenant during the construction of the Improvements are less than the Estimated Development Costs, Tenant shall not be responsible for paying any savings to the University. Within thirty (30) days following Substantial Completion of the Improvements, Tenant shall prepare and deliver to Landlord a final Development Budget which sets forth the final amount of development costs for the Premises (the "**Total Development Costs**").

#### Section 5.02 Pre-Development Expenditures.

(a) Landlord and Tenant agree that the Tenant's pre-development activities, which include all work performed directly by the Tenant, affiliates of Tenant or by third parties engaged by the Tenant or its affiliates and all reasonable third-party costs and expenses (including travel, meals and lodging) paid or incurred by the Tenant and its affiliates or third parties engaged by the Tenant or its affiliates in connection with the Tenant's activities to prepare for the lease of the Land and the construction of the Improvements (collectively, the "**Pre-Development Reimbursables**") shall be funded by the Tenant.

(b) All of the Tenant's and its affiliates' right, title and interest in and to the Plans, professional third-party reports commissioned by the Tenant or its affiliates (such as environmental, geotechnical, survey and market study), and other work products prepared by or on behalf of the Tenant or its affiliates (such as budgets, proformas and market studies) in connection with the pre-development activities (collectively the "**Work Product**") are hereby expressly assigned by the Tenant and its affiliates to Landlord. Upon request, Tenant promptly shall, or shall cause the Tenant and its affiliates to, deliver to Landlord all originals of written

documents or electronic information in the possession of Tenant or its affiliates constituting the Work Product (other than any such information which is proprietary to Tenant or its affiliates) and shall execute a separate written document evidencing the assignment to Landlord of all of the Tenant's and its affiliates' right, title and interest in and to such Work Product.

(c) (i) In the event that Landlord terminates this Lease prior to the commencement of construction and such termination is not the result of a Tenant Default, then:

(A) Landlord shall reimburse Tenant an amount equal to one hundred percent (100%) of the total Pre-Development Reimbursables or \$2,694,400 whichever is less. Tenant shall provide documentation, satisfactory to Landlord, for all requested Pre-Development Reimbursables.

(B) If Landlord, or any affiliate thereof, thereafter utilizes the Plans, or any part thereof, without the Tenant's involvement, then Landlord shall reimburse Tenant for all Pre-Development Reimbursables, to the extent not previously reimbursed, plus Landlord shall pay Tenant a development fee in the amount of \$450,000. In such case, Tenant shall provide documentation, satisfactory to Landlord for all requested Pre-Development Reimbursables.

(ii) In the event that Landlord is required to reimburse Tenant for any Pre-Development Reimbursables such reimbursement and/or payment shall be made within ninety (90) days after Landlord's receipt of Tenant's invoice therefore.

(iii) In the event that Landlord terminates this Lease prior to the commencement of construction and such termination is not the result of a Tenant Default, this Section 5.02(c) shall provide Tenant's exclusive remedy for any and all claims of Tenant under this Lease.

(d) Prior to the date of this Lease, Landlord has performed certain remediation site work on the Land concerning non-native fill materials ("**Site Remediation Work**"). Part of this Site Remediation Work included work which otherwise would have been the responsibility of Tenant as part of the Work to be performed in connection with the construction of the Improvements. Accordingly, within thirty (30) days of the date of this Lease, Tenant shall pay Landlord \$ \_\_\_\_\_ as reimbursement for a portion of those cost that, absent the Site Remediation Work, would have been incurred by Tenant as part of its Work ("**Site Remediation Work Reimbursement**").

Section 5.03 Covenants and Requirements of Construction.

(a) In the construction of the Improvements (sometimes referred to as the "**Work**"), Tenant:

(i) shall at its own cost and expense obtain and comply with all permits and approvals necessary for the construction of the Improvements;

(ii) shall comply with all Requirements of any Public Authority described in Article 10 including without limitation, Environmental Laws, applicable to the Work; provided, however, that in performing the Work, Tenant shall not be required to comply with the



construction standards imposed by the University on the construction of buildings by the University unless specifically noted otherwise in this Lease;

(iii) shall give prior notice to Landlord of all Tenant's architects, engineers and general contractors to be engaged in the construction of the Improvements, permitting Landlord to object to any such engagement, provided that such objection will not be unreasonably made, conditioned or delayed;

(iv) shall perform the Work within the times provided for herein, in compliance with the Plans, in a good and workmanlike manner, and in accordance with all the provisions of this Lease;

(v) shall perform the Work in a manner not to unreasonably interfere with the University's campus life;

(vi) shall allow Landlord unrestricted access to the Premises during the Work, including a project manager designated by Landlord to monitor the Work;

(vii) shall be fully and solely responsible for safety of the jobsite, the Construction Easement Areas and the immediately surrounding public areas and compliance with applicable safety laws and regulations;

(viii) shall timely pay, prior to the filing of any Liens, all proper accounts for work done or materials furnished under all contracts which it has entered into relating to the Work in accordance with the terms of the contracts and the Kentucky Fairness in Construction Act, KRS 371.400 *et seq.* (the "KFCA");

(ix) shall require the contractor to provide, on or before the commencement of the Work, the following bonds for the benefit of Tenant and Landlord, executed by a surety authorized to do business in Kentucky and with an A.M. Best Rating of A- or better:

(A) a co-obligee payment bond or a payment bond and a dual obligee rider in an amount equal to one hundred percent (100%) of the original contract price; and

(B) a co-obligee performance bond or a performance bond and a dual obligee rider in an amount equal to one hundred percent (100%) of the contract price as it may be increased;

(x) shall develop a traffic plan addressing traffic interruptions during the duration of the Work. Tenant shall submit the traffic plan to the University for approval not less than thirty (30) days prior to the commencement of on-site Work at the Premises and Landlord shall approve or make modifications within fifteen (15) days after receipt of the traffic plan from Tenant. The traffic plan shall address all preexisting private and public automobile, bicycle and pedestrian transportation affected by the Work, including, but not limited to, access to bus stops and traffic during athletic, performing arts and other special events occurring during the duration of the Work and construction/contractor employee parking off site; and

(xi) shall provide for street cleaning, clear access to other University property, emergency vehicle access to all surrounding areas, construction staging with appropriate fencing and parking, hoisting requirements and limitations, project signage limitations, salvage items, and protection of surrounding sidewalks and existing infrastructure.

(b) No open burning of any materials or any use or storage of Hazardous Materials (except in accordance with Environmental Laws) shall be permitted on the Premises or the Construction Easement Areas.

(c) The Work on the Improvements will be limited to 8:00 a.m. to 7:00 p.m. Monday through Friday and 9:00 a.m. to 6:00 p.m. on Saturday, with no heavy construction noise prior to 8:00 a.m. or during the University's final examination periods (which periods shall be determined by the University in its sole and absolute discretion). Unless otherwise approved by Landlord, Tenant shall give seventy-two (72) hour written notice to residents and building operators prior to any utility shutdown which would affect the neighboring residential communities.

(d) Any rock blasting performed on the Premises must be approved in writing by a representative designated by the University at least two (2) weeks prior to the blasting activities and in accordance with University blasting standards. All blasting activities performed by Tenant must comply with heavy construction noise work limitations and restrictions.

(e) To the extent permitted by law and University policies, firearms shall be strictly prohibited from the University campus (including on the Premises and Construction Easement Areas).

(f) Tenant shall require construction employees to adhere to a code of conduct approved by Landlord and in keeping with the code of conduct enforced by Landlord on other comparable construction projects undertaken by Landlord, which shall include, among other things, a prohibition against the use of tobacco on the University campus, including the Premises and Construction Easement Areas.

Section 5.04 Completion of Construction. Tenant agrees that Substantial Completion of the Improvements, in accordance with the Plans, and furnishing of the Improvements for occupancy under Permitted Leases shall occur on or before July 15, 2026 (the "**Substantial Completion Date**"), and thereafter Tenant shall complete the construction and furnishing of the Improvements in accordance with all provisions of this Lease. If Substantial Completion and the fixturing and furnishing of the Improvements, in accordance with the Plans, have not occurred on or before the Substantial Completion Date for any reason, including but not limited to a Force Majeure Event, Tenant shall, at Tenant's expense, provide suitable housing approved by Landlord in its reasonable discretion, for all Student Residents with whom Tenant has entered into Permitted Residential Leases and who cannot occupy the Improvements, until Substantial Completion and the fixturing and furnishing of the Improvements have occurred. Landlord agrees that it will cooperate with Tenant to house any such Student Residents, including renting rooms in existing University undergraduate and graduate housing (to the extent that the University has vacancies in existing University undergraduate and graduate housing at the beginning of the 2026-2027 Academic Year which the University does not reasonably expect to be occupied by a full-time

resident during the 2026-2027 Academic Year) to Tenant at the student rental rate that the University charges for the 2026-2027 Academic Year for the facility at which Tenant houses any such Student Resident and allowing EdR Tenants to rent rooms in existing EdR Facilities (to the extent that the EdR Tenants have vacancies in existing EdR Facilities at the beginning of the 2026-2027 Academic Year which the EdR Tenants do not reasonably expect to be occupied by a full-time resident during the 2026-2027 Academic Year) to Tenant at the student rental rate that the EdR Tenants charge for the 2026-2027 Academic Year for the facility at which Tenant houses any such Student Resident, provided the University approves in its reasonable discretion, any changes to rooms, or number of occupants per room, made to accommodate the additional Tenant Student Residents. Tenant shall provide notice to the University prior to March 1, 2026 if it anticipates not obtaining Substantial Completion prior to the Substantial Completion Date, which notice shall include Tenant's plan for providing substitute housing to Student Residents. To clarify, so long as Tenant is providing suitable substitute housing in accordance with this Section and is diligently pursuing completion of the Improvements, Landlord will not exercise its termination rights under Section 25.03 (if any) based solely on a default due to the failure of Tenant to achieve Substantial Completion of the Improvements by the Substantial Completion Date stated above. Notwithstanding the foregoing or anything set forth in Article 28 to the contrary, if Substantial Completion of the Improvements has not occurred by the Substantial Completion Date due to the occurrence of a Force Majeure Event, the date by which Tenant must achieve Substantial Completion of the Improvements shall be extended by the number of days equal to the number of days Tenant is delayed in achieving Substantial Completion of the Improvements as a result of such Force Majeure Event; provided that in no event shall Substantial Completion of the Improvements occur later than July 15, 2027 (the "**Final Substantial Completion Date**").

Section 5.05 Substantial Completion of Improvements.

(a) "**Substantial Completion**" of the Improvements shall be deemed to have occurred upon Landlord's receipt of evidence, in the form of a customary AIA certificate of the licensed architects employed by Tenant that Tenant has achieved Substantial Completion as defined in the KFCA, and that:

(i) the Improvements shall have been completed in all respects in a good and workmanlike manner and in accordance with the Plans;

(ii) all building equipment and services, including utilities, heating and air conditioning systems, voice systems, data systems and video systems have been completed, are operating properly and are available for use by Tenant and Permitted Residents;

(iii) a certificate of occupancy or temporary certificate of occupancy has been issued permitting occupancy of the Improvements by Permitted Residents;

(iv) all other necessary approvals by public regulatory authorities have been given; and

(v) Tenant may enjoy beneficial use or occupancy of the Improvements and may use, operate, and maintain the Improvements in all respects, for their intended purpose, including use by Permitted Residents in accordance with the terms of the Permitted Leases.

(b) Subsequent to Substantial Completion, Tenant shall, to the extent such work is not already completed, promptly (and in any event not later than forty-five (45) days following Substantial Completion) complete the remaining grading, landscaping, debris removal and removal of surplus building material and rubbish from the Premises. Tenant shall also promptly (and in any event not later than sixty (60) days following Substantial Completion) complete and satisfy any conditions included in any temporary certificate of occupancy and achieve final completion. During such sixty (60) day period, Tenant shall perform all work in a manner that does not interfere with or disturb Permitted Residents occupying the Premises pursuant to Permitted Leases.

Section 5.06 Reserved.

Section 5.07 No Bid Requirement. Tenant shall not be subject to Landlord's bidding rules and processes or other procurement standards of the Commonwealth of Kentucky during the initial construction of the Improvements. However, and to the extent required by law, Tenant agrees to promote open competitive bidding opportunities for participation by local, regional, and statewide contractors. Tenant will promote opportunities for women and minority owned businesses. Tenant will keep Landlord informed as to how it proposes to meet these goals.

(a) Utility and Sewer Connections. Landlord agrees that Tenant may tie into and use certain utilities, electric power, storm and sanitary sewers, and water lines and/or connections, which currently service other property owned by Landlord. Landlord agrees to reasonably cooperate with Tenant in connection with the foregoing. Tenant intends to tie into and use utility lines and connections of the city of Lexington and other local utility providers. Tenant shall comply with all applicable rules, regulations and standards relating to the use of the storm and sanitary sewer system and other utility systems, including but not limited to gas, electric and water. Landlord and Tenant agree to jointly obtain necessary connection permits from LFUCG or private utilities prior to commencement of construction of the Improvements, including, but not limited to, a sanitary sewer permit. Landlord has reviewed the existing system capacity of the University provided utilities and determined that the existing system capacity is adequate to support the Project requirements as set forth in the representation and Site Utilities Plan as set forth in **Exhibit F** attached hereto and incorporated herein by reference. To the extent the parties later determine that the existing system capacity of the University provided utilities is insufficient to support the Project requirements, the University, at the University's expense, shall complete adequate modifications to the utility infrastructure as necessary to provide the required system capacity.

(b) Except for the representation set forth in **Exhibit F**, Landlord makes no representations or warranties regarding the nature, location, character of the existing utilities, electric power, storm or sanitary sewers, water, gas and other lines and/or connections as well as the subsurface and surface conditions.

## ARTICLE 6

### LANDLORD OBLIGATIONS

Section 6.01 Generally. Without limiting the generality of the Tenant's obligations to construct, repair, manage and maintain the Premises at Tenant's sole cost and expense, Landlord has agreed to perform certain obligations and reimburse Tenant for certain expenses specifically set forth in this Article, elsewhere in this Lease, and in the Affiliation Agreement.

Section 6.02 Equipment and Funds Provided by Landlord. Landlord agrees that it shall (a) install, at its expense, amenities on the exterior portion of the Premises as described in the Plans, including bike racks, outdoor furniture and trash cans and (b) be responsible for the costs associated with the developments of the Improvements as set forth on **Exhibit G**.

Section 6.03 Landlord Repair and Maintenance Obligations. Landlord agrees that it shall:

(a) provide snow and ice removal services for the sidewalks and patios located within the Premises in a similar manner with its performance of such services at similar locations on the University's main campus; provided, however, that Landlord shall not be responsible for the replacement or repair of any pedestrian sidewalks on the Premises;

(b) provide garbage and recycling removal services for the Premises from centrally located outdoor waste receptacles installed by Tenant in a similar manner with its performance of such services at similar locations on the University's main campus;

(c) maintain the landscaping and lawns in the Premises, all in a similar manner with its performance of such services at similar locations on the University's main campus; provided that the Landlord shall not be responsible for the replacement of any trees, bushes or other landscaping on the Premises;

(d) maintain and repair, in a similar manner with its performance of such services at similar locations on the University's main campus, the outdoor amenities installed by Landlord on the Premises pursuant to Section 6.02; and

(e) Landlord will maintain, in a similar manner with its performance of such services at similar locations on the University's main campus, that portion of the sanitary sewer located on the Premises that serves the Improvements.

Section 6.04 Tenant's Right to Perform Landlord's Covenants. If Tenant believes Landlord is not fulfilling its obligations set forth in Section 6.03, then, upon reasonable advance notice under the circumstances, Tenant may perform said services and the parties shall resolve any disputes as to whether (a) Landlord has failed to fulfill the foregoing obligations and (b) if in the event that it is determined that Landlord has failed to fulfill such obligations, damages incurred by Tenant as a result of such failure, first by engaging in negotiation under Section 24.02, and if necessary by mediation under Section 24.03.

## ARTICLE 7

### REPAIRS, MAINTENANCE AND ALTERATIONS

Section 7.01 Repairs and Maintenance. Except for the obligations of Landlord set forth in Section 6.03, Tenant, at its sole cost and expense, shall keep, manage and maintain all portions of the Premises in a first-class manner. Tenant's obligations under this Article apply to all interior and exterior areas of the Premises, all structural and non-structural elements, and include, but are not limited to, heating, air conditioning and ventilating systems, plumbing and electrical systems, communications systems and elevators. Tenant's obligations to maintain the Premises under this Article shall include the obligation to repair, restore and replace elements of the Premises from time to time in order to keep the Premises in a first-class condition. Tenant shall maintain a schedule outlining expected future repairs, replacements and capital improvements for the Premises and the timeframe in which such matters are expected to be accomplished (the "**Repair, Replacement and Capital Improvement Schedule**") in accordance with Section 7.03. As a helpful reference, see Exhibit CE 6 – Anticipated Future Average Useful Life Schedule attached to the Affiliation Agreement, as the same may be amended from time to time, and which is incorporated by reference herein. Tenant's obligations under this Article shall apply to all maintenance matters, ordinary and extraordinary, and foreseen and unforeseen. Any repairs performed by Tenant shall be at least equal in quality and class required for the original Work. Tenant shall manage and maintain the Premises as would a prudent owner and shall not commit, or allow any of its employees, tenants, visitors, invitees or other occupants of the Premises to commit, any waste or any nuisance on the Premises, or permit any part of the Premises to be used for any dangerous, obnoxious or offensive trade or business, and shall not permit any damaged structures to remain on the Premises for any unreasonable period of time. Except as set forth in Section 6.03 and Article 33, Landlord shall have no obligations with respect to the management or maintenance of the Premises.

Section 7.02 Alterations, Improvements and Additions. Upon completion of the construction of the Improvements, Tenant shall not make any alterations, improvements or additions to the Premises (collectively "**Alterations**") without the prior written consent of Landlord, which consent will not be unreasonably denied, withheld, delayed or conditioned; provided, however, that the prior written consent of Landlord shall not be required for routine repairs, replacements or non-structural alterations. Tenant's request to Landlord for permission to make Alterations shall be accompanied by reasonably detailed plans and specifications in light of nature of the proposed Alterations involved, estimated costs and the identity of the contractors who shall perform the work. Any Alterations permitted by Landlord shall be at least equal in quality and class to the original Work and as required for the original Work shall be consistent with permitted uses of the Premises as provided in Article 3.

Section 7.03 Repair, Replacement and Capital Improvement Schedule. Tenant shall maintain the Repair, Replacement and Capital Improvement Schedule, amending as necessary to provide an updated five (5) year outlook that forecasts the funds needed on an annual basis for repairs, replacements and capital improvements to the Premises. Tenant will review the Repair, Replacement and Capital Improvement Schedule with Landlord on a periodic basis and no less than annually. Each year, the annual budget for the Premises will contain amounts for repairs and maintenance expenses within operating expenses and include a separate line item for capital

replacements and capital improvements. Beginning in the 2026-2027 Academic Year, Tenant shall allocate \$225 per bed for repair and maintenance expenses within operation expenses, and thereafter Tenant shall increase the annual per bed allocation for repair and maintenance expenses within operation expenses by an amount sufficient to ensure that sufficient funds are available to maintain all portions of the Premises in a first-class manner.

Section 7.04 Replacement Reserve. In addition to the amounts stated in Section 7.03 above, Tenant shall allocate funds (the “**Replacement Reserve**”) on an annual basis to be utilized solely as set forth in the Repair, Replacement and Capital Improvement Schedule. Beginning in the 2026-2027 Academic Year, Tenant shall allocate \$200 per bed per year to the Replacement Reserve. Thereafter, Tenant shall increase the annual per bed allocation to the Replacement Reserve by an amount sufficient to ensure that sufficient funds are available to maintain all portions of the Premises in a first-class manner. Beginning in the tenth (10<sup>th</sup>) year of this Lease (the 2035-2036 Academic Year), Tenant shall allocate an additional \$350 per bed per year for long-term capital expenditures. Each Fiscal Year, Tenant shall be permitted to include in its Operating Expenses an amount equal to aggregate per bed allocation to the Replacement Reserve, as determined in accordance with the terms of this Section 7.04 (the “**Permitted Replacement Reserve Expense Amount**”). Upon request from Landlord, Tenant will provide reasonable documentation of the total amount allocated to the Replacement Reserve and written assurances that sufficient funds are available to meet all repair, replacement and capital improvement needs for the Premises.

## ARTICLE 8

### TAXES AND UTILITY EXPENSES

#### Section 8.01 Taxes.

(a) The University and Tenant (i) believe that the University is entitled to certain Tax exemptions, credits or abatements with respect to the Premises pursuant to Section 170 of the Kentucky Constitution as a result of the University’s ownership of the Premises (the “**Tax Exemptions**”); (ii) acknowledge and agree that the University is entitled to all benefits that result from the Tax Exemptions; and (iii) further acknowledge and agree that the Initial Student Resident Rent set forth in Section 3.03 and the Base Rent are based on the availability of the Tax Exemptions. In the event that, at any point during the Term, (x) it is determined that the University is not entitled to the Tax Exemptions with respect to the Premises, (y) the University agrees to any payments in lieu of Taxes with respect to the Premises in connection with the Tax Exemptions, or (z) it is determined that the Tax Exemptions are otherwise unavailable, then:

(i) the additional costs associated with the imposition of such Taxes (or payments in lieu of Taxes) during each tax period following such determination shall be borne by the Residential Residents, through a corresponding increase in the Student Resident Rent, and shall thereafter be payable by Tenant on behalf of Landlord; provided that in the event there is an increase in the Student Resident Rent as a result of this Section 8.01, Landlord and Tenant shall agree on an appropriate adjustment to the Base Rent to ensure that the additional revenue which results from such increase is used solely for the payment of Taxes and does not result in an increase in the Base Rent payable to Landlord; and

(ii) any unpaid Taxes that are determined to be payable in a final, non-appealable order for periods prior to such determination shall be borne by Landlord and discharged in a manner selected by Landlord in its sole and absolute discretion; provided that, if requested by Landlord, Tenant agrees to pay such unpaid Taxes on behalf of Landlord, with the amount so paid (together with interest thereon, commencing to accrue on the date of the payment by Tenant on behalf of Landlord, at (A) the then current Prime Rate published in the Wall Street Journal for the week in which the payment is made by Tenant plus (B) 200 basis points) being deducted from the Base Rent payable to Landlord for twelve (12) months from the time of such payment, with the remaining portion of the amount so paid plus accrued interest being reimbursed by Landlord to Tenant at end of such twelve (12) month-period; provided, further, that if Tenant pays such unpaid Taxes in accordance with the foregoing, Tenant agrees to further increase the Student Resident Rent to the extent that Tenant can do so without a material adverse economic impact on its Net Income, and to apply the additional revenues generated from such increase to reduce the aggregate amount of the Base Rent deductions to which Tenant is entitled pursuant to this Section 8.01(a)(ii). Any amounts remaining to be reimbursed by Landlord pursuant to this Section 8.01(a)(ii) may be reimbursed by Landlord without penalty at any time.

(b) Notwithstanding the foregoing, on behalf of Landlord Tenant shall pay and discharge punctually when due all taxes, if any, any payments in lieu of taxes, assessments, water and sewer rents, rates and charges, vault license fees or rentals, levies, license and permit fees and all other governmental impositions and charges of every kind and nature whatsoever, extraordinary as well as ordinary, foreseen and unforeseen, which shall be charged, levied, laid, assessed, imposed upon, become due and payable out of or in respect of, or become liens upon the whole or any part of the Premises, together with all interest and penalties, under all present or future laws, ordinances, requirements, orders, directives, rules or regulations or the federal, state, county, and city governments and of all other governmental authorities whatsoever as well as and including all payments in lieu of any of the foregoing (the “**Taxes**”). With the prior written consent of Landlord, in the Landlord’s sole and absolute discretion, Tenant may, at its sole cost and expense, seek a tax abatement, tax credit or other tax exemption that is or may become available for the Premises, other than the Tax Exemptions.

Section 8.02 Time for Payments. Tenant shall be deemed to have complied with the covenants of this Article if the Taxes are paid before any fine, penalty, interest or cost may be added to them. Tenant shall produce and exhibit to Landlord reasonable evidence of payment on Landlord’s request.

Section 8.03 Apportionment between Landlord and Tenant. To the extent applicable, all Taxes payable during the tax years in which the term of this Lease commences and expires shall be apportioned pro rata between Landlord and Tenant.

Section 8.04 Tenant’s Right to Contest Taxes. With the exception of payment in lieu of taxes or other tax abatement or bond financing related matters, which shall require the prior approval of Landlord, which may be withheld in Landlord’s sole and absolute discretion, Tenant shall have the right to contest or review, in good faith, all Taxes by appropriate legal proceedings, or in such other manner as may be appropriate; provided that Tenant shall promptly pay all Taxes when due. Tenant shall conduct the proceedings diligently, at its own cost and expense. Landlord



shall execute all documents reasonably necessary for the proceedings, at Tenant's sole cost and expense.

Section 8.05 Right to Refund of Taxes. Any savings, credits, refunds or rebates obtained as a result of any tax abatement or other tax exemption (other than the Tax Exemptions) being obtained for the Premises shall belong to Landlord and, at the option of Landlord, shall serve to either reduce the Student Resident Rent or increase the Rent payable to the University. Any refunds or rebates of the Taxes paid by Tenant on behalf of Landlord shall belong to Tenant and be used in Tenant's sole discretion.

Section 8.06 Utilities. Tenant shall pay and discharge punctually all water and sewer rents, rates and charges and all charges for steam, heat, gas, hot water, electricity, light and power, and any and all other services and utilities furnished to the Premises. Tenant shall have no obligation to tie into the University's steam or chillwater system.

## ARTICLE 9

### NET LEASE; RESTRICTION ON COMPETITION

Section 9.01 Net Lease. The Rent payable by Tenant under this Lease shall be net to Landlord. Except as otherwise provided in this Lease or another written contract between Landlord and Tenant, all costs, expenses and obligations of every kind and nature whatsoever relating to the Premises, which may arise or become due during the term of this Lease (the "**Expenses**"), shall be paid by the Tenant and Tenant shall indemnify and save Landlord harmless from and against the Expenses.

Section 9.02 Rent Not to Abate. Tenant's obligation to pay Rent under this Lease shall not be affected by, nor shall the Rent abate or be diminished, reduced, rebated or refunded on account of any want of repair, destruction or damage to the Premises or the Improvements, regardless of the cause or extent of them, or for any inconvenience, discomfort, interruption of business or otherwise arising from the making of alterations, changes, additions or repairs to the Premises or the Improvements, or because of any present or future governmental laws, ordinances, requirements, orders, directives, rules or regulations, or for any other cause or reason.

Section 9.03 Restriction on Competition. During the term of this Lease, the Tenant shall not, and shall cause its affiliates to not, without the prior written approval of Landlord, which approval may be withheld, conditioned or delayed in the sole and absolute discretion of Landlord, own, acquire, develop, manage or operate real property located within Fayette County, Kentucky or within ten (10) miles of the Premises (collectively, the "**Restricted Area**"). The Tenant shall devote sufficient resources to the Premises to fulfill their obligations under this Lease.

## ARTICLE 10

### REQUIREMENTS OF PUBLIC AUTHORITY AND INSURANCE POLICIES

Section 10.01 Compliance by Tenant.

(a) Tenant, at its sole cost and expense, shall (i) promptly comply with all present and future laws, ordinances, codes, requirements, orders, directives, rules, regulations and permits of all federal, state, county, city, and town governments, and of all other governmental authorities, agencies, departments, boards and officers, or any other body or bodies (each, a “**Public Authority**”) which may exercise similar functions, foreseen and unforeseen, ordinary and extraordinary, applicable to the Premises or any part thereof or to its use, or to the operations or activities of Tenant upon the Premises, whether in force at the commencement of the term of this Lease or passed, enacted, directed, issued or amended in the future including, without limitation, Environmental Laws, whether or not compliance shall require structural changes and (ii) comply with the University policies listed on Exhibit CE 5 – University Policies attached to the Affiliation Agreement, as the same may be amended from time to time, and which is incorporated by reference herein (the “**University Policies**”); provided, however, that Tenant shall not be required to comply with any future amendments to the University Policies, if such future amendment would cause a materially adverse economic impact on Tenant’s Net Income ((i) and (ii), collectively, the “**Requirements**”). Tenant shall pay all costs, expenses, liabilities, obligations, losses, damages, fines, penalties, charges, claims and demands, including, without limitation, costs associated with administrative and judicial proceedings, and reasonable fees of architects, engineers, consultants and attorneys, that may in any manner arise from or be imposed resulting from the failure of Tenant to comply with this Article or as are imposed upon Tenant by a Public Authority. Landlord shall reasonably cooperate, without expense to Landlord, with Tenant in complying with the Requirements.

(b) Tenant shall comply with the requirements of all policies of public liability, fire and all other policies of insurance maintained by Tenant with respect to the Premises. Tenant shall promptly take steps to remedy or prevent any violation or attempted violation which is known to Tenant of the provisions of this Section by any subtenant of the Premises, including Permitted Residents.

Section 10.02 Challenge of Validity. Upon prior written notice to Landlord, Tenant shall have the right to contest by an appropriate legal action, case or proceeding (a “**Proceeding**”) diligently conducted in good faith, without cost or expense to Landlord, the validity or application of the Requirements. If compliance with the Requirements may be delayed during the Proceeding without the incurrence of any Lien, charge or liability of any kind against the Premises and without subjecting Tenant or Landlord to any liability, civil or criminal, for failure to comply with them, Tenant may delay compliance with them until the final determination of the Proceeding.

Section 10.03 Survival. Except with respect to compliance with Environmental Law, the provisions of this Article 10 shall survive the expiration or earlier termination of this Lease for the greater of (a) two (2) years or (b) the expiration of the applicable statute of limitations, with respect to violations of Tenant’s obligations under this Article 10 which have occurred prior to such expiration or termination.

## ARTICLE 11

### COVENANT AGAINST LIENS

Section 11.01 Tenant's Obligations to Discharge. Tenant shall promptly (and in any event within twenty (20) days of the date of filing), (a) furnish a bond satisfactory for the release of any filed mechanic's, laborer's, or materialman's lien, other encumbrance lien or charge upon the Premises, or any part of it (a "**Lien**") in accordance with the Kentucky lien statutes, KRS 376.010 *et seq.* and KRS 376.195 *et seq.* or (b) otherwise obtain a release or discharge any Lien.

Section 11.02 Landlord's Rights to Discharge. If any Lien shall be filed against the Premises, or any part of it, and Tenant has not discharged it of record or posted a bond satisfactory to Landlord to assure its discharge in accordance with Section 11.01 within twenty (20) days after the date on which the Lien is filed, then Landlord, in addition to any other right or remedy it may have, and without waiving its rights to declare a default, may discharge the Lien of record by bonding or otherwise. Any amounts paid by Landlord in the discharge by bonding of the Lien if Tenant fails to do so as required above, including, but not limited to, penalties, interest, costs, expenses, allowances and reasonable attorney's fees shall be paid by Tenant to Landlord on demand.

Section 11.03 Tenant's Indemnification against Liens. Tenant shall indemnify and hold harmless Landlord against any and all damages, losses and expenses (including, but not limited to, penalties, interest, costs, allowances and reasonable attorney's fees) arising from or incurred as a result of any Lien or claim asserted by any third party.

Section 11.04 No Implied Consent of Landlord. Nothing in this Lease shall be construed as the consent or request of Landlord, express or implied, by inference or otherwise, to any contractor, subcontractor, laborer or materialman for the performance of any labor or the furnishing of any material for any improvement, alteration or repair of the Premises, or any part of it.

Section 11.05 Landlord's Obligations to Discharge. If, as a result of Landlord's actions, a Lien is placed against the Land, Landlord shall promptly (and in any event within twenty (20) days of the date of filing), (a) furnish a bond satisfactory for the release of the Lien in accordance with the Kentucky lien statutes, KRS 376.010 *et seq.* and KRS 376.195 *et seq.* or (b) otherwise obtain a release or discharge the Lien.

Section 11.06 Tenant's Rights to Discharge. If, as a result of Landlord's actions, a Lien is placed against the Land, and Landlord has not discharged it of record or posted a bond satisfactory to Tenant to assure its discharge in accordance with Section 11.05 within twenty (20) days after the date on which the Lien is filed, then Tenant, in addition to any other right or remedy it may have, may discharge the Lien of record by bonding or otherwise. Any amounts paid by Tenant in the discharge by bonding of the Lien if Landlord fails to do so as required above, including, but not limited to, penalties, interest, costs, expenses, allowances and reasonable attorney's fees shall be paid by Landlord to Tenant on demand.

## ARTICLE 12

### ENTRY ON PREMISES BY LANDLORD

Section 12.01 Landlord's Right of Entry. Subject to the rights of the Permitted Residents under the terms of the Permitted Leases, Tenant shall permit Landlord and its authorized representatives to have reasonable access to the Premises at all reasonable times for the purposes of (a) inspecting them, or (b) upon five (5) days prior notice to Tenant (except in the case of an emergency, for which no prior written notice is required), making any necessary repairs required under Article 7 of this Lease or performing any other work that may be reasonably necessary because of Tenant's Default of Tenant's obligations hereunder with respect to the making of required repairs. Landlord's right of entry shall not imply any duty on its part to perform any repairs or work and shall not constitute a waiver of any Default of Tenant.

Section 12.02 Storage of Materials. Subject to the rights of the Permitted Residents under the terms of the Permitted Leases, during the progress of any work on the Premises by Landlord pursuant to Section 12.01, Landlord may store all necessary materials, tools, supplies and equipment on the Premises (including, for the avoidance of doubt, inside the Improvements). Landlord shall perform the repairs and store the materials contemplated in Section 12.01 and 12.02 in a manner designed to minimize or, if possible, avoid, disturbance to the Permitted Residents or damage to the Premises, but in any case, shall not be liable for inconvenience, annoyance, disturbance, loss of business or other damage incurred by Tenant or any subtenant, including Permitted Residents, because of the performance of those repairs or work, or the storing of materials, tools, supplies and equipment on the Premises (including, for the avoidance of doubt, inside the Improvements).

Section 12.03 Showing Premises to Prospective Tenants. Subject to the rights of the Permitted Residents under the terms of the Permitted Leases, upon forty-eight (48) hours prior notice, Landlord shall have the right to enter the Premises (including, for the avoidance of doubt, the Improvements) at all reasonable times during usual business hours at any time after Tenant provides notice of its intent to assign this Lease or sell the Improvements or within two (2) years prior to the expiration of the Term of this Lease for the purpose of showing them to prospective lease tenants.

## ARTICLE 13

### ASSIGNMENT AND SUBLETTING

#### Section 13.01 Assignment and Subletting.

(a) Except as otherwise set forth in this Article 13, Tenant shall not assign this Lease or, except to Permitted Residents, sublet the whole or any part of the Premises, without the prior written consent of Landlord, which consent may be granted, conditioned or withheld in the Landlord's sole and absolute discretion for any reason or no reason at all, and any such purported assignment or sublease in violation of this Lease shall be null and void and of no effect. An assignment shall include any transfer of this Lease, whether voluntary or involuntary or by operation of law. Notwithstanding the foregoing, Tenant may assign this Lease (each, a "**Permitted Affiliate Assignment**"): (i) to an affiliate of Tenant, so long as after giving effect to the assignment Guarantor (or a permitted or substitute guarantor pursuant to Sec. 31.24) continues to guarantee the performance of such Tenant assignee affiliate in the same manner as it guarantees Tenant's obligations hereunder and the Greystar Member (or an affiliate of the Greystar Member

that is controlled by or under common control with, directly or indirectly, the Guarantor (“**Greystar Affiliate**”), controls the Tenant assignee affiliate, (ii) at any time following the third (3<sup>rd</sup>) anniversary of the Commencement Date, to an affiliate of Tenant so long as, after giving effect to the assignment, Guarantor (or a permitted or substitute guarantor pursuant to Sec. 31.24) continues to guarantee the performance of such Tenant assignee affiliate in the same manner as it guarantees Tenant’s obligations hereunder.

(b) The occurrence of a Change in Control of Tenant or Guarantor shall be deemed to be an assignment of this Lease; provided that the following events (each a “**Permitted Change in Control**”) shall not be deemed an assignment of this Lease: (i) at any time following the Commencement Date, a Change in Control of Guarantor shall not be a deemed an assignment of this Lease if, following the Change in Control, Guarantor meets the financial standards of a Qualified Assignee; (ii) at any time following the third (3<sup>rd</sup>) anniversary of the Commencement Date, a Change in Control of Tenant, so long as, after giving effect to the Change in Control, the HS Member or a Qualified Assignee holds (directly or indirectly) in the aggregate not less than 40% of the outstanding ownership interests in Tenant and controls Tenant; (iii) at any time following the Commencement Date, a reorganization, merger or consolidation of the Greystar Member, with any corporation, limited liability company or other legal entity, or the sale of all or substantially all of the assets of Greystar Member, provided that, after any such reorganization, merger or consolidation, the resulting organization meets the qualifications of a Qualified Assignee and the EdR Leases are also controlled by the party ultimately controlling the resulting organization; and (iv) at any time prior to the third (3<sup>rd</sup>) anniversary of the Commencement Date, upon disclosure to and approval by the University, in its reasonable discretion, which will not be unreasonably delayed, a Change in Control of Tenant resulting in the HS Member controlling Tenant that is triggered by fraud, abuse or willful misconduct of the Greystar Member or the Greystar Member’s material failure to cause Tenant to be in compliance with terms of this Lease. A Permitted Change in Control shall not trigger any rights of Landlord to terminate this Lease. Landlord agrees not to seek equitable relief or take any other action to delay or hinder a Permitted Change in Control.

(c) To the extent permitted by law and subject to Landlord’s termination right set forth in Section 13.02, after Substantial Completion of the Improvements and at least six (6) years of operation of the Premises, Landlord shall permit Tenant to assign or sublet this Lease upon the following conditions (a “**Permitted Assignment**”):

- (i) the assignment or sublease is to a Qualified Assignee;
- (ii) contemporaneously with the assignment or sublease, the Affiliation Agreement, or other agreements between Landlord and the Tenant are also assigned or subleased to the Qualified Assignee;
- (iii) after the assignment or sublease, the Manager (as defined in Sec. 3.02) shall be the same management company as engaged by the EdR Tenants to manage and operate the EdR Facilities, unless otherwise approved by University in writing, which approval shall be in the sole and absolute discretion of the University;

(iv) the use of the Premises by the Qualified Assignee shall comply with the use restrictions contained in Article 3 of this Lease and with all other terms and conditions of this Lease;

(v) a Tenant Event of Default shall not exist under this Lease;

(vi) the Qualified Assignee, in a document reasonably satisfactory to Landlord and in recordable form, shall agree to faithfully perform and be bound by all of the terms, conditions, covenants, provisions and agreements of this Lease and the Affiliation Agreement or other agreements between Landlord and the Tenant;

(vii) the Qualified Assignee, in a document reasonably satisfactory to Landlord, shall agree not to finance its assumption or sublease of this Lease in a manner that would adversely impact the debt capacity or credit rating of the University, without the prior written consent of the University, which consent may be granted or withheld in the University's sole and absolute discretion;

(viii) any sublease shall provide that it is subject to the terms and conditions of this Lease and may, at Landlord's option after the termination or expiration of this Lease, require the sublessee to attorn to Landlord; and

(ix) a replacement guarantor meeting the financial qualifications of a Qualified Assignee shall guaranty the Qualified Assignee's performance of the covenants and obligations of Tenant under this Lease in accordance with a written guaranty in the same form as provided by the Guarantor under Sec. 31. 24 of this Lease.

(d) Landlord's consent to any assignment or sublease shall not constitute or be deemed its consent, nor constitute a waiver of the requirement of its consent, to any subsequent assignment or sublease.

(e) Tenant shall not assign any of its rights under this Lease separate from any Permitted Assignment.

(f) A Permitted Assignment shall relieve Tenant of any liability arising under this Lease for acts, errors or omissions of other parties occurring on or after the effective date of the assignment.

(g) Notwithstanding anything to the contrary contained in this Lease, no Permitted Lease shall be considered an assignment of or a sublease under this Lease requiring Landlord's consent, except as required under Section 3.04.

(h) For purposes of this Lease, the following terms shall have the following definitions:

(i) **“Change in Control”** shall mean the occurrence of any of the following: (A) a merger or consolidation of a party, or any entity which controls such party, with or into another person, corporation, limited liability company, partnership or other entity, in which the party, or any entity which controls such party, shall not be the surviving entity; provided that

for purposes of this clause, a merger or consolidation in which the party, or any entity which controls such party, becomes a subsidiary of another entity shall not be deemed a transaction in which the party, or an entity which controls such party, is the surviving entity, (B) a dissolution of a party, or any entity which controls such party, (C) a transfer of all or substantially all of the assets of a party, or any entity which controls such party, in one transaction or a series of related transactions to one or more other persons or entities; (D) any “person” or “group” (as those terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”)), becomes the “beneficial owner” (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of a party, or any entity which controls such party, representing 50% or more of the combined voting power of a party’s then outstanding securities, or the outstanding securities of any entity which controls such party; or (E) after the date of this Lease, individuals who at the beginning of the period constituted the board of directors, or other ultimately governing body, of a party, or of any entity which controls such party, or, if applicable, any individual, limited liability company, partnership or other entity who at the date of this Lease constitute the trustee, general partner or manager of a party, or of an entity which controls such party, cease to constitute at least a majority of the board of directors, or other ultimately governing body, then in office of party or, if applicable, the trustee, general partner or manager of such party, or of any entity which controls such party; provided, however, that any individual who becomes a member of the board of directors, or other ultimately governing body, of a party, or any entity which controls such party, subsequent to the date of this Lease, whose election or nomination for election was approved by the members of the board of directors, or other ultimately governing body, of such party, or through a party’s customary proxy solicitation process, shall be considered to be a member of the board of directors, or other ultimately governing body, or such party as of the effective date of this Lease. Notwithstanding the foregoing or anything to the contrary contained herein, the following shall not constitute a Change in Control hereunder and therefore shall be permitted without Landlord consent: (i) any transfer of direct or indirect ownership interests in HS Member, so long as after giving effect to any transfer of direct or indirect ownership interest in HS Member, the control of Tenant is not changed; (ii) a reorganization, merger or consolidation of the HS Member, with any corporation, limited liability company or other legal entity, or the sale of all or substantially all of the assets of HS Member, provided that after any such reorganization, merger or consolidation the resulting organization meets the qualifications of a Qualified Assignee and the control of Tenant is not changed.

(ii) “**Qualified Assignee Net Worth CPI Percentage Increase**” means the percentage equal to a fraction, multiplied by 100, (X) the numerator of which is equal to (i) the Index for the immediately preceding January beginning in the second (2nd) year of this Lease (the “**Current Index**”) minus (ii) the Index for the month that is twenty four (24) months prior to the Current Index (the “**Trailing Two-Year Index**”), and (Y) the denominator of which is equal to the Trailing Two-Year Index. For example, assuming that January 2011 were determined to be the Current Index, with a CPI of 220.223, then the Trailing Two-Year Index would be January 2009, with the CPI being 211.143, and the CPI Percentage Increase would be calculated as follows:  $(220.223 - 211.143) / 211.143 = 0.043 \times 100 = 4.3\%$ .

(iii) “**Qualified Assignee**” shall mean a person or entity that, as of the date of the proposed assignment or transfer: (A) has a net worth greater than or equal to the Qualified Assignee Net Worth Amount (which condition may be satisfied on a consolidated basis with an affiliate guarantor which guarantees the obligations of such entity) and (B) has at least

seven (7) years of experience owning, managing and operating student housing facilities comparable to the Premises, or retains a third party management company with such experience pursuant to a management agreement reasonably satisfactory to Landlord; provided that the Landlord shall have the right to approve the entity responsible for the management of the Premises following the assignment, which approval shall be reasonable under the then current circumstances.

(iv) “**Qualified Assignee Net Worth Amount**” shall mean an amount equal to (A) in the first (1st) year of this Lease, \$547,000,000 and (B) beginning in the second (2nd) year of this Lease, \$547,000,000 compounded annually each year by the greater of (I) three percent (3%) or (II) the CPI Percentage Increase. For example, if (X) in the second year of this Lease the CPI Percentage Increase were equal to 2.8%, then the Qualified Assignee Net Worth Amount would be increased by 3%, to \$\_\_\_\_\_, and (Y) in the third year of this Lease the CPI Percentage Increase were equal to 4.0%, then the Qualified Assignee Net Worth Amount, as increased to \$\_\_\_\_\_ in the third year, would be further increased by 4%, to \$\_\_\_\_\_.

Section 13.02 Landlord’s Right to Terminate Lease Upon Bona Fide Offer.

(a) In the event that Tenant shall receive a Bona Fide Offer at any time during the Term, Tenant shall give Landlord written notice (the “**Bona Fide Offer Notice**”) of the terms of the offer, including (i) the name and address of the proposed transferee, (ii) the consideration if any offered and (iii) all other material terms and conditions of the transfer. For purposes hereof, a “**Bona Fide Offer**” shall mean a written offer from a Qualified Assignee to assume all of the Tenant’s rights in and obligations under this Lease in a transaction meeting the requirements of a Permitted Assignment, which Tenant is willing to accept, provided however, the definition of Bona Fide Offer shall not include offers to engage in a Permitted Affiliate Assignment or Permitted Change in Control.

(b) Upon receipt of the Bona Fide Offer Notice, Landlord shall have the right, to terminate this Lease. Within sixty (60) days of Landlord’s receipt of the Bona Fide Offer Notice (the “**Preliminary Period**”), Landlord shall provide Tenant with a preliminary non-binding indication of Landlord’s interest in exercising its right to terminate this Lease. Following the Preliminary Period, the University shall have an additional sixty (60) days (the “**Election Period**”) within which to exercise its termination right by giving written notice of its intention to terminate this Lease (the “**Election Notice**”).

(c) If Landlord elects to terminate this Lease by delivery of the Election Notice, Landlord shall pay to Tenant an amount equal to the applicable Early Termination Fee as defined in Section 29.01; provided that Landlord’s termination of this Lease shall be conditioned upon Landlord’s receipt of all required approvals; provided, further, that Landlord’s termination of this Lease shall occur no later than three hundred sixty five (365) days after Landlord’s receipt of the Bona Fide Offer Notice (such 365-day period, the “**Bona Fide Offer Termination Period**”); provided that if the failure of the transaction to be consummated is a result of a delay caused by Tenant, the Bona Fide Offer Termination Period shall be extended until such time that the purchase can reasonably be completed.



(d) If Landlord (i) fails to exercise its right to terminate this Lease during the Election Period, (ii) fails to terminate this Lease during the Bona Fide Offer Termination Period or (iii) provides written notice to Tenant that it does not desire to terminate this Lease, Tenant may transfer this Lease to the Qualified Assignee on the terms stated in the Bona Fide Offer free from the termination right set forth in this Section 13.02; provided, however, that if such transaction is not consummated within one (1) year after the expiration of the Election Period or the Bona Fide Offer Termination Period, as applicable, Tenant's right to transfer shall expire, and the right to terminate this Lease must again be offered to Landlord pursuant to this Section 13.02.

(e) Tenant covenants that it shall accept no such Bona Fide Offer or convey any of its rights in or obligations under this Lease until it has complied with the terms of this Section 13.02. Any conveyance of Tenant's rights in and obligations under this Lease made in the absence of full satisfaction of this Section 13.02 shall be null and void and of no effect. Landlord may enforce this Section 13.02, without limitation, by injunction, specific performance or other equitable relief.

(f) Landlord's election not to exercise its right to terminate this Lease shall not prejudice Landlord's rights hereunder as to any further Bona Fide Offer. The terms and conditions contained in this Section 13.02 shall be binding upon the successors and assigns of Tenant.

(g) In the event such transaction is not fully consummated within the time provided for in such Bona Fide Offer, or in the event that the terms of such Bona Fide Offer are modified, then Landlord's right to terminate this Lease shall remain in full force and effect, and Tenant shall be obligated to submit to Landlord any such modified Bona Fide Offer or any subsequent Bona Fide Offer, in accordance with the provisions of subsection (a) of this Section 13.02.

#### ARTICLE 14

#### HOLDING OVER

In the event Tenant shall remain in occupation of the Premises after the expiration or earlier termination of this Lease, and in addition to having the right to remove the Tenant in any manner permitted by law, and in addition to all other rights Landlord may have in law, in equity, and under this Lease, Tenant shall be liable to Landlord for all Rent during any period of holdover in the amount equal to one hundred ten percent (110%) times the Rent payable immediately prior to such expiration or termination, and the tenancy created by acceptance of the rent and such holding over shall be that of a tenancy from month to month only.

#### ARTICLE 15

#### SURRENDER

Upon the expiration or earlier termination of the term of this Lease, Tenant shall, subject to the rights of Permitted Residents under Permitted Leases, quit and peacefully surrender and deliver to Landlord the possession and use of the Premises, without delay, in good order, condition and repair, except for reasonable wear and tear and free and clear of all liens, encumbrances and

charges, and all rights of Tenant under this Lease and in the Improvements shall terminate. Tenant shall not remove any Personal Property, or any additions to or replacements thereof made during the Term of this Lease, and shall only remove its proprietary or confidential information and documents. Notwithstanding the termination of the Lease, Tenant shall remain liable to Landlord for any loss or damage suffered by the Landlord because of any Default of Tenant. Upon surrender, Tenant shall assign to Landlord or Landlord's designee all Permitted Leases, subleases and other agreements and rights relating to the operation or use of the Premises, or Tenant's interest in them, as Landlord may request. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

## ARTICLE 16

### SIGNS AND NAMING RIGHTS

Section 16.01 Signs. Tenant shall not install or replace, nor permit the installation or replacement by others, of any signs or advertising matter visible from the exterior of the Premises without the prior written consent of Landlord, which consent will not be unreasonably denied, withheld, delayed or conditioned, so long as such signs conform to the University's design standards for similar signs on its campus and with the University's regulations on use of the University name and marks. Tenant shall comply with all applicable requirements of governmental and Landlord authorities and policies having jurisdiction and shall obtain all necessary governmental approvals prior to the installation or replacement of any sign or other advertising matter permitted by Landlord.

Section 16.02 Naming Rights. Landlord shall retain all naming rights and Tenant shall cooperate with Landlord in the naming of the Improvements, with Tenant being permitted to have a representative serve as an ad hoc member of the naming committee. All money related to the naming rights shall remain the Landlord's. The naming of all Improvements shall comply with Landlord's naming rights policies. Any costs related to a change in the name of the Premises after Substantial Completion shall be paid by Landlord.

## ARTICLE 17

### INDEMNITY

#### Section 17.01 Tenant's Indemnification of Landlord.

(a) Tenant shall defend with competent counsel, indemnify and hold harmless the University, and its trustees, officers, agents, employees and affiliated entities from and against any and all liabilities, obligations, losses, damages, fines, penalties, claims, demands, costs, charges and expenses, including, without limitation, reasonable fees of architects, engineers, consultants and attorneys and costs associated with administrative and judicial proceedings incurred by Landlord as a result of Tenant's breach of its obligations under this Lease, which may be imposed upon, incurred by or asserted against Landlord in connection with any of the following (collectively, the "**Claims**"):

(i) Any work done in, on or about the Premises or the Construction Easement Areas;

(ii) Any use, non-use, possession, occupation, condition, operation, maintenance or management of the Premises, the Construction Easement Areas or any part thereof, or any adjacent sidewalk, curb, passageway or space, except where such claims are a result of the acts or omissions of Landlord or its agents, concessionaires, contractors, servants or employees or Permitted Residents (other than retail subtenants of Tenant) under Permitted Leases, or their invitees or licenses;

(iii) Any act or omission of Tenant or any of its agents, concessionaires, contractors, servants, employees, or invitees excluding the acts or omissions of Permitted Residents (other than retail subtenants of Tenant) under Permitted Leases, Landlord or its agents, concessionaires, contractors, servants or employees;

(iv) Any accident, injury or death to any person or damage to any property occurring in, on or about the Premises or the Construction Easement Areas, or any adjacent sidewalk, curb, passageway or space, except resulting from the acts or omissions of Landlord or its agents, concessionaires, contractors, servants or employees or Permitted Residents (other than retail subtenants of Tenant) under Permitted Leases, or their invitees or licensees; or

(v) Any failure by Tenant to perform or comply with any of the covenants, agreements, terms, provisions, conditions or limitations in this Lease required by the provisions of this Lease to be complied with or performed by Tenant.

(b) In addition to, and without limiting the generality of, the foregoing provisions of this Article, Tenant shall indemnify, and hold harmless the University, and its trustees, officers, agents, employees and affiliated and support entities, from and against all claims which may be imposed upon, incurred by or asserted against Landlord, arising out of (i) the use, generation, storage, Release, or disposal of Hazardous Materials (defined below) on or about the Premises or the Construction Easement Areas by or on behalf of Tenant in violation or breach of this Lease during Tenant's use of the Premises or the Construction Easement Areas including, without limitation, the cost of any required or necessary decommissioning, repair, cleanup, or remediation and the preparation of any closure or other required plans, whether such action is required or necessary prior to or following the termination of this Lease, (ii) any Release or threatened Release during Tenant's use of the Premises or the Construction Easement Areas of such Hazardous Materials in violation or breach of this Lease at, on, to, or into the Premises or the Construction Easement Areas, including groundwater, or from the Premises or the Construction Easement Areas on, to, or into any adjoining property or other property, including groundwater, (iii) the failure by Tenant, any subtenant or any person claiming under Tenant (other than a Permitted Resident (except for retail subtenants of Tenant) under a Permitted Lease) to comply with any of the Requirements described in Article 10 of this Lease, including without limitation all Environmental Laws, or the common law; or (iv) any and all damage to natural resources or real property and/or harm or injury to any person resulting or alleged to have resulted from (A) any Release or threatened release during Tenant's use of the Premises or the Construction Easement Areas of such Hazardous Materials in violation or breach of this Lease or any Environmental Law, and/or (B) such failure during Tenant's use of the Premises or the

Construction Easement Areas to comply with, or otherwise arising under, any of the Requirements, including without limitation all Environmental Laws, or the common law.

(c) For purposes of this Lease, the following terms shall have the following definitions:

(i) **“Environmental Law”** means any applicable present or future federal, state or local law, statute, rule, regulation or ordinance relating to the regulation, pollution, preservation or protection of human health, safety, the environment, or natural resources or to emissions, discharges, Releases or threatened Releases of pollutants, contaminants, Hazardous Materials or wastes into the environment (including ambient air, soil surface water, ground water, wetlands, land or subsurface strata).

(ii) **“Hazardous Materials”** means and includes any (a) “hazardous substances”, “pollutants” or “contaminants” (as defined in the United States Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §9601, *et seq.* (“**CERCLA**”), or the regulations pursuant to CERCLA), including any element, compound, mixture, solution, or substance which is or may be designated pursuant to Section 102 of CERCLA; (b) all substances which are or may be designated pursuant to the Federal Water Pollution Control Act, 33 U.S.C. §1251 *et seq.* (“**FWPCA**”); (c) any hazardous waste having the characteristics which are identified under or listed pursuant to Federal Resource Conservation and Recovery Act, 42 U.S.C. §6901, *et seq.* (“**RCRA**”) or having such characteristics which shall subsequently be considered under RCRA to constitute a hazardous waste; (d) any substance containing petroleum, as that term is defined in RCRA; (e) any toxic pollutant which is or may be listed under FWPCA; (f) any hazardous air pollutant which is or may be listed under the Clean Air Act, 42 U.S.C. §7401 *et seq.*; (g) any imminently hazardous chemical substance or mixture with respect to which action has been or may be taken pursuant to the Toxic Substances Control Act, 15 U.S.C. § 2601 *et seq.*; (h) any substance or mixture subject to regulation under the Federal Insecticide, Fungicide, and Rodenticide Act, 7 U.S.C. § 136 *et seq.*, (i) waste oil and other petroleum products; (j) any asbestos, urea formaldehyde, or polychlorinated biphenyls, or material which contains one or more of such substances; or (k) any other materials, chemicals, substances, products, or wastes which are now or hereafter either (i) deemed by any governmental authority with appropriate jurisdiction over Tenant to be, under any applicable Environmental Law, contaminants or pollutants, or hazardous, toxic, radioactive, ignitable, reactive, corrosive, or otherwise harmful to the environment or (ii) otherwise regulated pursuant to any applicable Environmental Law.

(iii) **“Release”** means any release, issuance, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment or into or out of any property, including the movement of Hazardous Materials through the air, soil, surface water, ground water or property other than as specifically authorized by and in compliance with all Environmental Laws.

(d) If any action or proceeding is brought against Landlord because of any one or more of the claims described above in this Section 17.01, Tenant, at its sole cost and expense, upon written notice from Landlord, shall defend that action or proceeding by competent counsel reasonably acceptable to Landlord by Landlord in writing.

Section 17.02 Landlord's Remediation Obligations. Except as otherwise set forth in this Section 17.02, if Hazardous Materials are discovered on the Land during the term of this Lease, and such Hazardous Materials are shown to have been present prior to the commencement of this Lease or such Hazardous Materials are the result of a Release caused by Landlord, Landlord will at its own expense conduct any actions necessary to remediate the Hazardous Materials on the Land to a concentration level approved by the relevant governmental authority.

Section 17.03 Survival. The provisions of this Article shall survive the expiration or earlier termination of this Lease with respect to events, acts or omissions during Tenant's Use Period.

## ARTICLE 18

### INSURANCE

#### Section 18.01 Property Insurance.

(a) Following Substantial Completion of the Improvements and during the Term thereafter, Landlord shall procure and maintain physical damage insurance covering the Premises and all contents of the Premises through the policies purchased by Landlord through its participation in the State Fire & Tornado Insurance Fund of the Commonwealth of Kentucky (or any successor insurance program), in an amount equal to at least one hundred percent (100%) of the replacement cost of the Premises and all contents of the Premises. Upon request, Tenant shall provide Landlord such information concerning the Premises or contents on the Premises that is reasonably necessary to procure such insurance. Such insurance shall contain broad form coverage as may be customary for like properties in the vicinity from time to time during the term of this Lease. Landlord expressly acknowledges and agrees that the replacement value must include all changes or additions necessary to meet then current building codes and applicable laws, including but not limited to Environmental Laws. In the event that, at any time, Landlord is no longer required or permitted to participate in State Fire & Tornado Insurance Fund, Landlord may procure and maintain comparable physical damage insurance coverage through an insurer meeting the requirements set forth in Section 18.07.

(b) At the request of Landlord, and at the sole cost and expense of Tenant, the replacement value of the Improvements shall be determined from time to time, but not more frequently than once every five (5) years, by an insurance appraiser mutually acceptable to Landlord and Tenant. Tenant shall promptly notify Landlord in writing of such determination.

(c) Tenant hereby waives any right of recovery from Landlord, its officers, and employees (collectively, the "**Landlord Parties**") and releases and discharges Landlord Parties from all claims, damages, losses or demands whatsoever which Tenant may have or acquire arising out of damage to or destruction of the Premises or Tenant's business caused by fire or other perils unless such loss or damage shall have been caused by the negligence or willful misconduct of the Landlord Parties.

(d) Landlord shall have a waiver of subrogation clause endorsed to and made a part of its property insurance policy or policies.

(e) The insurance policies required by this Sections 18.01 shall name Landlord as the insured and Tenant as an additional insured.

(f) Tenant shall be responsible from dollar one for any deductible amount for which coverage is not available under the insurance maintained by Landlord pursuant this Section 18.01 (including any self-insured retention of either Landlord or the State Fire & Tornado Fund). Landlord shall be permitted to increase or decrease such deductible amount from time to time in its sole and absolute discretion; provided that Landlord shall provide Tenant at least thirty (30) days prior written notice of any change in the deductible amount payable by Tenant.

Section 18.02 Other Insurance. Tenant, at its sole cost and expense, shall procure and maintain or cause the Manager to procure and maintain during the term of this Lease, the following policies of insurance:

(a) Worker's Compensation and Employers Liability as required by Kentucky law;

(b) Disability Benefits as required by law;

(c) Customary business interruption insurance for continuing expenses including Rent described under Article 4;

(d) Commercial General Liability written on an occurrence basis with limits of \$1,000,000 per occurrence and a \$3,000,000 aggregate including, but not limited to, coverage for bodily injury, personal injury, property damage, ongoing and completed operations, products and contractual liability referring to this Lease;

(e) Automobile Liability with a \$1,000,000 combined single limit for bodily injury or property damage covering vehicles owned, non-owned, hired or otherwise used or furnished for the use of the Tenant, its associates, employees, representatives, volunteers or agents;

(f) An Umbrella follow form liability insurance policy or policies that shall increase to \$50,000,000 the limits of coverage provided by the insurance required by subsections (c) and (d) of this Section 18.02; and

(g) Professional Liability / Errors and Omissions insurance written on an occurrence basis with limits of \$1,000,000 per occurrence.

Section 18.03 Responsibility of Tenant During Construction. Prior to commencement of the construction required under Article 5, Tenant at its own expense shall obtain, furnish to Landlord, or cause its contractors to obtain and furnish to Landlord, and maintain through the full completion of construction of the Improvements in accordance with all provisions of this Lease, the following policies of insurance:

(a) Each of the policies of insurance required by subsection (a) through (e) of Section 18.02;

(b) Architects and engineers professional liability insurance in an amount of at least \$2,000,000 covering errors and omissions, bodily injury and property damage (including contractual liability coverage with all coverage retroactive to the earlier of the date of this Lease or the commencement of professional services in relation to the Premises or the Construction Easement Areas). Architect/Engineer shall maintain this coverage for a period of three years after the date of final payment by Tenant to each architect, engineer and contractor relating to the construction of the Improvements under this Lease. This Professional Liability Insurance may be written on a claims made basis or any other basis as is expressly identified to Tenant by the University in writing. During the Term of this Lease, and annually for three (3) years after the final payment by Tenant to each architect, engineer and contractor relating to the construction of the Improvements, each architect, engineer and contractor retained by Tenant, shall provide a certificate demonstrating that this insurance is being currently maintained, including, but not limited to, the policy's retroactive date.

(c) "All Risk" builders risk insurance for fire, flood, earthquake, terrorism, testing of mechanical or electrical devices and extended coverages on all the Premises and the Construction Easement Areas. The policy shall include Tenant, its contractors and subcontractors as named insureds and Landlord, as its interest may appear. The amount of insurance shall be 100% of full replacement cost. The policy shall contain a Consent of Occupancy endorsement, a waiver of subrogation clause in the form required by Section 18.01, and coverage for loss of income and business interruption.

Section 18.04 Evidence of Insurance – All Insurance Coverages. All insurance coverages required by this Article shall be obtained by valid and enforceable policies, in form reasonably acceptable to Landlord, issued by insurers of recognized responsibility and licensed to do business in the Commonwealth of Kentucky. Upon the execution of this Lease, and thereafter upon Landlord's request and not less than twenty (20) days prior to the expiration dates of the policies furnished by Tenant, certificates with respect to Tenant's commercial general liability, umbrella liability, professional liability and property insurance policies and, during the period required by Section 18.04, of Tenant's builders risk insurance policy, and certificates of insurance for all other insurance coverages required by this Article, shall be delivered by Tenant to Landlord, with evidence reasonably satisfactory to Landlord of the payment of the full premiums on the policies.

Section 18.05 Minimal Requirements – Primary Insurance.

(a) The insurance coverages and limits required of Tenant by this Article shall be the minimum requirements of Tenant under this Lease and shall in no manner limit Tenant's liability to Landlord under this Lease. All policies of insurance described in Article 18 shall indicate any deductibles or self-insured retentions (SIR's) of no more than \$250,000 per occurrence, as may be adjusted with reasonable approval of Landlord.

(b) The insurance policies required by Sections 18.02(c),(d) and (e) and 18.03(b) and (c) shall name Landlord as an additional insured with respect to the obligations, indemnifications and liabilities of Tenant under this Lease. Acceptable additional insurance policy endorsements are as follows: ISO Form Additional Insured Endorsement CG 20 10 11 85, or the carrier's manuscript equivalent acceptable to the Landlord, that includes completed operations, naming Landlord as an additional insured with respect to Landlord's project name. The policies

of insurance described in the preceding sentence shall be primary and non-contributory of any insurance carried by Landlord, and Tenant shall furnish to Landlord the written consent of the insurer that the policies are primary and non-contributory.

Section 18.06 Notice of Cancellation. The policies and certificates evidencing the policies of insurance shall provide for prior written notice according to the terms of the policy to Landlord of any cancellation, non-renewal, reduction in amount or material change in insurance policy coverage.

Section 18.07 Quality of Insurance. All insurance required to be carried by Tenant by this Article 18 shall be issued by a company rated by A.M. Best with a minimum Class “IX” as to financial rating and “A” (Excellent) as to policyholder rating; provided that if such rating system ceases to be published or is converted to a different standard or otherwise revised, the required rating for the insurance carried by Tenant shall be adjusted to the equivalent rating under the revised rating system or, in no equivalent rating exists, to a standard agreed upon by Landlord and Tenant.

Section 18.08 Disbursement of Proceeds.

(a) Except as otherwise provided in this Article, all policies of insurance required by this Article 18 shall name Tenant as the insured and Landlord as an additional insured.

(b) All insurance policies required herein shall provide that any loss shall be adjusted and the proceeds paid as provided in this Lease.

Section 18.09 Deletion of Co-Insurance Requirements. Except for any insurance policies maintained pursuant to Section 18.01, any co-insurance requirements of any policy of insurance shall be deleted.

Section 18.10 Insurance Escalation Discussions. Promptly after the fifth (5th) anniversary of the Rent Commencement Date, and thereafter promptly after each subsequent fifth (5th) anniversary of the Rent Commencement Date, representatives of Landlord and Tenant shall confer with respect to the insurance coverages required to be maintained by Landlord and Tenant under this Lease and as to whether it is then commercially reasonable to increase such required insurance coverages.



## ARTICLE 19

### EMINENT DOMAIN

Section 19.01 Termination of Lease. If all or substantially all of the Premises shall be taken for any public or quasi-public use under any statute, by right of eminent domain or by transfer or purchase in lieu thereof (the “**Condemnation Proceedings**”), this Lease shall automatically terminate on the date title passes to or possession is taken by the taking authority, whichever occurs first. For purposes of this Article “substantially all” of the Premises shall be deemed taken if one of the two buildings is no longer operable or, otherwise the portions not taken shall be insufficient for the continued operation by Tenant of a facility for the purposes described in Section 3.01.

Section 19.02 Distribution of Condemnation Proceeds. To the extent permitted by law, in the event of a taking in a Condemnation Proceeding which results in the termination of this Lease pursuant to Section 19.01, Landlord and Tenant shall cooperate in the prosecution of the Condemnation Proceeding and shall request the court or board having jurisdiction of the Condemnation Proceedings to determine the reversion value of the Premises and the Tenant’s rights under this Lease separately. The aggregate net award (the “net award”) for the taking of the of the Premises and Tenant’s rights under this Lease, after deducting all expenses and costs, including attorney’s fees, shall be payable on a pro rata basis to the extent of the funds available:

(a) To Landlord for the value of its interest in the Premises so taken, subject to the encumbrances of this Lease; and

(b) To Tenant for the value of its rights in this Lease so taken.

Section 19.03 Partial Taking. If less than substantially all of the Premises is taken (a “**Partial Taking**”), the term of this Lease shall continue, Rent shall be equitably abated and reduced in light of the portion of the Premises taken under such Partial Taking and Tenant promptly shall, at its own cost and expense, restore the Premises to as near like their condition prior to the Partial Taking as is reasonably practicable. The net award upon such a partial taking shall be paid to Landlord and Tenant in the manner and priority provided in Section 19.02 above. This Lease shall automatically terminate for the portion of the Premises taken by a Partial Taking.

Section 19.04 Landlord’s Obligation to Pay Early Termination Fee. A taking under a Condemnation Proceeding or a Partial Taking shall not trigger Landlord’s obligation to pay the Early Termination Fee unless such taking inures to the benefit of the University.

## ARTICLE 20

### LANDLORD'S RIGHT TO PERFORM TENANT'S COVENANTS

Section 20.01 Performance of Covenants. If Tenant shall fail to perform any of its obligations under this Lease, Landlord may, at its option, after the expiration of any grace or cure period available to Tenant with respect to such failure and the giving of thirty (30) days' notice to Tenant (except where otherwise stated herein), or with such notice as is reasonable in case of an emergency, perform any of such obligations.

Section 20.02 Reimbursement of Costs and Expenses. Any moneys paid and all costs and expenses incurred by Landlord, including reasonable attorneys' fees in the performance of Tenant's obligations under this Lease, together with interest on such moneys at the Default Rate until paid shall be paid by Tenant to Landlord on demand.

Section 20.03 No Waiver. Landlord's exercise of its rights under this Article shall not constitute a waiver of any other rights or remedies Landlord may have because of Tenant's Default.

## ARTICLE 21

### PROHIBITION AGAINST MORTGAGES

Notwithstanding anything to the contrary contained in this Lease, Tenant, and the Tenant Party's shall have no right to mortgage, pledge, or encumber this Lease or its rights in this Lease and the Easement Areas, but shall keep the Easement Areas, this Lease and Tenant's rights in this Lease free and clear of any and all debt until such time as Landlord and Tenant agree otherwise in writing. Landlord shall be under no obligation to agree to permit Tenant, or any Tenant Party, to mortgage, pledge, or encumber its rights in this Lease and the Easement Areas, and Landlord shall have the right to approve or deny any such request from Tenant, or any Tenant Party, in Landlord's sole and absolute discretion, for any reason or no reason at all. In the event that Landlord agrees to permit Tenant, or a Tenant Party, to mortgage, pledge, or encumber this Lease or Tenant's rights in this Lease or the Easement Areas, Landlord and Tenant agree to amend this Lease to incorporate commercially reasonable provisions acceptable to the applicable lender; provided that in no event shall Landlord be required to subordinate its interest in the fee simple title in the Land or its rights under this Lease.

## ARTICLE 22

### DAMAGE OR DESTRUCTION

Section 22.01 Restoration of Improvements. If the Premises or any part thereof shall be damaged or destroyed by fire or otherwise, Tenant shall promptly (and in any event no later than five (5) days following the event causing the damage or destruction) notify Landlord, and, at its sole cost and expense, to the extent of the insurance proceeds available for such purpose (with the funds derived from the insurance acquired pursuant to Article 18 made available for such purpose), restore, repair, replace, or rebuild the Improvements and provide substitute housing for the Permitted Residents. The restoration shall be at least equal in quality and class to the original

Work, shall be performed pursuant to a design, plans and specifications each approved by Landlord, which approval the Landlord will not unreasonably deny, delay or condition, and in accordance with all provisions applicable to the Work and all other provisions of this Lease. The restoration shall be commenced within ninety (90) days from the date of the damage or destruction; provided, however, that Landlord shall grant such extensions of time for the adjustment of insurance and the preparation of the plans and specifications as reasonably may be required. The architect or engineer in charge of the restoration shall be selected by Tenant and approved in writing by Landlord, which approval may be granted, conditioned or withheld in the Landlord's sole and absolute discretion. Tenant shall diligently complete the restoration. The University will cooperate with Tenant to house any tenants displaced during such restoration in other University housing to the extent available.

Section 22.02 No Right to Surrender; No Relief from Rent Obligations. No destruction or damage to the Premises or any part thereof shall permit Tenant to surrender this Lease or shall relieve Tenant from its obligation to pay Rent or from any of its other obligations under this Lease. Tenant waives any rights now or in the future conferred upon it by statute or otherwise to quit or surrender this Lease or to any rebate, refund, suspension, diminution, abatement or reduction of rent on account of any destruction or damage to the Premises.

Section 22.03 Restoration at End of Term. Notwithstanding the foregoing, during the last five (5) years of the Term, if the Improvements are damaged or destroyed and replacement would be commercially unreasonable given the then current economic housing market, Tenant shall not be obligated to repair and restore damage to the Premises and may terminate this Lease if the following conditions are satisfied: (a) Tenant shall remove the damaged or destroyed structures and restore the Land to grade within thirty (30) days of destruction, (b) Landlord shall have received the following percentages of the insurance proceeds paid on account of such damage or destruction: (i) during the seventieth (70th) year of this Lease following the Substantial Completion Date, twenty percent (20%), (ii) during the seventy-first (71st) year of this Lease following the Substantial Completion Date, forty percent (40%), (iii) during the seventy-second (72nd) year of this Lease following the Substantial Completion Date, sixty percent (60%), (iv) during the seventy-third (73rd) year of this Lease following the Substantial Completion Date, eighty percent (80%), and (v) during the seventy-fourth (74th) and seventy-fifth (75th) years of this Lease following the Substantial Completion Date, one hundred percent (100%), and (c) delivery by Tenant to Landlord of an instrument releasing, demising, conveying and transferring to Landlord all of Tenant's rights, title and interest under this Lease.

Section 22.04 Damages for Failure to Comply with Repair Obligations. If the restoration, repair, replacement, or rebuilding of damaged or destroyed portions of the Premises is not substantially completed in accordance with Section 22.01 hereof (to the extent such restoration, repair, replacement, or rebuilding is required pursuant to such Section 22.01 or Section 22.03) within a reasonable time after the date of such damage or destruction (taking into account the provisions of Section 22.01 hereof), Landlord shall provide written notice thereof to Tenant. If Tenant does not begin to diligently pursue such restoration, repair, replacement, or rebuilding as and to the extent required by Section 22.01 within thirty (30) days after the date of such written notice, Landlord may terminate this Lease and, in such event, Landlord shall receive the proceeds of all insurance obtained in accordance with Article 18 of this Lease to the extent such proceeds have not been expended on or committed to such restoration and Tenant shall deliver to Landlord

an instrument releasing, demising, conveying and transferring to Landlord all of Tenant's rights, title and interest under this Lease.

## ARTICLE 23

### TITLE PROVISIONS

Section 23.01 Quiet Enjoyment. Tenant, upon payment of the Rent and the performance and observance of all covenants, warranties, agreements and conditions of this Lease on its part to be kept, shall quietly have and enjoy the Premises during the term of this Lease, without hindrance or molestation by anyone claiming by, through or under Landlord.

Section 23.02 Landlord's Title. Landlord represents and warrants to Tenant that it has fee simple title to the Land and the power and authority to execute and deliver this Lease and to carry out and perform all covenants to be performed by it.

Section 23.03 Title Insurance Report: Title Objections. Tenant will obtain, at its sole cost and expense, a report of title from a title insurance company licensed to do business in the Commonwealth of Kentucky with respect to the Land. If it has not already done so, promptly after the Commencement Date, Tenant may, at Tenant's expense obtain a survey of the Land which shall locate all easements, restrictions and other matters of record affecting the Land and shall locate any such easements, restrictions and other matters of record and identify them by book and page reference. Within sixty (60) days after the delivery of such survey, Tenant shall obtain at Tenant's sole cost and expense the report of title from a title insurance company licensed to do business in the Commonwealth of Kentucky with respect to the Land which report must then show the Land is free and clear of all liens, encumbrances and tenancies of any kind, nature in description except for (a) liens for current taxes not in default, (b) minor survey exceptions that do not adversely affect Tenant's ability to construct and operate the Improvements, (c) utility easements which will not interfere with the development, construction or operation of the Improvements as contemplated by this Lease or the use and enjoyment of the Easement Areas (the "**Permitted Encumbrances**"). If the report of title shows liens and encumbrances other than Permitted Encumbrances, Tenant shall notify Landlord and shall allow Landlord forty- five (45) days after the receipt of the notice to satisfy and discharge of record the liens and encumbrances. If, within the forty-five (45) day period, Landlord shall not satisfy and discharge of record the liens and encumbrances, Tenant may, at its option, cancel this Lease by giving Landlord written notice within ten (10) days after the expiration of the forty-five (45) day period and the Lease shall terminate on the giving of notice. Upon termination, neither party shall have any further rights or liabilities under this Lease, except that in the event that following the termination of this Lease pursuant to this Article 23, Landlord, or any affiliate thereof, thereafter utilizes the Plans, or any part thereof, without the Tenant's involvement, then Landlord shall reimburse Tenant for all Pre-Development Reimbursables, to the extent not previously reimbursed. In such case, Tenant shall provide documentation, satisfactory to Landlord for all requested Pre-Development Reimbursables.

Section 23.04 Future Landlord Encumbrances. Landlord acknowledges and agrees that any future mortgage, pledge or encumbrance of Landlord's interest in the Land or Improvements shall be subject to Tenant's rights in this Lease.

## ARTICLE 24

### DISPUTE RESOLUTION

Section 24.01 Dispute Resolution. In recognition of the long term nature of each party's commitment to the other and the substantial investment made by Tenant with regard to the Premises, in the event of a dispute, Landlord and Tenant agree that dispute resolution shall proceed as follows: first, negotiation as provided in Section 24.02; second, mediation, as provided in Section 24.03; and third, if the parties are still unable to resolve their dispute, the complaining party shall have all of the rights set forth in this Lease and available to such party under applicable law to pursue adjudication and resolution of the dispute ("**Dispute Resolution**"). Notwithstanding anything to the contrary herein, Landlord shall not be required to engage in negotiation under Section 24.02 or mediation under Section 24.03 prior to seeking legal redress for a Tenant Event of Default under Sections 25.01(a), (c), (d), (e), (f) (h) and (i) of this Lease.

Section 24.02 Negotiation. The parties shall attempt in good faith to resolve any dispute promptly by negotiation between executives who have authority to settle the controversy. Either party may give the other party notice of any dispute not resolved in the ordinary course of business. Within ten (10) days after delivery of the notice, the receiving party shall submit a written response to the notice. The notice and response shall include (a) a statement of that party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within fifteen (15) days after delivery of the initial notice, the executives of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All negotiations and materials provided pursuant to this negotiation process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence under applicable law and statements made by any party during negotiation may not be used against it in later proceedings if the parties fail to resolve the dispute during negotiation.

Section 24.03 Mediation. If a dispute has not been resolved by negotiation as provided above within twenty (20) days, or the parties failed to meet within fifteen (15) days after delivery of the initial notice of negotiation, the parties shall endeavor to resolve the dispute by private mediation in Lexington, Kentucky. If Landlord and Tenant cannot agree upon a mediator, each shall select one name from a list of mediators maintained by any bona fide dispute resolution provider or other private mediator, and the two mediators chosen by Landlord and Tenant shall then choose a third person who will serve as mediator. The parties agree to each have a representative present at the mediation who has authority to bind it to a written settlement agreement, subject to the approval of the investment committee of Guarantor and any consents or approvals required by legislation and regulations governing Landlord. The initial mediation session shall be held promptly (but not more than thirty (30) days following appointment of the mediator). All negotiations and materials provided pursuant to this mediation process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence under applicable law. Positions and statements made by any party during mediation may not be used against it in later proceedings if the parties fail to reach a settlement agreement during mediation. Each party shall bear its own expenses and shall pay an

equal share of the expenses of the mediator. Agreements reached in any mediation proceeding shall be enforceable as settlement agreements in any court having jurisdiction thereof.

Section 24.04 Further Legal Action. Except as otherwise provided in this Lease, it is the intent of the parties that these negotiation and mediation procedures shall govern any dispute under this Lease and either party shall have the right to specifically enforce the negotiation and mediation procedures before the other party may seek legal redress in a court of law. If a dispute has not been resolved by negotiation and mediation as provided in Sections 24.02 and 24.03, either party shall have the right to commence legal action. Any legal actions brought to enforce this Lease shall be brought in the Circuit Court of Franklin County, Kentucky pursuant to Kentucky Revised Statutes Section 45A.245.

## ARTICLE 25

### DEFAULT

Section 25.01 Tenant Events of Default. Any one or more of the following events shall constitute an event of default of Tenant under this Lease (a “**Tenant Event of Default**” or “**Tenant Default**”):

(a) Tenant’s failure to pay any Rent, or any other amount due hereunder, when due and payable, and the continuation of the failure to pay said obligations for thirty (30) days after written notice from Landlord to Tenant.

(b) Tenant’s failure to observe and perform any of the other terms, covenants, conditions, limitations or agreements under this Lease on Tenant’s part to be observed or performed and the continuation of the failure for a period of thirty (30) days after notice from Landlord to Tenant specifying the nature of the failure; provided that if the default involved is curable but not within thirty (30) days, then so long as Tenant shall commence the cure involved within such thirty (30) day period after notice and thereafter diligently pursue completing the cure, the time within which such cure must be completed shall be extended for the period necessary to complete the cure, but in no event shall such cure period exceed sixty (60) days, except in the case where structural repairs are needed to cure a default, in which case Tenant shall have such additional time as is reasonably required to complete such repairs in a diligent manner providing Tenant is diligently pursuing completion of the cure.

(c) If Tenant, the owner in control of Tenant, Guarantor or any other guarantor of the performance of Tenant’s covenants and obligations under this Lease shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under the present or any future federal bankruptcy code or any other present or future federal, state or other bankruptcy or insolvency statute or law (collectively, “**Insolvency Laws**”), or shall seek, consent to or acquiesce in the appointment of any bankruptcy or insolvency trustee, receiver or liquidator of Tenant, Guarantor or any other guarantor of the performance of Tenant’s covenants and obligations under this Lease, as applicable, or of all or any substantial part of its properties or of the Premises or Improvements, or shall make a general assignment for the benefit of creditors, or be unable to pay its debts as they mature.

(d) The commencement of any action, case or proceeding against Tenant, the owner in control of Tenant, Guarantor or any other guarantor of the performance of Tenant's covenants and obligations under this Lease seeking (i) any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any Insolvency Laws, or (ii) the appointment, without the consent or acquiescence of Tenant, Guarantor or any other guarantor of the performance of Tenant's covenants and obligations under this Lease, as applicable, of any trustee, receiver or liquidator of Tenant or of all or substantially all of its properties or of the Premises, and such proceedings shall continue undismissed for a period of sixty (60) days.

(e) If Tenant shall abandon the Premises.

(f) If a Lien is filed against the Premises and Tenant fails to furnish a bond or otherwise obtain a release or discharge of the Lien as required by Article 11 of this Lease.

(g) If any warranty or representation of Tenant contained in this Lease is untrue in any material respect as of the date made.

(h) Tenant, the owner in control of Tenant, Guarantor or any other guarantor of the performance of Tenant's covenants and obligations under this Lease shall be dissolved or liquidated or shall be involved in proceedings towards dissolution or liquidation, except in conjunction with a Permitted Affiliate Assignment, Permitted Assignment or a Permitted Change in Control, none of which shall constitute a Tenant Event of Default.

(i) An assignment of this Lease in violation of Article 13.

Notwithstanding anything to the contrary set forth in this Section 25.01, if there occurs a Tenant Event of Default that arises solely based on an event applicable to the Guarantor, Tenant may cure such default by providing Landlord a substitute guarantor that meets the financial qualifications of a Qualified Assignee and is acceptable to Landlord in its reasonable discretion, provided that (i) Tenant submits to Landlord notice of the identity and qualifications of the proposed substitute guarantor within twenty (20) days of Landlord's notice to Tenant of the occurrence of the default, (ii) Landlord does not provide Tenant notice of Landlord's objection to such substitute guarantor within the ten (10) days following Landlord's receipt of Tenant's notice of substitute guarantor, and (iii) within ten (10) days following the expiration of said ten (10) day period, the substitute guarantor executes and delivers to Landlord a replacement guaranty in materially the same form as the Guaranty.

Section 25.02 Chronic Default. Tenant shall be deemed in "**Chronic Default**" under this Lease if Tenant, more than three (3) times in any twenty-four (24) month period, fails to make a payment of Rent or other amount due hereunder, when due and payable or fails to observe and perform any other terms, covenants, conditions, limitations or agreements under this Lease on Tenant's part to be observed or performed (regardless of whether Tenant has timely cured). If Tenant is in Chronic Default, then Landlord shall be permitted to declare a Tenant Event of Default pursuant to Section 25.01(a) or (b) by providing written notice to Tenant and Tenant shall have no cure periods.

Section 25.03 Remedies on Tenant Default.

(a) Upon the occurrence of a Tenant Event of Default under Sections 25.01(b) or (g) of this Lease, Landlord and Tenant shall first attempt to resolve the Tenant Default by engaging in negotiation under Section 24.02 and, if necessary, mediation under Section 24.03.

(b) Upon the occurrence of any other Tenant Event of Default, or if the negotiation and mediation provided for in Section 25.03(a) is unsuccessful, Landlord, at its option, shall have the following remedies:

(i) pursue an action for any and all actual damages incurred by or asserted against Landlord as a result of Tenant's Default, including reasonable attorney's fees incurred;

(ii) pursue an action for specific performance (except as provided in Section 13.01(b));

(iii) with respect to any defaults occurring during the construction of the Improvements, exercise any rights Landlord may have under any applicable performance bond;

(iv) subject to the rights of the Permitted Residents under Permitted Leases, terminate this Lease and the rights of Tenant hereunder and take possession of the Premises upon payment to Tenant of the Early Termination Fee set forth in Section 29.01, as of the date of termination, less the appraisal fees resulting from a determination of such appraised value, which shall be paid by Tenant, less any damages due to Landlord as a result of Tenant's Default; provided that, before this Lease may be terminated for a Tenant Event of Default described in Section 25.01(a) or (b), Tenant must be in Chronic Default; for a Tenant Event of Default described in Section 25.01(f), and Tenant must have failed to furnish a bond or otherwise obtain a release or discharge of the Lien within a year from the date of filing of the Lien;

(v) require Tenant to market and assign its rights in and obligations under this Lease to a Qualified Assignee. In such case, Tenant will pay the costs of the marketing and assignment of its rights and obligations under this Lease and will be entitled to the proceeds from such assignment, less any damages due to Landlord as a result of Tenant's Default; provided that, before Landlord may require Tenant to assign its rights in and obligations under this Lease pursuant to this provision because of a Tenant Event of Default described in Section 25.01(a) or (b), Tenant must be in Chronic Default; a Tenant Event of Default described in Section 25.01(f), and Tenant must have failed to furnish a bond or otherwise obtain a release or discharge of the Lien within a year from the date of filing of the Lien; and

(vi) exercise or pursue any other remedy or cause of action permitted under this Lease or available at law or in equity to recover actual damages suffered by Tenant as a result of Landlord's Event of Default.

Section 25.04 Landlord Events of Default. A "**Landlord Event of Default**" shall occur if Landlord fails to observe and perform any of the terms, covenants, conditions, limitations or agreements under this Lease on Landlord's part to be observed or performed and the continuation of the failure for a period of thirty (30) days after notice from Tenant to Landlord specifying the



nature of the failure; provided that if the default involved is curable but not within thirty (30) days, then so long as Landlord shall commence the cure involved within such thirty (30) day period after notice and thereafter diligently pursue completing the cure, the time within which such cure must be completed shall be extended for the period necessary to complete the cure.

Section 25.05 Remedies on Landlord Default. Upon a Landlord Event of Default, Landlord and Tenant shall engage in negotiation under Section 24.02 and, if necessary, mediation under Section 24.03, and, if such negotiation and mediation are unsuccessful Tenant shall have the following remedies:

(a) pursue an action for specific performance of Landlord's obligations under this Lease;

(b) pursue an action for any and all actual damages incurred by or asserted against Tenant as a result of Landlord's Event of Default, as may be permitted by law; and

(c) exercise or pursue any other remedy or cause of action permitted under this Lease or available at law or in equity to recover actual damages suffered by Tenant as a result of Landlord's Event of Default and/or seek specific performance of this Lease.

Section 25.06 Payments. If Tenant fails to make any payment due under this Lease in full when due, that portion of the payment that remains unpaid shall bear interest at the Default Rate.

Section 25.07 No Termination of Agreement During Pendency of Negotiation or Mediation. So long as the parties are engaged in good faith in negotiation under Section 24.02 or mediation under Section 24.03, no notice of termination or threatened termination of this Lease may be given by any party seeking to enforce remedies for a default under this Lease.

Section 25.08 Rights and Remedies Cumulative. Except as expressly designated as an exclusive remedy, no right or remedy contained herein is intended to be exclusive of any other right or remedy provided herein or by law, but each shall be cumulative and in addition to every other right or remedy given herein or now or hereafter existing at law or in equity or by statute.

Section 25.09 Consequential Damages. Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby agree that consequential damages, punitive damages, treble or other multiple damages, and damages for lost opportunity or lost profits for claims, disputes, or other matters arising out of or relating to this Lease (collectively, "**Consequential Damages**"), payable by either party, shall be limited to: (a) if the event giving rise to the Consequential Damages occurs after the Commencement Date and prior to first anniversary of the Rent Commencement Date, \$1,500,000; (b) if the event giving rise to the Consequential Damages occurs after the first anniversary of the Rent Commencement Date and prior to the third anniversary of the Rent Commencement Date, an amount equal to the average annual Rent paid by Tenant multiplied by three (3); and (c) if the event giving rise to the Consequential Damages occurs after the third anniversary of the Rent Commencement Date, an amount equal to the total Rent paid by Tenant during the three-year period preceding the event giving rise to the Consequential Damages.

## ARTICLE 26

### WAIVERS

No failure by Landlord to insist upon the strict performance of any agreement, term, covenant or condition of this Lease or to exercise any right or remedy upon a breach of any of them, and no acceptance of full or partial rent during the continuance of any breach, shall constitute a waiver of the breach or of the agreement, term, covenant or condition. No agreement, term, covenant or condition to be performed or complied with by Tenant, and no breach of any of them, shall be waived, altered or modified except by a written instrument executed by Landlord. No waiver of any breach shall affect or alter this Lease, and each and every agreement, term, covenant and condition of this Lease shall continue in full force and effect with respect to any other existing or subsequent breach.

## ARTICLE 27

### APPROVALS AND REPRESENTATIONS

Section 27.01 Approvals. Tenant, at its sole expense, shall take all actions and do all things necessary to obtain, and shall make and diligently prosecute applications for all approvals, from all governmental or administrative agencies or regulatory bodies having jurisdiction, for the construction and operation of the Improvements upon the Land, including, without limitation, all site plan approvals, zoning variances, easement and franchise agreements, building permits, certificates of occupancy, and all applications for licenses, permits and permission to construct and maintain all on-site and off-site Improvements, curbcuts, and utility lines and services. Landlord shall reasonably cooperate with Tenant in such applications and appeals, if any, without expense to Landlord, provided the approvals sought are consistent with the provisions of this Lease.

Section 27.02 No Representations Regarding Use Regulations. No representation, statement, or warranty, express or implied, has been made by Landlord as to the condition of the Land, or its permitted use under applicable zoning, building, land use and similar laws, ordinances and regulations (“**Use Regulations**”). Tenant assumes all responsibility for compliance with the Use Regulations, and Landlord shall have no liability or responsibility for any defect in the Land or for any limitations upon the use of the Land.

## ARTICLE 28

### FORCE MAJEURE

If Landlord or Tenant shall be delayed, hindered in or prevented from the performance of any act required under this Lease by reason of strikes, lockouts, acts of God, pandemics, epidemics, civil commotion, labor troubles, impossibility of procuring materials, governmental orders which prevent, hinder or delay the construction, development, repair, rebuilding or maintenance of the Premises, riots, insurrection, war or other delays not within the reasonable control of such party (a “**Force Majeure Event**”), performance of that act shall be excused for the period of the delay and the period for the performance of the act shall be extended for a period equivalent to the excusable period of the delay; provided that the party delayed shall give the other party written notice and

full particulars of the Force Majeure Event promptly (and in any event not later than ten (10) days) after the Force Majeure Event. The provisions of this Article shall not excuse Tenant from the prompt payment of Rent as required under this Lease.

## ARTICLE 29

### EARLY TERMINATION OPTIONS

Section 29.01 Early Termination Options. Landlord shall have the option to terminate this Lease on the twentieth (20th), thirtieth (30th), fortieth (40th), fiftieth (50th), sixtieth (60th) and seventieth (70th) anniversary dates of the Rent Commencement Date upon (i) two (2) year's prior written notice to Tenant and (ii) payment of the Early Termination Fee. Upon termination of this Lease, the Improvements, the Personal Property, and all additions, alternations and improvements thereto or replacements thereof shall be deemed to be the property of Landlord as provided in Article 15 of this Lease. As used in this Lease, "**Early Termination Fee**" shall mean an amount equal to the appraised value of the Tenant's rights and obligations under this Lease as determined by an appraiser in accordance with the process set forth in Section 31.09 of this Lease. Notwithstanding the foregoing in the event of a termination of this Lease, if any, pursuant to Section 13.02, the consideration, if any, shall be the amount as set forth in the Bona Fide Offer. Notwithstanding the foregoing, in the event University terminates this Lease prior to Substantial Completion of the Improvements (to the extent University has any rights under this Lease to do so), the Early Termination Fee shall be an amount equal to the reasonable actual documented costs incurred and paid by Tenant through the date of termination (i) under the general construction contract and other contracts (if any) entered into by Tenant with independent third parties for the design, development and construction of the Improvements in accordance with the Plans, (ii) for Pre-Development Reimbursables (to the extent not included the aforesaid contracts), and (iii) the Site Remediation Work Reimbursement.

## ARTICLE 30

### RESERVED

## ARTICLE 31

### MISCELLANEOUS

Section 31.01 University Accreditation. Tenant agrees to (a) cooperate with the University in the University's accreditation process and (b) take all actions and do all things necessary to ensure that its Leasehold Interest and possession, use, operation and management of the Premises does not negatively affect the University's accreditation.

### Section 31.02 University On-Campus Housing.

(a) The University and Tenant acknowledge and agree that the Improvements are to be constructed as part of the University's multi-phase plan to replace most of its existing

undergraduate beds and construct additional beds to reach a goal of up to nine thousand (9,000) beds on the University's main campus.

(b) Reserved.

(c) The University agrees that if, during the Term, it plans to (i) increase the total number of undergraduate beds in multi-unit housing stock owned or developed by the University and located on the University's main campus to more than nine thousand (9,000) beds or (ii) develop among such 9,000 beds more than five thousand three hundred (5,300) beds that are specifically designed for occupancy by first year students, the University will engage a qualified third party to conduct an analysis of the need for either additional on-campus undergraduate student housing, with respect to clause (i), or beds specifically designed for occupancy by first year students, with respect to clause (ii), and that the results of such analysis will be presented to the University's Board of Trustees in connection with its consideration of the proposed increase. For the avoidance of doubt, the calculation of the number of beds on the University's main campus shall not include houses occupied by members of Greek organizations, single-unit dwellings, residences halls or other buildings occupied by graduate students, or residences halls or other buildings occupied exclusively by members of University athletic programs.

(d) The University agrees that it will treat the Student Residents of the Improvements in a manner that is similar to its treatment of residents of other residence halls located on the University's main campus from time to time; provided that this provision is in no way intended to benefit any particular Student Resident or guarantee that any amenity or benefit provided as of the date of this Lease will continue to be available to the Student Residents; provided, further, for the avoidance of doubt, that the University retains the right to alter, modify or amend its student policies and procedures in its sole and absolute discretion.

Section 31.03 Relationship of the Parties. This Lease shall not be deemed or construed to create or establish any partnership or joint venture or similar relationship or arrangement between the parties.

Section 31.04 Authorized Representatives. Tenant hereby appoints the following as its respective Authorized Representatives during Development of the Project: John Roberson, Julie Skolnicki, and Rick Tripp, and for the Management of the Facilities, Jennifer King, each of whom may act individually, and such other persons as may be appointed in writing by them from time to time and with prior written notice of such appointment provided to Landlord. Landlord hereby appoints [\_\_\_\_\_] as its Construction Coordination Authorized Representative, [\_\_\_\_\_], and such other individual as may be appointed by Landlord from time to time.

Section 31.05 Notices. Any notice, request or other communication given or made hereunder (“**Notice**”) shall be in writing and sent by either of the parties or their respective attorneys by any of the following means: (i) by registered or certified mail, return receipt requested, postage prepaid, (ii) by personal delivery, (iii) by recognized overnight delivery service for overnight delivery or (iv) by e-mail, provided, however, that notice by e-mail shall be promptly supplemented by delivery of notice as provided in (iii) above. Any such Notice shall be addressed to the other party at the mailing addresses or e-mail addresses set forth below, or to such other mailing addresses or e-mail addresses for each party as each party may hereafter designate by Notice given to the other party pursuant to this Section 31.05:

To Landlord:           University of Kentucky  
322 Peterson Service Building  
Lexington, Kentucky 40506-0005  
Attention: Chief Procurement Officer, Procurement Services  
Division  
Telephone: (859) 257-9100  
Email: barry.swanson@uky.edu

With a copy to (which shall not constitute Notice):

University of Kentucky  
Office of Legal Counsel  
Academics, Finance, Students, and Athletics Group  
301 Main Building  
Lexington, Kentucky 40506-0032  
Telephone: (859) 257-2936  
Email: Shannan.stamper@uky.edu

To Tenant:            Greystar Development East, LLC  
1545 Peachtree Street NE, Suite 700  
Atlanta, Georgia 30309  
Attention: Julie Skolnicki  
Telephone: (770) 512-4000  
Email: Julie.skolnicki@greystar.com

And

Greystar Development East, LLC  
465 Meeting Street, Suite 500  
Charleston, South Carolina 29403  
Attention: Ashley Heggie  
Telephone: (843) 817-4366  
Email: aheggie@greystar.com

And

[HSRE]

With a copy to (which shall not constitute Notice):

Martin, Tate, Morrow & Marston, P.C.  
6410 Poplar Avenue, Suite 1000  
Memphis, Tennessee 38119  
Attention: Clay Purdom  
Telephone: 901-522-9000  
Email: cpurdom@martintate.com

And

[DLA]

Section 31.06 Access to Records; Open Records Act. Tenant as a “contractor” under Kentucky Revised Statutes (“**KRS**”) 45A.030(9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this Lease for the purpose of financial audit or program review. Landlord acknowledges that certain documents provided to it by Tenant reasonably appear to both parties to be proprietary, confidential, or otherwise exempt under applicable open records law. Tenant agrees to prominently mark all confidential or proprietary documents before providing them to Landlord. In the event of a request for documents provided by Tenant to Landlord from any third party, Landlord agrees to provide immediate notice to Tenant whenever it receives a request for any documents produced by Tenant, or for its benefit or at its direction, and permit an appropriate amount of time consistent with the Kentucky Open Records Act (“**KORA**”) for Tenant to seek an injunction or other appropriate remedy to stop the publication of such documents. As to any Project Documents that are considered public records pursuant to KORA, to the extent permitted by KORA, Landlord agrees not to disclose such documents for a commercial purpose by the requesting party without requiring the requesting party to enter into a contract with Landlord and/or Tenant for the use of such documents. Landlord will develop an appropriate records storage and retention schedule to protect the privacy of copies of the Project Documents distributed or generated by Landlord.

Section 31.07 Confidentiality. To the extent permitted by law (including, without limitation, the KORA), all information obtained by either party from the other pursuant to this Lease shall be and remain confidential; provided, however, that the foregoing shall not prevent either party from disclosing such information, if any, as may reasonably be required to carry out its obligations hereunder (including without limitation disclosure to its lenders, attorneys, accountants or consultants retained for the purposes of this transaction) or as reasonably requested by potential or current investors or as reasonably requested by a prospective construction lender or permanent lender or as may be required in connection with any litigation or alternative dispute resolution proceedings between the parties to this Lease, or as required by applicable law, court order or any rule, regulation or order of any governmental authority or agency having jurisdiction over the parties or the Project.

Section 31.08 Termination by University. Notwithstanding anything contained herein to the contrary, Landlord shall be permitted to terminate this Lease in accordance with the provisions of KRS 45A.200(2) and 200 Kentucky Administrative Regulations 5:312 (or any successor statute or regulation) and applicable case law; provided that, in the event that this Lease is terminated pursuant to this Section 31.08, Landlord and Tenant acknowledge and agree that Tenant's damages shall be equal to an amount equal to the Early Termination Fee.

Section 31.09 Appraisal Process. Any appraisal required under this Lease shall be conducted in accordance with the following procedure:

(a) For a period of twenty (20) days following notice of an event resulting in an appraisal, Landlord and Tenant shall endeavor to mutually agree upon and select an appraiser to determine the appraised value.

(b) If Landlord and Tenant are unable to mutually agree on an appraiser, then within twenty (20) days following the expiration of the twenty (20) day period set forth in Section 31.09(a), Tenant and Landlord shall each select an appraiser and notify the other party of the name, address and qualifications of such appraiser. Such two appraisers shall jointly select a third appraiser to make the appraised value.

(c) If such two appraisers are unable to agree upon the designation of a third appraiser within ten (10) days after the expiration of the twenty (20) day period referred to in clause (b) above, or if such third appraiser does not make a determination of the appraised value, within thirty (30) days after his selection, then a substituted third appraiser shall, at the request of either party hereto, be appointed by the American Arbitration Association office closest to Lexington, Kentucky. The determination of the appraised value, shall be made by the third appraiser appointed pursuant hereto within twenty (20) days after such appointment.

(d) All appraisers selected or appointed pursuant to this Section 31.09 shall, to the extent permitted by law, (i) be independent qualified MAI appraisers (ii) have no right, power or authority to alter or modify the provisions of this Lease, (iii) utilize the applicable definition of the appraised value set forth in the applicable section of this Lease, and (iv) be registered in the Commonwealth of Kentucky if the Commonwealth of Kentucky provides for or requires such registration.

Section 31.10 Interpretation. Unless otherwise specified herein: (a) the singular includes the plural and the plural the singular; (b) words importing any gender include the other genders; (c) references to persons include their permitted successors and assigns; and (d) the headings of articles and sections contained in this Lease are inserted as a matter of convenience and shall not affect the construction of this Lease. The parties have jointly, with the advice and assistance of their respective legal counsel, participated in the negotiation and drafting of all of the terms and provisions of this Lease, and, accordingly, it is agreed that no term or provision of this Lease shall be construed in favor of or against any party by virtue of the authorship or purported authorship thereof by any party.

Section 31.11 Applicable Law. This Lease shall in all respects be governed by, and construed in accordance with the laws of the Commonwealth of Kentucky. Venue for purposes of

any actions brought under this Lease, or under any agreement or other document executed in conjunction herewith, shall be in the Circuit Court of Franklin County, Kentucky pursuant to KRS 45A.245.

Section 31.12 Amendment and Waiver. This Lease may be amended or changed only by written instrument duly executed by Landlord and Tenant and any alleged amendment or change which is not so documented shall not be effective as to either. The failure of either to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Lease, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Lease or of the right to exercise such election, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission.

Section 31.13 Severability. If any provision of this Lease or the application thereof to any person, entity or circumstance shall, for any reason and to any extent, be invalid or unenforceable but the extent of the invalidity or unenforceability does not destroy the basis of the bargain between the parties hereto as contained herein, the remainder of this Lease and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

Section 31.14 Entire Agreement; Further Assurances. This Lease sets forth all the covenants, promises, agreements, conditions, and understandings between Landlord and Tenant with regard to the matters set forth herein (including, but not limited to, the financial obligations relating thereto), and there are no covenants promises, agreements, conditions, or understandings, either oral or written between them as to these matters, other than as are set forth herein. The recitals, schedules and exhibits attached hereto or referred to herein are hereby incorporated herein and made a part hereof. At any time or times after the date hereof, each party shall execute, have acknowledged, and delivered to the others any and all instruments, and take any and all other actions, as the other parties may reasonably request to effectuate the transactions described herein.

Section 31.15 Multiple Counterparts. This Lease may be executed in one or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

Section 31.16 Successors and Assigns. This Lease shall be binding on, and shall inure to the benefit of, the parties hereto and the parties' respective permitted successors and assigns.

Section 31.17 Compliance with Campaign Finance Law. Tenant through its authorized officer hereby swears under penalty of perjury that neither it nor any of its offering employees have violated any provision of the campaign finance laws of the Commonwealth of Kentucky and that the award of this Lease to the Tenant as bidder or offeror will not violate any provision of the campaign finance laws of the Commonwealth of Kentucky. "Knowingly" means, with respect to conduct or to a circumstance described by a statute defining an offense, that a person is aware or should have been aware that his conduct is of that nature or that the circumstance exists.

Section 31.18 No Third-Party Beneficiaries. Nothing in this Lease shall be construed to permit anyone other than Landlord and Tenant and their respective successors and permitted



assigns to rely upon the covenants and agreements herein contained nor to give any such third party a cause of action (as a third-party beneficiary or otherwise) on account of any nonperformance or performance hereunder.

Section 31.19 No Personal Liability. No officer, official, employee, agent or representative of either party shall be personally liable to the other party or any successor in interest, in the event of any default or breach by the party for any amount which may become due to the other party or any successor in interest, or on any obligation incurred under the terms of this Lease.

Section 31.20 Certificates. As an accommodation to each other, each party shall, without charge, by written instrument duly executed and acknowledged, certify to any person, firm or corporation seeking certification of the following matters:

- (a) that this Lease has not been amended, or if it has, the substance of the amendment;
- (b) whether the Lease is in full force and effect;
- (c) the existence of any default, set-off, counterclaim, defense or Dispute Resolution regarding the resolution of any alleged default on the part of the other party;
- (d) the commencement of this Lease and the Term;
- (e) the dates to which Rent has been paid; and
- (f) any other matters that may reasonably be requested.

The certificate may be relied upon by the party requesting it and any other person, firm or corporation to whom by the terms of the certificate it may be exhibited or delivered, and the contents of the certificate shall be binding on the party which executed it.

Section 31.21 Short Form of Lease. The parties will, 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 Premises, the terms of this Lease and any other portions of the Lease, except the rental provisions, as either party may request. Tenant will pay all costs of recordation of any short form of lease.

Section 31.22 No Broker. The parties warrant and represent to each other that no real estate broker or agent was instrumental or in any way responsible in bringing about this Lease. Each party shall be responsible for any fees or compensation due any broker or agent engaged by such party.

Section 31.23 Time is of the Essence. Time is of the essence in this Lease and the performance of all obligations under this Lease.

Section 31.24 Guarantee. The performance of Tenant's covenants and obligations under this Lease shall be guaranteed by Guarantor in accordance with the Guaranty made by Guarantor

in favor of Landlord, which shall be executed simultaneously with the execution of this Lease (as the same may be amended from time to time, the “**Guaranty**”). Guarantor shall maintain sufficient assets to fulfill its obligations under the Guaranty and if it does not, then Landlord may require Tenant to provide an additional or substitute guarantor of the Lease. As used herein the term “**Qualified Substitute Guarantor**” shall mean a person or entity that meets the financial qualifications of a Qualified Assignee, is acceptable to University in its sole discretion, and has executed and delivered to the University a guaranty in the same form as the Guaranty. In the event of a Permitted Assignment, the Tenant shall provide a Qualified Substitute Guarantor prior to the effective date of the Permitted Assignment and University agrees to release the existing guarantor from its Guaranty. In the event of a Permitted Affiliate Assignment or Permitted Change in Control, the Tenant may provide a Qualified Substitute Guarantor, and upon such occurrence, the University agrees to release the existing guarantor from its Guaranty. All references to the Guarantor of this Lease shall also refer to any additional or substitute Guarantor, as applicable. All references to the Guaranty in this Lease shall also refer to any additional or substitute guaranty, as applicable.

Section 31.25 Laws and Regulations Cited in Lease. With respect to any law or regulation cited in this Lease, the citation shall refer to the law or regulation as it may be amended from time to time, or any successor laws or regulations as the same may be renumbered or renamed from time to time.

## ARTICLE 32

### REPRESENTATIONS AND WARRANTIES

#### Section 32.01 Representations and Warranties of Tenant.

(a) Tenant represents and warrants to the University that (i) Tenant is a limited liability company validly existing and in good standing under the laws of the State of Delaware, duly qualified and in good standing under the laws of the Commonwealth of Kentucky, and has all requisite power and authority to carry on its business as now conducted and to execute, deliver and perform this Lease; (ii) the execution, delivery and performance of this Lease is within its power, has been authorized by all necessary action and does not contravene any provision of its certificate formation and operating agreement in effect on the date hereof; (iii) this Lease has been duly executed and delivered by an authorized person of Tenant; (iv) this Lease, assuming that it has been duly and validly executed and delivered by Landlord, is the valid and binding obligation of Tenant, enforceable against Tenant in accordance with its terms, subject to general equitable principles and applicable provisions of law related to bankruptcy, insolvency and creditors’ rights generally; (v) the execution, delivery and performance by Tenant of this Lease does not conflict with or result in a breach of any of the provisions of, or constitute a default under, any bond, note or other evidence of indebtedness, indenture, mortgage, deed of trust, loan agreement or similar instrument, any lease or any other material agreement or contract by which Tenant, its activities or property is bound or any applicable law or order, rule or regulation of the court or governmental authority having jurisdiction over Tenant, its activities or property; (vi) as of the Commencement Date, neither Tenant nor, to the knowledge of Tenant or Guarantor, has any current plans, or is party to any discussions, which would relate to or would result in (A) a Change in Control of Tenant or Guarantor, (B) the assignment or sublease of this Lease or (C) a sale or transfer of all or

substantially all of the assets of Tenant or Guarantor; (vii) there are no lawsuits, claims, suits, or legal, administrative or other proceedings or investigations, civil or criminal, pending or, to Tenant's knowledge, threatened against or affecting Tenant, nor to Tenant's knowledge, is there any basis for any of the same; and there is no action, suit or legal, administrative or other proceeding pending or, to Tenant's knowledge, threatened which questions the legality or propriety of the transactions contemplated by this Lease; and (viii) no order, permission, consent, approval, license, authorization, registration or filing by or with any governmental authority having jurisdiction over Tenant, its activities or property is required for the execution, delivery or performance by Tenant of this Lease.

(b) Tenant further warrants that it has revealed (i) any final determination of a violation by Tenant within the previous five (5) year period pursuant to KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that apply to Tenant, its contractors and subcontractors; (ii) that it always will be in continuous compliance with the provisions of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 that apply to Tenant, its contractors and subcontractors; and (iii) Tenant's failure to reveal a final determination of a violation as set forth above of KRS Chapters 136, 139, 141, 337, 338, 341 and 342 or to comply with these statutes for the duration of this Lease shall be a Default of this Lease and disqualification of Tenant from eligibility for future state contracts for a period of two (2) years.

Section 32.02 Representations and Warranties of Landlord. Landlord represents and warrants to Tenant that (i) it is an agency and instrumentality of the Commonwealth of Kentucky, is qualified to transact business in Kentucky, and has all requisite power and authority to carry on its business as now conducted and, subject to the approvals set forth in Article 30, to execute, deliver and perform this Lease; (ii) the execution, delivery and performance by Landlord of this Lease is within its power, has been authorized by all necessary action and does not contravene any provision of its governing documents or legislative authority, as in effect on the date hereof; (iii) this Lease has been duly executed and delivered by an authorized person of Landlord; (iv) this Lease, assuming that it has been duly and validly executed and delivered by Tenant, is the valid and binding obligation of Landlord, enforceable against the University in accordance with its terms, subject to general equitable principles and applicable provisions of law related to public entities, bankruptcy, insolvency and creditors' rights generally; (v) the execution, delivery and performance by Landlord of this Lease do not conflict with or result in a breach of any of the provisions of, or constitute a default under, any bond, note or other evidence of indebtedness, indenture, mortgage, deed of trust, loan agreement or similar instrument, any lease or any other material agreement or contract by which Landlord, its activities or property is bound or, in the good faith belief of Landlord, and excluding any provisions of this Lease that are limited by the extent to which they are permitted by Law, for which Landlord makes no representation or warranty, any applicable law or order, rule or regulation of the court or governmental authority having jurisdiction over Landlord, its activities or property; and (vi) no order, permission, consent, approval, license, authorization, registration or filing by or with any governmental authority having jurisdiction over Landlord, its activities or property, other than the approvals set forth in Article 30, is required for the execution, delivery or performance by Landlord of this Lease.

### ARTICLE 33

RESERVED

*[Remainder of page intentionally left blank; signature page follows]*

IN WITNESS WHEREOF, Landlord has caused this Lease to be executed by its duly authorized representative as of the date first written above.

UNIVERSITY OF KENTUCKY, an agency of the Commonwealth of Kentucky

By: \_\_\_\_\_  
Name: Eli I. Capilouto  
Title: President

COMMONWEALTH OF KENTUCKY     )  
COUNTY OF FAYETTE             )     ss.:

The foregoing Lease was acknowledged before me on the \_\_\_ day of \_\_\_\_\_, 2024, by Eli I. Capilouto, as President of the UNIVERSITY OF KENTUCKY, an agency of the COMMONWEALTH OF KENTUCKY, for and on behalf of the University and Commonwealth.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Notary ID# (if any): \_\_\_\_\_

IN WITNESS WHEREOF, Tenant has caused this Lease to be executed by its duly authorized representative as of the date first written above.

[\_\_\_\_\_, LLC],  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.:

The foregoing Lease was acknowledged before me on the \_\_\_ day of [\_\_\_\_\_, 2024], by \_\_\_\_\_, as \_\_\_\_\_ of [\_\_\_\_\_, LLC], a Delaware limited liability company, for and on behalf of such limited liability company.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Notary ID# (if any): \_\_\_\_\_

**EXHIBIT A**

**Legal Description**

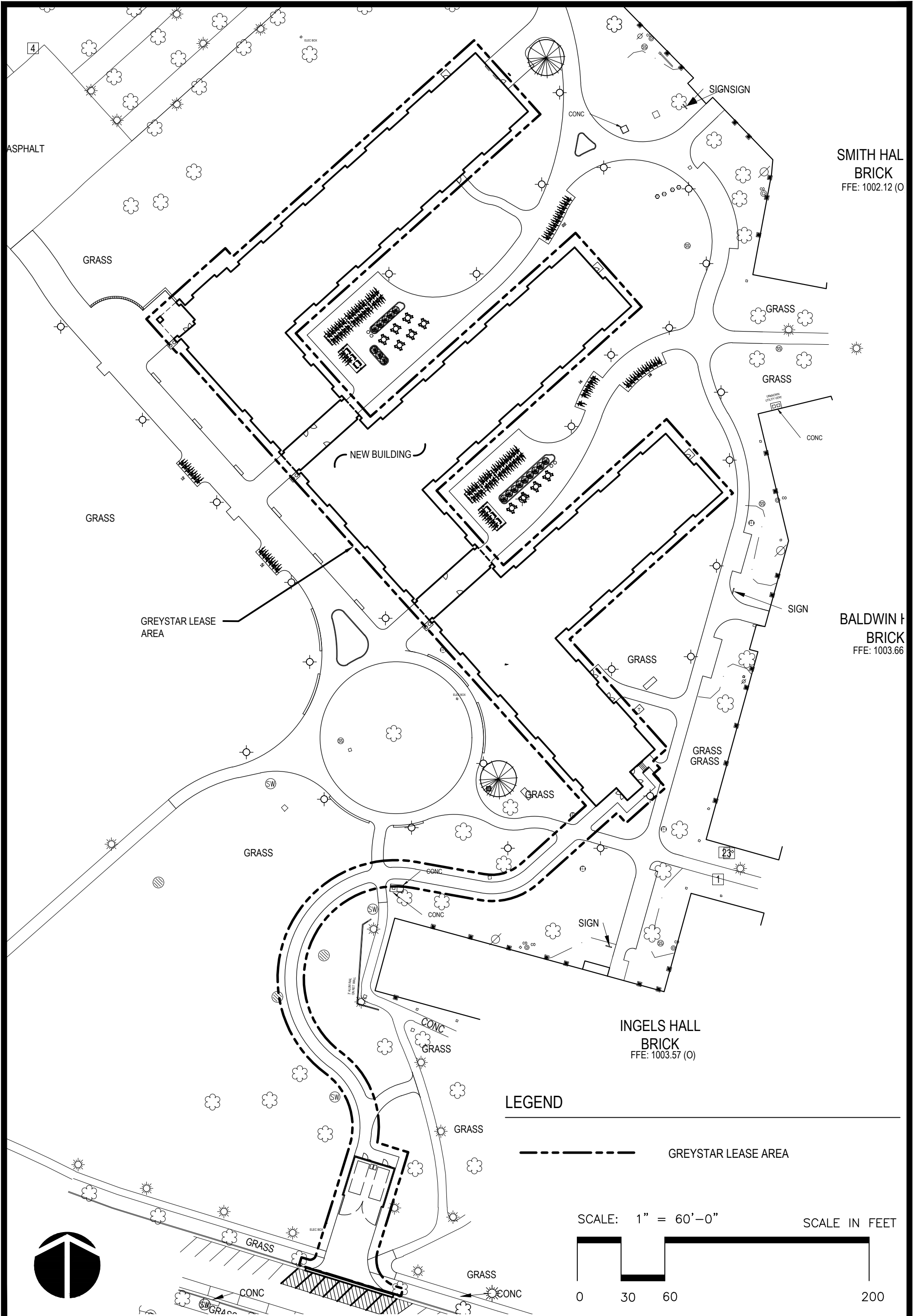
## LEASED PREMISES AREA DESCRIPTION

Being all of the tract or parcel of land situated on the campus of the University of Kentucky, in Lexington, Fayette County, Kentucky and more particularly described as follows:

Beginning at a point on the southwest side of Smith Hall. Said point being the Point of Beginning and having Kentucky State Plane North Zone, Grid North (NAD 83) coordinates: N 193199.94 E 1568026.41; Thence S 41°51'35" E a distance of 68.00' to a point; Thence S 48°08'25" W a distance of 225.00' to a point; Thence S 41°51'35" E a distance of 76.67' to a point; Thence N 48°08'25" E a distance of 188.67' to a point; Thence S 41°51'35" E a distance of 68.00' to a point; Thence S 48°08'25" W a distance of 188.67' to a point; Thence S 41°51'35" E a distance of 68.67' to a point; Thence N 48°08'25" E a distance of 150.00' to a point; Thence S 41°51'35" E a distance of 68.00' to a point; Thence S 48°08'25" W a distance of 150.00' to a point; Thence S 41°51'35" E a distance of 100.33' to a point; Thence S 48°08'25" W a distance of 13.03' to a point; Thence S 41°51'35" E a distance of 6.76' to a point; Thence S 48°08'25" W a distance of 5.98' to a point; Thence S 42°06'45" E a distance of 12.58' to a point; Thence S 48°08'25" W a distance of 36.38' to a point; Thence N 41°51'35" W a distance of 9.33' to a point; Thence S 48°08'25" W a distance of 72.19" to a point; Thence with a curve turning to the right with an arc length of 43.62', with a radius of 48.00', with a chord bearing of S 74°10'21" W, with a chord length of 42.13' to a point; Thence N 79°47'43" W a distance of 46.91' to a point; Thence with a curve turning to the left with an arc length of 169.21', with a radius of 63.00', with a chord bearing of S 23°15'36" W, with a chord length of 122.74', to a point; Thence with a reverse curve turning to the right with an arc length of 64.40', with a radius of 63.00', with a chord bearing of S 24°23'55" E, with a chord length of 61.64', to a point; Thence with a compound curve turning to the right with an arc length of 5.80', with a radius of 63.00', with a chord bearing of S 07°31'23" W, with a chord length of 5.79', to a point; Thence S 72°52'55" E a distance of 22.13' to a point; Thence S 17°07'19" W a distance of 46.38' to a point; Thence S 17°07'08" W a distance of 24.93' to a point; Thence with a curve turning to the left with an arc length of 29.95', with a radius of 19.00', with a chord bearing of S 28°02'07" E, with a chord length of 26.94', to a point; Thence S 72°53'13" E a distance of 5.03' to a point; Thence S 17°06'47" W a distance of 5.34' to a point; Thence N 73°03'58" W a distance of 72.79' to a point; Thence N 17°06'47" E a distance of 5.50' to a point; Thence S 72°53'13" E a distance of 4.99' to a point; Thence with a curve turning to the left with an arc length of 6.29', with a radius of 4.01', with a chord bearing of N 62°06'57" E, with a chord length of 5.66', to a point; Thence N 17°07'08" E a distance of 40.00' to a point; Thence N 17°06'47" E a distance of 38.74' to a point; Thence with a curve turning to the left with an arc length of 55.61', with a radius of 45.00', with a chord bearing of N 18°16'59" W, with a chord length of 52.14', to a point; Thence with a reverse curve turning to the right with an arc length of 217.56', with a radius of 81.00', with a chord bearing of N 23°15'36" E, with a chord length of 157.81', to a point; Thence S 79°47'43" E a distance of 46.91' to a point; Thence with a curve turning to the left with an arc length of 27.26', with a radius of 30.00', with a chord bearing of N 74°10'21" E, with a chord length of 26.33', to a point; Thence N 48°08'25" E a distance of 59.53' to a point; Thence N 41°51'35" W a distance of 418.33' to a point; Thence S 48°08'25" W a distance of 1.67' to a point; Thence N 41°51'35" W a distance of 31.00' to a point; Thence N 48°08'25" E a distance of 72.67' to a point; Thence S 41°51'35" E a distance of 7.67' to a point; Thence N 48°08'25" E a distance of 222.00' to a point; which is the point of beginning, having an area of 81531 Square Feet OR 1.87 Acres.

Being completely within the property conveyed to The Agricultural and Mechanical College of Kentucky by The Clifton Heights Land Company on September 14, 1898, as recorded in Deed Book 114 Page 245 in the office of the Fayette County Clerk in Lexington, Fayette County, Kentucky.





**GREYSTAR LEASE EXHIBIT**

<p>SHERMAN CARTER BARNHART ARCHITECTS, PLLC</p>	<p><b>JOB NO.</b></p> <p>1995</p>	<p><b>SHEET NO.</b></p> <p>1 OF 1</p>
	<p><b>PROJECT NAME</b></p> <p>KIRWAN \ BLANDING RESIDENCE HALL</p>	<p><b>DATE</b></p> <p>03/01/2024</p>
	<p><b>PROJECT LOCATION</b></p> <p>UNIVERSITY OF KENTUCKY</p>	<p><b>DRAWN</b></p> <p>JCH</p>

**EXHIBIT B**  
**Easement Areas**

## TEMPORARY CONSTRUCTION EASEMENT AREA DESCRIPTION

Being all of the tract or parcel of land situated on the campus of the University of Kentucky, in Lexington, Fayette County, Kentucky and more particularly described as follows:

Beginning at a point on the west side of Baldwin Hall. Said point being the Point of Beginning and having Kentucky State Plane North Zone, Grid North (NAD 83) coordinates: N192863.27 E 1568230.10; Thence S 15°24'50" W a distance of 222.68' to a point; Thence N 77°47'09" W a distance of 33.07' to a point; Thence S 16°00'23" W a distance of 85.98' to a point; Thence N 74°44'41" W a distance of 88.08' to a point; Thence N 74°44'41" W a distance of 56.40' to a point; Thence N 78°38'45" W a distance of 26.76' to a point; Thence S 13°19'30" W a distance of 80.90' to a point; Thence S 31°13'04" E a distance of 51.30' to a point; Thence N 83°20'59" E a distance of 24.33' to a point; Thence S 20°00'00" E a distance of 28.27' to a point; Thence S 10°37'12" E a distance of 45.97' to a point; Thence S 01°45'36" W a distance of 91.81' to a point; Thence N 73°43'54" W a distance of 132.18' to a point; Thence N 03°27'24" E a distance of 217.01' to a point; Thence N 40°29'15" W a distance of 156.29' to a point; Thence N 40°17'19" W a distance of 77.85' to a point; Thence N 40°55'49" W a distance of 165.93' to a point; Thence N 02°32'30" E a distance of 93.31' to a point; Thence N 48°15'49" E a distance of 170.29' to a point; Thence S 44°44'08" E a distance of 30.73' to a point; Thence S 81°06'09" E a distance of 49.13' to a point; Thence N 49°27'09" E a distance of 65.24' to a point; Thence N 47°28'54" E a distance of 141.69' to a point; Thence N 47°26'27" E a distance of 27.90' to a point; Thence N 45°13'48" W a distance of 66.63' to a point; Thence N 47°31'42" E a distance of 111.46' to a point; Thence S 45°33'59" E a distance of 54.56' to a point; Thence S 13°32'01" E a distance of 99.61' to a point; Thence S 45°02'08" E a distance of 64.02' to a point; Thence S 16°30'34" E a distance of 24.68' to a point; Thence S 58°44'27" E a distance of 28.53' to a point; Thence S 41°53'39" E a distance of 16.05' to a point; Thence S 23°05'06" E a distance of 24.80' to a point; Thence S 14°46'53" W a distance of 13.22' to a point; Thence S 10°35'35" E a distance of 25.44' to a point; Thence S 03°02'31" E a distance of 80.84' to a point; Thence S 21°31'49" E a distance of 35.76' to a point; Thence S 13°31'14" E a distance of 80.22' to a point; which is the point of beginning, having an area of 301062 Square Feet or 6.91 Acres.

Being completely within the property conveyed to The Agricultural and Mechanical College of Kentucky by The Clifton Heights Land Company on September 14, 1898, as recorded in Deed Book 114 Page 245 in the office of the Fayette County Clerk in Lexington, Fayette County, Kentucky.

## **EXHIBIT C**

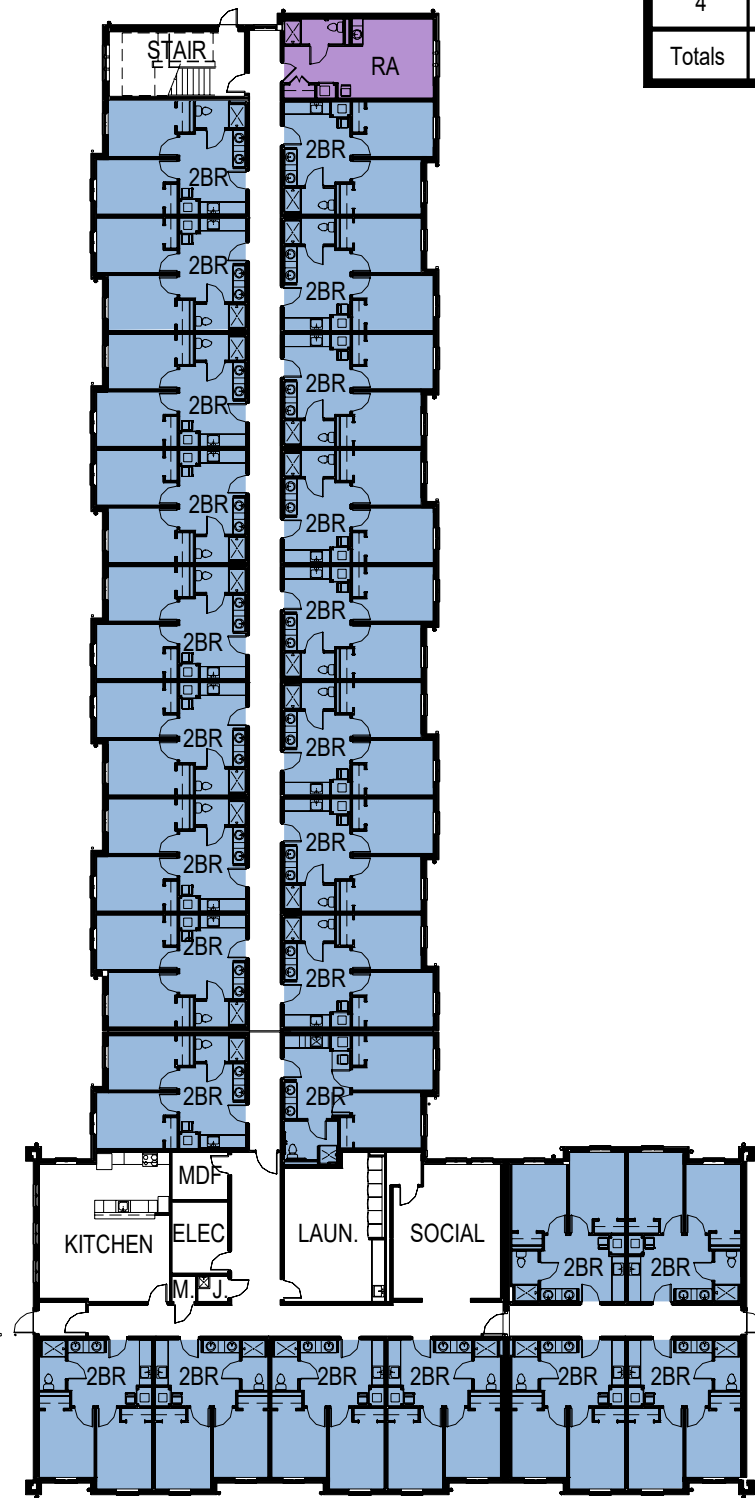
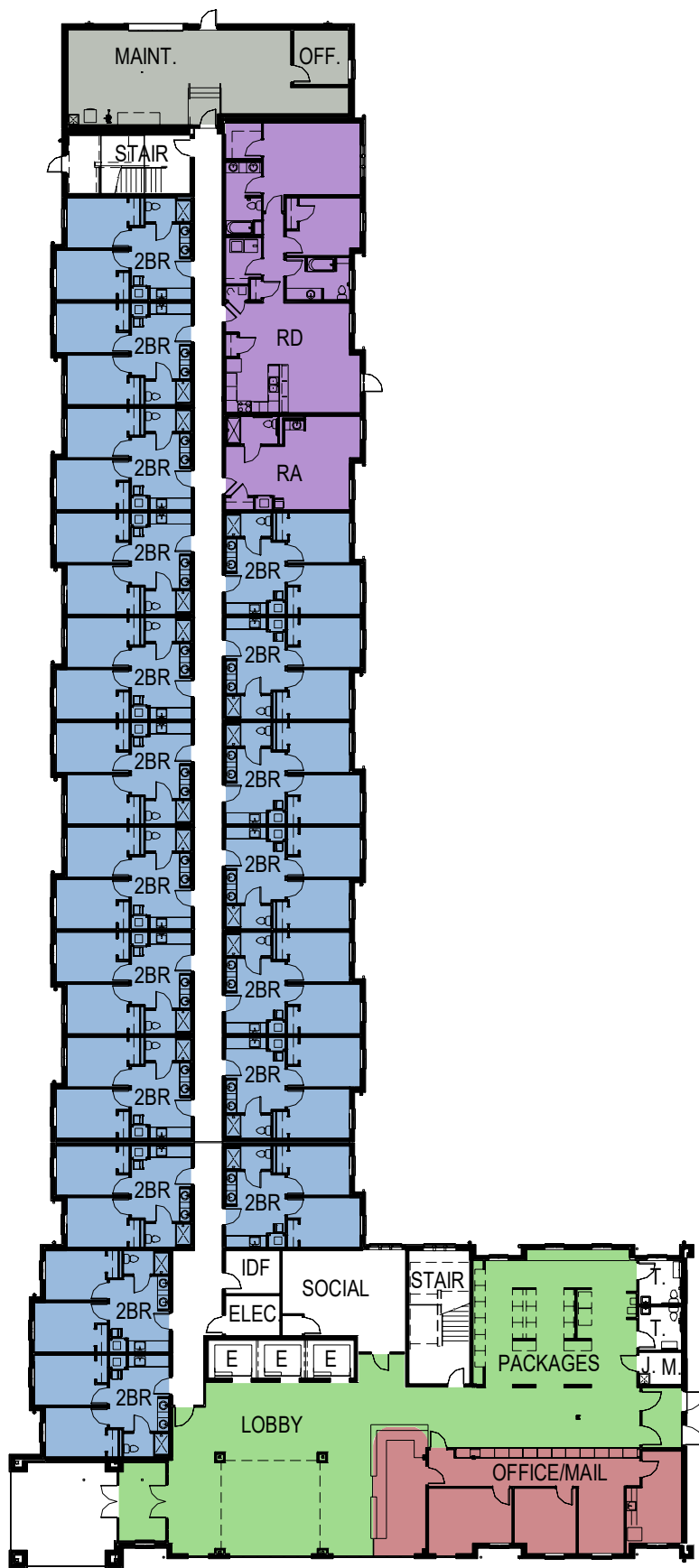
### **Financial Model**

To be determined when final project bids are received and Guaranteed Maximum Price (GMP) of the project is determined.

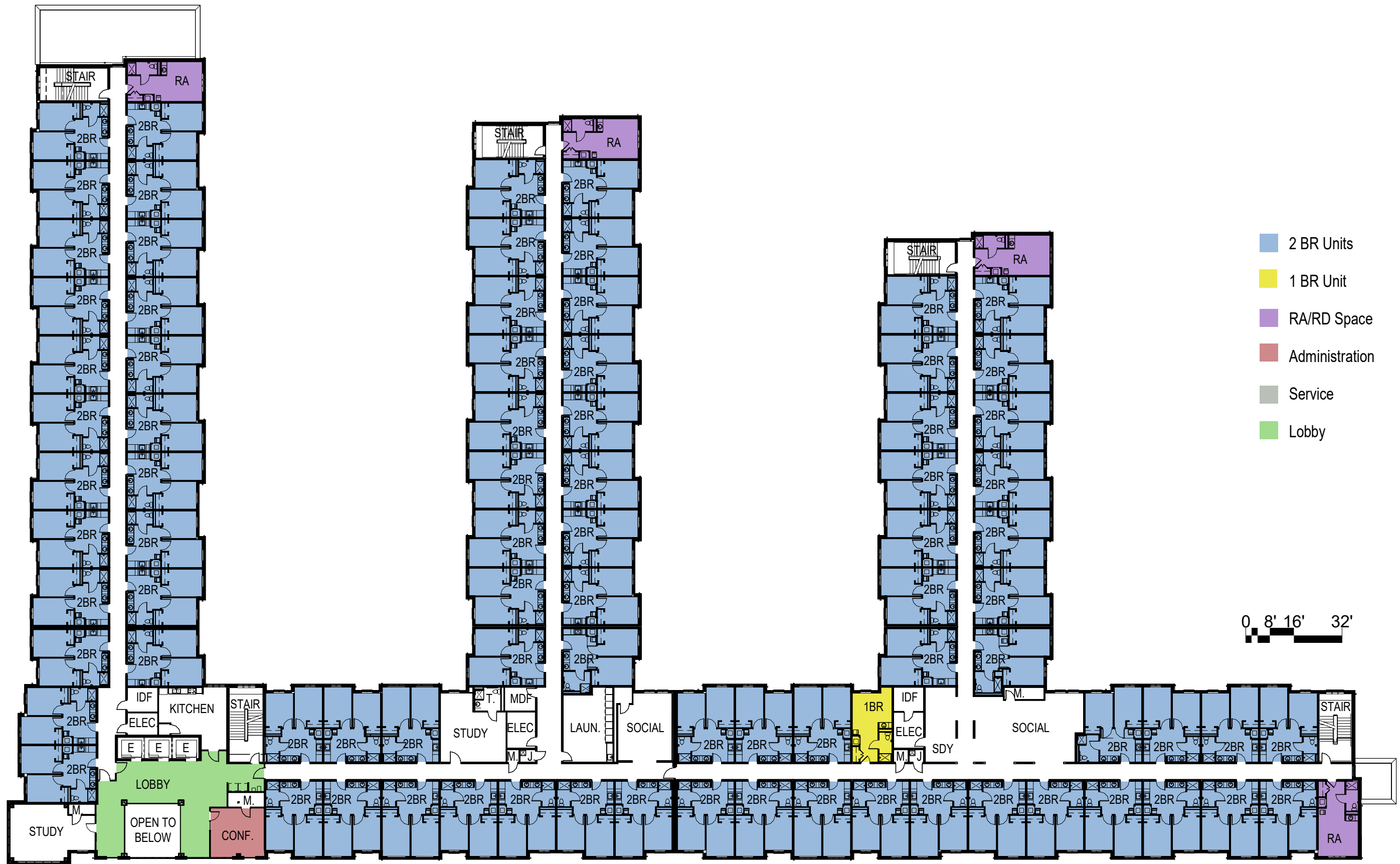
**EXHIBIT D**

**Conceptual Drawing**

FLOOR	2 BR UNITS	BEDS	1 BR UNITS	BEDS	RA UNITS	BEDS	RD UNITS	BEDS	TOTAL BEDS	SOCIAL SPACE	GROSS SQ. FT.
1	68	136			4	4	1	2	142	1158	56,990
2	82	164	1	1	4	4			169	1149	55,807
3	82	164	1	1	4	4			169	2243	55,807
4	82	164	1	1	4	4			169	2243	55,807
Totals	314	628	3	3	16	16	1	2	649	6793	224,411



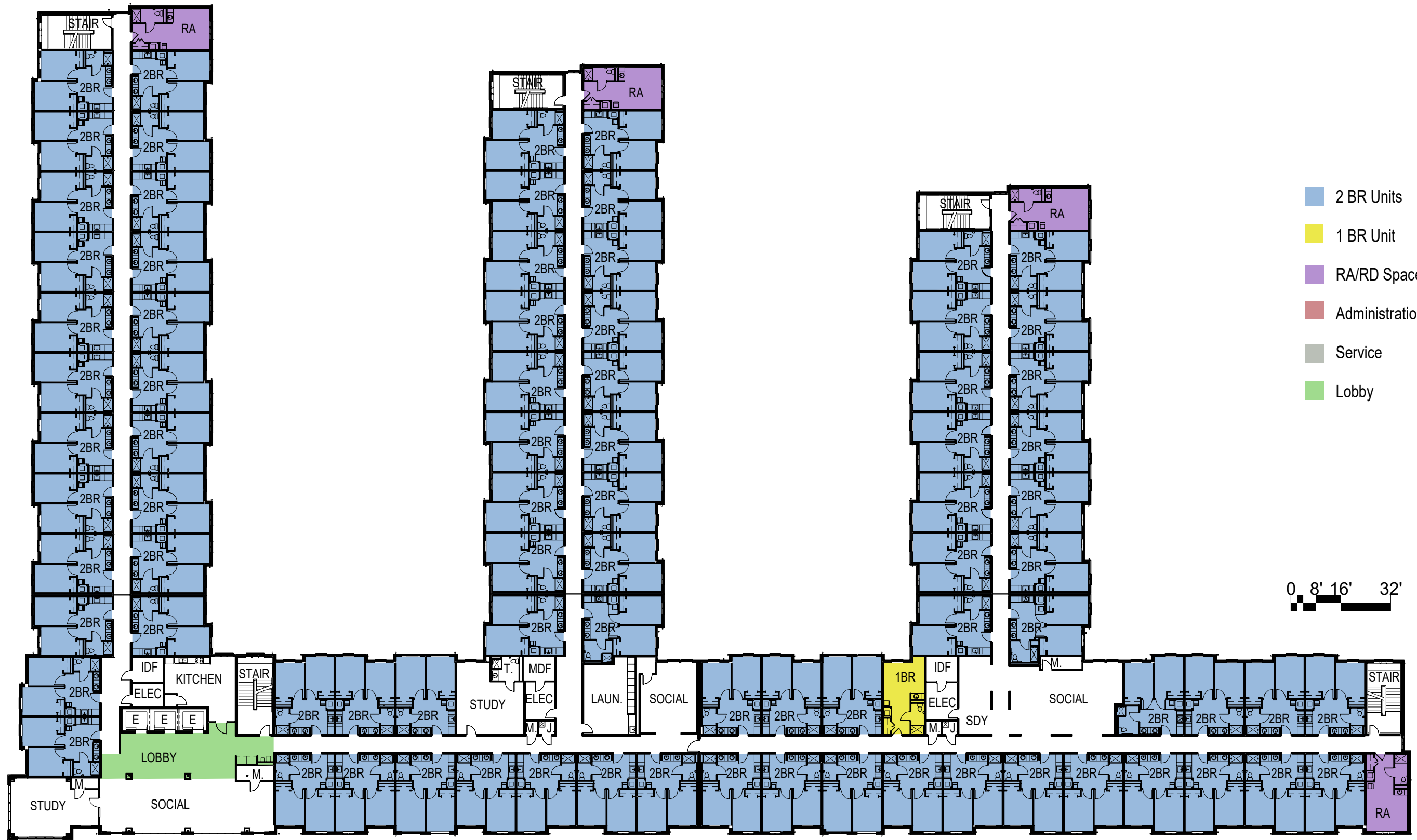
- 2 BR Units
- 1 BR Unit
- RA/RD Space
- Administration
- Service
- Lobby



- 2 BR Units
- 1 BR Unit
- RA/RD Space
- Administration
- Service
- Lobby

0 8' 16' 32'





Kirwan-Blanding Residential Hall  
Third and Fourth Floors

May 7, 2024





**EXHIBIT E**  
**Development Budget**

## Development Budget

Kirwan Blanding - Phase IV at University of Kentucky



### Project Cost Summary

#### Land and Project Data:

Total Number of Units:	334
Total Number of Beds:	649
Total Residential NRSF:	161,244
Gross Building Area:	222,635
Efficiency Ratio	72%

#### Project Timeline

Construction Start:	July-24
Property Delivery	June-26
First Occupancy	August-26

### Project Budget

<u>Cost Item</u>	<u>Total</u>	<u>% of Total</u>	<u>Residential</u>	<u>Per Unit</u>	<u>Per Bed</u>	<u>Per GSF</u>
Construction Hard Costs	\$60,932,304	75.3%	\$60,932,304	\$182,432	\$93,886	\$274
Greystar HC Contingency	\$3,046,615	3.8%	\$3,046,615	\$9,122	\$4,694	\$14
<b>Total Hard Costs</b>	<b>\$63,978,919</b>	<b>79.1%</b>	<b>\$63,978,919</b>	<b>\$191,554</b>	<b>\$98,581</b>	<b>\$287</b>
Legal and Related	\$850,000	1.1%	\$850,000	\$2,545	\$1,310	\$4
Closing Costs	\$250,000	0.3%	\$250,000	\$749	\$385	\$1
Municipal Fees	\$625,000	0.8%	\$625,000	\$1,871	\$963	\$3
Architectural	\$2,787,000	3.4%	\$2,787,000	\$8,344	\$4,294	\$13
Engineering and Related	\$1,525,000	1.9%	\$1,525,000	\$4,566	\$2,350	\$7
Preleasing Expenses	\$320,000	0.4%	\$320,000	\$958	\$493	\$1
FFE	\$2,116,000	2.6%	\$2,116,000	\$6,335	\$3,260	\$10
Marketing	\$220,000	0.3%	\$220,000	\$659	\$339	\$1
Other Development Costs	\$200,000	0.2%	\$200,000	\$599	\$308	\$1
Insurance & Bond	\$2,737,166	3.4%	\$2,737,166	\$8,195	\$4,218	\$12
Greystar CM Fee	1.38% \$1,119,631	1.4%	\$1,119,631	\$3,352	\$1,725	\$5
Greystar SC Contingency	\$350,098	0.4%	\$350,098	\$1,048	\$539	\$2
Development Fee	4.76% \$3,853,941	4.8%	\$3,853,941	\$11,539	\$5,938	\$17
<b>Total Soft Costs</b>	<b>\$16,953,836</b>	<b>20.9%</b>	<b>\$16,953,836</b>	<b>\$50,760</b>	<b>\$26,123</b>	<b>\$76</b>
<b>Total Project Cost</b>	<b>\$80,932,755</b>	<b>100.0%</b>	<b>\$80,932,755</b>	<b>\$242,314</b>	<b>\$124,704</b>	<b>\$364</b>

**EXHIBIT F**

**Landlord Utility Representations**



University of Kentucky  
Capital Project Management  
222 Peterson Service Building  
Lexington, KY 40506  
P: 859-257-5911  
F: 859-323-1017  
www.uky.edu/cpm

January 17, 2024

Greystar  
Attn.: Mr. Rick Tripp  
1545 Peachtree Street NE  
Suite 700  
Atlanta, GA 30309

**RE: University of Kentucky  
Phase IV Kirwan-Blanding Residence Hall  
Utility Capacity**

Dear Mr. Tripp:

Per your request, the University's existing water, sewer, electricity, & telecommunications infrastructure have been evaluated based on the projected utility service demands of the new Kirwan Blanding Residence Hall. The anticipated demands are noted on the attached drawing, prepared by Sherman Carter Barnhart Architects/KFI Engineers dated August 11, 2022.

Based on the notes provided on the attached drawing, the University can support the utility services for water, sewer, electricity, and telecommunications.

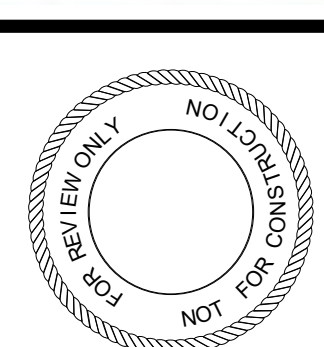
Should the design of the building change resulting in an impact to the proposed demands, these services would need to be re-evaluated.

Sincerely,

Keith Ingram

Project Manager

University of Kentucky Capital Projects



JOB NO.	1995
DATE	Aug. 15, 2022
DRAWN	Author
CHECKED	Checker

COPYRIGHT © 2020  
SHERMAN CARTER BARNHART  
ARCHITECTS PLLC

REVISIONS	
Type	Date

SHEET

**U1.01**

**GENERAL NOTES:**

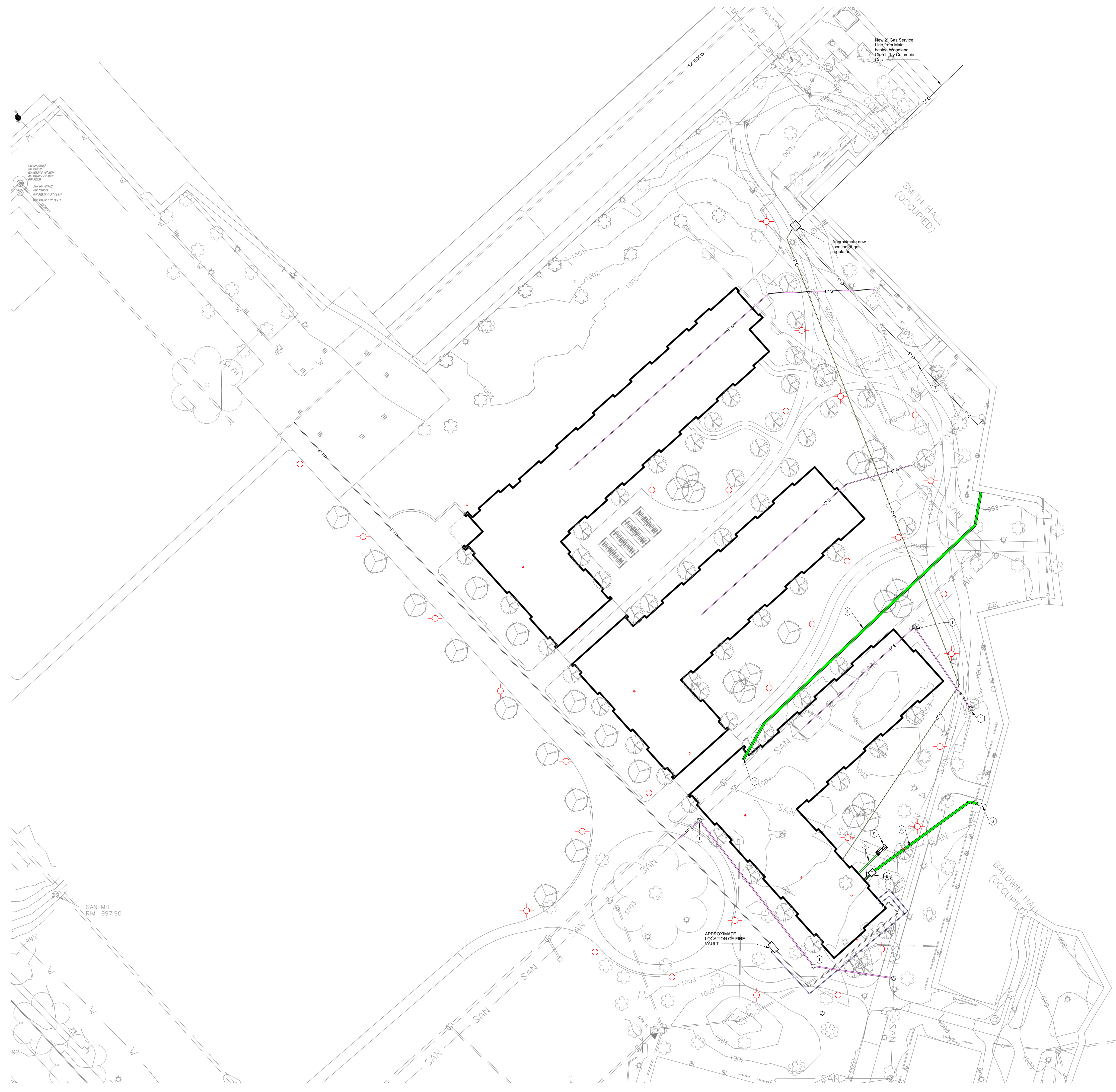
- LOCATION OF UTILITIES ARE APPROXIMATE AND SUBJECT TO MINOR CHANGES IN THE FIELD. DO NOT SCALE THE DRAWINGS.
- THE CONTRACT DOCUMENTS SHOW THE APPROXIMATE LOCATION OF THE EXISTING AND NEW SUBSURFACE UTILITY LINES. THESE LINES HAVE BEEN IDENTIFIED AND LOCATED AS ACCURATELY AS POSSIBLE USING AVAILABLE INFORMATION. THE CONTRACTOR IS RESPONSIBLE FOR VERIFYING ALL ACTUAL LOCATIONS. IF ANY CHARTED, UNCHARTED, OR MIS-LOCATED UTILITY SERVICE IS INTERRUPTED FOR ANY REASON, THE CONTRACTOR WILL WORK CONTINUOUSLY TO RESTORE SERVICE TO SATISFACTION OF THE OWNER.
- SHOULD EXISTING UTILITIES REQUIRE RELOCATION OR REROUTING NOT SHOWN OR INDICATED TO BE RELOCATED OR REROUTED, CONTACT AND COOPERATE WITH THE OWNER TO MAKE THE REQUIRED ADJUSTMENTS AT AN EQUITABLE CHANGE IN THE CONTRACT PRICE.
- EXISTING UTILITIES SHOWN MAY ACTUALLY BE IN DIFFERENT LOCATIONS AND ADDITIONAL UTILITIES NOT SHOWN MAY EXIST AND MAY BE IN USE. IT IS THE CONTRACTOR'S RESPONSIBILITY TO PROTECT ALL UTILITIES DURING CONSTRUCTION.
- THE CONTRACTOR IS RESPONSIBLE FOR LOCATING ALL EXISTING UNDERGROUND UTILITIES PRIOR TO EXCAVATING. THE OWNER WILL NOT LOCATE THE UTILITIES FOR THE CONTRACTOR. IF AN OUTSIDE SERVICE OR COMPANY IS REQUIRED TO ACCURATELY LOCATE BURIED UTILITIES THE CONTRACTOR IS RESPONSIBLE FOR SCHEDULING THIS WORK AND IS RESPONSIBLE FOR THE COSTS. THE CONTRACTOR SHOULD CONTACT APPROPRIATE UTILITY COMPANIES BEFORE DOING ANY EXCAVATING.
- TOP ELEVATIONS OF NEW UNDERGROUND STRUCTURE ARE APPROXIMATE AND ARE FOR ESTIMATING PURPOSES ONLY. ACTUAL TOP ELEVATIONS MUST BE THE SAME AS FINISHED GRADE IN THE SAME AREA. SEE ARCHITECTURAL PLANS FOR FINISHED GRADES.
- INSTALL DOMESTIC WATER PIPING WITH 3'-6" MINIMUM COVER.
- INSTALL FIRE PROTECTION WITH 4'-0" MINIMUM COVER.
- INSTALL NATURAL GAS PIPING WITH 2'-0" MINIMUM COVER.
- INSTALL UNDERGROUND FEEDERS WITH 2'-0" MINIMUM COVER.
- EXCAVATION: MATERIALS TO BE EXCAVATED SHALL INCLUDE EARTH AND ANY OTHER MATERIAL, INCLUDING ROCK ENCOUNTERED IN TRENCH EXCAVATION.
- SITE LIGHTING CIRCUITS SHALL BE #6 CONDUCTORS IN 1-1/4" CONDUITS.
- TESTING OF EXTERIOR SEWER MANHOLES SHALL BE AS FOLLOWS:
  - EXTERIOR SANITARY SEWER SHALL BE PLUGGED BETWEEN MANHOLES AND SUBJECTED TO AN AIR PRESSURE TEST WITH ALL OPENINGS TIGHTLY CLOSED. AIR SHALL BE PUMPED IN UNTIL THE PRESSURE IS NOT LESS THAN 5 POUNDS PER SQUARE INCH. THE AIR PRESSURE GAGE SHALL REMAIN CONSTANT WITHOUT PUMPING ADDITIONAL AIR INTO THE SYSTEM.
  - MANHOLE SHALL BE PLUGGED AND FILLED WITH WATER AND A VISUAL INSPECTION MADE FOR LEAKS. ALL LEAKS SHALL BE CORRECTED.
  - ALL TESTS SHALL BE DONE PRIOR TO BACKFILLING.

**CODED NOTES:**

- NEW SANITARY SEWER MANHOLE. REFER TO DETAIL FOR ADDITIONAL INFORMATION.
- TURN CONDUITS UP INTO MDF ROOM. SEE BUILDING FLOOR PLANS.
- ELECTRIC SERVICE DUCTBANKS INTO THE BUILDING PROVIDED AS PART OF THE BUILDING PACKAGE.
- NEW TELECOMMUNICATIONS DUCTBANK. CONSTRUCT IN ACCORDANCE WITH THE DETAILS.
- NEW PRIMARY ELECTRIC DUCTBANK. CONSTRUCT IN ACCORDANCE WITH THE DETAILS.
- EXISTING PRIMARY ELECTRIC DUCTBANK FROM BUILDING. EXTEND TO THE NEW PAD MOUNT TRANSFORMER.
- EXISTING TELECOMMUNICATIONS DUCTBANK FROM BUILDING. EXTEND TO THE NEW TELECOMMUNICATIONS MANHOLE.
- NEW PAD MOUNTED TRANSFORMER PROVIDED AS PART OF THE BUILDING PACKAGE.
- NEW PAD MOUNTED EMERGENCY GENERATOR PROVIDED AS PART OF THE BUILDING PACKAGE.

UTILITY TRANSFORMER SIZE = PAD MOUNT 2,500 KVA 12,470 TO 480  
GENERATOR SIZE = 300 KW  
SWITCHGEAR SIZE = 3,000AMPS 480V.

TOTAL WATER USAGE = 15,900 GALLONS PER DAY. THIS IS BASED ON 25 GPD/BED AND A 649BED COUNT. WE ARE USING LOW FLOW FIXTURES AND ARE DESIGNING TO GET A 30% WATER REDUCTION (38 GPD/BED X 70% = 25 GPD/BED).  
DEMOLISHED DORM COMPLEX:  
TOTAL WATER USAGE = 93,240 GALLONS PER DAY. THIS IS BASED ON 35 GPD/BED AND A 2,664 BED COUNT.  
NATURAL GAS CAPACITY = 4 MILLION BTU/HR



**NOTE:**  
IT IS NOT INTENDED THAT THE PLANS SHOW ALL OFFSETS IN PIPES, CONDUITS, AND DUCTS REQUIRED FOR INSTALLATION OF THE WORK. DETAILS AND SECTIONS ARE INCLUDED FOR SOME AREAS TO SHOW INTENDED RELATIONSHIP OF THE WORK OF VARIOUS TRADES. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR AND SUB-CONTRACTORS TO COORDINATE INSTALLATION OF THE WORK AND TO PROVIDE THE NECESSARY OFFSETS, TRANSFORMATIONS, AND FITTINGS REQUIRED. NO ADDITIONAL COMPENSATION WILL BE ALLOWED FOR CORRECTION CONFLICTS BETWEEN THE WORK OF VARIOUS TRADES. DETAILS AND SECTIONS ARE SHOWN FOR THE CONTRACTORS CONVENIENCE AND SHALL NOT BE CONSIDERED COMPLETE IN EVERY DETAIL.

**SITE UTILITIES PLAN**  
SCALE: 1" = 30'-0"

**EXHIBIT G**

**Equipment and Funds Provided by Landlord**

Not Applicable.

## AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT (this “**Agreement**”) is made effective [July 1, 2024] (the “**Effective Date**”) by and between the UNIVERSITY OF KENTUCKY, an agency of the Commonwealth of Kentucky (the “**University**” or “**Landlord**”) and [\_\_\_\_], LLC, a Delaware limited liability company (the “**Tenant**”).

### RECITALS

A. Contemporaneously herewith, the University and Tenant are entering into that certain Lease Agreement, dated of even date herewith, as it may be amended, restated, supplemented, replaced or extended (the “**Lease**”), pursuant to which (i) the University, subject to the terms and conditions set forth in the Lease, has leased land within the city of Lexington, County of Fayette, Commonwealth of Kentucky on the campus of the University currently known as Kirwan-Blanding and more particularly described in the Lease and (ii) Tenant has agreed to construct, own, operate and manage a student housing facility consisting of one four-story building containing 649 beds (the “**Facility**”) on the land in accordance with the requirements set forth in the Lease.

B. Also contemporaneously herewith, \_\_\_\_\_ agreed to guarantee the covenants and obligations of Tenant under the Lease and this Agreement pursuant to that certain Guaranty dated as of even date herewith, by \_\_\_\_ in favor of the University (as amended, restated, modified or otherwise supplemented from time to time, the “**Guaranty**” and together with the Lease and any other agreements between the University and Tenant related to the Lease, collectively, the “**Related Agreements**”).

C. EdR Lexington I LLC, EdR Lexington II LLC, EdR Lexington III LLC, EdR Lexington IV LLC, EdR Lexington V LLC, EdR Lexington VI LLC, EdR Lexington VII LLC, EdR Lexington VIII LLC and EdR Lexington IX LLC (“**EdR Tenants**”) operate certain existing undergraduate residence halls located on the University’s campus pursuant to certain leases between the University and the EdR Tenants (as amended, restated, modified or otherwise supplemented from time to time, the “**EdR Leases**”) and the Fifth Amended and Restated Affiliation Agreement dated March 18, 2016, as amended by a First Amendment dated July 1, 2016, Second Amendment dated March 1, 2017 and [Third Amendment dated July 1, 2024] (as amended, restated, modified or otherwise supplemented from time to time, the “**EdR Affiliation Agreement**”) (such existing facilities, the “**EdR Facilities**”).

D. Until such time as the parties agree otherwise, the University shall continue to operate the existing undergraduate residence halls located on its campus that are not the EdR Facilities or developed pursuant to the Lease (such existing facilities, the “**University Facilities**”). The Facility, the EdR Facilities and the University Facilities are referred to collectively herein as the “**On-Campus Student Housing**”.

E. University and Tenant desire that students residing in On-Campus Student Housing have a high quality residential experience and that services provided to the student residents be consistent regardless of which On-Campus Student House facility the student resides.

F. All terms used herein but not defined shall have the meanings given to such terms in the Lease.

## A G R E E M E N T S

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

### ARTICLE I

#### COMMON AGREEMENTS; COMMON EXHIBITS

Section 1.1 Prohibited Commercial Uses. A commercial tenant shall not be permitted to use any retail space leased by Landlord or subleased by the Tenant to a commercial tenant for any of the uses described on Exhibit CE 1 attached hereto, as the same may be amended from time to time, and which shall be incorporated by reference into the Lease.

Section 1.2 Permitted Residential Leases. Undergraduate Residential Residents shall occupy the Facility pursuant to a written lease, license or sublease which is in a form substantially similar in all material respects to Exhibit CE 2 attached hereto, as the same may be amended from time to time (the “**Permitted Undergraduate Residential Lease**” or “**Permitted Residential Lease**”), and which will be incorporated by reference into the Lease.

Section 1.3 University Vendor Contracts. Tenant’s use of the Premises under the Lease shall strictly comply with all terms of the contracts and agreements set forth on Exhibit CE 3 attached hereto, as the same may be amended, extended or renewed from time to time (the “**University Vendor Contracts**”), and which shall be incorporated by reference the Lease. Landlord shall be permitted to add additional contracts to Exhibit CE 3 upon thirty (30) days prior written notice to the Tenant; provided, however, that Tenant shall not be required to comply with (a) any future amendments to the University Vendor Contracts set forth on Exhibit CE 3 as of the Effective Date or (b) any future contracts that Landlord proposes to add to Exhibit CE 3 after the Effective Date, if such future amendment or future contract would cause a materially adverse economic impact on Tenant’s Net Income under the Lease, unless such Tenant consents in writing to comply with such future amendment or future contract.

Section 1.4 University Policies. Tenant, at its sole cost and expense, shall comply with the University policies listed on Exhibit CE 5 attached hereto, as the same may be amended from time to time (the “**University Policies**”), and which shall be incorporated by reference into each of the Lease; provided, however, that Tenant shall not be required to comply with any future amendments to the University Policies, if such future amendment would cause a materially adverse economic impact on Tenant’s Net Income under the Lease.

Section 1.5 Anticipated Future Average Useful Life Schedule. As a helpful reference for the Lease, an Anticipated Future Average Useful Life Schedule is attached hereto as Exhibit CE 6, as the same may be amended from time to time, and which shall be incorporated by reference into the Lease.



## ARTICLE II

### MANAGEMENT OF THE FACILITY

Section 2.1     Management Agreement. Tenant shall engage a management company (the “**Manager**”), pursuant to the terms of a management agreement, to manage and operate the Facility for and on behalf of the Tenant in accordance with the terms of this Agreement. Such management agreement may also provide for the Manager to perform any functions or duties with respect to the University Facilities that are the responsibility of the Tenant pursuant to the terms of this Agreement. The Manager shall be the same management company as engaged by the EdR Tenants to manage and operate the EdR Facilities, unless otherwise approved by University in writing, which approval shall be in the sole and absolute discretion of the University.

Section 2.2     Reserved.

Section 2.3     Co-ed Facilities; Visitation Policies.

(a)     Co-Ed Facilities. The Facility shall be a co-ed student housing facility as long as other single gender undergraduate housing options are offered in the University Facilities. During each Academic Year and the Summer Sessions, Student Residents from a particular gender shall be assigned to rooms in the Facility in a manner that is mutually agreeable to the University and the Tenant; provided that (i) the University shall not require the Tenant to implement a gender separation policy at the Facility that is more restrictive than the least restrictive policy in place at the University Facilities during the corresponding Academic Year or Summer Session and (ii) Student Residents of a different gender shall not be permitted to be assigned to the same room or to rooms that are connected by interior doorways or which share a common bathroom; provided, further, the University shall cooperate with the Tenant in establishing a gender separation policy, or exceptions thereto, which minimizes vacancies in the Facility, except to the extent that such vacancies result from the preceding clause (ii).

(b)     Visitation Policies. The University and the Tenant shall establish a mutually agreeable visitation policy for the Facility; provided that the University shall not require Tenant to implement a visitation policy at the Facility that is more restrictive than the least restrictive policy in place at the University Facilities during the corresponding Academic Year or Summer Session.

Section 2.4     Room Assignments; Leasing; Transfers.

(a)     Availability. In conformance with the requirements of the Lease, the Tenant shall use the Facility to house Student Residents pursuant to the Permitted Residential Lease, and the Tenant further agrees to make the Facility available for housing Student Residents during both the Academic Year and the University’s Summer Sessions. For purposes of this Agreement, “**Academic Year**” means the academic year calendar determined by the University in its sole and absolute discretion, and “**Summer Sessions**” means all periods outside of the Academic Year during which the University offers classes to University students.

(b)     Coordination; Cooperation. The University and the Tenant agree to coordinate and cooperate in determining appropriate processes and procedures for administering

the leasing process for the Facility, pursuant to the allocation of responsibilities and other terms set forth in this Agreement, in order to provide all residents of the On-Campus Student Housing with a seamless, uniform application and leasing experience.

(c) Assignment Priorities; Residential Colleges and Living-Learning Communities.

(i) The University and the Tenant acknowledge and agree that the Facility has been designed to foster the creation of residential colleges and living-learning communities, and that maintaining residential colleges and living-learning communities is beneficial to academic success and the retention of Student Residents.

(ii) In furtherance of this understanding, the University shall have the right to reserve rooms in the On-Campus Student Housing for assignment priorities during each Academic Year and Summer Session, including priorities for student members of particular University colleges and programs for assignment to beds in a particular facility (for example, participants in the University's Honors Program or the College of Engineering (or any successor program or college)). For purposes of this Agreement, the residential communities and living-learning communities established through the assignment priorities established pursuant to this Section 2.4(c) shall be referred to as "**Living-Learning Communities**".

(iii) The University shall follow the following procedures in establishing the Living-Learning Communities for each Academic Year:

(A) Not later than the first (1<sup>st</sup>) day of May of the calendar year immediately preceding the calendar year in which such Academic Year begins, the University (acting through the office of the Executive Vice President of Finance and Administration ("EVPFA")) shall provide to the Tenant a written list of the Living-Learning Communities, which list shall include the location of, and an estimate of the reserved bed count for, each Living-Learning Community.

(B) Not later than the fifteenth (15<sup>th</sup>) day of September of the calendar year immediately preceding the calendar year in which such Academic Year begins, the University (acting through the EVPFA) shall provide to the Tenant an updated estimate of the reserved bed count for each Living-Learning Community, which estimate shall be based on the best information then available to the University college or program constituting such Living-Learning Community.

For example, for the Living-Learning Communities for the 2024-2025 Academic Year, the University shall provide to the Tenant the written list of Living-Learning Communities not later than May 1, 2023, and the updated estimate of the reserved bed count for each Living-Learning Community not later than September 15, 2023.

(d) Applications. The Tenant agrees that the EdR Tenants shall administer and process all applications from potential residents of the On-Campus Student Housing in accordance with the terms of the EdR Affiliation Agreement. The Tenant and the University shall require all potential residents to apply for housing in the On-Campus Student Housing by completing the University's standard Undergraduate Housing Application, a copy of which is included in the

Permitted Undergraduate Residential Lease attached hereto as **Exhibit CE 2** (the “**Housing Application**”). The University shall be permitted to make changes to the Housing Application with the prior written approval of the Tenant, which approval shall not be unreasonably withheld, conditioned or delayed.

(i) Application Fees. University and the EdR Tenants will set application fees for all students and potential students applying for On-Campus Student Housing (the “**Application Fees**”) in accordance with the terms of the EdR Affiliation Agreement. Any Application Fees paid by students who are assigned to the Facility shall constitute Gross Revenue of the Facility. The Application Fees paid by students who are assigned to the EdR Facilities and University Facilities shall be allocated among the EdR Tenants and University in accordance with the terms of the EdR Affiliation Agreement. Thereafter any remaining Application Fees shall be divided pro rata among the University, EdR Tenants and the Tenant according to the respective number of beds in the Facility, the EdR Facilities and the University Facilities. Each Academic Year, Application Fees due to Tenant shall be remitted to the Tenant on December 15<sup>th</sup>, April 15<sup>th</sup> and September 15<sup>th</sup> with a full reconciliation on October 1<sup>st</sup> for the prior Academic Year and cumulative Academic Years.

(e) Room Assignments.

(i) The EdR Tenants shall process and coordinate all room assignments for all On-Campus Student Housing in accordance with the terms of the EdR Affiliation Agreement. In processing room assignments, the EdR Tenants shall use either (A) the assignment software currently used by the University in assigning rooms in the On-Campus Student Housing or (B) a replacement assignment software that is mutually agreed to between the University and EdR Tenants that is integrated with the enterprise resource planning (ERP) system (or any successor system) which is utilized by the University from time to time. Tenant shall only use the student data in the assignment and related software may have access to for the purposes of assigning students to rooms in the On Campus Housing and for no other purpose. Likewise, Tenant shall not be required by the University to use the student data Tenant have access to through the assignment and related software to respond to inquiries regarding student data for any purpose other than the assignment process.

(ii) Subject to the assignment priorities set forth in clauses (iii) and (iv) below, in determining room assignments, the EdR Tenants shall, as much as practicable, permit potential residents, during both the Academic Year and Summer Sessions, to choose which of the available On-Campus Student Housing they wish to occupy in accordance with the University’s assignment priority rules and policies, as the same may be in place from time to time, including whether such potential resident requests assignment to a University Facility, EdR Facility or Tenant Facility.

(iii) During each Academic Year and Summer Session, the University, the EdR Tenants and the Tenant shall provide assignment priority for the Living-Learning Communities established pursuant to Section 2.4(c) and to the University’s athletic department (“**Athletics**”); provided that:

(A) The University shall require the Living Learning Communities and Athletics to notify the Tenant and the EdR Tenants of the list of students who will be assigned to reserved beds in the Facility not later than May 1<sup>st</sup> of each fiscal year preceding the start of the Academic Year (the “**Application Deadline**”);

(B) The Living Learning Communities in coordination with the University, Tenant and the EdR Tenants shall have until May 16<sup>th</sup> (the “**LLC Hold Deadline**”) to coordinate, finalize and process student members of each University college or program that will be assigned to beds in the Facility;

(C) University, the EdR Tenants and Tenant will release:

- (i) 25% of the reserved beds that remain unassigned as of June 1;
- (ii) 25% of the remaining reserved beds that remain unassigned as of June 15;
- (iii) 25% of the remaining beds that remain unassigned as of July 1; and
- (iv) Any remaining reserved beds that remain unassigned as of July 15 (“**Final Athletics Hold Deadline**”).

(D) The Tenant shall not be required to hold an assignment to a reserved bed in the Facility for Living Learning Communities students later than the LLC Hold Deadline or for Athletics students later than the Final Athletics Hold Deadline, and shall thereafter release all unassigned reserved beds for assignment to the general student housing applicant pool, unless the University agrees in writing to guarantee the payment in full of the Student Resident Rent for the fall semester of the applicable Academic Year for any bed that the Tenant continues to hold for assignment for Living Learning Communities after the LLC Hold Deadline or for Athletics after the Final Athletics Hold Deadline.

(iv) Notwithstanding the foregoing, for each Academic Year and each Summer Session, Tenant shall be permitted to identify up to five (5) Student Residents who will be assigned to beds in the Facility; provided that (A) the Application Deadline and Hold Deadline procedures applicable to student groups shall apply to such identified Student Residents and (B) the Tenant shall not be permitted to hold an assignment to a bed in the Facility for a Student Resident designated by Tenant later than the Application Deadline unless such Tenant agrees in writing to guarantee the payment in full of the Student Resident Rent for the entire Academic Year for any bed that the Tenant continues to hold for such Tenant.

(f) Rent Collection.

(i) The University agrees to invoice and collect all housing charges billed (A) by the Tenant to the Student Residents of the Facility on behalf of the applicable Tenant, including rent, application and other fees, damage reimbursement and all other charges of Student Residents, including housing charges for Summer Sessions, but excluding housing charges for

summer camps and conferences involving non-students (the “**Student Resident Rent**”) and (B) by the University to the residents of the University Facilities. The University shall bill Student Residents of the Facility and residents of the University Facilities in the same manner, and the Tenant shall direct all residents of the On-Campus Housing to remit payment for Student Resident Rent directly to the University. The University, in accordance with its customary practices and procedures, shall collect all payments made on each Student Resident’s account, including funds received from third party sources that are applicable to the payment of Student Resident Rent including, but not limited to, scholarships, financial aid, grants, student loans, stipends or GI bill benefits (“**Student Resident Rent Funds**”).

(ii) The University will provide the Tenant visibility as to the available Student Resident Rent Funds in the form of read-only online access to the Student Resident account balances so that the Tenant have access to the status of collection of Student Resident Rent Funds at all times. The University agrees to use its reasonable best efforts to keep its systems updated in a timely manner so that the information reviewed by the Tenant reflects the most up to date collection information feasibly available.

(iii) On a weekly basis (the “**Payment Date**”), the University will deliver to the Tenant by ACH transfer all Student Resident Rent Funds collected, with a roster supporting the payment and detailing any delayed payments that the University is aware of that are to be made on behalf of the student towards his or her Student Resident Rent. The University will also deliver to the Tenant, by the fifth (5<sup>th</sup>) University Business Day of each month, a settlement statement containing monthly period-end reconciliation to balance with period close from the University’s financial system. The Tenant acknowledges that, so long as the University complies with its obligations to disburse Student Resident Rent Funds by the Payment Date and otherwise complies with this Section 2.4(d), the Tenant shall have no recourse against the University for the failure of a Student Resident to pay rent when due. The failure of a student to pay sums due under a Permitted Residential Lease shall be a violation of the student code of conduct and entitle the University to set forth appropriate disciplinary procedures, which may include withholding access to grades and records until such sums are paid in full, and to pursue collection of the debt in accordance with University policies, including the engagement of third party debt collection agencies. The University and Tenant will work cooperatively in debt collection efforts and will jointly produce an agreed upon debt collection policy, that will include Tenant’s involvement in collections of sums due from Student Residents while they are residing at the Facility and after they have moved out, and to which both parties will adhere to in the debt collection process. In any separate collection efforts of Tenant, as permitted by the agreed upon debt collection policy, the Tenant may not, directly or indirectly, represent that any amount is owned to the University or that that it is acting on behalf of or for the University. Without limiting any other indemnity provisions herein, Tenant agrees to indemnify and hold harmless Landlord against any claim, loss, expense (including reasonable attorney fees) or damage incurred by the Landlord as a result of Tenant’s collection efforts.

(iv) The Tenant further acknowledges and agrees that (i) all payments made by a Student Resident to the University Bursar’s Office shall be allocated to the Student Resident’s account pursuant to the University’s application of payment policies, and (ii) the University shall be entitled to the proceeds of all late fees assessed to a Student Resident’s account relating to any charge for which a Student Resident is delinquent in payment, including Student

Resident Rent. For purposes of this Agreement, the term “**University Business Day**” means a normal University business day, not including Saturday, Sunday, any holiday observed by the University employee holiday, or any day on which the University is closed for any reason.

(v) For each fiscal year during the Term, if the University has collected less than 99.5% of the Student Resident Rent due for that fiscal year, then within 24 months of June 30<sup>th</sup> of that fiscal year in which said Student Resident Rent is due to a Tenant (as recognized by Tenant on its books as due), then the University will reimburse the Tenant for such portion of the uncollected Student Resident Rent sufficient to bring the percentage of unpaid Student Resident Rent for that fiscal year in which said Student Resident Rent was due to be no greater than 0.50% of the total Student Resident Rent due for that fiscal year, provided, however, that upon such payment of reimbursement to Tenant, all delinquent amounts of Student Resident Rent for that fiscal year that are later collected shall be the property of the University and Tenant shall have no claim to such funds.

(g) On-Campus Student Housing Transfers. Residents of all On-Campus Student Housing will be permitted to transfer to and from rooms in all On-Campus Student Housing throughout an Academic Year pursuant to the University’s transfer policies for the University Facilities. Transfer requests shall be coordinated and processed by the EdR Tenants, and shall be determined based on the date of request and bed availability. Transfers shall be without penalty. In the event that there is a discrepancy in the rental rates between the two facilities involved in a transfer, the rent required to be paid by such transferring student will be adjusted to reflect the increase or decrease in such rental rate, as applicable, and shall be applied to each facility based on the number of days that the Student Resident resided in each facility.

(h) Student Resident Eligibility Restrictions; Code of Conduct. The Tenant acknowledges and agrees that the Tenant shall comply with the terms and conditions of the cancellation policies and liquidation policies set forth in the Permitted Residential Lease. Subject to Section 3.05 of the Lease, the Tenant further agrees that violations of the University’s code of student conduct shall be resolved pursuant to the policies and procedures of the University and the terms of the Permitted Residential Lease.

(i) Assignment Office. In furtherance of providing a seamless, uniform application and leasing experience to all residents of the On-Campus Student Housing, the University and the Tenant agree that (i) in performing the room assignment function pursuant to this Agreement the EdR Tenants shall use the name “University of Kentucky Housing Assignment Office” and (ii) the EdR Tenants shall maintain a housing assignment office at a mutually agreeable location on the University’s campus.

(j) Annual Review. The appropriate decision makers from the University, EdR Tenants and the Tenant shall meet annually to assess all aspects of the On-Campus Student Housing relationship, including but not limited to the following items:

- (i) the assignment process, including, but not limited to, any necessary modifications to the assignment procedures utilized by the EdR Tenants from time to time,
- (ii) the Living-Learning Communities,

- (iii) occupancy rates at both the Facility, the EdR Facilities and the University Facilities,
- (iv) payment collections,
- (v) physical property issues such as trash procedures, landscaping, snow removal and outdoor furniture and equipment, and
- (vi) review and discussion of the Repair, Replacement and Capital Improvement Schedule.

(k) Reassumption of Responsibilities by University.

- (i) Reserved.
- (ii) Reserved.
- (iii) In the event that the University elects to reassume responsibility for housing applications and room assignments pursuant to its rights under the EdR Affiliation Agreement, the University shall perform such responsibilities in accordance with the procedures set forth in Section 2.3 of the Second Amended and Restated Affiliation Agreement dated June 25, 2013 (to be effective as of August 1, 2014) between the University and EdR Lexington I LLC, EdR Lexington II LLC, EdR Lexington III LLC, EdR Lexington IV LLC, EdR Lexington V LLC, and EdR Lexington VI LLC.

Section 2.5      Life, Safety and Fire Protection.

(a) Jurisdiction. The Facility shall be served by the University of Kentucky Police Department (“**UKPD**”) and University of Kentucky Fire Marshal (the “**Fire Marshal**”).

(b) Police Access. The Tenant shall provide access to the Facility to the UKPD and Lexington Division of Police (“**LPD**”) that is reasonable under the circumstances of the requested entry, including access to the public areas of the Facility at all times and access to areas leased to Permitted Tenants when needed to protect the safety or security of life or property.

(c) Fire Marshal.

(i) The Fire Marshal shall be permitted to perform inspections of the Facility as provided under applicable law (including, but not limited to, applicable building and fire codes and the University’s fire and life safety regulations, including codes or regulations promulgated by the Fire Marshal). Without limiting the generality of the foregoing, the Fire Marshal’s Office shall be permitted to (i) perform regular on-site inspections of the Facility to assure compliance with applicable law during regular business hours and with reasonable advance notice to the applicable Tenant, except in the case of an emergency and (ii) observe and participate in routine, pre-announced fire drills conducted at the Facility by the applicable Tenant.

(ii) Tenant agrees to notify, or instruct its third party alarm operator to notify, the Fire Marshal and UKPD in the event that a fire alarm is activated at one of its Facility

in response to which the Lexington Division of Fire and Emergency Services (“**LFD**”) is alerted to the alarm. Such notice shall be provided to the Fire Marshal and UKPD contemporaneously with the notice provided to the LFD. The Fire Marshal shall have the authority to cooperate with the LFD in response to the activation of a fire alarm at the Facility to the same extent that it cooperates with the LFD at other facilities on the University’s campus.

(iii) Tenant agrees to coordinate with the Fire Marshal, UKPD, LPD and LFD in the installation of a rapid entry system (e.g., a Knox-Box system) at the Facility.

(iv) Tenant shall provide access to the Facility to the UK Fire Marshal that is reasonable under the circumstances of the requested entry, including access to the public areas of the Facility at all times and access to areas leased to Tenant when needed to protect the safety or security of life or property.

(d) Video Security Measures. The Tenant shall cooperate with UKPD in keeping the campus and the Facility safe and secure, which cooperation shall include, but not be limited to, taking the following actions: (i) installing and maintaining cameras or other security devices in, on or around the Facility that have been selected by the University and which are compatible with the systems used by UKPD to provide remote video feed of other buildings on the University’s campus; (ii) connecting such cameras and devices to UKPD’s video and security monitoring systems; and (iii) permitting UKPD reasonable access to all video and other data streams produced by the cameras and other recording devices installed at the Facility. Landlord (i) acknowledges that the Tenant will not monitor any video at any of the Facility and (ii) agrees that UKPD will be responsible for any license fees associated with UKPD’s monitoring systems.

(e) Fire and Safety Design Review. The University’s Environmental Health and Safety Division (“**EH&S**”) shall have the right to review and approve all fire and safety design aspects of (i) the Plans for the Facility and (ii) any proposed renovations to the Facility that have a material impact on the fire and safety design at the Facility.

(f) 911 Databases. The University shall assist the Tenant in coordinating the correct address for each of the Facility. The Tenant shall be responsible for placing the addresses for the Facility in the proper 911 databases, and shall notify the University promptly after such placement has been completed.

(g) Reserved.

## Section 2.6 Cooperation; Residence Life.

(a) Meetings. The Tenant will designate a representative to attend and participate in regular status meetings with the University’s Office of Residence Life Staff and Auxiliary Services Staff and with other University staff or committees as appropriate.

(b) Code of Conduct. The Tenant will require Student Residents to adhere to the University’s code of student conduct and will coordinate Student Resident activities with the Office of Residence Life Staff.



(c) Residence Life Functions.

(i) Pursuant to the terms of the Lease, the University's Office of Residence Life will manage and provide programming for undergraduate Student Residents at the Facility in a manner determined from time to time by the University in its sole and absolute discretion; provided that, without limiting the foregoing discretion, the University agrees to provide a residence life function at the Facility that is similar to the residence life function provided by the University's Office of Residence Life at the University Facilities. As of the Effective Date, the University and the Tenant agree that (i) the residence life function provided by the University's Office of Residence Life at the University Facilities is comprised of the duties and functions set forth Exhibit B-1 attached hereto and (ii) the Residence Life Staff at the Facility will perform the duties set forth on Exhibit B-1 until such time as Exhibit B-1 is amended pursuant to this Section 2.6(c).

(ii) Subject to its obligation to provide a residence life function at the Facility that is similar to the residence life function provided at the University Facilities, the University shall have the right to modify Exhibit B-1 from time to time in its sole and absolute discretion in order to increase or decrease the scope of the residence life function provided at the Facility, upon prior written notice to the Tenant.

(iii) The University agrees to cooperate with the Tenant in good faith to address any concerns that Tenant has with the performance of (A) the Residence Life Staff or (ii) the duties and obligations outlined on Exhibit B-1.

(iv) Notwithstanding the foregoing, the Residence Life Staff shall cooperate with the Tenant in its marketing, operation and maintenance of the Facility and use reasonable best efforts to assist the Tenant in maintaining the Facility in a first-class manner.

(d) Designation of Residence Life Staff. Prior to the start of each Academic Year and Summer Session, the University's Office of Residence Life will notify the Tenant of the number of Hall Directors, Front Desk Staff, Resident Advisors, Senior Staff and other staff members that will be assigned to each of the Facility and constitute the Residence Life Staff for the Academic Year. The University and the Tenant acknowledge that the Facility under each Lease are designed to accommodate the number of Resident Advisors and live-in Hall Directors set forth on Exhibit B-2.

Section 2.7 Marketing. The University and the Tenant agree that it is in the best interest of the students of the University and the operation of the On-Campus Student Housing that each party cooperate in good faith to coordinate the marketing of both the University Facilities and the Facility so that they are presented uniformly to prospective students as the On-Campus Student Housing options.

(a) Joint Marketing Campaign. The University and the Tenant agree that the University shall coordinate the marketing campaign and the development of joint marketing materials for all of the On-Campus Student Housing (the "**On-Campus Student Housing Marketing Campaign**"). In developing the On-Campus Student Housing Marketing Campaign, the University shall work with the Tenant, the EdR Tenants, UKPR, the University's Office of

Admissions and the EVPFA to ensure that the On-Campus Student Housing Marketing Campaign are consistent with and complimentary to the University's marketing campaigns, including the University's marketing strategy for enrollment management. The On-Campus Student Housing Marketing Campaign shall be approved by the Tenant prior to its implementation, which approval shall not be unreasonably denied, withheld or delayed so long as the On-Campus Student Housing Marketing Campaign does not contain items that are damaging to the reputation of the Tenant or obscene or morally objectionable material. The costs and expenses of producing, publishing and implementing the On-Campus Student Housing Marketing Campaign shall be equitably allocated between the University Facilities, the EdR Facilities and the Facility, and the Tenant and EdR Tenants shall pay their applicable allocated portion of such costs to the University; provided that the Tenant will approve the amount of the costs to be allocated to it before such costs are incurred, and the contents of the marketing information about the Facility contained in the On-Campus Student Housing Marketing Campaign shall be consistent with the marketing information included in the On-Campus Student Housing Marketing Campaign for the University Facilities and EdR Facilities. The Tenant shall pay for the costs and expenses of producing, publishing and implementing the On-Campus Student Housing Marketing Campaign that are allocated to the marketing of the Facility pursuant to the immediately preceding sentence, and shall promptly reimburse the University for any such costs that are incurred by the University.

(b) Certain Marketing Efforts. In addition to the items described in Section 2.7(a) above, the University shall:

(i) include the Facility in displays of the On-Campus Student Housing Marketing Campaign materials wherever the University has traditionally marketed the University Facilities; and

(ii) include the Facility in emails sent to the current, prospective and transfer students, forwarding the On-Campus Student Housing Marketing Campaign materials to the same extent that the University has traditionally sent emails to current, prospective and transfer students containing marketing materials for the University Facilities.

(c) Website Links. The University shall provide current information regarding all On-Campus Student Housing Marketing Campaign materials on the University's housing website, including links to a webpage for all of the On-Campus Student Housing.

(d) Tours. The Tenant shall cooperate in good faith with the University's Visitor Center to allow access to the interior, common spaces of the Facility as part of the tours of the University's campus conducted by the University's Visitor Center. To the extent available, during such tours the Tenant shall provide access to a bedroom in the Facility for purposes of allowing prospective students of the University to view the bedrooms at the Facility.

(e) Marketing Events. The University and the Tenant shall cooperate in good faith to market the On-Campus Student Housing during recruiting events hosted by the University at which housing options are presented to prospective students. Such events include, but are not limited to, advising conferences, merit weekends and preview nights.

(f) Nondisparagement Agreement. The University and the Tenant shall not, and shall cause their respective employees and agents to not, disparage or otherwise negatively portray any of the On-Campus Student Housing options.

(g) First Year Student Housing. The University and the Tenant acknowledge and agree that (a) the Facility has been designed as living-learn environment composed of residential configurations, classroom space and meeting space that are intended to provide a living and learning experience and (b) it is likely that the primary occupants of the Facility will be first year University students. As such, the University agrees to support the Tenant's efforts to market the Facility to first year students.

Section 2.8 Summer Camps and Conferences. The University, EdR Tenants and Tenant will cooperate in the provision of the On Campus Student Housing and other supporting on-campus facilities, such as meeting space and food venues, for summer camp and conference business. Summer camp and conference rates shall be set by mutual agreement in November of the previous year for each summer camp and conference season. EdR Tenants will collect all fees related to summer camp and conference business for all of the On Campus Student Housing. Revenue generated by summer camps and conferences housed at the Facility will be part of the Gross Revenues of the Facility. Revenue generated by summer camps and conferences housed at the University Facilities shall be split 50% to the University and 50% to EdR Tenants. Any funds due to the Tenant shall be remitted to the Tenant on a monthly basis. The Tenant will provide space in Facility in rent ready condition prior to the first scheduled summer camp or conference. EdR Tenants will handle the marketing, booking, room assignment, bill pay and collection of summer camp and conference fees. Among its other duties EdR Tenants will: (A) meet with the proposed camps and other groups; (B) make assignments of such groups to the On Campus Student Housing utilizing the StarRez or comparable software data entry selected by mutual agreement for all summer conference attendees; (C) staff the front desks of the On Campus Student Housing facilities for summer conferences on a 24/7 basis; (D) perform all check-in and check-outs of the conference attendees; (E) manage the linens; (F) turn the rooms in both Facility, the EdR Facilities and University Facilities between each camp or conference and following the completion of summer camp or conference use; (G) manage the card access to the rooms for the camps and other summer conference business, and (F) repair damage to any On Campus Student Housing utilized by summer camps or conferences and collect the damage repair costs from the responsible occupant(s).

Section 2.9 Move-in/Move-Out. The Tenant agrees to permit the University to determine the move-in and move-out schedule for the Facility as part of the move-in and move-out process for all of the On-Campus Student Housing ("**Move-In/Move-Out**"). This schedule shall include, but not be limited to, the dates and times that Student Residents of the Facility may move into the building, traffic plans to manage the Move-in/Move-out process and temporary parking options for loading and unloading. The Tenant further agrees to participate in Move-in/Move-out events hosted by the University. The costs of Move-in/Move-Out shall be borne by the University; provided that the Tenant will contribute a fixed annual amount equal to \$10,000 towards such expenses ("**Tenant's Move-In/Move-Out Contribution**"); provided, further, that Landlord and the Tenant agree that the Tenant's Move-In/Move-Out Contribution shall not increase without the prior written consent of the Tenant, which may be granted or withheld in the Tenant's sole and absolute discretion.

Section 2.10 Student Amenities. Student Residents shall have the same access as residents of other residence halls located on the University's main campus to amenities provided by the University, including but not limited to athletic, recreational or study spaces and the University's bus or shuttle system, which shall serve the Facility.

Section 2.11 Information Technology.

(a) Video Services. The Tenant shall provide television video services to the common areas of Facility, utilizing technology selected by the Tenant. Video signal will be provided to the common areas via the cable plant installed in each of the Facility by the Tenant. The Tenant shall be responsible for costs associated with the cabling plant, video headend equipment and distribution services required to provide video services to the common areas. The Tenant shall maintain and update the television video services provided to the common areas in accordance with its obligations to maintain the Facility in a first class manner. The University and the Tenant will review video distribution technology and standards for the Facility every 24 months.

(b) Provision of Bandwidth to the Facility.

(i) The Tenant, at its sole cost and expense, shall install the pathway to connect each of the Facility to the existing campus infrastructure from a manhole proximately located to the Facility and agreed to by the parties; provided that any portion of such installation located outside of the Premises on which the Facility is located shall follow the pathway approved by the University in its sole and absolute discretion.

(ii) For use by the Permitted Residents and Tenant's staff for Internet access, the University shall provide to the Facility the amount of bandwidth set forth on the attached **Exhibit C**, at no cost to the Tenant. The University shall be responsible for the cost of the installation of fiber-optic cable and necessary switching equipment to extend the campus network to the point in each of the Facility referred to in the plans for the Facility as the DMARC location.

(iii) The Tenant shall provide bandwidth for Internet access throughout the Facility starting at the DMARC location for use by the Permitted Residents and the Tenant's staff. The Tenant shall be responsible for costs associated with fiber and cabling plant within the Facility, data headend equipment and distribution services required to provide Internet access to the Permitted Residents (including upgrades and replacements). The Internet access provided by the Tenant shall comply with or exceed the University's network standards currently utilized at the University Facilities, and shall include a wireless network; provided, however, that the Tenant shall update and maintain the Internet access services provided to the Permitted Residents in a manner that complies with or exceeds updates and enhancements to the network standards utilized at the University Facilities from time to time. The Tenant shall be responsible for providing all internet and support services to the Permitted Residents and television video and support services to the common areas in the Facility.

(c) Classroom and Office Space.

(i) During such time as the University uses classroom and office space located in the Facility, the Tenant will be responsible for the cost to provide Internet access to a wall jack and wireless in each classroom or office, including cabling plant, data head end equipment and distribution services. The University will be responsible for providing the technology necessary to support the classroom and office space (i.e., projection equipment, computers, etc.).

(ii) As long as the University uses classroom and office space located at the Facility, (A) the University shall be responsible for providing the support and maintenance (including replacement and upgrades) for the equipment from the wall-plate out into the classroom and office space and (B) Tenant shall be responsible for providing support and maintenance (including replacement and upgrades) from the wall-plate back.

(d) Information Technology Support.

(i) The University of Kentucky Information Technology department (“UKIT”) and Tenant shall cooperate to mutually develop and follow procedures that provide an environment for technical support of the Internet system at the Facility to the residents.

(ii) The Tenant will provide the first line support for all calls for (A) all information technology provided to the Permitted Residents at the Facility, including Internet system, audio visual, and television support, and (B) the Internet system for any classroom or other multi-purpose space in the Facility where official course and other instruction is conducted by University faculty and personnel. UKIT personnel will provide the first line support for the audio-visual equipment located in any classroom or other multi-purpose space in the Facility where official course and other instruction is conducted by University faculty and personnel, but only during such times that such course or other instruction is being conducted.

(e) Information Technology Governance.

(i) UKIT and the Tenant shall share information regarding student satisfaction related to technology services at the Facility. UKIT and the Tenant shall cooperate to develop a mutually acceptable and consistent approach for collecting that data, which may include conducting an annual student satisfaction survey to obtain student input regarding technology service levels.

(ii) UKIT and the Tenant will meet annually to assess the service level metrics for the Internet system and student satisfaction with the technology experience at the Facility.

(iii) UKIT shall be responsible for managing the resolution of alleged violations of the Digital Millennium Copyright Act (“DMCA”) by Permitted Residents of the Facility. The Tenant, and any third party service-provider of the Tenant, shall cooperate with and assist UKIT in the resolution of such alleged violations, and shall take appropriate actions requested by UKIT in connection therewith, including, but not limited to, removing, at the direction of UKIT, the internet access of a Permitted Resident against whom a DMCA violation has been alleged, and restoring the internet access of such Permitted Resident following the resolution of the alleged DMCA violation.

(f) Access Card Reader and Electronic Locks. The Tenant shall install and maintain the card reader access and electronic lock technology system for the Facility that has been selected by the University; provided that the maintenance costs associated with the card reader access and electronic lock technology system for the Facility shall be the sole responsibility of the Tenant. The Tenant shall not be responsible for the costs of the access cards used by Student Residents to access the Facility.

Section 2.12     Employees; Nonsolicitation.

(a) Facility Employee Qualifications. All personnel associated with the maintenance and operation of the Facility will be: (i) employees of or independent contractors engaged by the Tenant or Manager, with the exception of the Residence Life Staff, (ii) qualified to perform the management and operational functions for the Facility; (iii) subject to the Tenant's required background checks before their hire; (iv) eligible to be employees of the University, and (v) if performing services at the Facility, will meet the University's basic employment requirements as set forth on Exhibit D, attached hereto, which may be amended unilaterally by the University from time to time to conform to changes in applicable laws, and the Tenant shall provide proof that said employees meet such qualifications upon the reasonable request of the University's Human Resources Department or its designee. The Tenant will strive to achieve a culturally and racially diverse employee base to operate and maintain the Facility.

(b) Nonsolicitation. Until the termination of this Agreement, the University and Tenant agree that they will not offer to employ any person that either party knows was previously terminated by the other party or the EdR Tenants, or their affiliates, for cause, without the prior written consent of the other party. The University and Tenant further agree that they will not, without the prior written consent of the other party, purposefully solicit the employment of the key employees of the other party and will inform each other before hiring any key employees of each other. Notwithstanding the foregoing, the University and the Tenant acknowledge that either of them may advertise positions and may hire any individual who responds to an advertised position. Tenant shall require its Manager and any independent contractors providing services at the Facility to adhere to terms of this provisions in connection with any individuals providing services at the Facility.

Section 2.13     Public Relations. The Tenant and the University's Public Relations Department ("UKPR") will cooperate with one another regarding the dissemination of information about the Facility, the University or the Tenant. The University and the Tenant will not intentionally disclose information known to be damaging to the other. The University and the Tenant will identify to the other party any information that is sensitive, confidential or potentially damaging to it and neither party will disclose such information without consulting with the other party.

Section 2.14     Tenant Vehicles. All maintenance, custodial and other vehicles used by the Tenant in the management and operation of the Facility shall comply with the University's parking policies. The Tenant shall have the same parking privileges as University faculty and staff.

Section 2.15 Postal and Parcel Delivery Services. The University and the Tenant shall cooperate in good faith in providing postal and parcel delivery services to Permitted Residents of the Facility.

(a) United States Postal Service. All mail processed by the United States Postal Service (“USPS”) will be delivered to Permitted Residents in accordance with the University’s procedures for delivering on-campus mail to On-Campus Student Housing through the University’s Postal Service (the “**University Postal Service**”), as the same procedures may be in place from time to time. The Tenant and the Residence Life Staff shall coordinate and cooperate in good faith in managing the process of (i) inserting mail into the mailboxes of the Permitted Residents after it is delivered to the Facility by the University Postal Service and (ii) collecting outgoing mail from the Permitted Residents of the Facility.

(b) Other Parcel Delivery Services. Parcels processed by any delivery service other than the USPS shall be directly delivered to, or picked up from, the Facility. The Tenant and the Residence Life Staff shall coordinate and cooperate in good faith in managing the process of delivering parcels once they are dropped off at the Facility and collecting outgoing parcels from the Permitted Residents of the Facility.

Section 2.16 Other Services Provided by the Tenant.

(a) Laundry Services.

(i) The Tenant agrees to use its reasonable best efforts to structure the laundry machines in the Facility to accept a Student Resident’s University Plus-Account, a cash account maintained by students of the University with the University which is accessed through each student’s University of Kentucky Student ID (“UKID”). Regardless of the method of payment, all laundry fees and any other revenue or savings generated by the laundry services provided by the Tenant are the property of the Tenant and no portion shall be paid to the University. The University shall remit the laundry machine revenues collected through the University Plus-Account to the Tenant on a quarterly basis.

(ii) Subject to the restrictions set forth in Section 2.16(a)(i), the Tenant shall determine how laundry services are provided to Student Residents in the Facility. If desired by the Tenant, the University agrees to cooperate in good faith to assist the Tenant in establishing an independent contract with the University’s third party laundry vendor.

(b) Elevator Maintenance. The Tenant shall enter into a third party contract or contracts for the full maintenance of the elevators in the Facility. The Tenant agrees that such maintenance shall include, but not be limited to, regular and systematic maintenance of the equipment, inspections, overtime call backs and trouble calls. The Tenant further agrees that such maintenance contract will (i) require the third party elevator maintenance provider to have a technician on-call during the times designated for Move-in/Move-Out at the Facility by the University in accordance with Section 2.9 and (ii) adhere to all state fire and elevator inspector policies and regulations.

(c) Pest Control; Bed Bugs.

(i) The Tenant acknowledges that pest control prevention, and an immediate response in the event of infestation, particularly with respect to members of the cimicidae family, commonly referred to as bed bugs, is critical to ensuring a clean, healthy environment for Permitted Residents of the Facility, residents of the University Facilities, and members of the University community. The Tenant agrees to establish a third party pest control contract with a contractor that is certified in handling all pests and has a record of success in handling any particular pest problem at issue in the Facility.

(ii) If desired by the Tenant, the University agrees to cooperate in good faith to assist the Tenant in establishing an independent contract with the University's third party pest control vendor.

(d) Beverage & Vending Machines. The Tenant agrees that all beverage and vending machines in the Facility shall comply with the University Vendor Contracts and that the Tenant shall obtain the University's approval of the type and location of all beverage and vending machines located in the Facility. The Tenant agrees to use their reasonable best efforts to structure the beverage and vending machines in the Facility to accept a Student Resident's University Plus-Account. Regardless of the method of payment, all beverage and vending machine fees (including exterior free standing vending installations) and any other revenue or savings generated by the beverage or vending services provided by the Tenant are part of the Gross Revenue. The University shall remit the beverage and vending machine revenues charged to the University Plus-Account to the Tenant on an annual basis.

### ARTICLE III

#### DEFAULT

Section 3.1 University Events of Default. Any one or more of the following events shall constitute an event of default of the University under this Agreement (a "**University Event of Default**" or "**University Default**"):

(a) Failure to Remit Student Resident Rent. The University's failure to remit Student Resident Rent Funds by the Payment Date, and the continuation of the failure to remit said obligation for forty-five (45) days after written notice from the Tenant to the University.

(b) Performance of Other Terms. The University's failure to observe and perform any of the other terms, covenants, conditions, limitations or agreements under this Agreement on the University's part to be observed or performed and the continuation of the failure for a period of thirty (30) days after notice from the Tenant to the University specifying the nature of the failure; provided that if the default involved is curable but not within thirty (30) days, then so long as the University shall commence the cure involved within such thirty (30) day period after notice and thereafter diligently pursue completing the cure, the time within which such cure must be completed shall be extended for the period necessary to complete the cure, but in no event shall such cure period exceed sixty (60) days.



Section 3.2 Remedies on University Event of Default.

(a) Negotiation and Mediation. Upon the occurrence of a University Event of Default under Section 3.1(b) of this Agreement, the University and the Tenant shall first attempt to resolve the University Default by engaging in negotiation under Section 4.2 and, if necessary, mediation under Section 4.3.

(b) Remedies. Upon the occurrence of any other University Event of Default, or if the negotiation and mediation provided for in Section 3.2(a) is unsuccessful, the Tenant, at its option, shall have the following remedies:

(i) pursue an action for any and all actual damages incurred by or asserted against the Tenant as a result of the University Default, as may be permitted by law; and

(ii) pursue an action for specific performance; and

(iii) exercise or pursue any other remedy or cause of action permitted under this Agreement or available at law or in equity to recover actual damages suffered by the Tenant as a result of the University Default.

Section 3.3 Tenant Events of Default. Any one or more of the following events shall constitute an event of default of the Tenant under this Agreement (a “**Tenant Event of Default**” or “**Tenant Default**”):

(a) Performance of Terms. Tenant’s failure to observe and perform any of the terms, covenants, conditions, limitations or agreements under this Agreement on Tenant’s part to be observed or performed and the continuation of the failure for a period of thirty (30) days after notice from the University to the Tenant specifying the nature of the failure; provided that if the default involved is curable but not within thirty (30) days, then so long as the Tenant shall commence the cure involved within such thirty (30) day period after notice and thereafter diligently pursue completing the cure, the time within which such cure must be completed shall be extended for the period necessary to complete the cure, but in no event shall such cure period exceed sixty (60) days.

(b) Unauthorized Assignment. An assignment of this Agreement in violation of Section 5.3.

Section 3.4 Remedies on Tenant Event of Default.

(a) Negotiation and Mediation. Upon the occurrence of a Tenant Event of Default under Section 3.3(a) of this Agreement, University and the Tenant shall first attempt to resolve the Tenant Default by engaging in negotiation under Section 4.2 and, if necessary, mediation under Section 4.3.

(b) Remedies. Upon the occurrence of any other Tenant Event of Default, or if the negotiation and mediation provided for in Section 3.4(a) is unsuccessful, University, at its option, shall have the following remedies:

(i) pursue an action for any and all actual damages incurred by or asserted against University as a result of the Tenant Default, including reasonable attorney's fees incurred;

(ii) pursue an action for specific performance; and

(iii) exercise or pursue any other remedy or cause of action permitted under this Agreement or available at law or in equity to recover actual damages suffered by University as a result of the Tenant Default.

Section 3.5 Late Payment. If the University shall fail to remit Student Resident Rent Funds by the Payment Date, then following the cure period provided for in Section 3.1(a), any amount of Student Resident Rent Funds that the University has failed to remit shall bear interest from the expiration of such cure period to the date of remittance at the rate of twelve percent (12%) per annum ("**Default Rate**"); provided that any unremitted Student Resident Rent Funds shall not bear any interest (including, for the avoidance of doubt, after the expiration of the cure period provided for in Section 3.1(a)), to the extent that the failure to remit such payment is caused by strikes, lockouts, acts of God, civil commotion, labor troubles, impossibility of procuring materials, computer or other technological malfunctions, governmental orders which prevent, hinder or delay such remittance, riots, insurrection, war, or other delays not within the reasonable control of the University. In no event shall the default rate be higher than the legal limit, and if the legal limit is lower than twelve percent (12%), the Default Rate shall be deemed to be the highest rate permitted by law. The interest charged under this provision shall be in addition to all of the Tenant's other rights and remedies hereunder or at law and shall not be construed as a penalty.

## ARTICLE IV

### DISPUTE RESOLUTION

Section 4.1 Dispute Resolution. The University and the Tenant agree that dispute resolution under this Agreement shall proceed as follows: first, negotiation as provided in Section 4.2; second, mediation, as provided in Section 4.3; and third, if the parties are still unable to resolve their dispute, the complaining party shall have all of the rights set forth in this Agreement and available to such party under applicable law to pursue adjudication and resolution of the dispute ("**Dispute Resolution**"). Notwithstanding anything to the contrary herein, neither party shall be required to engage in negotiation as provided in Section 4.2 or mediation as provided in Section 4.3 prior to seeking legal redress for a University Default under Section 3.1(a) or a Tenant Default under Section 3.3(b) of this Agreement.

Section 4.2 Negotiation. The parties shall attempt in good faith to resolve any dispute promptly by negotiation between executives who have authority to settle the controversy. Either party may give the other party notice of any dispute not resolved in the ordinary course of business. Within ten (10) days after delivery of the notice, the receiving party shall submit a written response to the notice. The notice and response shall include (a) a statement of that party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within fifteen

(15) days after delivery of the initial notice, the executives of both parties shall meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute. All negotiations and materials provided pursuant to this negotiation process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence under applicable law and statements made by any party during negotiation may not be used against it in later proceedings if the parties fail to resolve the dispute during negotiation.

Section 4.3      Mediation. If a dispute has not been resolved by negotiation as provided above within twenty (20) days, or the parties failed to meet within fifteen (15) days after delivery of the initial notice of negotiation, the parties shall endeavor to resolve the dispute by private mediation in Lexington, Kentucky. If the University and the Tenant cannot agree upon a mediator, each shall select one name from a list of mediators maintained by any bona fide dispute resolution provider or other private mediator, and the two mediators chosen by the University and the Tenant shall then choose a third person who will serve as mediator. The parties agree to each have a representative present at the mediation who has authority to bind it to a written settlement agreement, subject to the approval of the Board of Directors of the Tenant and any consents or approvals required by legislation and regulations governing the University. The initial mediation session shall be held promptly (but not more than thirty (30) days following appointment of the mediator). All negotiations and materials provided pursuant to this mediation process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence under applicable law. Positions and statements made by any party during mediation may not be used against it in later proceedings if the parties fail to reach a settlement agreement during mediation. Each party shall bear its own expenses and shall pay an equal share of the expenses of the mediator. Agreements reached in any mediation proceeding shall be enforceable as settlement agreements in any court having jurisdiction thereof.

Section 4.4      Further Legal Action. Except as otherwise provided in this Agreement, it is the intent of the parties that these negotiation and mediation procedures shall govern any dispute under this Agreement and either party shall have the right to specifically enforce the negotiation and mediation procedures before the other party may seek legal redress in a court of law. If a dispute has not been resolved by negotiation and mediation as provided in Sections 4.2 and 4.3, either party shall have the right to commence legal action. Any legal actions brought to enforce this Agreement shall be brought in the Circuit Court of Franklin County, Kentucky pursuant to Kentucky Revised Statutes Section 45A.245 (or any successor or applicable statute).

## **ARTICLE V**

### **MISCELLANEOUS**

Section 5.1      Effective Date. This Agreement shall be effective on the Effective Date.

Section 5.2      Termination. This Agreement shall automatically terminate upon the expiration or earlier termination (by either party) of the Lease, as may be renewed, extended or amended from time to time, and this Agreement shall not be terminated by either party at any time prior to the termination of the Lease, except upon the prior written consent of the parties.

Section 5.3 Assignment. Except upon the occurrence of a Permitted Assignment or a Permitted Affiliate Assignment under the Lease, the Tenant shall not assign or transfer (including by operation of Law) this Agreement without the prior written consent of the University, which consent may be granted, conditioned or withheld in the University's sole and absolute discretion for any reason or no reason at all, and any such purported assignment or sublease in violation of this Agreement shall be null and void and of no effect; provided that the Tenant may assign this Agreement to an affiliate of Tenant if such affiliate has been assigned the Lease in an assignment that is permitted under the terms of the Lease.

Section 5.4 University Accreditation. The Tenant agrees to (a) cooperate with the University in the University's accreditation process and (b) take all reasonable actions and do all things reasonably necessary to ensure that their ownership, and operation or management of the Facility does not negatively affect the University's accreditation.

Section 5.5 Relationship of the Parties. This Agreement shall not be deemed or construed to create or establish any partnership or joint venture or similar relationship or arrangement between the parties.

Section 5.6 Notices. Any notice, request or other communication given or made hereunder ("**Notice**") shall be in writing and sent by either of the parties or their respective attorneys by any of the following means: (a) by registered or certified mail, return receipt requested, postage prepaid, (b) by personal delivery, (c) by recognized overnight delivery service for overnight delivery or (d) by facsimile or e-mail, provided, however, that notice by facsimile or e-mail shall be promptly supplemented by delivery of notice as provided in (c) above. Any such Notice shall be addressed to the other party at the mailing addresses, facsimile numbers or e-mail addresses set forth below, or to such other mailing addresses, facsimile numbers or e-mail addresses for each party as each party may hereafter designate by Notice given to the other party pursuant to this Section 5.6:

To the University: University of Kentucky  
322 Peterson Service Building  
Lexington, Kentucky 40506-0005  
Attention: Director of Purchasing  
Telephone: (859) 257-9100  
Facsimile: (859) 257-1951  
Email: \_\_\_\_\_

With a copy to (which shall not constitute Notice):

University of Kentucky  
301 Main Building  
Lexington, Kentucky 40506-0032  
Attention: General Counsel  
Telephone: (859) 257-2936  
Facsimile: (850) 323-1062  
Email: \_\_\_\_\_

To Tenant: Greystar Development East, LLC  
1545 Peachtree Street NE, Suite 700  
Atlanta, Georgia 30309  
Attention: Julie Skolnicki  
Telephone: (770) 512-4000  
Email: [Julie.skolnicki@greystar.com](mailto:Julie.skolnicki@greystar.com)

And

Greystar Development East, LLC  
465 Meeting Street, Suite 500  
Charleston, South Carolina 29403  
Attention: Ashley Heggie  
Telephone: (843) 817-4366  
Email: [aheggie@greystar.com](mailto:aheggie@greystar.com)

And

[HSRE]

With a copy to (which shall not constitute Notice):

Martin, Tate, Morrow & Marston, P.C.  
6410 Poplar Avenue, Suite 1000  
Memphis, Tennessee 38119  
Attention: Clay Purdom  
Telephone: 901-522-9000  
Email: [cpurdom@martintate.com](mailto:cpurdom@martintate.com)

And

[DLA]

Section 5.7 Access to Records; Open Records Act. Tenant as a “contractor” under KRS Kentucky Revised Statutes (“KRS”) 45A.030(9) agrees that the contracting agency, the Finance and Administration Cabinet, the Auditor of Public Accounts, the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this Agreement for the purpose of financial audit or program review. The University acknowledges that certain documents provided to it by the Tenant reasonably appear to both parties to be proprietary, confidential, or otherwise exempt under applicable open records law. The Tenant agrees to prominently mark all confidential or proprietary documents before providing them to the University. In the event of a request for documents provided by the Tenant to the University from any third party, the University agrees to provide immediate notice to the Tenant whenever it receives a request for any documents produced by the Tenant, or for its benefit or at its direction, and permit an appropriate amount of time consistent with the Kentucky Open Records Act (“KORA”) for the Tenant to seek an

injunction or other appropriate remedy to stop the publication of such documents. As to any Project Documents that are considered public records pursuant to KORA, to the extent permitted by KORA, the University agrees not to disclose such documents for a commercial purpose by the requesting party without requiring the requesting party to enter into a contract with the University and/or the Tenant for the use of such documents. The University will develop an appropriate records storage and retention schedule to protect the privacy of copies of the Project Documents distributed or generated by the University.

Section 5.8 Confidentiality. To the extent permitted by law (including, without limitation, KORA), all information obtained by either party from the other pursuant to this Agreement shall be and remain confidential; provided, however, that the foregoing shall not prevent either party from disclosing such information, if any, as may reasonably be required to carry out its obligations hereunder (including without limitation disclosure to its lenders, attorneys, accountants or consultants retained for the purposes of this transaction) or as reasonably requested by potential or current investors or as reasonably requested by a prospective construction lender or permanent lender or as may be required in connection with any litigation or alternative dispute resolution proceedings between the parties to this Agreement, or as required by applicable law, court order or any rule, regulation or order of any governmental authority or agency having jurisdiction over the parties or the Project.

Section 5.9 Interpretation. Unless otherwise specified herein: (a) the singular includes the plural and the plural the singular; (b) words importing any gender include the other genders; (c) references to persons include their permitted successors and assigns; and (d) the headings of articles and sections contained in this Agreement are inserted as a matter of convenience and shall not affect the construction of this Agreement. The parties have jointly, with the advice and assistance of their respective legal counsel, participated in the negotiation and drafting of all of the terms and provisions of this Agreement, and, accordingly, it is agreed that no term or provision of this Agreement shall be construed in favor of or against any party by virtue of the authorship or purported authorship thereof by any party.

Section 5.10 Applicable Law. This Agreement shall in all respects be governed by, and construed in accordance with the laws of the Commonwealth of Kentucky. Venue for purposes of any actions brought under this Agreement, or under any agreement or other document executed in conjunction herewith, shall be in the Circuit Court of Franklin County pursuant to KRS 45A.245.

Section 5.11 Amendment and Waiver. This Agreement may be amended or changed only by written instrument duly executed by the University and the Tenant and any alleged amendment or change which is not so documented shall not be effective as to either. The failure of either to insist in any one or more instances upon the strict performance of any one or more of the obligations of this Agreement, or to exercise any election herein contained, shall not be construed as a waiver or relinquishment for the future of the performance of such one or more obligations of this Agreement or of the right to exercise such election, but the same shall continue and remain in full force and effect with respect to any subsequent breach, act or omission.

Section 5.12 Severability. If any provision of this Agreement or the application thereof to any person, entity or circumstance shall, for any reason and to any extent, be invalid or

unenforceable but the extent of the invalidity or unenforceability does not destroy the basis of the bargain between the parties hereto as contained herein, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by applicable law.

Section 5.13     Entire Agreement; Related Agreements; Further Assurances; Attorneys' Fees. This Agreement and the Related Agreements set forth all the covenants, promises, agreements, conditions, and understandings between the University and the Tenant with respect to the operation and management of the Facility (including, but not limited to, the costs and expenses relating thereto) and there are no covenants promises, agreements, conditions, or understandings, either oral or written between them other than as are set forth herein or in the Related Agreements. The recitals set forth above and exhibits attached hereto or referred to herein are hereby made a part hereof. At any time or times after the date hereof, each party shall execute, have acknowledged, and delivered to the others any and all instruments, and take any and all other actions, as the other parties may reasonably request to effectuate the transactions described herein. The Tenant shall pay the University all reasonable attorneys' fees and costs incurred by the University in the enforcement of the Tenant's obligations under this Agreement.

Section 5.14     Multiple Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which shall constitute but one instrument.

Section 5.15     Successors and Assigns. This Agreement shall be binding on, and shall inure to the benefit of, the parties hereto and the parties' respective permitted successors and assigns.

Section 5.16     Compliance with Campaign Finance Law. Each Tenant through its authorized officer hereby swears under penalty of perjury that neither it nor any of its offering employees have violated any provision of the campaign finance laws of the Commonwealth of Kentucky and that the award of a contract to a bidder or offeror will not violate any provision of the campaign finance laws of the Commonwealth of Kentucky. "Knowingly" means, with respect to conduct or to a circumstance described by a statute defining an offense, that a person is aware of should have been aware that his conduct is of that nature or that the circumstance exists.

Section 5.17     No Third Party Beneficiaries. Nothing in this Agreement shall be construed to permit anyone other than the University and the Tenant and their respective successors and assigns to rely upon the covenants and agreements herein contained nor to give any such third party a cause of action (as a third party beneficiary or otherwise) on account of any nonperformance or performance hereunder.

Section 5.18     No Personal Liability. No officer, official, employee, agent or representative of either party shall be personally liable to the other party or any successor in interest, in the event of any default of breach by the party for any amount which may become due to the other party or any successor in interest, or on any obligation incurred under the terms of this Agreement.

Section 5.19 Clery Act Responsibilities. The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, 20 U.S.C. §1092(f) (the “**Clery Act**”) imposes a legal duty on the University to disclose to its campus community and to the U.S. Department of Education timely and annual information about certain incidents that occur on its campus and at certain off-campus, non-campus, and public property locations. These incidents include: (i) murder; (ii) sex offenses, forcible or nonforcible; (iii) robbery; (iv) aggravated assault; (v) burglary; (vi) motor vehicle theft; (vii) manslaughter; (viii) arson; (ix) arrests or persons referred for campus disciplinary action for liquor law violations, drug-related violations, and weapons possession; (x) all incidents described in the foregoing clauses (i) through (viii) in which the victim is intentionally selected because of his/her actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability; and (xi) larceny-theft, simple assault, intimidation, destruction, damage, or vandalism of property, and other crimes involving bodily injury to any person, in which the victim is intentionally selected because of his/her actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability. The Tenant agrees to assist the University in fulfilling these duties by providing to the University information about all such crimes that become known to it and that occur on any land or improvements leased to the Tenant during the term of any of the Lease. The Tenant will report this information to the University by notice given in accordance with the terms of this Agreement as soon as practical after the Tenant learn of this information.

Section 5.20 Time is of the Essence. Time is of the essence in this Agreement and the performance of all obligations under this Agreement.

*[Remainder of page intentionally left blank; signature page(s) follow]*



IN WITNESS WHEREOF, Landlord has caused this Agreement to be executed by its duly authorized representative as of the date first written above.

UNIVERSITY OF KENTUCKY, an agency  
of the Commonwealth of Kentucky

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

COMMONWEALTH OF KENTUCKY     )  
COUNTY OF FAYETTE             )     ss.:

The foregoing Agreement was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2024, by \_\_\_\_\_, as \_\_\_\_\_ of the UNIVERSITY OF KENTUCKY, an agency of the COMMONWEALTH OF KENTUCKY, for and on behalf of the University and Commonwealth.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Notary ID# (if any): \_\_\_\_\_

## EXHIBIT CE-1

### PROHIBITED COMMERCIAL USES

Without the prior written consent of the Landlord, no portion of the Premises shall be used for:

- overnight public accommodations (except to Permitted Residents)
- 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 (other than those composed solely of University students and/or faculty)
- political parties or campaign operations (other than those related solely to University student campaigns)
- 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
- tobacco 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 (except meetings of University student faith based organizations)
- 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 providing or associated facilities
- “sub leases” to entities or operations specifically excluded under this listing or other terms of the ground lease
- educational material sales which would violate student or faculty ethical standards of the university
- sales of products governed by university purchasing contracts or other single vendor agreements
- 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 serving or selling alcoholic beverages
- 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 improvements 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 (except upscale consignment targeted towards University students)
- self-service laundry (except laundry facilities primarily for the use of Permitted Residents are permitted)
- public storage garages or facilities
- pharmacy
- any use which directly competes with the University's then existing retail or commercial enterprises

Tenant recognizes that said businesses may inconvenience the University's students and faculty and adversely affect the University's stated goal of becoming and continuing as one of the nation's twenty best public research universities, and institution recognized world-wide for excellence in teaching, research and service and a catalyst for intellectual, social, cultural, and economic development.

**EXHIBIT CE-2**

**Permitted Residential Leases**

*Updated each year*

**2024-2025**  
**Housing and Dining Contract**  
**University of Kentucky Undergraduate Students**  
**Living in Campus Housing**

**UK Campus Housing Office**  
160 Avenue of Champions  
Gatton Student Center, Ste. A382  
Lexington, KY 40526  
**Telephone: 859-257-1866**

**UK Dining Center**  
160 Avenue of Champions,  
Gatton Student Center, Ste. A161  
Lexington, KY 40506  
**Telephone: 859-257-2220**

<https://wildcatliving.uky.edu/>

<http://www.uky.campusdish.com>

This Housing and Dining Contract (the "Contract") is a legally binding agreement among you (defined below), the Licensor (defined below) and the University of Kentucky (the "University" or "UK" and along with "Licensor," "We" or "Us"). You are referred to in this Contract as "you," "Student," or "Licensee" and when you are referred to along with the other students of the University, you are part of "Students" or "Licensees". We urge you and your parent or legal guardian to read the terms and conditions of this Contract carefully. If you are under 18, your parent or legal guardian must sign this Contract to guarantee your obligations. Even if you are over 18, we encourage your parent or legal guardian to review this Contract, so they understand the obligations you are undertaking. **BY SIGNING THIS CONTRACT, YOU (AND YOUR PARENT OR LEGAL GUARDIAN, IF APPLICABLE) REPRESENT THAT YOU HAVE READ AND AGREE TO THE TERMS OF THIS CONTRACT.** Please contact the UK Campus Housing Office (the "Housing Office") and UK Dining Center ("UK Dining") with any questions you may have regarding this Contract.

This Contract entitles you to use the housing and dining accommodations only in the manner set forth herein, in University Housing Community Standards, the University Code of Student Conduct and on the housing and dining websites. This Contract **DOES NOT** guarantee that you will be assigned to a specific Housing Facility, particular room type, or area of campus. The University reserves the right to make assignments; reassignments in the interest of order, discipline, health, safety, security, public health event, pandemic, consolidation; or assignments to temporary or overflow housing to achieve optimal utilization of University housing.

The Disability Resource Center serves as the point of contact for accommodation requests for campus housing and dining. More information can be found at:  
<http://www.uky.edu/DisabilityResourceCenter/content/disability-accommodation-campus-housing>.

**1. Term.** This Contract is binding as of the date you or your parent or legal guardian (if applicable) execute this Contract by either submitting it online or signing electronically. The term of your obligations under this Contract is the **entire academic year** (which consists of the **fall and spring** academic semesters) or, if you entered into this Contract after the academic year begins, for that portion of the academic year remaining at the time you enter into this Contract. The University will automatically bill you each semester through Student Account Services. You may only terminate this Contract under the conditions specified in the Contract and most terminations will involve a fee paid to Licensor or the University.

**2. Eligibility.** You must be confirmed/enrolled as a Full-Time Student at the University or Bluegrass Community & Technical College ("BCTC") in order to receive a housing assignment.

Student accounts that are past due are subject to late fee assessments.

a) University students must be confirmed/enrolled as a Full-Time student in any course delivery option, and be in good academic and financial standing at the University. For University students, these policies can be found at: <http://www.uky.edu/studentaccount/payments>.

b) If you attend BCTC, you must be confirmed/enrolled in 12 or more credit hours with 50% of classes on-site and you must also be in good academic and financial standing with BCTC and the University. For BCTC Students, these policies can be found at: <https://bluegrass.kctcs.edu/affording-college/tuition-costs/index.aspx>.

c) If your academic status changes or your enrollment drops below full time at either institution, the University of Kentucky or BCTC, you are responsible to let the Campus Housing office know, and your housing eligibility will depend on your academic, conduct, and financial status.

**3. Notices.** You agree that Licensor and the University will communicate with you through **your official University email account** for all aspects of this Contract, including but not limited to Housing and Dining Plan charges, notices of other charges, refunds, and housing information notices. You agree to check your official University email account on a regular basis. Your failure to check your official University email account does **not** relieve you from any obligations under this Contract. For BCTC students, email communications will be made through the email address submitted in the LinkBlue request form.

**4. BCTC Students.** The Licensor and the University will communicate with you through **your personal email account** that you used on your application for all aspects of this Contract, including but not limited to Housing and Dining Plan charges, notices of other charges, refunds, and housing information notices. You must ensure that the Housing Office has a currently valid email address for you during the term of this Contract. BCTC Students who reside in on-campus housing facilities (“Housing Facilities”) are subject to the Kentucky Community and Technical College System Code of Student Conduct in addition to the University Housing Community Standards and this Contract. Conduct matters for BCTC Students will be handled by the Office of Residence Life and/or the BCTC Vice President for Student Development and Enrollment Management. BCTC Students must also sign the BCTC Addendum (located within the Housing Application) acknowledging their obligations as BCTC students.

**5. Max Kade German House Students.** The Max Kade German House is a 12-month Housing Facility housing Students of the University’s German Studies Program. As a 12-month Housing Facility, these Students are billed on a monthly basis instead of a semester basis. The monthly amount is only prorated at the beginning (first month of Student’s Contract) and end (last month of Student’s Contract) of a Student’s Contract.

## HOUSING

**6. Assignment of Housing.** Housing is limited. You **are not guaranteed** assignment to a specific Housing Facility, room type, or area of campus. Your housing application may be accepted or rejected by the Housing Office. Your assignment to a Housing Facility will be determined by the Housing Office, in its sole and absolute discretion.

In accordance with the University’s inclusive educational philosophy, and in accordance with the laws of the United States, the Commonwealth of Kentucky, and University regulations, the University does not discriminate in the placement of Students in Housing Facilities or in room assignments on the basis of race, color, national or 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 whether the person is a smoker or nonsmoker, as long as the person complies with University policy concerning smoking. Housing assignments based on gender are proportionate in quantity and comparable in quality in compliance with Title IX mandates. If you have any specific concerns about your housing assignment, you should contact the Housing Office.

**7. Licensor. Ball Hall, Blazer Hall, Boyd Hall, Chellgren Hall, Donovan Hall, Haggin Hall, Holmes Hall, Jewell Hall, Johnson Hall, Lewis Hall, Pigman Hall, University Flats, Woodland Glen IV, and V** are operated by subsidiaries of an independent private company. If you are assigned to one of these Housing Facilities, then references to “Licensor” in this Contract means the applicable independent private company subsidiary. If you are not assigned to one of these Housing Facilities, then all references in this Contract to “Licensor” means the University.

**8. Housing Schedule.** Licensor will designate the date in which you may move into a Housing Facility and the date by which you must vacate your assigned Housing Facility. Only certain Housing Facilities, known as “**Break Housing**” Halls, remain open during the academic breaks for Thanksgiving, winter and spring (collectively, the “Academic Breaks”). In order to move in early or to remain in an available Housing Facility during an Academic Break, you will be required to pay additional fees. All other Housing Facilities are closed during Academic Breaks.

**9. Conditions of Occupancy.** Your occupancy of a Housing Facility is conditioned upon the following additional terms and conditions:

a. You must comply with the obligations set forth in Paragraph 2 of this Contract.

b. You must check-in with the Resident Director or House Director of the Housing Facility to which you have been assigned on or before the first day of classes of each semester. If you will be delayed, you must notify the Housing Office via email. Such written notification should be made **at least twenty-four (24) hours prior to the first day of classes**. Failure to give notice of a delay in checking in may result in reassignment or loss of assignment and significant financial penalty. If you are deemed a “No Show”, a student who is enrolled, but does not check in with the Housing Office to live in a Housing Facility, we may cancel this Contract, and you will be subject to the applicable cancellation charges set forth below. Students who are not enrolled at UK or BCTC will forfeit the non-refundable Application Fee, but will not be charged any other cancellation fees unless subsequently re-enrolled for the academic term.

c. You must complete and electronically sign a Room Condition Report prior to occupying your assigned Housing Facility certifying the condition of your assigned unit as of the date you begin occupancy. Failure to complete the Room Condition Report does not excuse you from returning the room to the condition you found it or any subsequent charges. At the termination of this Contract, Licensor may inspect your assigned unit and assess you for any damages to your unit, its fixtures or any appliances and furniture identified in the Room Condition Report Form completed at the beginning of your occupancy.

d. You must keep your assigned unit clean, orderly, and in good condition. You shall pay Licensor for loss of Licensor property and the cost of replacement or repair for any breakage or damage to your assigned unit; its fixtures or any appliances and furniture; plus, any damages caused by you or your guests, to other parts of the unit, including, but not limited to, cleaning necessitated by improper care of rooms, furnishings or appliances.

e. You must exercise care in the use of the Housing Facility; care for and clean your unit; and abide by (i) all rules and regulations for Housing Facilities as described in the University Housing Community Standards set forth therein, and (ii) the University Code of Student Conduct. Commission of acts described in these documents may result in referral to the student conduct process. Certain and/or repeated violations of the University Housing Community Standards or the Code of Student Conduct may result in the suspension or cancellation of this Contract. If this Contract is suspended or terminated under this paragraph, you will be financially responsible for your obligations under this Contract as if you had chosen to cancel the Contract under the provisions of the University Code of Student Conduct, Article VII, subparagraphs D and E. The University Code of Student Conduct may be viewed at <https://www.uky.edu/studentconduct/>. BCTC Student's conduct matters will be handled pursuant to paragraph 4 above.

f. You must vacate the Housing Facility upon demand following a determination by the Office of Student Conduct or the Office of Residence Life that a violation of paragraph E above has occurred.

g. You must reside in your assigned unit from the date that you check in until the date this Contract terminates in accordance with the terms herein.

h. **Units may be inhabited ONLY by the Students to whom they are assigned.** Units may **not** be sublet or assigned to any other person(s). Room changes may be made only AFTER written approval from the Housing Office. Appropriate monetary charges will be assessed and/or disciplinary action will be taken for violations of the provisions in this paragraph.

i. You agree that if your assigned unit has multiple occupants and there is a vacancy in said assigned unit at any time, **you will accept another roommate as assigned, move into another room (consolidation), or in case of refusal, pay additional charges for single occupancy.**

j. **Health and Safety.** Licensor reserves the right to conduct health and safety inspections of your unit. Please refer to the University Housing Community Standards and the Housing Policies and Services document regarding the room entry policy. You also agree to follow any applicable University policies regarding health and safety testing and vaccinations. As of August 1, 2021, the University requires all students living on campus to have a quadrivalent meningococcal meningitis vaccine, MenACWY, strongly recommends a Serogroup B meningococcal meningitis vaccination and a Covid-19 vaccination for students living on campus. Any changes in these policies will be communicated to students as needed.

k. You must pay Licensor the cost of replacement for any key(s) reported lost or stolen.

l. Whenever you move out of your assigned Housing Facility for any reason, you must complete the appropriate check-out process and turn in your key(s) to an authorized Licensor official. Failure to properly check-out of the Housing Facility could result in extra financial charges to you such as further occupancy fees or labor charges for cleaning or maintenance. Once you have checked out of your assigned Housing Facility, any items left in your unit will be considered abandoned property and may be removed or disposed of by Licensor. Neither Licensor nor the Housing Office is responsible for any items left in the Housing Facility.

m. **Housing Change Request.** You may request a transfer to another Housing Facility by submitting a change request during the open room change period after the Housing Facility opens for the Fall and Spring Semesters. Change requests after the open room change period will be considered on a case-by-case basis and all decisions regarding change requests will be at the sole discretion of the Housing Office. If a change request is granted, adjustments to the Housing and Dining Plan fees owed by you will be made on a prorated basis.

n. **If your change request is granted, or if the University reassigns you to temporary or overflow housing,** then the policies and procedures contained within this Contract are also applicable.

o. Maintaining a pet and/or animal, (except for service animals, service animals in training, or emotional support animals that are registered with the [Disability Resource Center](#)), regardless of length of stay, within a residence hall, does not adhere to the community standards of the residential environment and is not permitted. Aquarium fish kept in containers not exceeding 10 gallons are permitted. The care and supervision of any permitted animal is solely the responsibility of its owner.

**10. Criminal Background Checks.** Licensor reserves the right to conduct criminal background checks on you and you consent and agree that Licensor has permission to conduct criminal background checks on you. If a background



check finds that you have a criminal record, then you may be ineligible to live in Campus Housing.

**11. Force Majeure.** In the event of an unforeseeable cause beyond the control of the University or Licensor, including, but not limited to fire, flood, other severe weather, public health event, pandemic, acts of God, interruption of utility services, acts of terrorism and other unforeseeable significant extenuating circumstances, Licensor reserves the right to maintain the safety of the Housing Facility, including but not limited to temporarily or permanently removing you from Campus Housing. If the Housing Facilities and/or all or part of a Housing Facility is closed due to an emergency, public health event, or natural disaster, Licensor and the University may suspend or terminate this Contract without prior notice. If a Housing Facility is closed pursuant to this paragraph, Licensor and the University will use their best efforts to provide you with alternative housing or other remedy. Further, although not obligated to do so, Licensor will use its best efforts to rebuild or replace the affected Housing Facility.

**12. Liability and Renter's Insurance.** We encourage you to purchase general liability and property insurance to cover damages you are liable for under this Contract and to cover your property.

**13. Release; Indemnification; Hold Harmless.** You agree that Licensor does not promise, warrant or guarantee your safety and security, or that of your guests, or your personal property against the criminal actions of other residents or third parties. Furthermore, Licensor shall not be liable for any damage or injury to you, your guests or your personal property or to any person entering the unit assigned to you or the Housing Facility in which you reside, for injury to person or property arising from theft, vandalism or casualty occurring in the unit assigned to you or the Housing Facility in which you reside.

You (and your undersigned parent or legal guardian, in the case of a minor) agree to indemnify and hold harmless Licensor, the University, and their respective directors, trustees, agents and employees from and against all claims, actions, judgments, damages, liabilities, costs, demands, losses and expenses (including, without limitation, reasonable attorneys' fees and disbursements) resulting from or arising out of injury to your person or property or any of your guests while you reside in the Housing Facility, regardless of the cause (including, but not limited to, injury resulting from engagement, involvement, or participation by you or any of your guests in any event sponsored by the Housing Facility in which you reside), unless such injury is caused by the negligence or intentional conduct of Licensor, the University or their agents. You (and your undersigned parent or legal guardian, in the case of a minor) hereby release and forever discharge and hold harmless Licensor, the University and their respective directors, trustees, agents and employees from any and all demands, causes of action and/or judgments of whatsoever nature of character, past or future, known or unknown, whether in contract or in tort, whether for personal injuries, property damage, payments, fees, expenses, or any other monies due or to become due, or damages of any kind or nature, and whether arising from common law or statute, arising out of, in any way, this Contract and the use of the Housing Facility. This release will be binding upon you (and your undersigned parent or legal guardian, in the case of a minor), your heirs, and assigns.

**For questions or comments about this Contract regarding Campus Housing, please contact the Housing Office at 859-257-1866 or [ukhousing@uky.edu](mailto:ukhousing@uky.edu).**

## DINING

**14. Dining Operations Schedule.** The UK Dining Center (with University review and approval), designates when specific dining facilities will be opened, closed, or have limited hours. The following dates are subject to change. Only certain dining facilities are open during Academic Breaks. All other dining facilities are closed during Academic Breaks. Refer to <http://www.uky.campusdish.com> for an updated list of dining facilities and their hours of operation. Dining Plans and Flex Dollars are not active during the Academic Breaks as shown below:

Dining Period	Start Date	Closed for Academic Breaks	Upgrade / Downgrade Deadlines	End Date
<b>Fall Dining Contracts</b>				
Fall	Must select Dining Plan no later than July 14 or you will be assigned All Access White Plan  Dining Plan starts the first official move-in day	<b>Fall Break:</b> Closing after lunch the Friday before; resuming with dinner the night before classes resume  <b>Thanksgiving Holiday:</b> Closed Wednesday through Sunday; resuming with dinner on Sunday before classes begin	441 Pennsylvania Avenue 447 Pennsylvania Avenue 321 Columbia Terrace 329 Columbia Terrace Downgrade to a Commuter Plan: 2 weeks after the 1st official day meal plans begin	Closing after lunch the last day of finals

	<b>Note:</b> Details on early move-in dining plans can be found at <a href="http://www.uky.campusdish.com">http://www.uky.campusdish.com</a>	<b>Winter Break:</b> after lunch on the last day of finals; resuming for dinner on the first official move-in day for spring	All other Downgrades: 2 weeks after the 1st official day meal plans begin	
			Upgrade: anytime	

<b>Spring Dining Contracts</b>				
Spring	Fall Semester Dining Plan continues unless Upgraded or Downgraded  Dining Plan starts the first official move-in day	<b>Spring Break:</b> after lunch on the last day of classes; resuming for dinner on the day before classes resume	441 Pennsylvania Avenue 447 Pennsylvania Avenue 321 Columbia Terrace 329 Columbia Terrace Downgrade to a Commuter Plan: 2 weeks after the 1st official day meal plans begin	Closing after lunch the last day of finals
			All other Downgrades: 2 weeks after the 1st official day meal plans begin	
			Upgrade: anytime	

**15. Dining Plans.** By living in Housing Facilities (except University Flats and German House), you are required to purchase a University Dining Plan as described at <http://www.uky.campusdish.com> (“Dining Plan”). **If you do not select a Dining Plan by July 14 for the Fall Semester, you will be assigned the All Access White Plan.** See paragraph 16b for meal plan downgrades timing.

a. You are responsible for all charges/purchases made against the Dining Plan. Dining Plans and Flex Dollars are encoded on your UK ID Card. Lost IDs should be deactivated online through the myUK account/Financial Tab/Maintain Plus, Meals, Flex or call the WildCard ID Office at 859-257-1378. You are responsible for purchases made until the ID is deactivated or reported lost or stolen. The replacement ID card will reflect any remaining balance on the lost ID card.

b. Your Dining Plan is restricted for use by you and only you. Unauthorized acquisition, sale, alteration, use or other misrepresentation of the Dining Plan for the purpose of acquiring meals, services or refunds from the University is strictly prohibited. Commission of the foregoing acts shall automatically result in review by the University administration and revocation of privileges under the Dining Plan, without refund, unless the University specifically finds substantial mitigating circumstances. These behaviors may also result in referral to the student conduct process as a potential violation of the Code of Student Conduct. The Code of Student Conduct may be viewed at <http://www.uky.edu/studentconduct>. BCTC Students conduct matters will be handled pursuant to paragraph 4 above.

**16. Conditions of Dining Plan.** Your use of the Dining Plan is conditioned upon the following additional terms and conditions:

a. Term. All Dining Plans are for the **entire academic year** (which consists of the Fall and Spring Semesters). The University will automatically bill you each semester through Student Account Services.

b. Changes to Dining Plan. Unless you make changes as permitted in this Contract, you will begin the Spring Semester on the same Dining Plan you had at the end of the Fall Semester. You may upgrade or downgrade your Dining Plan in the Housing Portal **no later than July 14**, online at <http://www.uky.campusdish.com> or you may submit the completed form in person at the UK Dining Center. Upgrades may be made at any time during the semester. Charges for a Dining Plan **will be prorated**. One downgrade is permitted per semester. **The downgrade deadline is 2 weeks** after the 1st official day meal plans begin, **for fall and spring**. Any charges or refunds will be prorated. Dining Plan changes made during a semester will take effect beginning the Sunday after the form is submitted online or in person at UK Dining Center. Submissions received outside normal business hours will be processed on the next business day.

c. Greek Organizations. If you join a Greek organization but remain in a Housing Facility, you are not permitted to reduce your existing Dining Plan. If you move out of a Housing Facility into 441 Pennsylvania Avenue, 447 Pennsylvania Avenue, 321 Columbia Terrace, or 329 Columbia Terrace, you may reduce your Residential Dining Plan by 2 weeks after the 1st official day meal plans begin, for fall and spring to a Commuter Plan and receive a prorated

refund. An appeal request for and verification from Fraternity & Sorority Life is required to make Dining Plan adjustments under this paragraph. This is in effect only when facilities are operating as Greek facilities.

d. UK Dining Center, with approval from the University, may adjust locations and times where Flex Dollars are accepted during the year.

e. Residential dining is provided at Fresh Food Company or Champions Kitchen.

f. Unused Weekly Meals cannot be refunded, accumulated or carried over to the next week. Unused Block Meals cannot be refunded or carried over the next semester. Unused Flex Dollars will carry forward from fall to spring for students enrolled in a Dining Plan for the Spring Semester. **All Flex Dollars are non-transferable, non-refundable and expire at the end of the spring semester.**

g. If you cancel your housing contract, your dining contract is also cancelled. Dining cancellation fees may be applicable.

**For questions or comments about this Contract regarding Dining Plans, please contact the UK Dining Center at 859-257-2220 or [ukdining@uky.edu](mailto:ukdining@uky.edu).**

### HOUSING AND DINING PLAN CHARGES

**17. Rates.** You shall pay for your Housing Facility and Dining Plan charges in the amount and manner provided for in the Housing Facility and Dining Plan rates schedule for the particular Housing Facility and Dining Plan to which you are assigned. The Housing Facilities' preliminary rates can be found at <https://wildcatliving.uky.edu/residence-halls/rates> and the Dining Plan rates can be found at <http://www.uky.campusdish.com> (collectively, the "Housing and Dining Plan Rates" which are incorporated herein and made a part hereof). The Housing and Dining Plan Rates are subject to change by the University. Please visit the above housing and dining websites for the most current rates. If the Housing and Dining Plan Rates are changed after you become obligated under this Contract, you will be given the option to cancel this Contract within fourteen (14) days of publication or to continue this Contract under the new Housing and Dining Plan Rates.

**18. Payment.** Housing Facility and Dining Plan fees are payable to Student Account Services. Deadlines and details can be found at <http://www.uky.edu/studentaccount/payments>.

**19. Lost/Stolen UKID Card.** If your card is lost or stolen, you should immediately report it online at <https://myuk.uky.edu> or to the WildCard ID Office at 859-257-1378. Any expenditure associated with the use of the card is your responsibility if it is reported lost/stolen.

**20. Housing Facility Fees.** The following Housing Fees are associated with this Contract:

Type of Fee	Amount Due	Payment Schedule	Available Refund	Comments
Application Fee	\$50.00	Due at time of Housing Facility Application	Not Refundable	This fee completes the application for on campus housing process but does not guarantee you a specific Housing Facility, room type, or area of campus

## CANCELLATION AND WITHDRAWAL POLICIES

**21. Cancellation of this Contract by Licensor.** This Contract may be cancelled, or housing assignments may be changed in the interest of order, discipline, health, safety, security, public health event, pandemic, consolidation, optimal utilization of facilities, for failure to pay charges in a timely manner, or for loss of student's Full-Time enrollment status. In addition, Licensor will cancel this Contract if your admission to the University or BCTC has been denied; academic suspension; disciplinary reasons; or, other circumstances. Charges and fees will be handled as follows:

a. Denied Admission: If you are denied admission to the University or BCTC, other than the non-refundable Application Fee, you will not be charged any fees (and the Housing Pre-Payment Fee, if paid, will be refunded).

b. Academic Suspension: If you are suspended from the University or BCTC for academic reasons and you are residing in an Assigned Housing Facility, then prorated Housing Facility and Dining Plan charges will be assessed through the date that you check out of your unit with the Housing Office, which shall be no later than forty-eight (48) hours after notice of academic suspension.

c. Removal from Housing for Disciplinary Reasons: If you are removed from the Assigned Housing Facility during the period of this Contract for disciplinary reasons, as referred through the student conduct process, you will not receive a refund for the time period remaining under the Contract and are responsible for the full contract terms (including the Fall and Spring Semesters) for both Housing and Dining.

d. Other circumstances: If you are no longer enrolled at the University or BCTC because you voluntarily withdrew from the University or BCTC; graduated from the University or BCTC; married; active military deployment; or your educational program requires an out-of-town residency; other than the non-refundable Application Fee, you will not be charged any other cancellation fees.

e. Loss of Full-Time Enrollment Status: If, during the term of this Contract, you are no longer confirmed/enrolled as a Full-Time student at the University or BCTC, as the case may be, Licensor, at its option may cancel this Contract, then prorated Housing Facility and Dining Plan charges will be assessed through the date that you check out of your unit with the Housing Office, which shall be no later than forty-eight (48) hours after notice of cancellation by the University.

## **22. Cancellation of this Contract by You.**

a. Process and Fees: If, after completing an Application and Contract, you choose to cancel this Contract, you must do so through the Housing Portal. The official date of cancellation of this Contract will be the date the cancellation notification is received in the Housing Office. **The timing of your cancellation notice determines how much you will be charged under this Contract.** See the Cancellation Dates and Fees chart below for a breakdown of the charges you will incur for cancellation of this Contract. **Returning Student cancellations after February 28 and New Student cancellations after June 1 will incur cancellation charges.** The Cancellation Policy can be found at <https://wildcatliving.uky.edu/prospective-students/housing-and-dining-contract>.

b. Request for Release: You can ONLY be released from your obligations under this Contract after filing an appeal with and receiving written approval from the Housing and Dining Appeals Committee (the "Committee").

You may submit an appeal via <http://www.uky.edu/hdac/>. If the Committee grants your release, you may be subjected to charges as determined by the Committee. Submitting a release request DOES NOT guarantee an approved release from this Contract or release you from your financial obligation. The grounds for appealing for release from this Contract are as follows:

i. Financial Hardship Release: You must provide documentation that a financial hardship beyond your control has occurred since entering into the terms and conditions of this Contract.

ii. Medical Hardship Release: You must register with the Disability Resource Center and provide documentation that a medical hardship requiring specialized living arrangements or accommodations that are not available on campus has occurred since entering into the terms and conditions of this Contract.

iii. **Administrative Release:** You must provide documentation that shows there are significant extenuating circumstances that you have experienced since entering into the terms and conditions of this Contract. See the website at <http://www.uky.edu/hdac/> for additional details.

c. **Withdrawal from University/BCTC During an Academic Semester.** If you withdraw from the University or BCTC during an academic semester, your ability to live in your Assigned Housing Facility will terminate immediately upon your withdrawal and receipt of cancellation through the Housing Portal. Your responsibility for Housing Facility and Dining Plan charges will be prorated based on the date you vacate the Housing Facility.

i. You must vacate your Assigned Housing Facility **within forty-eight (48) hours of withdrawal.** If you fail to cancel your Contract through the Housing Portal, you will continue to be responsible for all Housing Facility and Dining Plan fees charged hereunder, even if you have moved out of the Housing Facility, until official written notification of withdrawal is received by the Housing Office or until this Contract is cancelled by the Housing Office.

ii. You will be assessed a prorated charge for your Assigned Housing Facility and the Dining Plan daily, until your withdrawal is complete, and you have vacated the Housing Facility. **If your withdrawal occurs after September 1 but prior to the twelfth (12<sup>th</sup>) week of the semester for the Fall Semester or February 1 but prior to the twelfth (12<sup>th</sup>) week of the Spring Semester, then your charges will be prorated for the days you resided in your Assigned Housing Facility and used your Dining Plan.**

iii. **If you withdraw after the twelfth (12<sup>th</sup>) week of the fall or spring semester, then you will be responsible for the full fall or spring semester charges for your Housing Facility and Dining Plan.**

iv. If you fail to notify the Housing Office of your withdrawal, you could be subject to denial of any future on campus housing.

v. If you withdraw from the University or BCTC during an academic semester and then re-enroll during the same semester you withdrew, this Contract shall remain valid and you will be assessed housing and dining charges.

vi. Notice of withdrawal from the University or BCTC, as well as changes to address, must be made through the Housing Portal. **Notices made to the Registrar's Office, Admissions Office, or other University or BCTC offices do not constitute official notice to the Housing Office.**

d. **Withdrawal from University/BCTC for Spring Semester.** If you lived in a Housing Facility during the Fall Semester and ARE NOT RETURNING to the University or BCTC as an enrolled student for the Spring Semester, you must notify the Housing Office by cancelling your Contract through the Housing Portal.

i. If you notify the Housing Office that you are not returning for the Spring Semester but do in fact return to the University or BCTC for the Spring Semester, you will be assessed the full Spring Semester Housing and Dining Plan fees for your previously assigned Housing Facility and Dining Plan.

e. **Continuing Fall to Spring Students Who Cancel Housing and Dining between Fall and Spring Semesters.** If you are not returning to your Assigned Housing Facility for the Spring Semester but are continuing enrollment at the University or BCTC, you must cancel your Contract; however, you are still financially obligated for the terms of this Contract. You will be charged according to Cancellation Dates and Fees chart set forth below. You can log into your myUK account to cancel your Contract and properly check out of your Housing Facility.

i. If you have completed the Cancel Contract page and properly moved out **prior** to the first day of class of the Spring Semester, you will be charged 50% of the Assigned Housing Facility and Dining Plan Rates for the Spring Semester; except that, if your housing and dining costs are funded in full by a departmental scholarship and the department provides an eligible replacement student for the Spring Semester vacated housing, then the 50% fee is waived. In lieu of the 50% Dining Plan cancellation fee, you may apply the cancellation fee toward the purchase of any Dining Plan (excludes custom Flex Plans). Any unapplied portion of the cancellation fee will still be charged.

ii. If you cancel your Contract and properly move out **after** the first day of class of the Spring Semester, but prior to February 1, you will be charged 50% of the Assigned Housing Facility and Dining Plan Rates for the Spring Semester plus the prorated charge for each day from the spring move-in date to date on which you cancelled the Contract via your myUK and properly checked out of your Assigned Housing Facility, or actual usage of the Dining Plan, whichever is greater.

iii. If you cancel your Contract and properly move out **after** February 1, you will be charged 100% of your Assigned Housing Facility and Dining Plan Rates for the Spring Semester.

## CANCELLATION DATES AND FEES

If the Housing and Dining Plan Rates are changed after you become obligated under this Contract, you will be given the option to cancel this Contract within fourteen (14) days of publication of the new rates or to continue this Contract under the new rates. **Proper cancellation notice must be submitted via the Housing Portal by the dates specified.** Please note that the cancellation policy is different for new and returning students.

### A. NEW STUDENT CANCELLATION POLICY (If you never lived in UK Campus Housing)

<b>Contract Cancellation While Still Enrolled</b>			
<b>Contract Term</b>	<b>Deadline for Proper Cancellation &amp; Move Out (if applicable)</b>	<b>Cancellation Fee</b>	<b>Comments *Requires Cancellation Notice via Housing Portal</b>
<b>Fall and Spring Contract</b>			
	No later than June 1	\$0.00	
	June 2 – June 30	\$250	
	July 1 – July 31	<b>30% of Lowest Housing Facility Rate</b> for both Fall & Spring Semesters	
	August 1 – 1 <sup>st</sup> Day of Class for Fall Semester	<b>50% of Lowest Housing Facility &amp; Dining Plan Rates</b> for both Fall & Spring Semesters <b>PLUS</b> daily prorated*** charges post move-in date for both Housing and Dining	
	AFTER 1 <sup>st</sup> Day of Class for Fall Semester AND No Later Than 1 <sup>st</sup> Day of Class for Spring Semester	<b>100% of **Selected or Assigned Housing Facility &amp; Dining Plan Rates</b> for Fall <b>AND 50% of the Spring Semester PLUS</b> daily prorated*** charges post Spring Move-In Date for both Housing and Dining	UNLESS Spring is waived by departmental scholarship substituted student
	AFTER 1 <sup>st</sup> Day of Class for Spring Semester – February 1	<b>50% of **Selected or Assigned Housing Facility &amp; Dining Plan Rates</b> for Spring Semester <b>PLUS</b> daily prorated*** charges post Move In for both Housing and Dining	Fall charges still apply
	AFTER February 1	<b>100% of **Selected or Assigned Housing Facility &amp; Dining Plan Rates</b> for Spring Semester	Fall charges still apply
<p><b>*Cancellation requires notice via Housing Portal. Housing Portal cancellation date applies to all charges based on the dates above, whether you move in (and subsequently move out) or are a “No Show.”</b></p> <p><b>**If no room or dining plan has been selected or assigned at the date of cancellation, the lowest housing and dining rates will apply.</b></p> <p><b>***Cancellations after the 12<sup>th</sup> week of the semester are not eligible for proration.</b></p>			

<b>Spring Only Contract</b>			
	No later than January 2	\$0.00	
	January 3 – 1 <sup>st</sup> Day of Spring Classes	<b>30% of Lowest Housing Facility &amp; Dining Plan Rates for Spring Semester PLUS</b> daily prorated*** charge post move-in date for both Housing & Dining	
	AFTER 1 <sup>st</sup> Day of Class for Spring Semester – February 1	<b>50% of **Selected or Assigned Housing Facility &amp; Dining Plan Rates</b> for Spring Semester <b>PLUS</b> daily prorated*** charge post move-in date for both Housing & Dining	
	AFTER February 1	<b>100% of **Selected or Assigned Housing Facility &amp; Dining Plan Rates</b> for Spring Semester	UNLESS Spring is waived by departmental scholarship substituted student
<p><b>*Cancellation requires notice via Housing Portal. Housing Portal cancellation date applies to all charges based on the dates above, whether you move in (and subsequently move out) or are a “No Show.”</b></p> <p><b>**If no room or dining plan has been selected or assigned at the date of cancellation, the lowest housing and dining rates will apply.</b></p> <p><b>***Cancellations after the 12<sup>th</sup> week of the semester are not eligible for proration.</b></p>			

<b>Withdraw from OR Denied Admission to University or BCTC</b>			
	<b>Deadline for Proper Cancellation &amp; Move Out (if applicable)</b>	<b>Cancellation Fee</b>	<b>Comments *Requires Cancellation Notice via Housing Portal</b>
	Withdrew Prior to Move In	\$0.00	All fees are refunded <b>except</b> \$50 non-refundable Application Fee
	Withdrew Post Move In	<b>Selected or Assigned Housing and Dining charges are prorated*** post move-in</b>	
<p><b>*Cancellation requires notice via Housing Portal. Housing Portal cancellation date applies to all charges based on the dates above, whether you move in (and subsequently move out) or are a “No Show.”</b></p> <p><b>**If no room or dining plan has been selected or assigned at the date of cancellation, the lowest housing and dining rates will apply.</b></p> <p><b>***Cancellations after the 12<sup>th</sup> week of the semester are not eligible for proration.</b></p>			

**B. RETURNING STUDENT CANCELLATION POLICY**  
 (If you PREVIOUSLY lived in UK Campus Housing and are applying to return)

<b>Contract Cancellation While Still Enrolled</b>			
<b>Contract Term</b>	<b>Deadline for Proper Cancellation &amp; Move Out (if applicable)</b>	<b>Cancellation Fee</b>	<b>Comments *Requires Cancellation Notice via Housing Portal</b>
<b>Fall and Spring Contract</b>			
	No later than February 28	\$0.00	
	March 1 – April 14	\$250	
	April 15 – May 31	\$750	
	June 1 – June 30	<b>50% of Lowest Housing Facility &amp; Dining Plan Rates</b> for both Fall & Spring Semesters	
	July 1 – December 14	<b>100% of **Selected or Assigned Housing Facility &amp; Dining Plan Rates</b> for Fall <b>AND 50% of the Spring Semester</b> for both Housing and Dining	
	December 15 – February 1	<b>50% of **Selected or Assigned Housing Facility &amp; Dining Plan Rates</b> for Spring Semester <b>PLUS</b> daily prorated*** charges post Spring Move In for both Housing and Dining	Fall charges still apply <b>UNLESS</b> Spring is waived by departmental scholarship substituted student
	AFTER February 1	<b>100% of **Lowest Selected or Assigned Housing Facility Rate &amp; Dining Plan Rates</b> for Spring Semester	Fall charges still apply
<p><b>*Cancellation requires notice via Housing Portal. Housing Portal cancellation date applies to all charges based on the dates above, whether you move in (and subsequently move out) or are a “No Show.”</b></p> <p><b>**If no room or dining plan has been selected or assigned at the date of cancellation, the lowest housing and dining rates will apply.</b></p> <p><b>***Cancellations after the 12<sup>th</sup> week of the semester are not eligible for proration.</b></p>			



<b>Spring Only Contract</b>			
	No later than January 2	\$0.00	
	January 3 – 1 <sup>st</sup> Day of Spring Classes	<b>30% of Lowest Housing Facility &amp; Dining Plan Rates for Spring Semester PLUS</b> daily prorated*** charge post move-in date for both Housing & Dining	
	AFTER 1 <sup>st</sup> Day of Class for Spring Semester – February 1	<b>50% of **Selected or Assigned Housing Facility &amp; Dining Plan Rates for Spring Semester PLUS</b> daily prorated*** charge post move-in date for both Housing & Dining	
	AFTER February 1	<b>100% of **Selected or Assigned Housing Facility &amp; Dining Plan Rates for Spring Semester</b>	UNLESS Spring is waived by departmental scholarship substituted student
<p><b>*Cancellation requires notice via Housing Portal. Housing Portal cancellation date applies to all charges based on the dates above, whether you move in (and subsequently move out) or are a “No Show.”</b></p> <p><b>**If no room or dining plan has been selected or assigned at the date of cancellation, the lowest housing and dining rates will apply.</b></p> <p><b>***Cancellations after the 12<sup>th</sup> week of the semester are not eligible for proration.</b></p>			

<b>Withdraw from OR Denied Admission to University or BCTC</b>			
	<b>Deadline for Proper Cancellation &amp; Move Out (if applicable)</b>	<b>Cancellation Fee</b>	<b>Comments *Requires Cancellation Notice via Housing Portal</b>
	Withdrew Prior to Move In	\$0.00	All fees are refunded <b>except</b> \$50 non-refundable Application Fee
	Withdrew Post Move In	<b>Selected or Assigned Housing and Dining charges are prorated*** post move-in</b>	
<p><b>*Cancellation requires notice via Housing Portal. Housing Portal cancellation date applies to all charges based on the dates above, whether you move in (and subsequently move out) or are a “No Show.”</b></p> <p><b>**If no room or dining plan has been selected or assigned at the date of cancellation, the lowest housing and dining rates will apply.</b></p> <p><b>***Cancellations after the 12<sup>th</sup> week of the semester are not eligible for proration.</b></p>			

## MISCELLANEOUS

**23.** This Contract **DOES NOT** guarantee that you will be assigned to a specific Housing Facility, room type, or area of campus. The University reserves the right to make assignments; reassignments in the interest of order, discipline, health, safety, security, public health event, pandemic, consolidation, or assignments to temporary or overflow housing to achieve optimal utilization of University housing.

**24. Entire Contract:** All University rules, regulations, policies and procedures (including but not limited to those found in the University Housing Community Standards, the University Code of Student Conduct and on the housing website) are incorporated herein and are part of this Contract.

**25. Waiver:** No waiver of any breach of any obligation or promise contained herein shall be regarded as a waiver of any future breach of the same or any other obligation or promise contained herein.

**26. Amendment of Laws:** In the event that subsequent to the execution of this Contract, any state statute regulating or affecting any duty or obligation imposed upon the University pursuant to this Contract is enacted, amended or repealed, the University will elect to perform in accordance with such statute, amendment or act of repeal in lieu of complying with the analogous provision of this Contract.

**27. Dispute Resolution:** Any disputes arising under this Contract shall be first addressed to the Housing Office. Any appeals to decisions there from shall be resolved through the [Housing and Dining Appeals Committee](#). These procedures shall be followed prior to you initiating any other legal proceedings.

**28. Severability:** The invalidity of one or more provisions in this Contract shall not affect the validity of any other provision hereof, and the Contract shall be construed and enforced as if such invalid provision(s) were not included. This is an agreement between the University and you. It is used for the entire academic year (which consists of the Fall and Spring academic semesters) or, if you entered into this Contract after the academic year begins, for that portion of the academic year remaining at the time you enter into this Contract. This Contract may be terminated only under the conditions specified herein.

**If you cancel your Contract there are fees that apply past certain dates.** The Cancellation Policy can be found at <https://www.uky.edu/hdac/criteria-requesting-release>.

**BY ELECTRONICALLY SIGNING THIS CONTRACT, YOU STATE THAT YOU HAVE READ AND AGREE TO THE TERMS OF THIS CONTRACT.** You and your parents or legal guardians are urged to read carefully the terms and conditions of this Contract. If you are under 18, a parent or legal guardian must sign this contract along with you. Even if you are over 18, we ask that your parent or legal guardian review/sign, so they understand that you, the Student, are entering a legally binding contract; however, if you are over 18 this Contract is binding even if not reviewed/signed by your parent or legal guardian.

The University agrees to provide accommodations under the conditions of this Contract. This Contract is not governed by the Kentucky Landlord-Tenant Act.

### **EXHIBIT CE-3**

#### **University Vendor Contracts**

- Notice of Award and Price Contract and Agreement by and between the University of Kentucky and JMI Sports which includes campus master pouring rights, dated July 1, 2014.
- Notice of Award of Price Contract and Agreement by and between the University of Kentucky and Aramark Educational Services, LLC, dated July 1, 2014.
- Notice of Award of Price Contract and Agreement by and between the University of Kentucky and Barnes & Noble College Booksellers, LLC, dated June 1, 2015.
- Notice of Award of Price Contract and Agreement by and between the University of Kentucky and Compass Group USA- Canteen Division, dated August 1, 2019.
- Notice of Award and Price Contract and Agreement by and between the University of Kentucky and Caldwell & Gregory dated May 15, 2023.

**EXHIBIT CE-4**  
**Intentionally Omitted**

**EXHIBIT CE-5**

**University Policies**

- University of Kentucky Ethical Principals and Code of Conduct
- University of Kentucky Antidiscrimination Policy

**EXHIBIT CE-6**

**Anticipated Average Useful Life Schedule**

## Amended and Restated Affiliation Agreement - Common Exhibit 6

### Anticipated Average Useful Life Schedule

Asset	Longevity in Yrs	Asset	Longevity in Yrs
<b>Building Components/Services</b>		<b>Specific Exterior</b>	
Corridor Carpeting	5 years	Wood Exterior Siding	10 years
Ceiling Finishes	10 years	Vinyl Exterior Siding	25 years
Interior Renovations	10 years	Brick Siding	50 years
Interior Construction	10 years	Stucco Siding	50 years
Electrical	20 years	Windows	20 years
Elevators	20 years	Window Screens	5 years
HVAC	20 years	Exterior Paint	5 years
Plumbing	20 years	Exterior Caulk/Sealant	5 years
Fire Systems	25 years	Gutters	20 years
Roof Cover	25 years	Downspouts	10 years
Exterior Walls	50 years	<b>Appliances</b>	
Floor Structure	50 years	Microfridge	13 years
Foundation	50 years	Clothes Dryer	13 years
Framing	50 years	Dishwasher	9 years
Permanent Structures	50 years	Microwave	9 years
<b>Specific Interior</b>		Washing Machine	9 years
Cabinets (wood construction)	50 years	Range Hood	9 years
Countertops (laminated)	15 years	Disposal	5 years
Countertops (granite/solid)	50 years	<b>Mechanicals</b>	
Steel Entry Doors	40 years	Electrical Accessories	10 years
Masonite Interior Doors	10 years	Lighting Controls	10 years
Door Hardware	10 years	Plumbing Fixtures/Accessories	15 years
Interior Trim	20 years	Water Heaters	13 years
Window Coverings	10 years	HVAC Systems	15 years
Interior Walls	35 years	Thermostat	5 years
Interior Paint	5 years		
Wood Flooring	25 years		
Tile Flooring	25 years		
Vinyl Flooring	10 years		
Room Carpet Flooring	7 years		

(1) The time frames above are intended to set forth guidelines for replacement on capital renewal as covered by Ground Lease Article 7

(2) Years are calculated from date of occupancy of buildings

(3) The above schedule is to be met by the annual replacement reserves.

IN WITNESS WHEREOF, that Tenant has caused this Agreement to be executed by its respective duly authorized representative as of the date first written above.

[\_\_\_\_\_] , LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.:

The foregoing Agreement was acknowledged before me on the \_\_\_\_ day of \_\_\_\_\_, 2024, by \_\_\_\_\_, as \_\_\_\_\_ of [\_\_\_\_\_] , LLC, a Delaware limited liability company for and on behalf of such limited liability company.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public  
Notary ID# (if any): \_\_\_\_\_

911541:7



EXHIBIT B-1

**Residence Life Overview**

<i>Student /Residence Life Details</i>			
	University	Shared	EDR
<b>Administration/Operational Functions</b>			
Safety and Security		x	
Emergency Preparedness Planning		x	
Financial Management			x
Front Desk Operations/Staffing	x		
Mail Distribution	x		
Creation of Annual Budget for Residence Life Staff	x		
Room Key Control/Inventory			x
Payroll/Accounting Administration	x		
Residence Hall Opening and Closing	x		
Student ID Administration/Card Access	x		
<b>Programming Functions</b>			
Hall Government/RHA Advising	x		
Academic Initiatives	x		
Living Learning Assignments	x		
Assessment (EBI, RSSI, OA)	x		
Disbursement of Programming Funds	x		
<b>Student Discipline</b>			
University and residence hall policy creation/enforcement	x		
Contract Cancellations	x		
Conflict Resolution (Roommate, Parents)	x		
Incident Reporting (Clery/Minger)	x		
<b>Marketing</b>			
Planning		x	
Publications		x	
Website Design		x	
Recruitment Activities		x	
<b>Staffing</b>			
Hiring, training and supervising Residence Life staff	x		
Annual Performance Evaluations/Personnel Actions	x		
<b>Facilities</b>			
Maintenance and Preventive Maintenance Schedules			x
Pest Control			x
Work Orders	x		
Technology Support			x
Facilities Training		x	
Damage Assessment/Charges			x
<b>Other</b>			

Summer Conference  
Summer School Housing  
Break Housing

x  
x



### Additional Detail Summary for Selected Areas

#### Safety and Security and Emergency Preparedness

- Fire drills and fire safety inspections
- Severe weather drills
- Monitor footage from security cameras
- Crisis intervention
- Develop emergency procedures for the residence halls
- With the help of Emergency Management staff, develop table-top exercises and other training mechanisms so that staff members are well-versed in emergency interventions, policies, and procedures
- Work with UKPD, VIP, OCCs, Fire Marshal, etc., to respond to incidents

#### Front Desk Operations/Staffing

- Recruit, hire, train, and supervise desk clerk staff members
- Develop and enforce front desk policies and procedures
- Train and supervise full-time Office Assistant staff on daily tasks such as mail distribution, monitoring keys, visitation, front door access, security cameras, etc.
- Provide Resident Advisor availability to the Student Residents at all times on a 24 hour/7 day per week basis during such time as the Facility is open for Student Residents.

#### Payroll and Accounting Administration

- Creation and monitoring of payroll assignments, timesheets, payroll processing software
- Payment of R.A. room and board, G.A. tuition scholarships
- Liaison with Financial Aid, Graduate Funding Office, Compensation, Payroll, Accounts Payable, Purchasing, Employee Relations, and the Division Budget Officer

#### Academic Initiatives and Living-Learning Communities

- Serve as liaison with academic partners, Deans, Registrar's Office, Advising Office
- Develop and assess residential learning outcomes
- Develop and maintain Living-Learning Programs, including development of marketing and application materials, review of applicants, assignment of students to LLP beds

#### Technology Support

- Provision and upkeep of front desk computers
- Provision and maintenance of card access systems and security cameras

- Training staff members on use of technology
- Training staff members on assignment software and use of software for reports and rosters.

#### Summer School Housing

- Recruiting, hiring, training, and supervising summer Resident Directors and R.A.s.
- Supervising operations of summer halls (move-in, move-out, keys, responding to incidents and student concerns as they arise, emergency preparedness, etc.)
- Managing summer programs and support services in the summer halls

**EXHIBIT B-2**

**Residence Life Staff**

<b>Resident Advisors</b>	<b>Hall Directors</b>
16	1

**EXHIBIT C**

**Provision of Bandwidth to the Facility**

<b>Required Bandwidth</b> Provided by UK	<b>1 gigabit</b>
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## EXHIBIT D

### University Basic Employment Requirements

The University's basic employment requirements are set forth in the following Human Resources Policies and Procedures, which can be found at <http://www.uky.edu/HR/policies/welcome.html>:

- HRP&P #2.0: Equal Opportunity, Discrimination and Harassment
- HRP&P #10.0: Staff Employment – Process Section, #11 (I-9 completion)
- HRP&P #11.0: Pre-employment Screening
- HRP&P #13.0: Drug Abuse
- HRP&P #14.0: Alcohol Abuse
  - Note: HRP&P #14.0 and #13.0 are in the process of being combined into a single “Substance Abuse” policy.
- HRP&P #16.0: Employment of Minors
- HRP&P #21.0: Omnibus Transportation Act Employee Alcohol and Controlled Substance Testing

## GUARANTY

This Guaranty (the “**Guaranty**”) is executed this 1<sup>st</sup> day of July, 2024, by GREYSTAR REAL ESTATE PARTNERS, LLC, a Delaware limited liability company (the “**Guarantor**”) in favor of the UNIVERSITY OF KENTUCKY, an agency of the Commonwealth of Kentucky (the “**Landlord**”), with reference to the following facts:

A. Landlord and [Phase IV Tenant], a Delaware limited liability company, (together with any of its successors and assigns, including without limitation any assignee of any of its interest under the Lease, the “**Tenant**”) have entered into that certain Ground Lease Agreement dated July 1, 2024 (as the same may be amended from time to time pursuant to the terms thereof, the “**Lease**”) regarding certain real property more particularly described in **Exhibit A** hereto. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Lease.

B. In connection with the Lease, Landlord and Tenant have entered into an Affiliation Agreement dated July 1, 2024 (“**Affiliation Agreement**” and together with the Lease, herein referred to as the “**Tenant Agreements**”).

C. Guarantor is an affiliate of the Tenant and expects to substantially benefit, directly or indirectly, from the execution of the Tenant Agreements.

D. Landlord would not enter into any of the Tenant Agreements but for the execution and delivery of this Guaranty by Guarantor. Guarantor is willing to execute this Guaranty for the express and intended purposes of inducing Landlord enter into the Tenant Agreements.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, Guarantor hereby agrees as follows:

1. Guaranty. Guarantor hereby absolutely and unconditionally guarantees to Landlord the full, prompt and faithful performance by Tenant of all Tenant’s Obligations (as defined below). As used herein, “**Tenant’s Obligations**” means all covenants, terms, and conditions of the Tenant Agreements, and any extensions, modifications or renewals thereof, to be hereafter performed and kept by Tenant, including without limitation the prompt payment of all amounts that Tenant may at any time owe under the Tenant Agreements, and any extensions, renewals or modifications thereof.

2. Independent Obligations. Guarantor’s obligations hereunder are independent of the obligations of Tenant, and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action or actions are brought against Tenant and whether or not Tenant shall be joined in any such action or actions. Landlord shall not be required to exercise, pursue and exhaust its remedies against Tenant prior to (i) demanding the performance of Tenant’s Obligations from Guarantor under this Guaranty, or (ii) exercising any rights or remedies of the Landlord under this Guaranty.

3. Rights of Landlord. Guarantor authorizes Landlord, without notice or demand and without affecting its liability hereunder, from time to time to (a) extend, accelerate, or otherwise change the time for any payment provided for in the Tenant Agreements, or any covenant, term

or condition of the Tenant Agreements, delay enforcing Landlord's remedies or rights against Tenant in connection with the Tenant Agreements, and consent to any assignment, subletting or reassignment of the Tenant Agreements, (b) take and hold security for any payment provided for in the Tenant Agreements or for the performance of any covenant, term or condition of the Tenant Agreements, or exchange, waive or release any such security; and (c) apply such security and direct the order or manner of sale thereof as Landlord in its sole discretion may determine. Except as provided in Section 16, notwithstanding any termination, renewal, extension, or holding over of the Tenant Agreements, or any assignment of the Tenant Agreements by Landlord or Tenant, this Guaranty shall continue until all of Tenant's Obligations have been fully and completely performed by Tenant.

4. Absolute and Unconditional Obligations. Guarantor shall not be released by any act or event which might, but for this provision of this Guaranty, be deemed a legal or equitable discharge of a surety, or by reason of any waiver, extension, modification, forbearance or delay or other act or omission of the Landlord or its failure to proceed promptly or otherwise as against Tenant or Guarantor, or by reason or any action taken or omitted or circumstance which may or might vary the risk or affect the rights or remedies of Guarantor as against Tenant, or by reason of any further dealings between Tenant and Landlord, whether relating to the Tenant Agreements or otherwise, and Guarantor hereby expressly waives and surrenders any defense to its liability hereunder based upon any of the foregoing acts, omissions, things, or agreements. It is the purpose and intent of this Guaranty that the obligations of Guarantor hereunder are absolute and unconditional under any and all circumstances. The foregoing sentence shall in no way affect any waivers or any bankruptcy provisions set forth herein.

5. Preferential Payments. Guarantor further agrees that to the extent Tenant or Guarantor makes any payment to Landlord in connection with Tenant's Obligations and all or any part of such payment is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid by Landlord or paid over to a trustee, receiver or any other entity, whether under any bankruptcy act or otherwise (any such payment is hereinafter referred to as a "**Preferential Payment**"), then this Guaranty shall continue to be effective or shall be reinstated, as the case may be, and, to the extent of such payment or repayment by Landlord, Tenant's Obligations or part thereof intended to be satisfied by such Preferential Payment shall be revived and continued in full force and effect as if such Preferential Payment had not been made.

6. Guarantor's Representations and Warranties.

(a) Qualification and Authority. Guarantor is a limited liability company duly organized, validly existing and in good standing under the laws of Delaware. Guarantor has the right, power, and authority to execute, deliver, and perform this Guaranty. This Guaranty, when executed and delivered by Guarantor, shall constitute the valid and binding agreement of Guarantor, and shall be enforceable against Guarantor in accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforcement of creditors' rights generally and by general equitable principles. All requisite authorizations, consents, resolutions and actions on the part of Guarantor have been or will prior to the date hereof be obtained, adopted or taken, as applicable, by Guarantor in connection with making and entering into this Guaranty. Neither this Guaranty nor



the consummation of any of the transactions contemplated hereby violates or shall violate any provision of any agreement or document to which Guarantor is a party or to which it is bound.

(b) Bankruptcy. Neither Guarantor nor any entity or person in Control of, having Control over, or under common Control with Guarantor, regardless of the number of tiers of ownership, is bankrupt under the Federal Bankruptcy Code, or has filed for protection or relief under any applicable bankruptcy or creditor protection statute or has been threatened by creditors with an involuntary application of any applicable bankruptcy or creditor protection statute. Guarantor is not entering into the transactions described in this Agreement with an intent to defraud any creditor or to prefer the rights of one creditor over any other. As used in this Agreement, “**Control**” means ownership of voting securities sufficient to elect a majority of the board of directors of a corporation, or analogous ownership interests of non-corporate entities.

(c) Contractual Obligations. The execution of this Guaranty and the assumption of the obligations hereunder will not cause Guarantor to be in violation of, and will not constitute a material default under the provisions of an agreement to which Guarantor is a party or by which Guarantor is bound.

(d) Disclosure. No financial statements or any other document, certificate or written statement furnished to Landlord by Guarantor and, to the knowledge of Guarantor, no document or statement furnished by any third party on behalf of Guarantor, for use in connection with this Guaranty or the transactions contemplated herein, when taken as a whole, contains any untrue representation, warranty or statement of a material fact, and none omits or will omit to state a material fact necessary in order to make the statements contained herein or therein not misleading. There is no material fact known to Guarantor that has had or will have a Material Adverse effect (as defined below) and that has not been disclosed in writing to Landlord by Guarantor or by any third party on behalf of Guarantor. As used herein, “**Material Adverse Effect**” means (A) a material adverse effect upon the business, operations, properties, assets or condition (financial or otherwise) of Guarantor or Tenant, with respect to such party, when taken as a whole, or (B) the material impairment of the ability of Guarantor to perform its obligations under this Guaranty, or (C) the material impairment of Landlord’s rights or remedies under the Guaranty. In determining whether any individual event would result in a Material Adverse Effect, notwithstanding that such event does not of itself have such effect, a Material Adverse Effect shall be deemed to have occurred if the cumulative effect of such event and all other then occurring events and existing conditions would result in a Material Adverse Effect.

(e) Suits, Judgments and Liens. There is no litigation or other claim pending before any court or administrative or other governmental body or threatened against Guarantor for which an unfavorable decision, finding or result would materially and adversely affect Guarantor’s financial condition nor legal ability to perform its obligations under this Guaranty.

7. Guarantor’s Financial Covenants. As soon as available and in any event not later than one hundred fifty (150) calendar days after each fiscal year of Guarantor, Guarantor shall furnish to Landlord an audited financial statement for Guarantor. If requested by Landlord, Guarantor shall provide to Landlord unaudited financial statements of the Guarantor for any fiscal quarter, and any such other information with respect to the Guarantor that may be reasonably requested, within a reasonable time after the applicable request. All financial

statements required hereunder shall be prepared in accordance with generally accepted accounting principles, consistently applied. To the extent applicable, Guarantor shall provide, or cause to be provided, to Landlord: (i) each Annual Report on Form 10-K of Guarantor, or its parent entity, which sets forth detailed financial information of Guarantor, (ii) each Quarterly Report on Form 10-Q which sets forth detailed financial information of Guarantor, (iii) all earnings releases of Guarantor, or its parent entity, and (iv) all other material financial information regarding Guarantor that is made publicly available, in each case as soon as reasonably practicable following the filing of such information with the Securities and Exchange Commission or other public release (and in any event on the same day as such filing or public release).

8. Waiver of Defenses. Guarantor waives (a) any right to require Landlord to (i) proceed against Tenant or any other person or entity; (ii) proceed against or exhaust any security held from Tenant or Guarantor; (iii) pursue any other remedy in Landlord's power against Tenant which Guarantor cannot itself pursue, and which would lighten its burden; (b) all statutes of limitation as a defense to any action brought against Guarantor by Landlord to the fullest extent permitted by law, except statutes of limitation that extinguish Tenant's responsibility for sums due; (c) any defense based upon any legal disability of Tenant, or any discharge or limitation of the liability of Tenant to Landlord, whether consensual or arising by operation of law or in connection with any bankruptcy, reorganization, receivership, insolvency, or debtor-relief proceeding, or from any other similar cause; (d) presentment, demand, protest and notice of any kind; and (e) any defense based upon or arising out of any defense which Tenant may have to the payment or performance of any part of Tenant's Obligations, other than any defense arising under the express terms of the Tenant Agreements. Guarantor waives all demand and notices, including demands for performance, notices of non-performance, notices of non-payment, notices of dishonor, notices of protest and notice of acceptance of this Guaranty.

9. Effect of Tenant's Bankruptcy. Without limiting anything contained in Section 4 of this Guaranty, the liability of Guarantor under this Guaranty shall in no way be affected by: (a) the release or discharge of Tenant in any creditor proceeding, receivership, bankruptcy or other proceeding; (b) the impairment, limitation, or modification of Tenant's liability or the estate, or of any remedy for the enforcement of Tenant's liability, which may result from the operation of any present or future provision of the Bankruptcy Code (Title 11 of the United States Code, as amended; 11 U.S.C. §§ 101-1330) or any bankruptcy, insolvency, debtor relief statute (state or federal), any other statute, or from the decision of any court; (c) the rejection or disaffirmance of the Tenant Agreements, or any portion of the Tenant Agreements, in any such proceeding; (d) the cessation, from any cause whatsoever, whether consensual or by operation of law, of Tenant's liability to Landlord resulting from any such proceeding; or (e) the modification or replacement of Tenant's Obligations in any such proceeding.

10. Waiver of Subrogation.

(a) Notwithstanding any other provision of this Guaranty to the contrary, until Tenant's Obligations are fully performed and paid, Guarantor hereby waives any claims or other rights which Guarantor may now have or hereafter acquire against Tenant or any other guarantor of all or any of Tenant's Obligations, which claims or other rights arise from the existence or performance of Guarantor's obligations under this Guaranty (all such claims and rights are

referred to as “**Guarantor’s Conditional Rights**”), including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, or indemnification, any right to participate in any claim or remedy of Landlord against Tenant or any collateral which Landlord now has or hereafter acquires, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, by any payment made hereunder or otherwise, including without limitation, the right to take or receive from Tenant, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim or other rights. If, notwithstanding the foregoing provision, any amount shall be paid to Guarantor on account of any Guarantor’s Conditional Rights and either (i) such amount is paid to Guarantor at any time when Tenant’s Obligations shall not have been paid or performed in full, or (ii) regardless of when such amount is paid to Guarantor, any payment made by Tenant to Landlord is at any time determined to be a Preferential Payment, then such amount paid to Guarantor shall be held in trust for the benefit of Landlord and shall forthwith be paid to Landlord to be credited and applied upon Tenant’s Obligations, whether matured or unmatured, in such order as Landlord, in its sole and absolute discretion, shall determine.

(b) To the extent that any of the provisions of subsection (a) of this Section 10 shall not be enforceable, Guarantor agrees that until such time as Tenant’s Obligations have been paid and performed in full and the period of time has expired during which any payment made by Tenant or Guarantor to Landlord may be determined to be a Preferential Payment, Guarantor’s Conditional Rights to the extent not validly waived shall be subordinate to Landlord’s right to full payment and performance of Tenant’s Obligations, and Guarantor shall not enforce Guarantor’s Conditional Rights during such period.

11. Costs and Expenses. If Guarantor fails to perform any of its obligations under this Guaranty or if any dispute arises between the parties hereto concerning the meaning or interpretation of any provision of this Guaranty, then the defaulting party or the party not prevailing in such dispute, as the case may be, shall pay any and all costs and expenses incurred by the other party on account of such default and/or in enforcing or establishing its rights hereunder, including, without limitation, court costs and reasonable attorneys’ fees and disbursements. Any such attorneys’ fees and other expenses incurred by either party in enforcing a judgment in its favor under this Guaranty shall be recoverable separately from and in addition to any other amount included in such judgment, and such attorney’s fees’ obligation is intended to be severable from the other provisions of this Guaranty and to survive and not be merged into any such judgment.

12. Notices. Any notice, request or other communication given or made hereunder (“**Notice**”) shall be in writing and sent by either of the parties or their respective attorneys by any of the following means: (i) by registered or certified mail, return receipt requested, postage prepaid, (ii) by personal delivery, (iii) by recognized overnight delivery service for overnight delivery or (iv) by e-mail, provided, however, that notice by e-mail shall be promptly supplemented by delivery of notice as provided in (iii) above. Any such Notice shall be addressed to the other party at the mailing addresses or e-mail addresses set forth below, or to such other mailing addresses or e-mail addresses for each party as each party may hereafter designate by Notice given to the other party pursuant to this Section 12:

To Landlord:                    University of Kentucky

322 Peterson Service Building  
Lexington, Kentucky 40506-0005  
Attention: Chief Procurement Officer, Procurement Services  
Division  
Telephone: (859) 257-9100  
Email: [barry.swanson@uky.edu](mailto:barry.swanson@uky.edu)

With a copy to (which shall not constitute Notice):

University of Kentucky  
Office of Legal Counsel  
Academics, Finance, Students, and Athletics Group  
301 Main Building  
Lexington, Kentucky 40506-0032  
Telephone: (859) 257-2936  
Email: [Shannan.stamper@uky.edu](mailto:Shannan.stamper@uky.edu)

To Guarantor: [Greystar Development East, LLC]  
1545 Peachtree Street NE, Suite 700  
Atlanta, Georgia 30309  
Attention: Julie Skolnicki  
Telephone: (770) 512-4000  
Email: [Julie.skolnicki@greystar.com](mailto:Julie.skolnicki@greystar.com)

And

Greystar Real Estate Partners, LLC  
465 Meeting Street, Suite 500  
Charleston, South Carolina 29403  
Attention: Ashley Heggie  
Telephone: (843) 817-4366  
Email: [aheggie@greystar.com](mailto:aheggie@greystar.com)

[And](#)

[\[HSRE Contact\]](#)

With a copy to (which shall not constitute Notice):

Martin, Tate, Morrow & Marston, P.C.  
6410 Poplar Avenue, Suite 900  
Memphis, Tennessee 38119  
Attention: Clay Purdom  
Telephone: 901-522-9000  
Email: [cpurdom@martintate.com](mailto:cpurdom@martintate.com)

and

[DLA]

13. Delay; Cumulative Remedies. No delay or failure by Landlord to exercise any right or remedy against Tenant or Guarantor will be construed as a waiver of that right or remedy. All remedies of Landlord against Tenant and Guarantor are cumulative.

14. Access to Records; Open Records Act. Guarantor agrees that the Landlord, the Finance and Administration Cabinet, the Auditor of Public Accounts, the Legislative Research Commission, or their duly authorized representatives, shall have access to any books, documents, papers, records, or other evidence, which are directly pertinent to this Guaranty for the purpose of financial audit or program review, in accordance with Kentucky Revised Statutes (“**KRS**”) 45A.030(9). Landlord acknowledges that certain documents provided to it by Guarantor reasonably appear to both parties to be proprietary, confidential, or otherwise exempt under applicable open records law. Guarantor agrees to prominently mark all confidential or proprietary documents before providing them to Landlord. In the event of a request for documents provided by Guarantor to Landlord from any third party, Landlord agrees to provide immediate notice to Guarantor whenever it receives a request for any documents produced by Guarantor, or for its benefit or at its direction, and permit an appropriate amount of time consistent with the Kentucky Open Records Act (“**KORA**”) for Tenant to seek an injunction or other appropriate remedy to stop the publication of such documents.

15. Jurisdiction.

GUARANTOR HEREBY CONSENTS TO THE JURISDICTION OF THE CIRCUIT COURT OF FRANKLIN COUNTY, KENTUCKY AND IRREVOCABLY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF OR RELATING TO THIS GUARANTY SHALL BE LITIGATED IN SUCH COURT IN ACCORDANCE WITH KRS 45A.245, AS SAME MAY BE AMENDED AND CHANGED FROM TIME TO TIME. GUARANTOR ACCEPTS, GENERALLY AND UNCONDITIONALLY, THE NONEXCLUSIVE JURISDICTION OF THE AFORESAID COURT AND WAIVES ANY DEFENSE OF FORUM NON CONVENIENS, AND IRREVOCABLY AGREES TO BE BOUND BY ANY JUDGMENT RENDERED THEREBY IN CONNECTION WITH THIS GUARANTY.

16. Termination of Guaranty. Notwithstanding anything herein to the contrary, this Guaranty and all of Guarantor’s obligations hereunder shall terminate without further action by Landlord or Guarantor at such time as there is a Permitted Assignment of Tenant’s interest in the Lease in accordance with the terms of the Lease.

17. Miscellaneous.

(a) Benefit and Burden. This Guaranty shall bind Guarantor, its successors and assigns, and shall inure to the benefit of Landlord and its successors and assigns.

(b) Severability. If any part, term or provision of this Guaranty is unenforceable or prohibited by any law applicable to this Guaranty, the rights and obligations of the parties shall be construed and enforced with that part, term or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this Guaranty did not contain that particular part, term or provision.

(c) Recitals and Exhibits. All recitals set forth above and exhibits attached hereto are incorporated herein.

(d) Time is of the Essence. Time shall be of the essence in the Guaranty and the performance of all obligations under the Guaranty.

(e) Governing Law. This Guaranty and each and every term and provision thereof shall be construed in accordance with the laws of the Commonwealth of Kentucky without regard to conflict of law principles.

(f) Legal Counsel. Guarantor expressly declares that it knows and understands the contents of this Guaranty and has had an opportunity to consult with legal counsel as to its form and content.

(g) Modification. Neither this Guaranty nor any of its provisions may be waived, modified, amended, discharged, or terminated except as set forth in writing signed by the party against which the enforcement of the waiver, modification, amendment, discharge, or termination is sought, and then only to the extent set forth in that writing.

(h) Annexed to Tenant Agreements. This Guaranty is annexed to and forms a part of the Tenant Agreements.

(i) Compliance with KRS 371.065. Guarantor acknowledges and agrees that this Guaranty complies with KRS 371.065.

*[Remainder of page intentionally left blank; signature pages follow]*

IN WITNESS WHEREOF, Guarantor has executed this instrument on the day and year first above written.

“GUARANTOR”

GREYSTAR REAL ESTATE PARTNERS, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

STATE OF \_\_\_\_\_ )  
COUNTY OF \_\_\_\_\_ ) ss.:

The foregoing Lease was acknowledged before me on the \_\_\_ day of [\_\_\_\_\_, 2024], by \_\_\_\_\_, as \_\_\_\_\_ of Greystar Real Estate Partners, LLC, a Delaware limited liability company, for and on behalf of such limited liability company.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

Notary ID# (if any): \_\_\_\_\_



May 9, 2024

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

107 Main Building  
Lexington, KY 40506-0032  
O: 859-257-1841  
F: 859-323-5650  
[www.uky.edu](http://www.uky.edu)

Senator Rick Girdler, Co-Chair  
Representative Deanna Frazier Gordon, Co-Chair  
Capital Projects and Bond Oversight Committee  
Capital Annex Building – Room 136  
702 Capitol Avenue  
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Frazier Gordon 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, Construct Retail/Parking Facilities 1 and 2 (Cancer/Ambulatory Facility Parking – UK HealthCare) which is authorized in the 2022-2024 Executive Branch Budget Bill, House Bill 1.

To better serve the Commonwealth of Kentucky, UK HealthCare has identified a need for a Cancer and Advanced Ambulatory Complex. The UK HealthCare Cancer Treatment Center/Ambulatory Outpatient Center project currently underway will include multiple clinical care buildings with an anchor of approximately 260,000 square feet for cancer-specific services. Other services targeted for this location include outpatient operating rooms, minor procedures, diagnostics and imaging services, pharmacy, retail, outpatient clinics, meeting spaces and necessary support spaces.

In support of this project, the University plans to utilize a public-private partnership construction delivery method to construct a ten-story parking structure for approximately 2,415 vehicles. The parking structure will provide direct access to the new UK HealthCare Cancer Treatment/Ambulatory Outpatient Center for patient convenience, at no charge to the patients. To further improve patient access and convenience, ample graphics and ticketing automation will be provided in the parking structure. Based on the project specifics, it was determined that a public-private partnership was in the best interest of the University and the Commonwealth of Kentucky. Since this continues our existing partnership awarded through RFP UK-1896-19 in 2018, we did not request proposals for this project.

The parking structure will be financed through the issuance of one or more series allowing for each series to be either tax-exempt or taxable Lease Purchase Obligations. The term of the Obligations will not exceed 30 years.

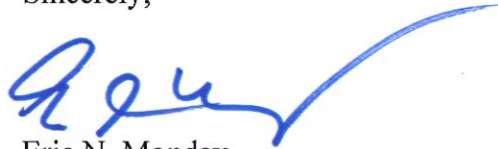


The University is including the following for your information and consideration:

- New bond issue report for the Lease Purchase Obligations transaction;
- The University's Board of Trustees' approval, (FCR 13), at its September 2023 meeting for the initiation of the project in an amount not to exceed \$120,000,000;
- Rendering;
- Development Agreement between the University and Signet KY Development, LLC, and associated exhibits; and
- Reimbursement Resolution of the University.

Elizabeth Baker and Jennifer Fraker will attend the May 23, 2024, 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 and  
Co-Executive Vice President for Health  
Affairs

Attachments

## **EXECUTIVE SUMMARY – CAPITAL PROJECT & BOND OVERSIGHT COMMITTEE UNIVERSITY OF KENTUCKY CANCER CENTER & AMBULATORY PARKING STRUCTURE**

### **PROJECT SUMMARY:**

UK HealthCare has identified a need for a Cancer and Advanced Ambulatory Complex as it continues to make strategic investments for the benefit of providing better treatment options for its critical care and cancer patients through the Commonwealth of Kentucky. The UK Cancer and Advanced Ambulatory Building broke ground in April 2024 and will become the new home to UK Markey Cancer Center. This new facility builds upon the momentum of Markey's September 2023 designation as an NCI Comprehensive Cancer Center. The NCI's highest designation, held by only 57 cancer centers nationwide, recognizes excellence in basic, clinical and community-based research. With the NCI designation, Markey is uniquely positioned to offer the latest clinical trials and most advanced treatments. In the past 10 years, Markey outpatient clinic visits have increased by 57%. With approximately 300,000 square feet of space dedicated to cancer services and room for additional growth, this facility will give the University the ability to treat and heal even more Kentuckians for years to come.

To best serve the needs of this project and the ongoing demands of its patients, the University plans to utilize a Public-Private Partnership ("PPP") construction delivery method to construct a ten-story parking structure for approximately 2,400 vehicles ("Project"). The Project will provide direct access to the new UK Cancer and Advanced Ambulatory Building for patient convenience, at no charge to the patients, and is planned to come online in 2026.

### **PROJECT FINANCE STRUCTURE:**

The PPP will be financed through the issuance of Taxable and Tax-Exempt Lease Purchase Obligations, secured by a subordinate pledge of the University's General Receipts. The University will own the land and lease the project site to Signet, via a Ground Lease, for a term of thirty (30) years. The University ("Lessee") and Signet ("Lessor") will enter into a Facilities Lease for a term of thirty (30) years or the length of the Financing Term under the Obligations, whichever terminates sooner. Given the Project serves the direct needs of the Markey Cancer Center and its patients, the lease payments will be supported by the clinical revenues of UK HealthCare. Upon repayment of the Obligations, the Facilities Lease and Ground Lease shall terminate and the University shall take ownership of the Project Improvements.

### **ROLE OF DEVELOPER:**

Through a competitive bidding process Signet Real Estate Group, dba Signet KY Development, LLC, was selected as the Developer for the Cornerstone project. The agreement between the parties allowed for the University to also partner with Signet on future University parking projects. Based on results of the Cornerstone project and Signet's expertise in developing parking-related projects on behalf of higher education and healthcare clients nationwide, the University engaged Signet for the Project. Signet will assume all responsibilities and risk associated with the financing, design, development, construction and delivery of the Project while ensuring it meets the University's goals. The Developer will also ensure a competitive bidding process of any necessary project subconsultants associated with the Project in collaboration with the University. Signet will be paid a development fee for its role in the Project.

### **BENEFIT TO UNIVERSITY:**

Consistent with previous successful PPPs, the University will be able to rely on the Developer's expertise while also transferring risk associated with the development, construction and delivery of the Project to the Developer. The University will still maintain control over the design and operation of the facility to ensure it meets University standards and the goals of the broader Cancer Center project. Based on UK's experience in working with PPP partners on other construction projects, the expertise of a PPP developer has proven successful in delivering more expeditiously and of high quality on these types of facilities. By providing a subordinate pledge of the University's General Receipts to the financing, the University anticipates a more favorable interest rate on the Obligations than without the pledge.

**LETTER OF INTENT  
UNIVERSITY OF KENTUCKY  
CANCER TREATMENT & AMBULATORY CENTER  
PARKING STRUCTURE**

**THIS LETTER OF INTENT** (“LOI”) is entered into this 22nd day of December, 2023 by and between the University of Kentucky (the “University”) and Signet KY Development, LLC, an Ohio limited liability company, or its assigns (hereinafter referred to as the “Developer”). For purposes of this LOI, the Developer and the University are sometimes referred to herein collectively as the “Parties” and individually as a “Party”.

**WITNESSETH:**

**WHEREAS**, the University issued a Request for Proposal UK-1896-19 (the “RFP”), dated October 8, 2018, soliciting proposals for the development of a new Mixed-Use Parking Garage (now known as the “Cornerstone”) to be developed on property located on the northwest corner of Winslow Street & South Limestone ;

**WHEREAS**, pursuant to the RFP, the Developer was selected to negotiate with the University for the development of the Cornerstone, and any future parking related on-campus projects, including financing, design, construction, operations, and management, or any combination thereof, of the Project(s);

**WHEREAS**, pursuant to the RFP, the University agrees to negotiate with the Developer for the development of a new Parking Structure that will serve the to be built UK Healthcare Cancer Treatment/Ambulatory Outpatient Center (the “Project”). The Project will be developed at the Southeast corner of Elizabeth Street and Conn Terrace generally described or depicted on Exhibit A attached hereto (the “Site”);

**WHEREAS**, pursuant to the RFP, the University and the Developer are expected to enter into certain agreements setting forth their respective responsibilities and obligations with respect to the Project.

**NOW, THEREFORE**, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. Pre-Development Activities. The University desires for the Project to be substantially complete and available for occupancy by August 1, 2026, and the Developer agrees to undertake to perform services pursuant to this LOI in order to make the Project available by such applicable date, subject to delays caused by the University or force majeure. Such schedule requires that the following pre-development activities (collectively, the “Pre-Development Activities”), all in consultation with and support from the University, be performed by the Developer and/or certain third parties engaged by the Developer:

- a. visits to the Site and attendance at meetings with representatives of the University;

- b. selection of design, engineering, construction and other professionals and consultants necessary for the planning, design, engineering, development, construction and financing of the Project and entering into contracts with any such professionals and consultants for the performance of such planning, design, engineering, development, construction or financing services; provided, however, that the Developer agrees and understands that the University selected the Developer through a competitive process and selection of the Developer was based, in part, on the project team submitted by the Developer to the University, therefore any changes to Developer's team must have prior approval from the University;
- c. utilization of previously prepared preliminary drawings, conceptual designs, and schematic designs by the University and preparation of preliminary specifications, design development and construction documents for the Project (the foregoing drawings, design, specifications and documents are referred to collectively herein as the "Plans") and preliminary construction pricing and preliminary development analysis related to the Project;
- d. detailed assessment of the Site, including title review, boundary/topographical surveys, investigation of existing underground utilities, soil borings and geotechnical testing, landscape drawings, water analysis, civil engineering analysis and/or environmental site assessment;
- e. soil and groundwater testing, and, if necessary, excavation and remediation of impacted soils in accordance with appropriate regulatory agencies ("Environmental Impacts");
- f. refinement of the Plans based upon any budget constraints and/or Site constraints and preparation of the final and complete Plans (including final and complete specifications) for the Project;
- g. preparation of a detailed development schedule;
- h. ongoing construction pricing based upon actual Site conditions, refined plans, and the development schedule for the Project;
- i. further assessment (along with University and its financial advisors) of the transaction structure and the related financing alternatives available for the Project;
- j. financial budget and pro forma analysis related to the development including design, construction, financing, operations, and management of the Project;
- k. obtaining all necessary governmental approvals and permits for the development and construction of the Project;

- l. preparation of a final development budget, including project GMP, for the Project, and, if applicable, the Parties (1) satisfying the requirements of any proposed financing, and (2) closing the financing;
- m. provide a 100% Payment and Performance Bond for the on-site construction component of the Pre-Development activities; and
- n. Any and all other activities necessary to evaluate and finalize the Project.

The Developer shall keep the University informed as to progress of all Pre-Development Activities. The Parties agree to reasonably and timely cooperate with one another in good faith in connection with the Project, the performance of the Pre-Development Activities and the granting of any required approvals in connection therewith.

Following preparation of the Plans, the Developer will submit the same to the University for its approval.

2. Entry Upon Site. The University hereby grants the Developer, its agents and employees, and third parties engaged by the Developer to provide Pre-Development Services during the term of this LOI, the right to enter upon the Site for the purpose of conducting Pre-Development Activities upon reasonable prior notice to the University in each instance that such entry is desired. Prior to any entry by the Developer and/or a third party on behalf of the Developer upon the Site, the Developer and/or such third party shall provide the University with evidence of commercial general liability insurance with minimum limits of liability of at least \$3,000,000 per occurrence/aggregate covering the performance by the Developer and/or such third party of the Pre-Development Activities, with such commercial general liability insurance policy naming the University as an additional insured, written by an insurer that is of recognized financial standing and rated A-VIII or better by A.M. Best.

3. Reimbursable Expenditures. The Parties agree that the Pre-Development Activities shall be performed directly by the Developer or by third parties engaged by the Developer and that all costs and expenses (including without limitation reasonable travel, meals and lodging) paid or incurred by the Developer or third parties engaged by the Developer in connection with the Pre-Development Activities (collectively, the "Pre-Development Reimbursables") shall be initially funded by the Developer. In the event that the University and the Developer enter into a Project Agreement (as hereinafter defined), the unpaid Pre-Development Reimbursables shall be included in the development budget and reimbursed to the Developer and/or the University from financing proceeds at the closing of construction financing related to the Project (or as otherwise set forth in the applicable Project Agreement). The Developer will advise the University as to the amounts, from time to time, but no less than monthly, of Pre-Development Reimbursables paid or incurred to date, and shall provide documentation to support such amounts. The Pre-Development Reimbursables shall not exceed the amount detailed in Exhibit B ("Pre-Development Expenses"). The Developer shall provide the University, from time to time, a schedule of Pre-Development Reimbursables projected to be paid or incurred in the future up to and including the date to which a Project Agreement is projected to be executed (the "Projected Pre-Development Reimbursables Schedule"). Any savings relative to the amount

detailed in Exhibit B shall accrue to the total project savings, which revert to the University at project completion.

Should unforeseen environmental conditions cause material delay or cause costs to exceed the Pre-Development Budget, the Developer shall promptly notify the University. Thereafter, the Developer and the University shall mutually agree to either: (1) increase the Pre-Development Budget to include these additional costs; (2) extend the Project schedule as necessary; or (3) terminate this LOI and reimburse the Developer in accordance with Section 6 hereof.

4. Work Product. The Plans, professional third-party reports commissioned by the Developer (such as environmental, geotechnical, survey and market study), and other work products prepared by or on behalf of the Developer (such as budgets, proformas and market studies) in connection with the Pre-Development Activities (collectively, the “Work Product”) are property of the Developer or third parties engaged by the Developer until and unless either (a) the Work Product is expressly assigned by the Developer to the University; (b) in the event Developer terminates this LOI after January 31, 2024 for no cause under Section 9, in which case Developer shall assign the Work Product to the University; or (c) in the event that this LOI is ever terminated for any other reason, the Developer receives complete reimbursement for all Pre-Development Reimbursables paid, incurred or otherwise committed to pay up to and including the date of such termination (but not to exceed the total amount of projected Pre-Development Reimbursables as set forth in the then-current Projected Pre-Development Reimbursables Schedule), at which time the Developer shall deliver to the University all originals of written documents or electronic information in the Developer’s possession constituting the Work Product (other than any such information which is proprietary to the Developer or its affiliates) and assign, or shall cause third party’s to assign, to the University all of the Developer’s or third party’s right, title and interest in and to such Work Product.

5. Project Agreement. The Parties acknowledge their intent to negotiate and potentially enter into further Project agreements which may include, but is not limited to, (a) a development agreement (b) a ground lease (whereby the Developer would ground lease the Site from the University and thereafter construct and finance the Project); (c) a facilities lease; (d) necessary financing agreements; and (e) other applicable definitive agreements (with such agreement, as applicable, being referred to herein as the “Project Agreement(s)”) related to the development, design and construction, and financing of the Project on the Site. The Parties agree to negotiate in good faith the terms and provisions of a Project Agreement to be executed by the Parties.

6. Reimbursement.

a. In the event that the University terminates this LOI pursuant to Section 9 hereof, the University shall reimburse the Developer an amount equal to the Pre-Development Reimbursables actually paid or incurred by the Developer as of the date of termination, not to exceed \$3,673,000. The Developer is at risk for any pre-development expenditure in excess of \$3,673,000, except as the Parties may otherwise agree pursuant to Section 3 above.

- b. In the event that, following any termination of this LOI, the University or any affiliate thereof thereafter utilizes the Plans, or any part thereof, to develop the Project without the Developer's involvement within three (3) years after the date of termination of this LOI, then the University shall reimburse the Developer for all Pre-Development Reimbursables (to the extent not theretofore reimbursed by University hereunder).
- c. In the event that the University shall be required to reimburse the Developer for any Pre-Development Reimbursables pursuant to Section 3 above and/or this Section 6, such reimbursement and/or payment shall be made within thirty (30) days after University's receipt of the Developer's invoice therefor.
- d. The University and the Developer acknowledge that, without the University's written agreement to reimburse the Developer for the Pre-Development Reimbursables pursuant to Section 3 above and this Section 6, the Developer would not be willing to incur Pre-Development Reimbursables. The terms and provisions of Section 3 above and this Section 6 shall survive any termination of this LOI.

7. Indemnity. The Developer shall indemnify and hold harmless the University, its officers, trustees, agents, employees and students from and against any and all liability, damage, loss, cost and expense (including, but not limited to, court costs and attorneys' fees) of any nature, including those for personal injury or property damage to the extent that such liability, damage, loss, cost or expense is caused by or is attributable to the negligence or willful misconduct of the Developer, its agents, employees or third parties engaged by the Developer in the performance of its covenants or obligations under this LOI.

8. Term. This LOI shall remain in full force and effect until the earlier of (a) mutual execution by the Parties of the Project Agreement(s) or (b) termination of this LOI by either Party pursuant to Section 9 hereof. Upon termination of this LOI, all obligations and liabilities of the Parties by reason of this LOI shall cease, except that any obligations or liabilities under Sections 6 and 7 hereof shall survive any termination or expiration of this LOI.

9. Termination. Either Party may terminate this LOI by written notice 30 days prior to termination to the other Party at any time for any or no reason. However, if Developer terminates this LOI under this Section 9 for no cause or reason after January 31, 2024, Developer shall assign the Work Product to University immediately without receiving payment of Pre-Development Reimbursables.

10. Assignment. The Developer may assign this LOI to an affiliate of the Developer upon written consent of the University, which shall not be unreasonably conditioned, withheld, or delayed. The term "affiliate" for purposes of this Section 10 shall mean any entity which is controlled by, controls, or is under common control with the Developer. The term "control" (including the terms "controlled," "controlled by" and "under common control with") shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management of an entity. This LOI may not otherwise be assigned by the Developer or the University without the written consent of the other Party.

11. Representations and Warranties.

- a. The Developer hereby represents and warrants to the University as follows:
- (i) This LOI is a valid obligation of the Developer and is binding upon and enforceable against the Developer in accordance with its terms; and
  - (ii) The consummation by the Developer of the transaction contemplated hereby does not, and will not, constitute a violation of any order, rule or regulation of any court or of any federal or state or municipal regulatory body or administrative agency or other governmental body having jurisdiction over the Developer.
- b. The University hereby represents and warrants to the Developer as follows:
- (i) This LOI is a valid obligation of the University and is binding upon and enforceable against the University in accordance with its terms; and
  - (ii) The consummation by the University of the transaction contemplated hereby does not, and will not, constitute a violation of any order, rule or regulation of any court or of any federal or state or municipal regulatory body or administrative agency or other governmental body having jurisdiction over the University.

12. Miscellaneous.

- a. This LOI may be executed in one or more counterparts, each of which shall be deemed an original. This LOI shall be binding upon and shall inure to the benefit of the University and the Developer and their respective successors and authorized assigns. This LOI shall be governed by and construed in accordance with the laws of the Commonwealth of Kentucky.
- b. The University hereby covenants with the Developer as follows: (i) in the event that approvals or consents of the University or any governmental authority are required in order for the Project to be properly authorized, the University shall take all actions reasonably within its power to obtain such approvals or consents and (ii) the University shall not take any action which would cause a change in the applicable building or development codes which are applicable to the design, development or construction of the Project.

*[Signatures follow on next page.]*



IN WITNESS WHEREOF, each of the Parties hereto has executed this LOI by an authorized representative effective as of the day and year first set forth above.

DEVELOPER:

**SIGNET KY DEVELOPMENT, LLC**


By: 

Name: Spencer Hyatt

Title: SVP, Managing Director


UNIVERSITY:

**UNIVERSITY OF KENTUCKY**

By: 

Name: ERIC N MUNDAY

Title: SUPFA

  
Digitally signed by  
Shannan Stamer  
Reason: Reviewed  
for form and  
legality  
Date: 2023.12.22  
09:53:18 -05'00'

**Exhibit A**

**Site**

**Exhibit B**

**Pre-Development Budget**

4875-8633-5640, v. 3





EXHIBIT B

PREDEVELOPMENT CASH FLOW  
UK HEALTHCARE - CANCER TREATMENT & AMBULATORY CENTER PARKING STRUCTURE

	January	February	March	April	May	June	July	August**	TOTAL	COMMENTS
<b>CONSTRUCTION</b>										
Preconstruction Fee - Walsh								\$ 75,000.00	\$ 75,000	Included in GMP/Paid after closing
Demolition (after Acquisition)										If needed
<b>TOTAL CONSTRUCTION</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000.00	\$ 75,000.00	
<b>A&amp;E FEES</b>										
Base Design Fee			\$ 100,000	\$ 400,000	\$ 25,000	\$ 554,000	\$ 25,000	\$ 2,099,000	\$ 3,203,000	Assumes increase Base Fee for Expansion
Misc. Design Consultants										
<b>TOTAL A&amp;E</b>	\$ -	\$ -	\$ 100,000	\$ 400,000	\$ 25,000	\$ 554,000	\$ 25,000	\$ 2,099,000	\$ 3,203,000	
<b>Other Soft Costs</b>										
Surveys and Testing		\$ 15,000	\$ 7,500		\$ 15,000	\$ 12,500			\$ 50,000	Surveys for Plat Combination/Legal
Permit & Impact Fees			\$ 25,000					\$ 175,000	\$ 175,000	
Geotech & Environmental			\$ 25,000	\$ 25,000					\$ 25,000	Additional Borings & Soils after Parcel Acquisition
Misc Testing			\$ 10,000						\$ 20,000	
Other Indirect Costs / Misc	\$ 0	\$ 15,000	\$ 44,500	\$ 25,000	\$ 25,000	\$ 12,500	\$ 0	\$ 175,000	\$ 295,000.00	
<b>TOTAL OTHER SOFT COSTS</b>	\$ 0	\$ 15,000.00	\$ 142,500.00	\$ 425,000.00	\$ 50,000.00	\$ 566,500.00	\$ 25,000.00	\$ 2,349,000.00	\$ 3,573,000.00	
<b>TOTAL</b>	\$ -	\$ -	\$ 157,500.00	\$ 582,500.00	\$ 632,500.00	\$ 1,199,000.00	\$ 1,224,000.00	\$ 3,573,000.00	\$ 3,573,000.00	
<b>CUMULATIVE TOTAL</b>	\$ -	\$ 15,000.00	\$ 157,500.00	\$ 582,500.00	\$ 632,500.00	\$ 1,199,000.00	\$ 1,224,000.00	\$ 3,573,000.00	\$ 3,573,000.00	

\*\*Target Finance Closing



## Preliminary New Bond Issue Report

Issue	Lease Purchase Obligations, Series 2024A (UK HealthCare Cancer Center Parking Project) and Lease Purchase Obligations, Taxable Series 2024B (UK HealthCare Cancer Center Parking Project)
Purpose of Issue	The construction of a ten-story (eight above ground), approximately 2,415 parking facility with direct access to the new Cancer Treatment/Ambulatory Outpatient Center which is planned to come online in 2027.
Estimated Date of Sale	August 28, 2024
Estimated Date of Delivery	September 18, 2024
Ratings	
Moody's	TBD
S&P	TBD

	Series 2024A (Tax-Exempt)	Series 2024B (Taxable)	Total
<b>Sources</b>			
Par Amount of Bonds	\$ 97,310,000	\$ 14,800,000	\$ 112,110,000
Premium	6,311,046	-	6,311,046
Cash Contribution for COI & UW	1,367,617	208,003	1,575,620
Total Sources	\$ 104,988,663	\$ 15,008,003	\$ 119,996,666
<b>Uses</b>			
Project Fund	\$ 103,620,000	\$ 14,800,000	\$ 118,420,000
Costs of Issuance	882,113	134,003	1,016,116
Underwriter Discount	486,550	74,000	560,550
Total Uses	\$ 104,988,663	\$ 15,008,003	\$ 119,996,666
All-in True Interest Cost	4.614%	6.005%	4.674%
Final Maturity Date	10/1/2054	10/1/2032	10/1/2054
Average Annual Debt Service	\$ 6,707,724	\$ 2,327,876	\$ 7,330,543
Total Net Debt Service	\$ 201,473,949	\$ 18,707,069	\$ 220,181,018
Average Life (years)	21.409	4.671	19.199

### Deal Summary

Method of Sale	Negotiated
University Counsel/ Disclosure Counsel	Dinsmore & Shohl
Special Counsel	Frost Brown Todd LLC
Underwriters' Counsel	Locke Lord LLP
Underwriters	BofA Securities, Inc., PNC Capital Markets LLC and Morgan Stanley & Co. LLC
Trustee	US Bank National Association
P3 Advisor	R.W. Baird

# FCR 13

Office of the President  
September 15, 2023

Members, Board of Trustees:

CONSTRUCT RETAIL/PARKING FACILITIES 1 AND 2  
(CANCER/AMBULATORY FACILITY PARKING – UK HEALTHCARE)  
CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Construct Retail/Parking Facilities 1 and 2 (Cancer/Ambulatory Facility Parking – UK HealthCare) 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: Pursuant to Administrative Regulation 8:2, any capital project with an estimated scope of \$1,000,000 or more must be approved by the Board prior to initiation.

At the December 13, 2022, meeting the Board approved the initiation of the construction phase of the new Cancer Treatment/Ambulatory Outpatient Center which is planned to come online in 2027. While the original scope of work included a parking structure to serve the facility, an opportunity has arisen to revise the project scope and repackage the parking structure separately into a P-3 construction delivery method as such would be in the best interest of the university.

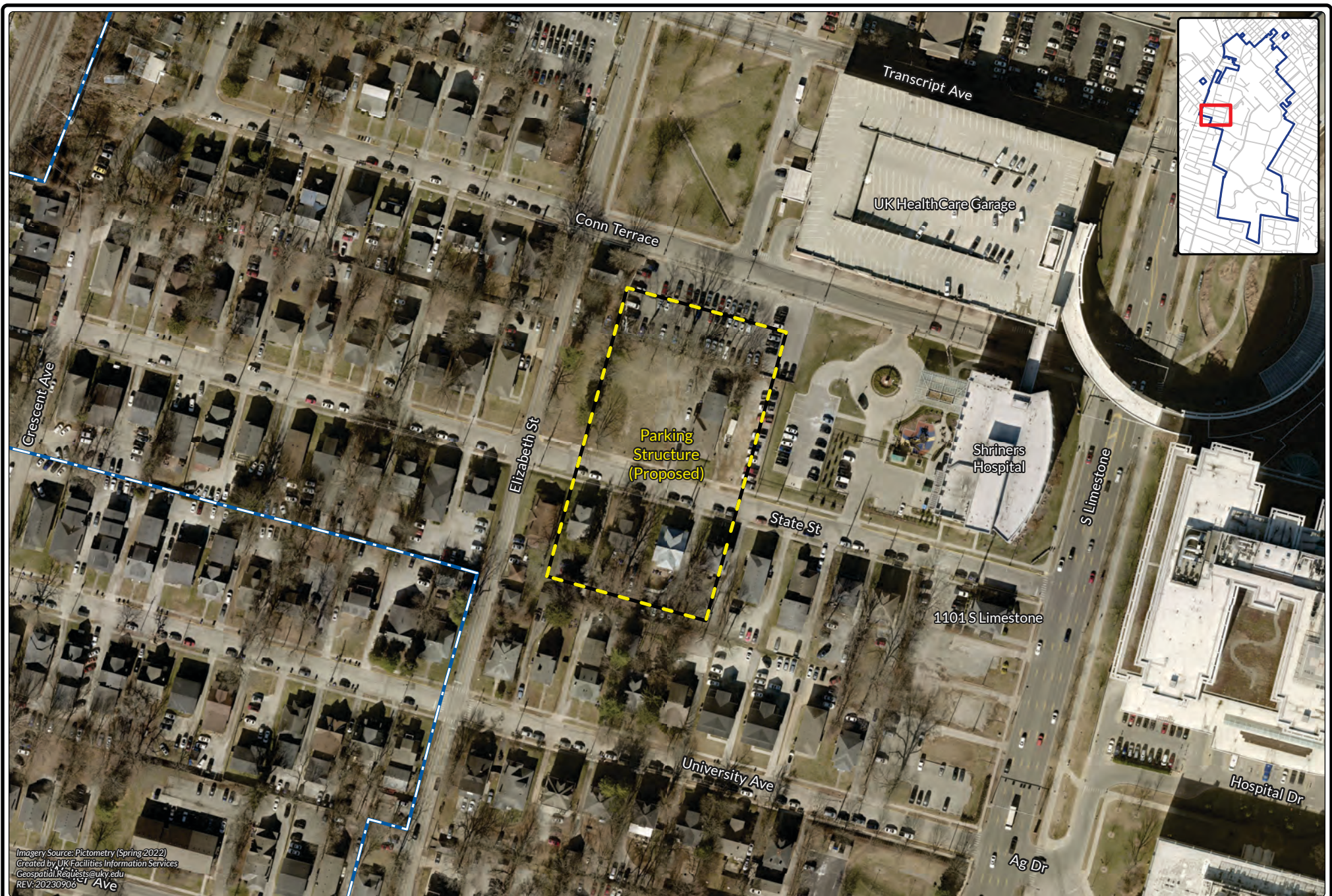
The entrance to the planned parking structure will be off a realigned Elizabeth Street and will accommodate approximately 2,400 vehicles with direct access to the new Cancer/Ambulatory Center for patient convenience. To further improve patient access and convenience, ample graphics and ticketing automation will be provided in the parking structure.

The revised combined scope of this project, authorized by the 2022 Session of the Kentucky General Assembly is \$120,000,000 and is well within the total legislation authorization of \$150,000,000. The project will be funded with third-party financing as a Public-Private Partnership pursuant to KRS Chapter 45A. Pending Board approval, the university will report the combination of the two legislative authorizations to the Capital Projects and Bond Oversight Committee.

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Action taken:     Approved             Disapproved             Other \_\_\_\_\_





Imagery Source: Pictometry (Spring 2022)  
Created by UK Facilities Information Services  
Geospatial.Requests@uky.edu  
REV: 20230906



# FCR 13 - CONSTRUCT RETAIL/PARKING FACILITIES 1 AND 2 (CANCER/AMBULATORY FACILITY PARKING - UK HEALTHCARE)





## DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is entered into as of this [\_\_\_\_ day of \_\_\_\_\_, 2024] (“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**, 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 UK-1896-19 (the “RFP”), dated October 8, 2018, soliciting proposals for the development of a new Mixed-Use Parking Garage (now known as the “Cornerstone”) to be developed on property located on the northwest corner of Winslow Street and South Limestone.

B. Pursuant to the RFP, the Developer was selected to negotiate with the University for the development of the Cornerstone, and any future parking related on-campus projects, including financing, design, construction, operations, and management, or any combination thereof.

C. Through a Letter of Intent dated December 22, 2023, 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, a new Parking Structure that will serve the to be built UK HealthCare Cancer Treatment/Ambulatory Outpatient Center (the “Project”). The Project will be developed at the Southeast corner of Elizabeth Street and Conn Terrace generally described or depicted on Exhibit A attached hereto (the “Site” a legal description of which is attached hereto as Exhibit A), which 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 Site in accordance with an authorization in H.B. 1 of the General Assembly, 2022 Regular Session, as enacted and vetoed in part, and in accordance with a resolution adopted by the University dated September 15, 2023, providing authorization of up to \$120,000,000 for the Project. Under these authorizations, the University is leasing the 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 2, LLC (“Signet KY RE”) (the “Ground Lease”), and Signet KY RE has agreed to lease from the University, the 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 Site.

E. Signet’s 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 Project will be financed through the issuance of Lease

Purchase Obligations, Series 2024A and Taxable Series 2024B (UK HealthCare Cancer Center Parking Project) by U.S. Bank Trust Company, National Association (the “Obligations”).

F. 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 Site in accordance with the Project timeline attached hereto as Exhibit D (the “Project Timeline”). The Project will be known as the “Cancer/Ambulatory Facility Parking – UK HealthCare Project,” or such other name as determined from time to time by the University. The Project will consist of a ten-level total, eight-level above ground garage, of approximately 2,415 parking spaces.

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 by all parties thereto; (b) issuance of the Obligations; (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, if any; (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 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 \$120 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 (except for the issuance of the Obligations in (b)) are not fully satisfied by July 31, 2024, this Agreement may be terminated by Signet, in which event the Ground Lease and Facilities Lease 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 \$3,673,000.00 (being the maximum amount provided in the Letter of Intent dated December 22, 2023, 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": Champlin Architecture
- (2) "General Contractor": Walsh Construction Company
- (3) "Structural Engineers": THP
- (4) "Civil Engineers": Bell Engineering

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 to coordinate connections between the Project and the neighboring Cancer/Ambulatory Center.

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 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 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) calendar 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) calendar 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 is included in the Project Timeline attached hereto as Exhibit D.

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) calendar 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) calendar 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 E. The current proposed Budget reflects a final, not to exceed, cost of the Project of \$120,000,000 (subject to modification by Change Orders). To the extent not otherwise paid with available capital of the University, the Project and all financing costs associated therewith shall be financed through the issuance of the Obligations having an original aggregate principal amount not in excess of \$120,000,000, and the Project Budget and Project Timeline shall take into account any applicable arbitrage rules requiring the timing of disbursement and use of funds. Notwithstanding any other provision of this Agreement, and subject to the preceding sentence, 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 F (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) calendar 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 Representative regarding the status of the Project’s 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 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 G (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 G;
- (b) Storage of equipment and materials for the construction of the Project; and
- (c) Short-term parking for Signet Parties while working on the Site, as shown on the plan attached hereto as Exhibit G.

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 is November 30, 2026 (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 (including milestones set by arbitration rules applicable to the financing); 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) calendar days. The term “Substantial Completion” shall mean the date on which: (a) Signet delivers the Certificate of Occupancy for the Parking Garage Component of the overall Project, 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 Parking Garage Component shall be defined by the Project Boundary outlined in Exhibit F of this Agreement. The University and Signet shall execute a written confirmation of the date of Substantial Completion.

The Parties agree that prior to Substantial Completion, Signet will strive to have the structure sufficiently complete to permit loading some levels of the Project with vehicles of

contractors working on the neighboring Cancer/Ambulatory Center project. The anticipated date for this loading ability is August 2026.

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).

For clarity, the Parties recognize that Substantial Completion as defined in this Section 2.3 may not include substantial completion of the non-Parking Garage Component if the Commonwealth of Kentucky, Department of Housing, Buildings and Construction will not issue a certificate of completion until the portions of the adjacent Cancer/Ambulatory Center connecting directly to the Project are also complete. If so, the remedies set forth in Section 5.2(b) will not be applicable so long as Signet has met the Substantial Completion requirements defined above in this Section 2.3.

#### 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.

(d) Signet shall coordinate with University consultants and contractors on the neighboring Cancer/Ambulatory Center, which will be connected to the Project on two different levels.

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) [Intentionally omitted];
- (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 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 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 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.

## 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) calendar 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 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 Site, including pedestrian and vehicular circuitry around the Site, traffic, other University construction adjacent to the Project, and nearby residents and businesses. 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 Site (to the extent such work is not being done by the University), and the University shall provide, at no additional cost to the University, reasonable assistance to Signet in obtaining all necessary utilities for the 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 Site and relocate, as necessary, any utility or other installations within such vacated rights-of-way or other areas of the 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, 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) [Intentionally omitted.]

(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 \$20,000,000 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) calendar 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) calendar 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 Site as the location for the Project. Accordingly, in the event Signet encounters any unforeseen conditions at the 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 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) calendar 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) calendar 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 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, including, without limitation, delays associated with connecting the Project to the Cancer/Ambulatory Center, or other offsite activities related to the construction of the Cancer/Ambulatory Center, (ii) unforeseen conditions described in Section 2.15, or (iii) Force Majeure, then beginning on December 16, 2026, Signet shall pay the University the following as liquidated damages for delay (but not as a penalty):

- i. \$ 15,818.80, which amount approximates the per-diem debt service obligation on the Obligations financing the Project, for each day that expires from and after December 16, 2026 until the Project reaches Substantial Completion; and
- ii. Reimbursement of any and all reasonable, temporary parking arrangements University makes for University employees, visitors, or contractors working on neighboring Cancer/Ambulatory Center construction project, including but not limited to rental of temporary parking space from third parties and shuttle transportation service from temporary parking areas to the Center construction site at reasonable regular intervals.

(c) 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 and the Facilities Lease, 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, or RFP regarding the construction and development of the Project,

then the terms of this Agreement will prevail. With respect to matters other than the construction and development of the Project, the Facilities Lease shall 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 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) calendar day following delivery of such 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: Academics, Finance, Students and Athletics legal group  
Email: shannan.stamper@uky.edu

With a copy to:

UK Real Estate Services



824 Bull Lea Run, Suite 210  
Lexington, Kentucky 40511  
Email: george.ward@uky.edu

If to Signet, to:

Signet KY Development, LLC  
c/o Signet Real Estate Group, LLC  
10201 Centurion Parkway N., Suite 402  
Jacksonville, Florida 32256  
Attention: Spencer Hyatt  
Telephone: 904-350-1314  
Email: shyatt@signetre.com

With a copy to:

Brennan Manna Diamond  
The Carnegie Building  
75 East Market Street  
Akron, Ohio 44308  
Attention: Lee S. Walko, Esq.  
Email: [lswalko@bmdllc.com](mailto:lswalko@bmdllc.com)

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) calendar days’ prior written notice to the other Party.

The initial University Representative shall be Raymond Hausz.

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 or Facilities Lease 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.

6.15 Equal Opportunity. While performing its construction of the Project under this Agreement, Signet shall comply with the University’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 the University’s policy concerning smoking.

*[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: \_\_\_\_\_  
Mark S. Corr, IV  
President and Chief Executive Officer

STATE OF OHIO     )  
                          ) SS:  
SUMMIT COUNTY    )

BEFORE ME, a Notary Public, in and for said county and state, personally appeared Mark S. Corr, IV, President and Chief Executive Officer of Signet Development, Ltd., sole member of Signet KY Development, LLC, an Ohio limited liability company, by Mark S. Corr, its President and 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 \_\_\_\_\_, 2024.

\_\_\_\_\_  
Notary Public

## **EXHIBIT A:**

### **Description of the Site**

The "Project" shall mean the design, development, development and construction of a new 10-story, 2,415 space parking structure that will serve the to be built UK HealthCare Cancer Treatment/Ambulatory Outpatient Center. The Project will be developed at the Southeast corner of Elizabeth Street and Conn Terrace.

**EXHIBIT B:**  
**Ground Lease**

GROUND LEASE

by and between

UNIVERSITY OF KENTUCKY,  
as Ground Lessor

and

SIGNET KY RE 2, LLC,  
as Ground Lessee

Dated as of  
[ ] \_\_, 2024

## GROUND LEASE

This GROUND LEASE (this “Ground Lease”), made and entered into as of [\_\_\_\_\_] \_\_\_\_\_, 2024, by and between the UNIVERSITY OF KENTUCKY, a public body corporate and an educational institution and agency of the Commonwealth of Kentucky, as ground lessor (the “Ground Lessor”) and SIGNET KY RE 2, LLC, a limited liability company organized and existing under the laws of the Commonwealth of Kentucky, as ground lessee (the “Ground Lessee”);

### WITNESSETH

WHEREAS, , the Ground Lessor is the owner of the real property and the improvements thereon described in Exhibit A attached hereto (the “Property”) and the Ground Lessor has agreed to lease the Property to the Ground Lessee under the terms and conditions hereof for use by the Ground Lessee in connection with the development, acquisition, construction, installation, equipping, and operation of an ten-story (eight above ground) parking garage for approximately 2,415 vehicles to be associated with the Ground Lessor (the “Improvements” and, together with the Property, the “Project”); and

WHEREAS, the Ground Lessor and the Ground Lessee, as a consequence of this Ground Lease, shall enter into a Facilities Lease, whereby the Ground Lessor will lease the Project, including without limitation the Property, from the Ground Lessee for the purpose of financing the costs of the Improvements (the “Facilities Lease”); and

WHEREAS, the Ground Lessee shall finance the costs of the Project by the issuance of the Lease Purchase Obligations, Series 2024A (UK HealthCare Cancer Center Parking Project) and Lease Purchase Obligations, Taxable Series 2024B (UK HealthCare Cancer Center Parking Project)(the “Obligations”) under a Trust Indenture (the “Indenture”), by and between the Ground Lessee and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”); and

WHEREAS, the obligations of the Ground Lessee to pay the Obligations shall be secured by the assignment of the rights of the Ground Lessee under the Facilities Lease to the Trustee under the Indenture pursuant to a Lease Assignment Agreement dated as of [\_\_\_\_\_] \_\_\_\_\_, 2024 (the “Lease Assignment”).

NOW THEREFORE, IN CONSIDERATION of the covenants and agreements of the parties hereto, as are hereinafter set forth, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each party hereto:

Section 1. Demise. Subject to and upon the terms, conditions, covenants, and undertakings hereinafter set forth, the Ground Lessor hereby leases to the Ground Lessee, and the Ground Lessee hereby leases from the Ground Lessor, the Property.

Section 2. Ground Lessor’s Representations and Warranties. The Ground Lessor hereby represents and warrants to and with the Ground Lessee that, as of the date hereof:



(a) As of the effective date of this Ground Lease, the Ground Lessor has good and merchantable title interest in the Property, has authority to enter into, execute, and deliver this Ground Lease, and has duly authorized the execution and delivery of this Ground Lease;

(b) The Property is located in Fayette County, Kentucky, constitutes the site upon which the Project will be developed, constructed, and operated, and the Ground Lessor has determined that the Property will be suitable and convenient for the Project through Ground Lessor's entering into this Ground Lease and the Facilities Lease, and the completion of the transactions contemplated thereby;

(c) The Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien, or encumbrance that would prohibit or materially interfere with the construction of the Project or the use of the Property, as contemplated by the Facilities Lease;

(d) All taxes, assessments, or impositions of any kind with respect to the Property, except current taxes, have been paid in full;

(e) There are no liens outstanding against the Property; and

(f) The Ground Lessor has authority to enter into, execute, and deliver this Ground Lease, and has duly authorized its execution and delivery.

Section 3. Ground Lessee's Warranties. The Ground Lessee covenants and warrants to the Ground Lessor that the Ground Lessee has authority to enter into, execute, and deliver this Ground Lease and the Facilities Lease, and has duly authorized the execution and delivery of this Ground Lease and the Facilities Lease.

Section 4. Term. The term (the "Term") of this Ground Lease shall commence as of the date first above written, and shall end upon the later of the date of termination of the Facilities Lease or the final date of payment of all principal of, premium, if any, and interest on the Obligations, together with the payment of all other amounts related thereto, to the registered holders of the Obligations, or their assignees, under the Indenture.

Section 5. Rent. The rent shall be One Dollar (\$1.00) per year payable in one installment of Thirty Dollars and Zero Cents (\$30.00) on the date hereof. The parties hereto affirm that (a) the consideration reflected in this Ground Lease is the full actual consideration paid for the leasehold interest in the Property transferred hereby and (b) the fair market value of the leasehold interest in the Property conveyed herein is the rent set forth in this Section.

Section 6. Lease. In further consideration of the authorization, execution, and delivery of this Ground Lease by each of the parties, the parties have entered into the Facilities Lease and agreed to carry out and perform their obligations thereunder.

Section 7. Use. The Ground Lessee shall develop and construct, the Project as provided in the Facilities Lease and the Development Agreement dated as of [\_\_\_\_\_] \_\_\_\_,

2024, by and between the Ground Lessor and Signet KY Development, LLC, an Ohio limited liability company and an affiliate of the Ground Lessee.

Section 8. Quiet Enjoyment. The Ground Lessor covenants that upon the Ground Lessee's paying the rent reserved herein, and performing all conditions and covenants set forth in this Ground Lease and the Facilities Lease, the Ground Lessee shall and may peaceably have, hold, and enjoy the Property for the term of this Ground Lease, subject to termination as provided in the Facilities Lease. The Ground Lessee covenants that upon expiration or termination of this Ground Lease it shall give the Ground Lessor peaceable possession of the Property, together with all improvements constructed thereon pursuant to the Facilities Lease.

Section 9. Assignment and Subletting. So long as the Facilities Lease is in effect Ground Lessor may sublet, mortgage, or otherwise encumber the Property only in accordance with the Facilities Lease.

Section 10. Ground Lessee's Default. The Ground Lessee's failure to observe or perform any of the obligations of Ground Lessee provided herein or in the Facilities Lease shall be an "event of default" or a "default" hereunder.

Section 11. Ground Lessor's Remedies. Upon the occurrence of an event of default by the Ground Lessee hereunder, which shall remain uncured for thirty days after receipt by the Ground Lessee of written notice from the Ground Lessor of such event of default, the Ground Lessor may thereafter or any time subsequently during the existence of such breach or default: (a) enter into and upon the Property and repossess the same, expelling and removing therefrom all persons and property, and (b) terminate this Ground Lease and hold the Ground Lessee liable for damages for its breach.

Section 12. Binding Effect. This Ground Lease shall be binding upon, and inure to the benefit of, the parties hereto, and their successors and assigns.

Section 13. Severability. If any section, paragraph, or clause of this Ground Lease shall be held invalid by any court of competent jurisdiction, the invalidity of such section, paragraph, or clause shall not affect any of the remaining provisions hereof.

Section 14. Counterpart Signatures. This Ground Lease may be signed in one or more counterparts, which together shall constitute one Ground Lease.

Section 15. Applicable Law. This Ground Lease shall be interpreted and enforced in accordance with the laws of the Commonwealth of Kentucky.

[Signature page to follow]

SIGNATURE PAGE TO GROUND LEASE

IN TESTIMONY WHEREOF, the University of Kentucky has caused this instrument to be executed in its name and on its behalf by its duly authorized Executive Vice President for Finance and Administration; and Signet KY RE 2, LLC has caused this instrument to be executed in its name and on its behalf by its duly authorized Member, effective as of the day and year first above written.

UNIVERSITY OF KENTUCKY, Ground  
Lessor

By: \_\_\_\_\_  
Name: Dr. Eric N. Monday  
Executive Vice President for Finance and  
Title: Administration

SIGNET KY RE 2, LLC, a Kentucky  
limited liability company, Ground Lessee

By: \_\_\_\_\_  
[ ]  
Member

[Continued on the following page]

COMMONWEALTH OF KENTUCKY )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing Ground Lease was acknowledged before me this \_\_\_\_\_, 2024, by Dr. Eric N. Monday, as Executive Vice President for Finance and Administration, of the University of Kentucky, a public body corporate and an educational institution and agency of the Commonwealth of Kentucky, on behalf of the University.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

Notary ID: \_\_\_\_\_

COMMONWEALTH OF KENTUCKY )  
 ) ss  
COUNTY OF \_\_\_\_\_ )

The foregoing Ground Lease was acknowledged before me this \_\_\_\_\_, 2024, by \_\_\_\_\_, as Member of the Signet KY RE 2, LLC, a Kentucky limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

Notary ID: \_\_\_\_\_

This instrument prepared by the undersigned  
Attorney at Law:

DINSMORE & SHOHL LLP  
101 South Fifth Street, Suite 2500  
Louisville, Kentucky 40202  
Phone: (502) 540-2300

\_\_\_\_\_  
Mark S. Franklin

EXHIBIT A  
TO  
GROUND LEASE

DESCRIPTION OF PROPERTY

\* \* \* \* \*

The Project is located on a portion of the Land referred to herein below is situated in the County of Fayette, State of Kentucky, and is described as follows:

Parcel A:

Being all of Lot No. 6, Block 1 in the Conn Terrace addition to the City of Lexington, Kentucky, a plat thereof being of record in Plat Cabinet E, Slide 357 (formerly Plat Book 2, Page 181), in the Office of the Clerk of the County Court of Fayette County, Kentucky and the improvements thereon being known and designated as 112 Conn Terrace.

Parcel B:

Being all of Lot No. 7 of the Conn Terrace Subdivision to the City of Lexington, Fayette County, Kentucky, as shown by map or plat thereof in Plat Book 2, Page 181 (now known as Plat Cabinet E, Slide 357), in the Fayette County Court Clerk's Office, the improvements thereon being known and designated as 114 Conn Terrace; and more particularly described as follows:

Beginning at a point in the south property line of Conn Terrace, and a comer to Lot No. 6, of Conn Terrace Subdivision, said point being 440 feet from South Limestone; thence northwest with said south line of Conn Terrace 50 feet to the line of Lot No. 8; thence southwest to the line of Rodes Addition; thence southeast with the line of Rodes Addition, 50 feet to the line of Lot No. 6; thence northwest with the line of Lot No. 6, 107.4 feet to the point of beginning.

Parcel C:

Being all of Lot No. 8 of the Conn Terrace Subdivision to the City of Lexington, Fayette County, Kentucky, as shown by map or plat thereof of record in Plat Cabinet E, Slide 357, in the Fayette County Court Clerk's Office, the improvements thereon being known and designated as 116 Conn Terrace.

Parcel D:

Located on the South side of Conn Terrace between Limestone and Elizabeth Streets and being all of Lot No. 9, Block "1" of the Conn Terrace Addition to the City of Lexington, Kentucky, as shown by plat of record in Plat Book 2, Page 181, in the Fayette County Court Clerk's Office.

Parcel E:

Lot No. 10 of Conn Terrace as shown by plat thereof, recorded in the Fayette County Clerk's Office in Plat Cabinet E, Slide 357, (formerly known as Plat Book 2, Page 181), beginning at a point in the south property line of Conn Terrace and comer to Lot No. 9 of said Conn Terrace Subdivision, said point being 590 feet from South Limestone Street; thence northeast with said south line of Conn Terrace 50 feet to the line of Lot No. 11; thence southwest with the line of Lot No. 11, 111 feet to the line of Rodes Addition; thence southeast with the line of Rodes Addition 50 feet to the line of Lot No. 9; thence northwest with Lot No. 9, 110.1 feet to the point of beginning.

Parcel F:

Being all of Lot 8, Block C, of the Rodes Addition, an addition to the City of Lexington, Fayette County, Kentucky, as shown by plat and map thereof of record in Plat Cabinet E, Slide 185, formerly Plat Book 2, Page 9, in the Office of the Clerk of the Fayette County Court, to which plat reference is hereby made for a more particular description, the improvements thereon being known as 125 State Street.

Parcel G:

Being all of Lot No. 9, Block "C", of the Rodes Addition Subdivision to the City of Lexington, Fayette County, Kentucky, as shown by plat thereof of record in Plat Cabinet E, Slide 185, in the Fayette County Clerk's Office. Said lot fronts on State Avenue in and said Addition a distance of Sixty (60) feet and extends back between parallel lines a distance of One Hundred and Fifty (150) feet; the improvements thereon being known and designated as 127 State Street, Lexington, Kentucky.

Parcel H:

Being all of Lot No. 10, Block "C", of the Rodes Subdivision, to the City of Lexington, Fayette County, Kentucky, as shown by plat of record in Plat Cabinet E, Slide 185, in the Fayette County Clerk's Office, to which reference is hereby made for a more particular description of the property, the improvements thereon being known and designated as 129 State Street, Lexington, Kentucky.

Parcel I:

All that tract or parcel of land near the City of Lexington, County of Fayette and State of Kentucky and now known as residence of 139 State Street; being 55 feet off the southeasterly side of Lot 11, Block C of the Rodes Addition to the City of Lexington, Kentucky, as shown by the plat of record in the Fayette County Court Clerk's Office in Plat Cabinet E, Slide 185, said lot fronting 55 feet on the northerly side of State Street and extending back in a northerly direction a distance of 150 feet.

Parcel J:

All that lot or parcel of land with improvements thereon known as 143 State Street, near the City of Lexington, in the County of Fayette and State of Kentucky, being all of Lot No. 12 in Block "C," and the adjoining five (5) feet of Lot No. 11, in Block "C," fronting State Street a distance of fifty-five (55) feet, and running back between parallel lines a distance of one hundred and fifty (150) feet, in the Rodes Addition or Subdivision of the City of Lexington, Kentucky, as shown by plat recorded in Plat Book 2, Page 9, in the Clerk's office of the Fayette County Clerk.

Parcel K:

Being all of Lot No. 19, Block B of the Rodes Addition to the City of Lexington as shown of record in Plat Book 2, Page 9, in the Fayette County Clerk's Office; the improvements thereon being known as 120 State Street, Lexington, Kentucky.

Parcel L:

Being all of Lot 18, Block "B", Rodes Addition, Fayette County, Kentucky as shown on the plat thereof of record in Plat Cabinet E, Slide 185, Fayette County Clerk's Office, to which plat

reference is hereby made for a more particular description of said property; the improvements thereon being known and designated as 130 132 State Street.

Parcel M:

Being all of Lot 16, Block "B", Rodes Addition, Fayette County, Kentucky, as shown on the plat thereof of record in Plat Cabinet E, Slide 185, Fayette County Clerk's office, to which plat reference is hereby made for a more particular description of said property; the improvements thereon being known and designated as 138 State Street.

Parcel N:

All of Lot Number 15 in Block "B" fronting fifty (50) feet on State Avenue and extending back one hundred and fifty (150) feet, in the Rodes Addition or subdivision to the City of Lexington, as is shown by plat thereof recorded in Fayette County Clerk's Office, in Plat Cabinet E, Slide 185, formerly known as Plat Book No. 2, Page 9, to which plat reference is made for a more particular description of the property; the improvements thereon being known and designated as 144 State Street.

Parcel O:

All that tract or parcel of land located in the City of Lexington, in Fayette County, Kentucky, the improvements thereon known as 127 University Avenue, and more fully described as follows: Being Lot No. 10 of Block "B" of the Rodes Addition, to the city of Lexington as shown on plat of record in Plat Book 2, Page 9, in the office of the County Court Clerk of Fayette County, Kentucky, to which reference is herein made for a more particular description, said lot fronting 60 feet on the north side of University Avenue and extending back in a northerly direction between parallel lines and at right angles [sic] to University Avenue 150 feet.

Parcel P:

Being all of Lot No. 11, Block B of Rodes Addition to the City of Lexington as shown by plat of record in Plat Cabinet E, Slide 185, in the Fayette County Clerk's Office; the improvements being known as 131 University Avenue.

Parcel Q:

Being all of Lot No. 12, Block "B", of the Rodes Addition Subdivision, Lexington, Fayette County, Kentucky, as shown by plat thereof of record in Plat Cabinet E, Slide 185, in the Fayette County Clerk's Office, said property being also known as 135 University Avenue.

Parcel R:

Being all of Lot 13, Block B, as shown on the plat of Rodes Addition, Lexington, Fayette County, Kentucky, a plat which is found of record in Plat Cabinet E, Slide 185, of the Fayette County Clerk's Office; said premises being known and designated as 137 University Avenue, Lexington, Kentucky.

Parcel S:

Being Lot No. 14 in Block B and fronting on University Avenue fifty (50) feet and running back between parallel lines a distance of one hundred fifty (150) feet, in the Rodes Place Subdivision to the City of Lexington, as is shown in plat recorded in Plat Book 2, Page 9 (erroneously referred to

as Plat Book 2, Page 8 in prior deeds) now known as Plat Cabinet E, Slide 185 in the Fayette County Court Clerk's Office, the improvements on said property being known as 141 University Avenue, Lexington, Kentucky.

Parcel T:

All of Lot No. 22 of the Addition to the Limecrest Subdivision to the City of Lexington, Kentucky, as shown by plat of record in Plat Book 2, Page 126, in the office of the Clerk of the Fayette County Court; said lot fronts fifty (50) feet on the south side of Conn Terrace and runs back between parallel lines a distance of one hundred twelve (112) feet; the improvements on said premises being known and designated as No. 122 Conn Terrace.

Parcel U:

Being all of Lot 17, Block B, in the Rodes Addition to the City of Lexington, Fayette County, Kentucky, as shown by map or plat thereof of record in Plat Cabinet E, Slide 185, in the Fayette County Court Clerk's Office; and the improvements thereon being known and designated as 136 State Street, Lexington, Kentucky.



**EXHIBIT C:**

**Facilities Lease**

**FACILITIES LEASE**

By and Between the

**UNIVERSITY OF KENTUCKY**

As University

And

**SIGNET KY RE 2, LLC**

As Facilities Lessor

Dated as of \_\_\_\_\_, 2024

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## FACILITIES LEASE

This Facilities Lease is made and entered into as of \_\_\_\_\_, 2024 (this “Facilities Lease” or “Lease”), by and between the **UNIVERSITY OF KENTUCKY**, party of the first part (the “University” or “Facilities Lessee”) and **SIGNET KY RE 2, LLC**, a Kentucky limited liability company, party of the second part, its successors and assigns (the “Facilities Lessor”).

### WITNESSETH:

**WHEREAS**, the University issued a Request for Proposal UK-1896-19 (the “RFP”), dated October 8, 2018, soliciting proposals for the development of a new Mixed-Use Parking Garage (now known as the “Cornerstone”) to be developed on property located on the northwest corner of Winslow Street and South Limestone;

**WHEREAS**, pursuant to the RFP, Signet Real Estate Group, LLC (“Signet”) was selected to negotiate with the University for the development of the Cornerstone, and any future parking related on-campus projects, including financing, design, construction, operations, and management, or any combination thereof;

**WHEREAS**, through a Letter of Intent dated December 22, 2023, Signet’s affiliate, Signet KY Development, LLC (“Developer”), 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, a new parking structure that will serve the to be built UK HealthCare Cancer Treatment/Ambulatory Outpatient Center (as further described below, the “Project”). The Project will be developed at the Southeast corner of Elizabeth Street and Conn Terrace generally described or depicted on Exhibit B attached hereto (the “Site” a legal description of which is attached hereto as Exhibit B), which Site is, or will prior to the commencement of construction be, owned in fee simple by the University;

**WHEREAS**, under the Developer’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 to be recorded in the real estate records of Fayette County, Kentucky;

**WHEREAS**, the Developer pursuant to a Development Agreement (as hereinafter defined) will cause the development of a ten-story garage (eight above ground) of approximately 2,415 parking spaces (the “Project”), to be constructed on the 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 Trust Company, 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) Lease Purchase Obligations, Series 2024A (UK HealthCare Cancer Center Parking Project) and (ii) Lease Purchase Obligations, Taxable Series 2024B (UK HealthCare Cancer Center Parking Project), collectively evidencing a Proportionate Interest (as defined in the Indenture hereinafter defined) in Base Rent to be paid by the University (collectively, the “Obligations”), pursuant to a Trust Indenture dated as of \_\_\_\_\_, 2024 (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;

**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 (i) with respect to any particular Lease Payment, the portion of such Lease Payment not reflected on Exhibit A attached hereto, which may be comprised of (a) Rebate Amounts payable by Facilities Lessee to the Trustee under the Indenture; (b) Extraordinary fees and expenses of the Trustee; (c) insurance proceeds related to the Project to be received by the Trustee in accordance with this Facilities Lease or the Indenture; or (d) condemnation proceeds related to the Project to be received and applied by the Trustee in accordance with this Facilities Lease or the Indenture, and (ii) with respect to all Lease Payments remaining to be paid on any particular date hereunder, the sum of all items described in clause (i) of this definition then remaining to be paid (which may or may not be known on the date of such determination).

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

“Architect” means Champlin Architecture.

“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 (i) with respect to any particular Lease Payment, the portion of such Lease Payment comprised of principal and interest and the ordinary fees of the Trustee identified for such Lease Payment described on Exhibit A attached hereto, and (ii) with respect to all Lease Payments remaining to be paid on any particular date hereunder, the sum of all items described in clause (i) of this definition then remaining to be paid.

“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.

“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.

“Closing Date” means the date of initial delivery of the Obligations 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 2, 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 Walsh Construction Company.

“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 [REDACTED], 2024 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 Trust Agreement, as amended.

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

“General Receipts Trustee” means the trustee under the General Receipts Trust Agreement.

“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 [REDACTED], 2024 between the University of Kentucky, as fee owner, and the Company, as ground lessee, whereby the University of Kentucky has leased the 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 Site for the Project, comprised of a ten story (eight above ground) structure for parking, administrative, support and other uses, as set forth in the Plans and Specifications.

“Indenture” means the Trust Indenture dated as of \_\_\_\_\_, 2024 between the Facilities Lessor and the Trustee, pursuant to which the Obligations are being issued and delivered, as supplemented or amended.

“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 Obligations, and the Indenture.

“Lease Payment Date” means March 20, 2025, and each September 20 and March 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 3 hereof.

“Obligation Payment Date” means the semi-annual dates set forth in the Indenture for the payment of interest on the Obligations, being each April 1 and October 1, commencing April 1, 2025.

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

“Obligations” means the Series A Obligations and the Series B Obligations, which, executed and delivered by the Trustee pursuant to the Indenture, collectively evidencing the

proportionate interests of the Owner thereof in this Facilities Lease, including payments of Base Rent to be made by the University hereunder, and in the Project.

“Original Purchasers” means BofA Securities, Inc., PNC Capital Markets LLC, and Morgan Stanley & Co. LLC.

“Outstanding”, when used with reference to the Obligations and as of any particular date, means all Obligations theretofore delivered except: (a) any Obligation cancelled by the Trustee on or before said date, (b) any Obligation in lieu of or in substitution for which another Obligation shall have been delivered pursuant to the Indenture, and (c) Obligations which are deemed paid in accordance with the Indenture.

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

“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 new parking structure that will serve the to be built UK HealthCare Cancer Treatment/Ambulatory Outpatient Center, at the Southeast corner of Elizabeth Street and Conn Terrace, adjacent to the campus of the University of Kentucky.

“Project Completion Date” means the date of Substantial Completion as defined in the Development Agreement.

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

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

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

“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.

“Series A Obligations” means Lease Purchase Obligations, Series 2024A (UK HealthCare Cancer Center Parking Project).

“Series B Obligations” means Lease Purchase Obligations, Taxable Series 2024B (UK HealthCare Cancer Center Parking Project).

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

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

“Termination Date” means October 1, 2054.

“Trustee” means U.S. Bank Trust Company, 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 Construction Fund, the Obligation Payment Fund, and the Rebate Fund.

“University” means the University of Kentucky.

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 the University and the Facilities Lessee does hereby demise, lease and rent the Project from the Facilities Lessor, as provided herein. All leasehold rights granted to the University by the Facilities Lessor under this Facilities Lease shall vest in the University without further action on the part of the Facilities Lessor; provided, however, that the 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 March 20, 2025.

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, the University hereby grants to the 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, General Receipts Obligations currently existing or that may be issued or entered into from time to time under the General Receipts Trust Agreement; provided that the amount of General Receipts pledged hereunder is expressly limited to the Base Rent that is due and unpaid pursuant to Section 4 hereof. The foregoing pledge is made on a parity with respect to payment and security with all other existing and future indebtedness of the University comprising “Subordinate Indebtedness” under the General Receipts Trust Agreement.

SECTION 3. TERM. The term of this Facilities Lease (the “Lease Term”) will be for the period which begins on the date of this Facilities Lease and which ends on the first to occur of the following (the “Termination Date”):

- (a) October 1, 2054; 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 this 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 Obligations are required to be made under the Indenture and for which amounts are not then on

deposit in the Obligation Payment Fund and available to make payments of the principal of, or interest on, the Obligations in full. All payments of Base Rent shall be made to the Trustee, as assignee of the Facilities Lessor, in immediately available funds, at such place as the Trustee may reasonably specify. Payments of Base Rent shall be applied first to the principal of and interest in the Obligations that is then due and then to the regular fees of the Trustee then due. 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 Obligation 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.

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 the University represents that the use of the Project will be essential to its proper, efficient, and economic operation.

SECTION 5. DEVELOPMENT OF PROJECT; CONTROL AND MANAGEMENT OF THE PROJECT ON AND AFTER THE PROJECT COMPLETION DATE. Facilities Lessor or its affiliates shall develop the Project in accordance with the Development Agreement. Facilities Lessor shall control the development, acquisition, construction, installation, and equipping of the Project to, but excluding, the Project Completion Date. Except as may otherwise be set forth herein, on and after the Project Completion Date, the University shall manage and operate the Project, including, without limitation, the payment of all management, operating, and maintenance costs related thereto. Facilities Lessor, as the fee owner of the Improvements, shall fully cooperate with the University to ensure continual and uninterrupted supply of utilities to the Project during the Lease Term. Facilities Lessor shall not be responsible for the quality, quantity, interruption or failure in the supply of any utility to the Project when such supply is affected by conditions beyond the control of Facilities Lessor.

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 [REDACTED], 2034, 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 Obligation 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 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 Site under the Ground Lease, and (vi) easements, conditions and matters incorporated in any subdivision plat approved by the Lexington Fayette Urban County Government.

Additionally, in the event of (i) destruction or damage by fire or other casualty to the Project rendering more than twenty five percent (25%) of the Leased Premises either untenable or undesirable for its intended use, or (ii) condemnation or taking of a substantial portion of the Project by a governmental entity, the University has the option to make mandatory extraordinary redemption of the Obligations in whole pursuant to Section 2.07 of the Indenture, by paying the Purchase Price for the Project as described in the second paragraph of this Section 6.

**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 Developer shall be responsible for payment before they become delinquent, of any ad valorem taxes (if any) that may be assessed against the fee or any leasehold interest held by the Facilities Lessor prior to Substantial Completion of the Project. After Substantial Completion, the University shall be responsible for the payment before they become delinquent, of any ad valorem taxes (if any) that may be assessed against any fee or leasehold ownership interest held by Facilities Lessor or University in the Project, and shall have the right to contest such liability or the amount of 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. If 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 the Series A Obligations, the interest on which is exempt from federal income taxation received by the Owners of the Series A Obligations, and that, as a result, the Code imposes certain limitations on the uses of proceeds of the Series A Obligations. The University will comply with all restrictions, limitations and requirements that are necessary to maintain the exclusion of the interest portion of Series A Obligations 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 A Obligations interest column of Exhibit A becoming subject to federal income taxation.

Additionally, 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 (as defined in the Development Agreement), in securing in an expeditious manner, Certificate of Occupancy for the Parking Garage Component of the overall Project. The "Parking Garage Component" shall be defined by the Project Boundary outlined in Exhibit F of the Development Agreement. 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, 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 successor statute), or through the State Fire and Tornado Insurance Fund (as provided in KRS 56.065 et. seq.), 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 Obligations. All such insurance coverage shall name the Facilities Lessor, the Facilities Lessee 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.

**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 (including during construction of the Project or thereafter) 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, or made available to, the Facilities Lessor from insurance in force during the construction phase of the Project, or from proceeds of casualty insurance carried by the University following completion of the Improvements, or from proceeds of casualty insurance on the Project that has been assigned to the Trustee and made available to the Facilities Lessor), 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, 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 its intended use by the University, 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.

No loss or destruction of, damage to, defect in, or unfitness or obsolescence of, the 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 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 sole 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 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 the Certificate of Occupancy, during the term of this Facilities Lease, 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 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 Facilities Lessee shall be filed with the Kentucky Board of Claims, as set forth in KRS 49.030 et. seq. In the event the Kentucky Board of Claims shall be dissolved, or if claims against the University shall no longer be subject to determination by the Kentucky Board of Claims, 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 Substantial Completion (as defined in 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. 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 for the Series A Obligations. 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 Lease Payments 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 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 Obligation Payment Fund sufficient moneys to make the payments of principal of, and interest on, the Obligations on the next ensuing interest payment date for the Obligations, 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 respective due date therefore, 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 sixty (60) 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 under Exhibit A hereto, 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 General Receipts Obligations that are outstanding under the General Receipts Trust Agreement and (ii) no default exists, or with the passage of time would exist, under the General Receipts Trust Agreement.

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 Owners of 25% or more the Obligations shall, declare this Facilities Lease to be terminated on the 30<sup>th</sup> 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 reasonable 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. [Intentionally omitted.]

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. TERMINATION OF THE FACILITIES LEASE. UPON THE PAYMENT BY THE UNIVERSITY OF ALL LEASE PAYMENTS DUE HEREUNDER AND THE PAYMENT IN FULL OR DEFEASANCE OF ALL OBLIGATIONS PURSUANT TO SECTION 8.02 OF THE INDENTURE, 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.

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, or upon receipt of electronic confirmation of receipt in the event of delivery by electronic mail (provided that a copy of such correspondence is also delivered by one of the methods described herein within one (1) calendar day following delivery of such electronic mail) 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: Academics, Finance, Students and Athletics Group  
Email: [shannan.stamper@uky.edu](mailto:shannan.stamper@uky.edu)

With a copy to:

UK Real Estate Services  
824 Bull Lea Run, Suite 210  
Lexington, Kentucky 40511  
Email: [george.ward@uky.edu](mailto:george.ward@uky.edu)

or at such other address as to which the University gives notice to Facilities Lessor.

If to Facilities Lessor:

Signet KY RE 2, LLC  
19 North High Street  
Akron, Ohio 44308  
Email: [shyatt@signetre.com](mailto:shyatt@signetre.com)

With a copy to:

Brennan Manna Diamond  
The Carnegie Building  
75 East Market Street  
Akron, Ohio 44308  
Attn: Lee S. Walko, Esq.  
Email: [lswalko@bmdllc.com](mailto:lswalko@bmdllc.com)

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 Trust Company, National Association  
U.S. Bank Corporate Trust

435 N. Whittington Parkway  
Louisville, Kentucky 40222

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 the provision of this Facilities Lease and the Development Agreement relating to the development and construction of the Project, the provisions of the Development Agreement shall prevail, and with respect to matters other than the construction and development of the Project, the 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 Owners may consent to any amendment to the Lease which in its judgment is not to the prejudice of the Trustee or the 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 Owners of not less than a majority in aggregate principal amount of the Obligations 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 Obligation executed and delivered under the Indenture, or a reduction in the principal with respect to any Obligation or the rate of interest or prepayment premium with respect thereto, unless each Owner so

affected consents; or (ii) in a privilege or priority of any Obligation over any other Obligation, or a reduction in the aggregate principal with respect to the Obligations required for consent to such amendment, unless the Owners of all of the Obligations 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 Obligations, including any principal amortization date, or the date fixed for prepayment of the Obligations, 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 Obligations.

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 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.

*[Remainder of Page Intentionally Blank;  
Signatures Appear on the Following Page.]*

IN WITNESS WHEREOF, Facilities Lessor and the University have caused their duly authorized representatives to execute this Facilities Lease.

**SIGNET KY RE 2, 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 OHIO )  
 ) SS  
COUNTY OF SUMMIT )

On this \_\_\_\_ day of \_\_\_\_\_, before me, a Notary Public in and for said County, personally appeared \_\_\_\_\_, manager of Signet KY RE 2, 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 \_\_\_\_\_. 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 and Purchase Price Schedule

Lease Payment Date	Series 2024A Obligations		Series 2024B Obligations		Trustee Fees	Total Payments	Optional Purchase Price
	Principal	Interest	Principal	Interest			
3/20/2025					[\$ .00]		
9/20/2025	-				-		
3/20/2026					[\$ .00]		
9/20/2026	-				-		
3/20/2027					[\$ .00]		
9/20/2027	-				-		
3/20/2028					[\$ .00]		
9/20/2028	-				-		
3/20/2029					[\$ .00]		
9/20/2029	-				-		
3/20/2030					[\$ .00]		
9/20/2030	-				-		
3/20/2031					[\$ .00]		
9/20/2031	-				-		
3/20/2032					[\$ .00]		
9/20/2032	-				-		
3/20/2033					[\$ .00]		
9/20/2033	-				-		
3/20/2034					[\$ .00]		
9/20/2034	-				-		
3/20/2035					[\$ .00]		
9/20/2035	-				-		
3/20/2036					[\$ .00]		
9/20/2036	-				-		
3/20/2037					[\$ .00]		
9/20/2037	-				-		
3/20/2038					[\$ .00]		
9/20/2038	-				-		
3/20/2039					[\$ .00]		
9/20/2039	-				-		
3/20/2040					[\$ .00]		
9/20/2040	-				-		
3/20/2041					[\$ .00]		
9/20/2041	-				-		

Lease Payment Date	Series 2024A Obligations		Series 2024B Obligations		Trustee Fees	Total Payments	Optional Purchase Price
	Principal	Interest	Principal	Interest			
3/20/2042					[\$ .00]		
9/20/2042	-				-		
3/20/2043					[\$ .00]		
9/20/2043	-				-		
3/20/2044					[\$ .00]		
9/20/2044	-				-		
3/20/2045					[\$ .00]		
9/20/2045	-				-		
3/20/2046					[\$ .00]		
9/20/2046	-				-		
3/20/2047					[\$ .00]		
9/20/2047	-				-		
3/20/2048					[\$ .00]		
9/20/2048	-				-		
3/20/2049					[\$ .00]		
9/20/2049	-				-		
3/20/2050					[\$ .00]		
9/20/2050					[\$ .00]		
3/20/2051					[\$ .00]		
9/20/2051					[\$ .00]		
3/20/2052					[\$ .00]		
9/20/2052					[\$ .00]		
3/20/2053					[\$ .00]		
9/20/2053					[\$ .00]		
3/20/2054					[\$ .00]		
<b>Total</b>							

(1) The applicable Purchase Price is the remaining principal balance of the Series 2024 Obligations after payment of Base Rent due on such date. Accrued interest on the Series 2024 Obligations through the date of payment of the Purchase Price is also payable in addition thereto.

## EXHIBIT B

### Site

The Project is located on a portion of the Land referred to herein below is situated in the County of Fayette, State of Kentucky, and is described as follows:

#### Parcel A:

Being all of Lot No. 6, Block 1 in the Conn Terrace addition to the City of Lexington, Kentucky, a plat thereof being of record in Plat Cabinet E, Slide 357 (formerly Plat Book 2, Page 181), in the Office of the Clerk of the County Court of Fayette County, Kentucky and the improvements thereon being known and designated as 112 Conn Terrace.

#### Parcel B:

Being all of Lot No. 7 of the Conn Terrace Subdivision to the City of Lexington, Fayette County, Kentucky, as shown by map or plat thereof in Plat Book 2, Page 181 (now known as Plat Cabinet E, Slide 357), in the Fayette County Court Clerk's Office, the improvements thereon being known and designated as 114 Conn Terrace; and more particularly described as follows:

Beginning at a point in the south property line of Conn Terrace, and a corner to Lot No. 6, of Conn Terrace Subdivision, said point being 440 feet from South Limestone; thence northwest with said south line of Conn Terrace 50 feet to the line of Lot No. 8; thence southwest to the line of Rodes Addition; thence southeast with the line of Rodes Addition, 50 feet to the line of Lot No. 6; thence northwest with the line of Lot No. 6, 107.4 feet to the point of beginning.

#### Parcel C:

Being all of Lot No. 8 of the Conn Terrace Subdivision to the City of Lexington, Fayette County, Kentucky, as shown by map or plat thereof of record in Plat Cabinet E, Slide 357, in the Fayette County Court Clerk's Office, the improvements thereon being known and designated as 116 Conn Terrace.

#### Parcel D:

Located on the South side of Conn Terrace between Limestone and Elizabeth Streets and being all of Lot No. 9, Block "1" of the Conn Terrace Addition to the City of Lexington, Kentucky, as shown by plat of record in Plat Book 2, Page 181, in the Fayette County Court Clerk's Office.

#### Parcel E:

Lot No. 10 of Conn Terrace as shown by plat thereof, recorded in the Fayette County Clerk's Office in Plat Cabinet E, Slide 357, (formerly known as Plat Book 2, Page 181), beginning at a point in the south property line of Conn Terrace and corner to Lot No. 9 of said Conn Terrace Subdivision, said point being 590 feet from South Limestone Street; thence northeast with said south line of Conn Terrace 50 feet to the line of Lot No. 11; thence southwest with the line of Lot No. 11, 111 feet to the line of Rodes Addition; thence southeast with the line of Rodes Addition 50 feet to the line of Lot No. 9; thence northwest with Lot No. 9, 110.1 feet to the point of beginning.

#### Parcel F:

Being all of Lot 8, Block C, of the Rodes Addition, an addition to the City of Lexington, Fayette County, Kentucky, as shown by plat and map thereof of record in Plat Cabinet E, Slide 185, formerly Plat Book 2, Page 9, in the Office of the Clerk of the Fayette County Court, to which plat

reference is hereby made for a more particular description, the improvements thereon being known as 125 State Street.

Parcel G:

Being all of Lot No. 9, Block "C", of the Rodes Addition Subdivision to the City of Lexington, Fayette County, Kentucky, as shown by plat thereof of record in Plat Cabinet E, Slide 185, in the Fayette County Clerk's Office. Said lot fronts on State Avenue in and said Addition a distance of Sixty (60) feet and extends back between parallel lines a distance of One Hundred and Fifty (150) feet; the improvements thereon being known and designated as 127 State Street, Lexington, Kentucky.

Parcel H:

Being all of Lot No. 10, Block "C", of the Rodes Subdivision, to the City of Lexington, Fayette County, Kentucky, as shown by plat of record in Plat Cabinet E, Slide 185, in the Fayette County Clerk's Office, to which reference is hereby made for a more particular description of the property, the improvements thereon being known and designated as 129 State Street, Lexington, Kentucky.

Parcel I:

All that tract or parcel of land near the City of Lexington, County of Fayette and State of Kentucky and now known as residence of 139 State Street; being 55 feet off the southeasterly side of Lot 11, Block C of the Rodes Addition to the City of Lexington, Kentucky, as shown by the plat of record in the Fayette County Court Clerk's Office in Plat Cabinet E, Slide 185, said lot fronting 55 feet on the northerly side of State Street and extending back in a northerly direction a distance of 150 feet.

Parcel J:

All that lot or parcel of land with improvements thereon known as 143 State Street, near the City of Lexington, in the County of Fayette and State of Kentucky, being all of Lot No. 12 in Block "C," and the adjoining five (5) feet of Lot No. 11, in Block "C," fronting State Street a distance of fifty-five (55) feet, and running back between parallel lines a distance of one hundred and fifty (150) feet, in the Rodes Addition or Subdivision of the City of Lexington, Kentucky, as shown by plat recorded in Plat Book 2, Page 9, in the Clerk's office of the Fayette County Clerk.

Parcel K:

Being all of Lot No. 19, Block B of the Rodes Addition to the City of Lexington as shown of record in Plat Book 2, Page 9, in the Fayette County Clerk's Office; the improvements thereon being known as 120 State Street, Lexington, Kentucky.

Parcel L:

Being all of Lot 18, Block "B", Rodes Addition, Fayette County, Kentucky as shown on the plat thereof of record in Plat Cabinet E, Slide 185, Fayette County Clerk's Office, to which plat reference is hereby made for a more particular description of said property; the improvements thereon being known and designated as 130 132 State Street.

Parcel M:

Being all of Lot 16, Block "B", Rodes Addition, Fayette County, Kentucky, as shown on the plat thereof of record in Plat Cabinet E, Slide 185, Fayette County Clerk's office, to which plat reference is hereby made for a more particular description of said property; the improvements thereon being known and designated as 138 State Street.

Parcel N:

All of Lot Number 15 in Block "B" fronting fifty (50) feet on State Avenue and extending back one hundred and fifty (150) feet, in the Rodes Addition or subdivision to the City of Lexington, as is shown by plat thereof recorded in Fayette County Clerk's Office, in Plat Cabinet E, Slide 185, formerly known as Plat Book No. 2, Page 9, to which plat reference is made for a more particular description of the property; the improvements thereon being known and designated as 144 State Street.

Parcel O:

All that tract or parcel of land located in the City of Lexington, in Fayette County, Kentucky, the improvements thereon known as 127 University Avenue, and more fully described as follows: Being Lot No. 10 of Block "B" of the Rodes Addition, to the city of Lexington as shown on plat of record in Plat Book 2, Page 9, in the office of the County Court Clerk of Fayette County, Kentucky, to which reference is herein made for a more particular description, said lot fronting 60 feet on the north side of University Avenue and extending back in a northerly direction between parallel lines and at right angles [sic] to University Avenue 150 feet.

Parcel P:

Being all of Lot No. 11, Block B of Rodes Addition to the City of Lexington as shown by plat of record in Plat Cabinet E, Slide 185, in the Fayette County Clerk's Office; the improvements being known as 131 University Avenue.

Parcel Q:

Being all of Lot No. 12, Block "B", of the Rodes Addition Subdivision, Lexington, Fayette County, Kentucky, as shown by plat thereof of record in Plat Cabinet E, Slide 185, in the Fayette County Clerk's Office, said property being also known as 135 University Avenue.

Parcel R:

Being all of Lot 13, Block B, as shown on the plat of Rodes Addition, Lexington, Fayette County, Kentucky, a plat which is found of record in Plat Cabinet E, Slide 185, of the Fayette County Clerk's Office; said premises being known and designated as 137 University Avenue, Lexington, Kentucky.

Parcel S:

Being Lot No. 14 in Block B and fronting on University Avenue fifty (50) feet and running back between parallel lines a distance of one hundred fifty (150) feet, in the Rodes Place Subdivision to the City of Lexington, as is shown in plat recorded in Plat Book 2, Page 9 (erroneously referred to as Plat Book 2, Page 8 in prior deeds) now known as Plat Cabinet E, Slide 185 in the Fayette County Court Clerk's Office, the improvements on said property being known as 141 University Avenue, Lexington, Kentucky.

Parcel T:

All of Lot No. 22 of the Addition to the Limecrest Subdivision to the City of Lexington, Kentucky, as shown by plat of record in Plat Book 2, Page 126, in the office of the Clerk of the Fayette County Court; said lot fronts fifty (50) feet on the south side of Conn Terrace and runs back between parallel lines a distance of one hundred twelve (112) feet; the improvements on said premises being known and designated as No. 122 Conn Terrace.

Parcel U:

Being all of Lot 17, Block B, in the Rodes Addition to the City of Lexington, Fayette County, Kentucky, as shown by map or plat thereof of record in Plat Cabinet E, Slide 185, in the Fayette County Court Clerk's Office; and the improvements thereon being known and designated as 136 State Street, Lexington, Kentucky.

**EXHIBIT D:**  
**Project Timeline**  
**(Subject to change)**

<u>Activity</u>	<u>Completion</u>
OFFSITE- UK Utility Relocation	9/24/2024
<b><i>Mobilization (excl. Early Release &amp; Predrilling)</i></b>	<b><i>9/25/2024</i></b>
Excavation & Site	1/22/2025
Deep Foundations	5/21/2025
Stair Tour & Elevators Pour	7/25/2025
Foundation Walls	12/16/2025
Elevated Decks & Ramps	7/13/2026
Façade & Curtain Walls	9/18/2026
Elevator (North) Installation	9/22/2026
Install Parking Entrance & FFE	9/22/2026
Elevator (South) Installation	12/14/2026
Owner Move-In & Turnover	
<b><i>Delivery of Garage/Substantial Completion</i></b>	<b><i>12/1/2026</i></b>

**EXHIBIT E:**  
**Form of Budget Update**  
**(Still under development)**



**Exhibit F:**  
**Preliminary Site Plans**  
**(Subject to Change)**

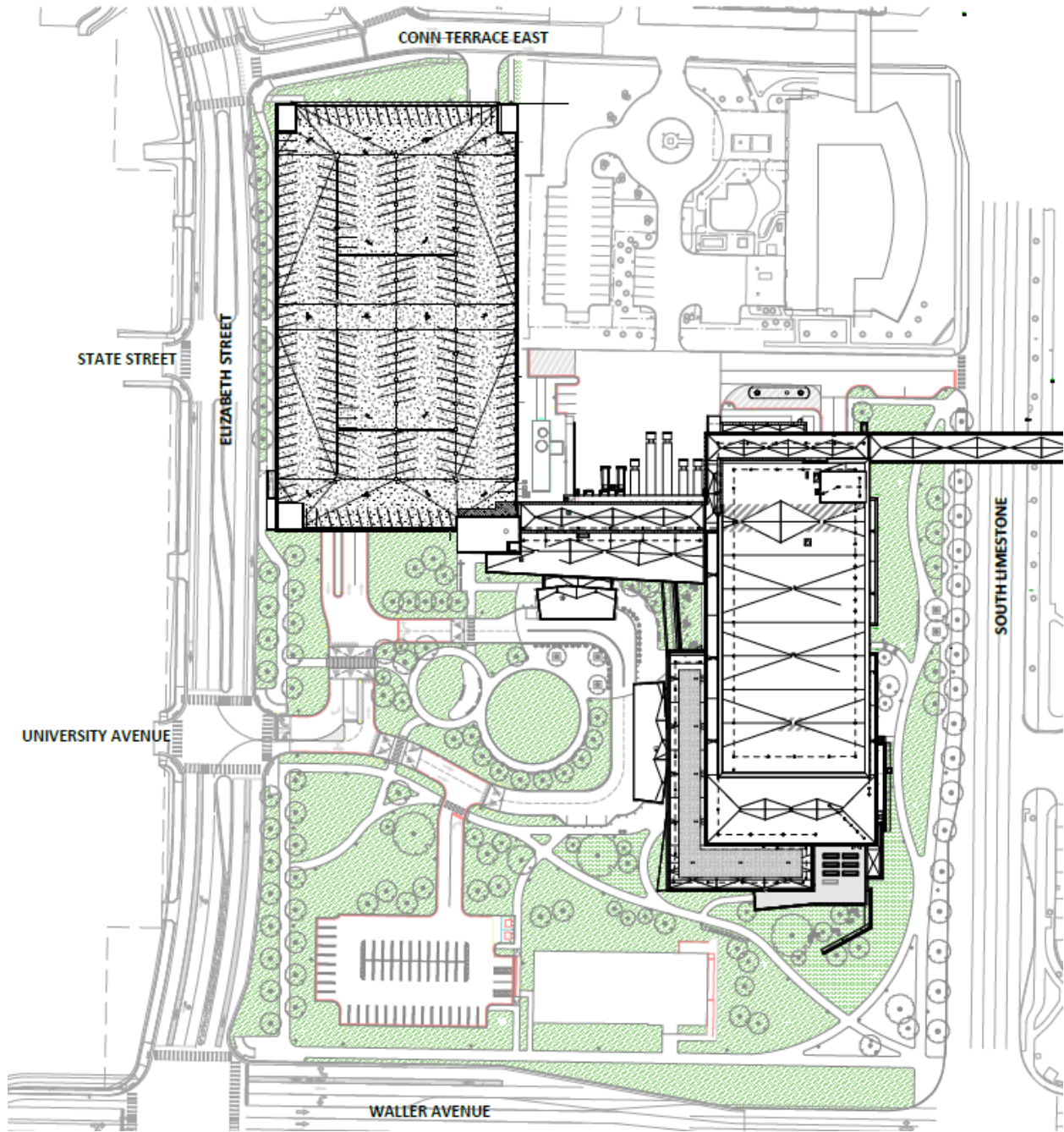


Exhibit F-1

**PARKING GARAGE PROJECT SITE PLAN**

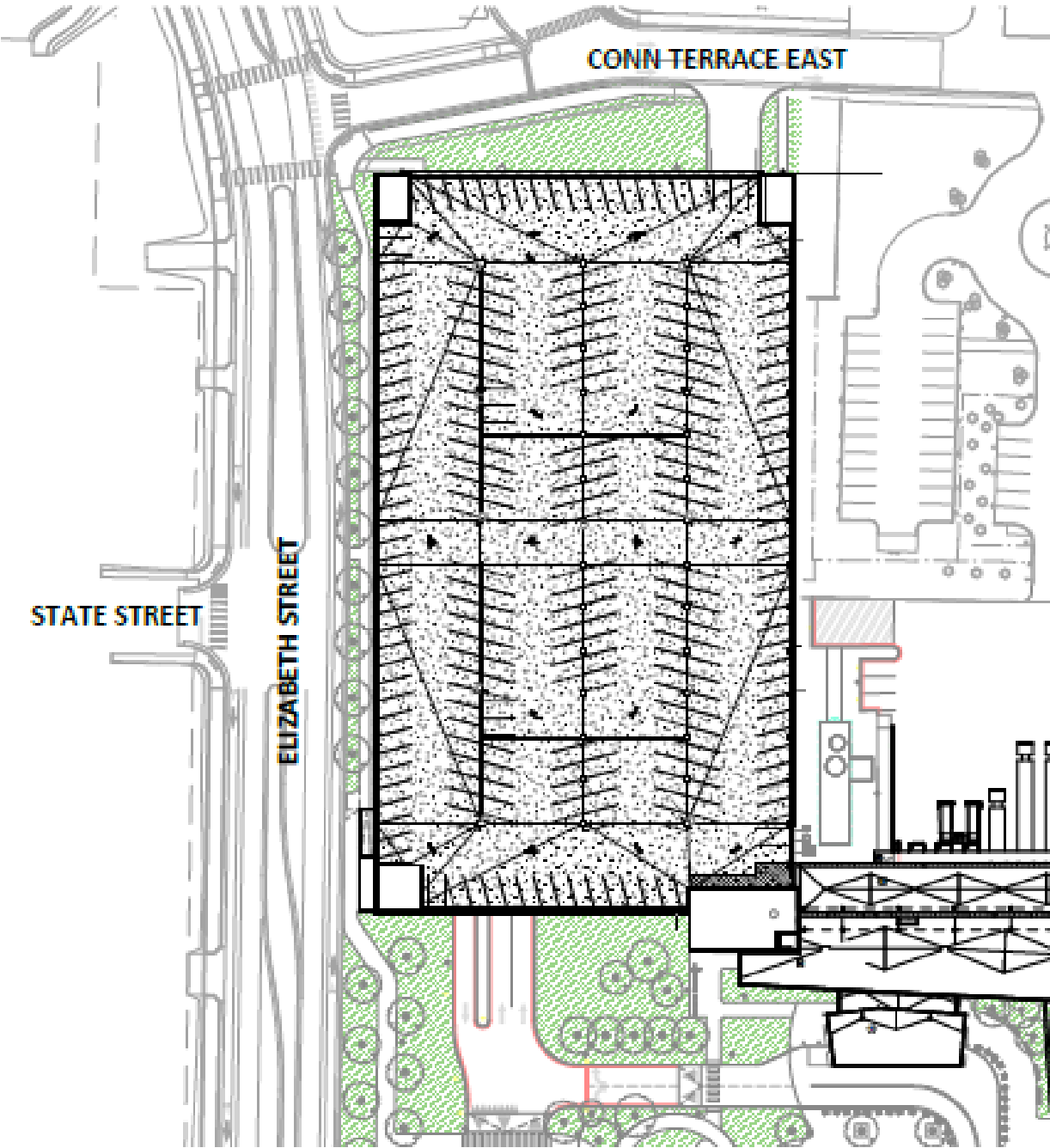


Exhibit F-2

**SITE PLAN WITH PROJECT BOUNDARY LINE**

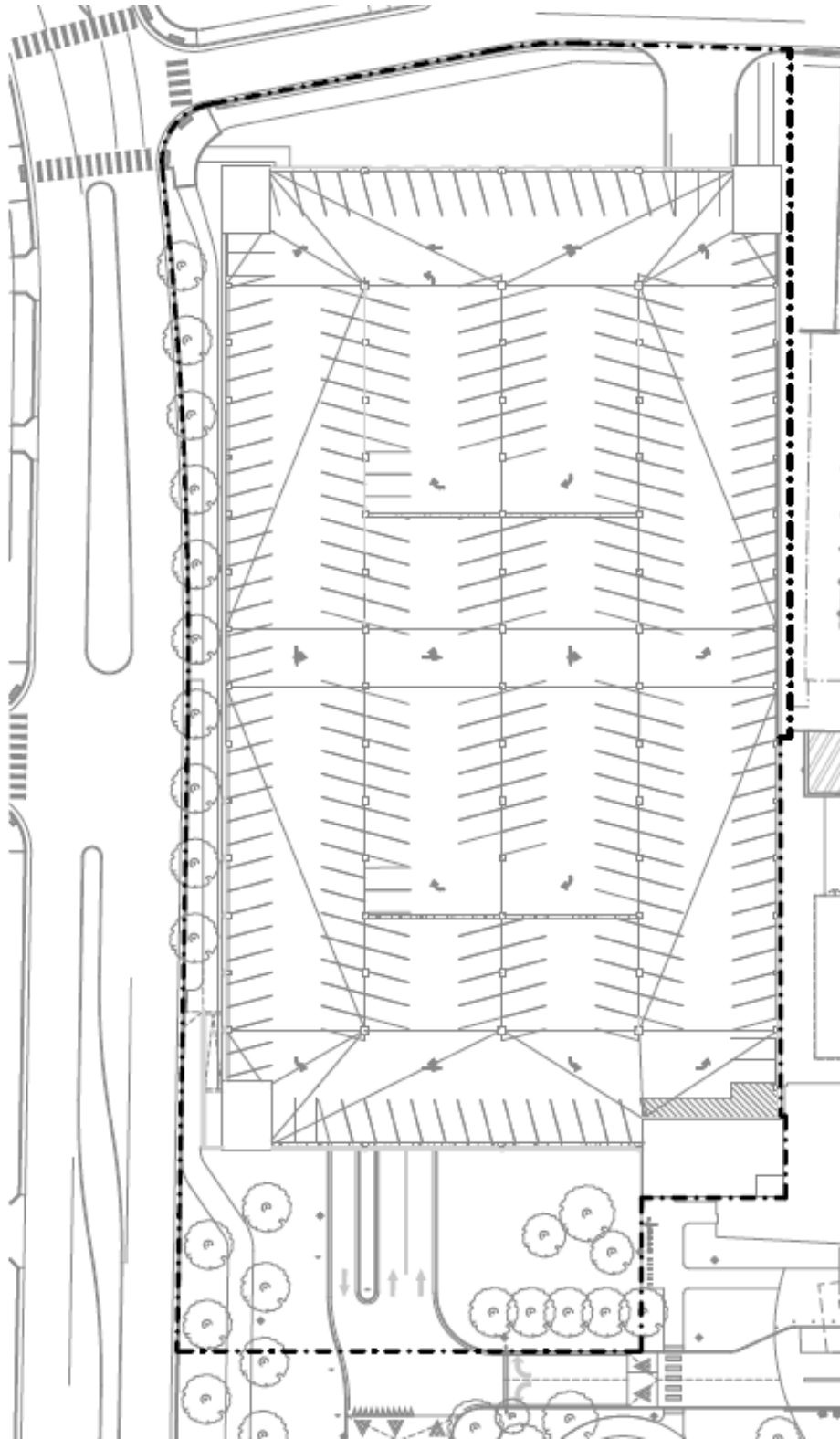


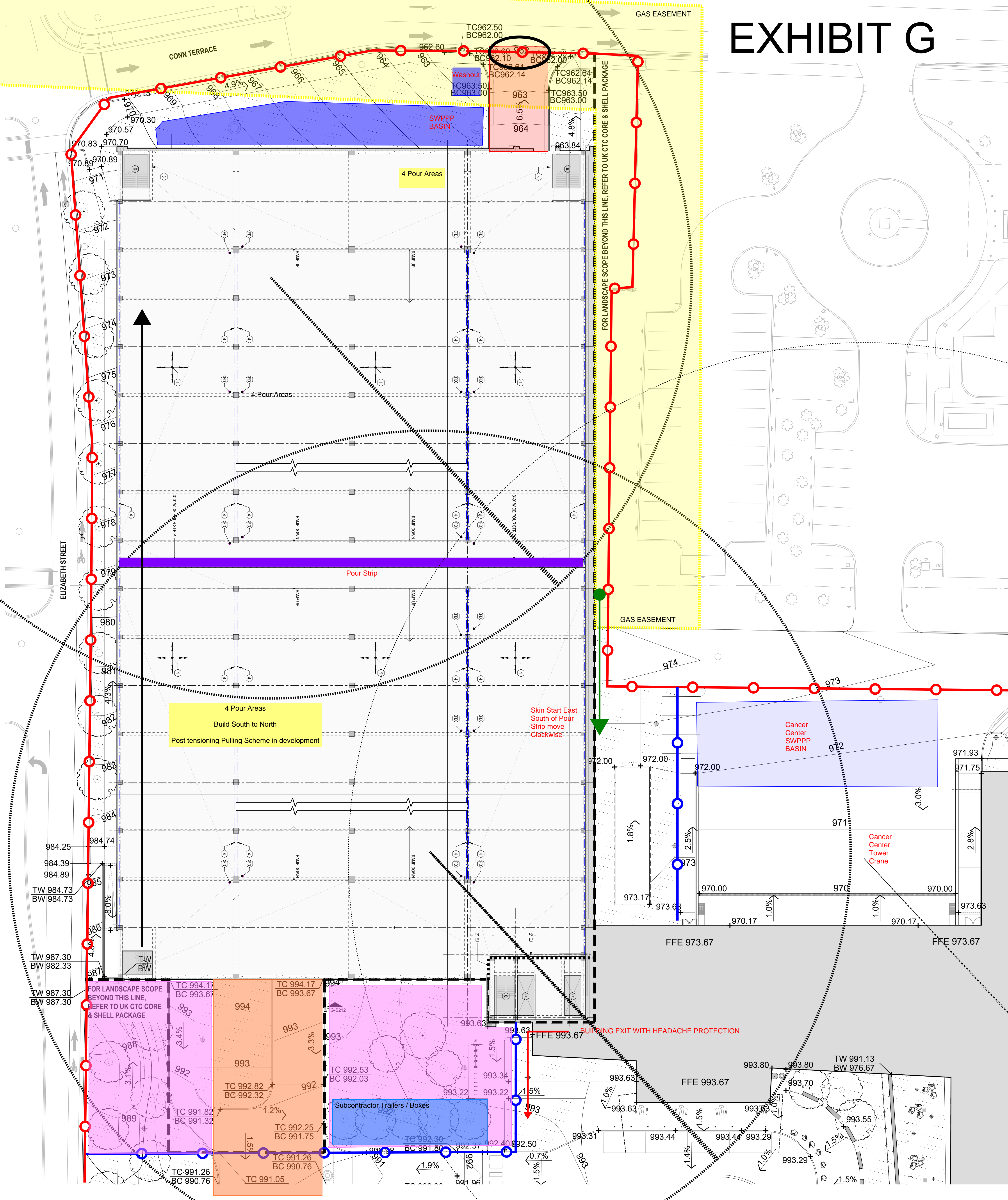
Exhibit F-3

**EXHIBIT G:**

**Staging Areas & Site Mobilization Plan**

**(Subject to Change)**

# EXHIBIT G



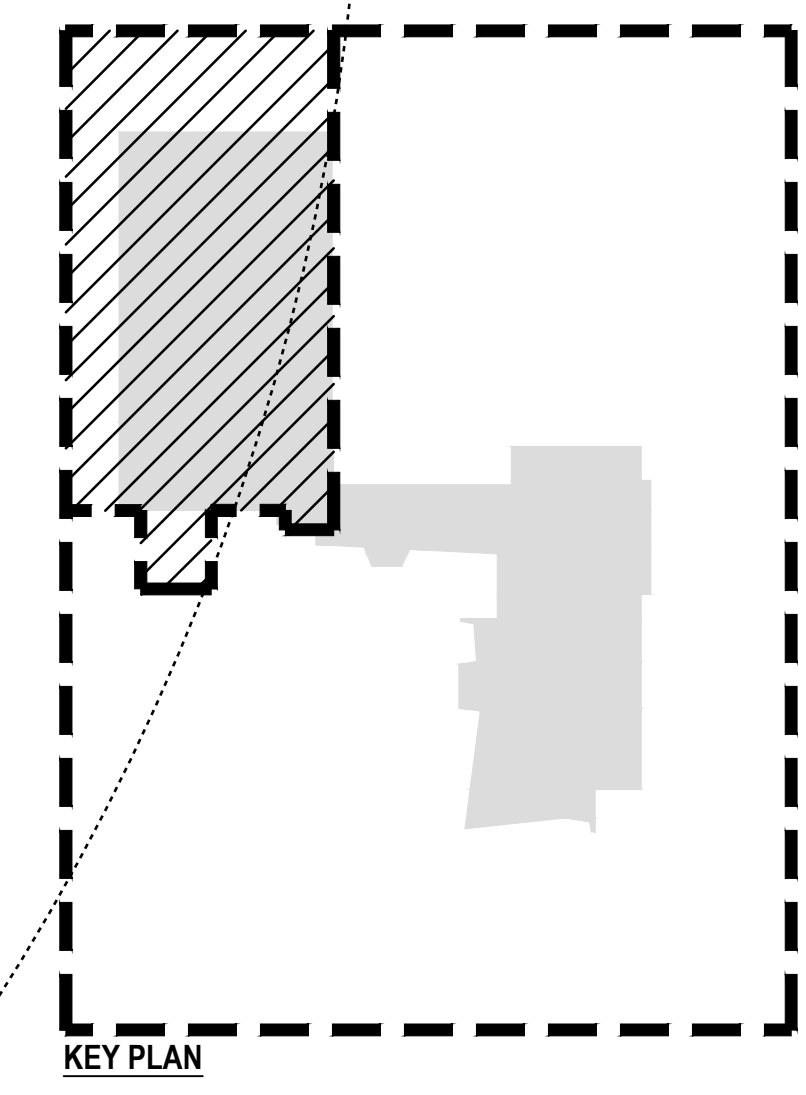
### Key

- PRIMARY SITE FENCELINE FOR MAJORITY OF JOB DURATION
- Administrative line between CTC and Garage
- PERMANENT VEHICLE GATE LOCATION
- Tower Crane Radius
- SWPPP CONSTRUCTION ENTRANCES.
- TRAILER LOCATION
- ASPHALT LAYDOWN / DRIVE
- STONE LAYDOWN
- SWPPP BASIN

### GRADING LEGEND

- PROJECT LIMIT LINE
- PROPOSED PLANTING
- BUILDING
- EXISTING CONTOUR (MAJOR)
- EXISTING CONTOUR (MINOR)
- PROPOSED CONTOUR (MINOR)
- PROPOSED CONTOUR (MAJOR)
- + (XXX.XX) EXISTING SPOT ELEVATION
- + XXX.XX PROPOSED SPOT ELEVATION
- ← XX.X% DIRECTION OF SURFACE DRAINAGE FLOW ROUTE
- XX.XX  
XXXX T/B SPOT ELEVATION

- ### GRADING PLAN NOTES
1. CONTRACTOR SHALL VERIFY ALL EXISTING GRADES IN THE FIELD AND REPORT ANY DISCREPANCIES TO THE LANDSCAPE ARCHITECT. CONTRACTOR SHALL STAKE ALL ELEVATIONS TO BE APPROVED BY THE LANDSCAPE ARCHITECT BEFORE CONSTRUCTION.
  2. ALL LINES AND GRADE WORK NOT PRESENTLY ESTABLISHED AT THE SITE SHALL BE LAID OUT BY A REGISTERED LAND SURVEYOR OR PROFESSIONAL CIVIL ENGINEER EMPLOYED BY THE CONTRACTOR IN ACCORDANCE WITH THE CONTRACT DOCUMENTS. CONTRACTOR SHALL ESTABLISH PERMANENT BENCHMARKS AND BOUNDS AND REPLACE ANY WHICH ARE DESTROYED OR DISTURBED.
  3. SPOT ELEVATIONS SHALL GOVERN OVER PROPOSED CONTOURS.
  4. CONTRACTOR SHALL ENSURE CONSISTENT SLOPE BETWEEN SPOT ELEVATIONS.
  5. AT RIDGE LINES, HIGH POINTS AND LOW POINTS, CONTRACTOR SHALL TRANSITION GRADE TO AVOID A POINT OR SHARP EDGE.
  6. SEE CIVIL DRAWINGS FOR ALL AREA DRAIN LOCATIONS AND INVERT LOCATIONS.
  7. ALL WORK PERFORMED IN A PUBLIC RIGHT-OF-WAY SHALL MEET THE REQUIREMENTS OF THE LOCAL MUNICIPALITY
  8. CONTRACTOR SHALL NOT PERFORM WORK OUTSIDE THE DESIGNATED SITE BOUNDARY. IF FIELD CONDITIONS WARRANT OFF-SITE GRADING, PERMISSION SHALL BE OBTAINED BY CONTRACTOR FROM THE AFFECTED PROPERTY OWNERS.
  9. ALL SIDEWALKS, STOOPS, TERRACES AND OTHER PAVED AREAS SHALL SLOPE AWAY FROM BUILDING(S) AT 2.0% MAXIMUM.
  10. FOR SLOPE CONSTRUCTION 3:1 AND STEEPER THE CONTRACTOR SHALL COORDINATE WITH A GEOTECHNICAL ENGINEER ON THE SUITABILITY OF SOILS PLANNED FOR THESE SLOPES AND FOLLOW RECOMMENDATIONS SET FORTH BY THE GEOTECHNICAL ENGINEER FOR SLOPE CONSTRUCTION. TOP SOIL PLACEMENT ON SLOPES SHALL BE INSTALLED IN A BENCHED PATTERN.



2333 Alexandria Drive  
Lexington, KY 40504  
T 859.331.5995  
thinkchamplin.com  
THINK CREATE REALIZE

420 North 5th Street, Suite 100  
Minneapolis, Minnesota 55401  
Telephone 612.758.4000

**UKHC Cancer Center  
Parking Garage**  
LEXINGTON, KENTUCKY

### ISSUANCES

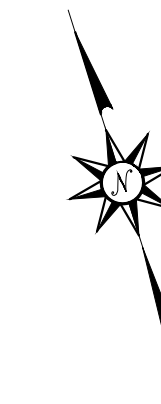
No.	Description	Date
		5/6/24

No.	Description	Date
		5/6/24

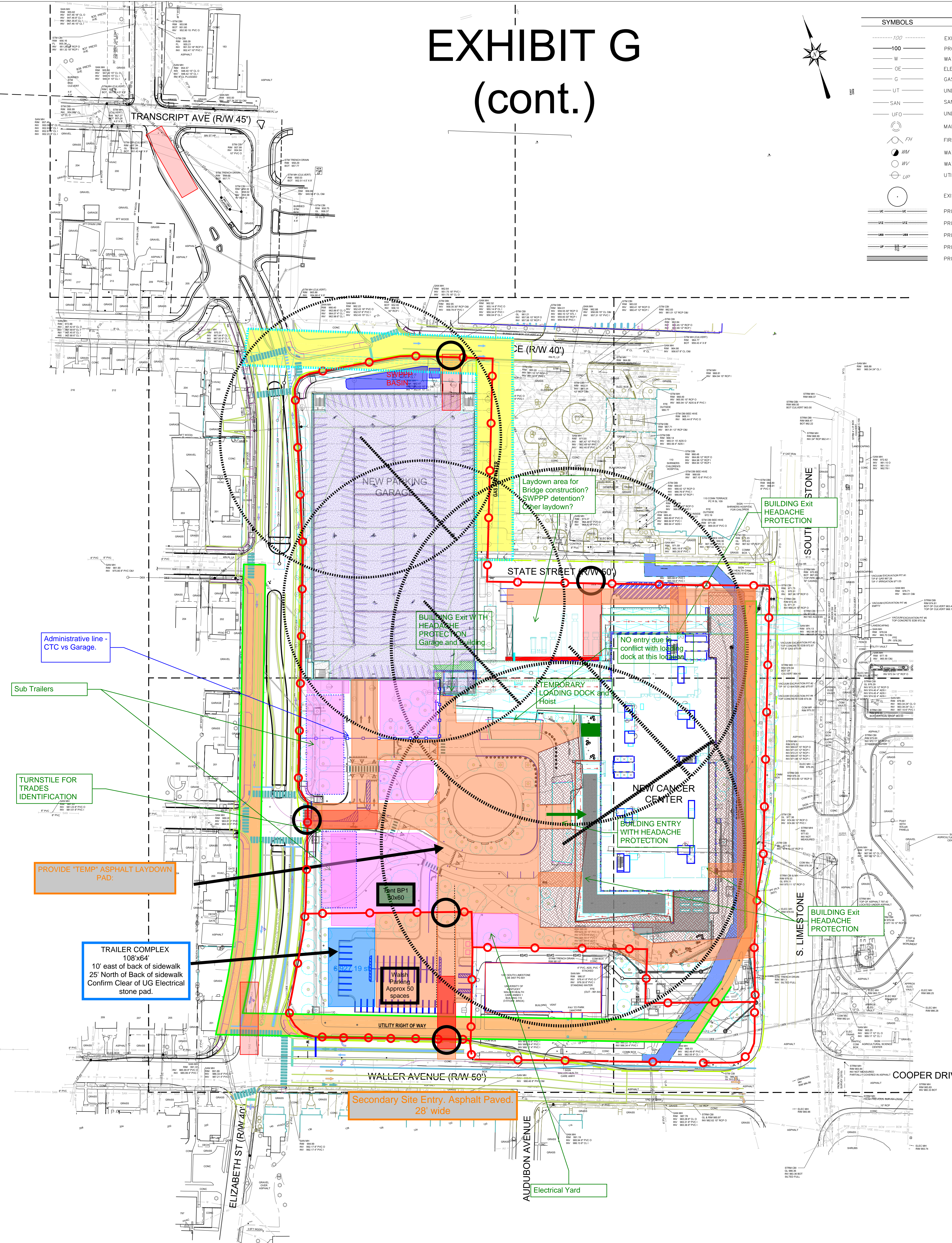
DRAWING TITLE  
**Garage  
Logistics Plan**

SHEET NO.

# EXHIBIT G (cont.)

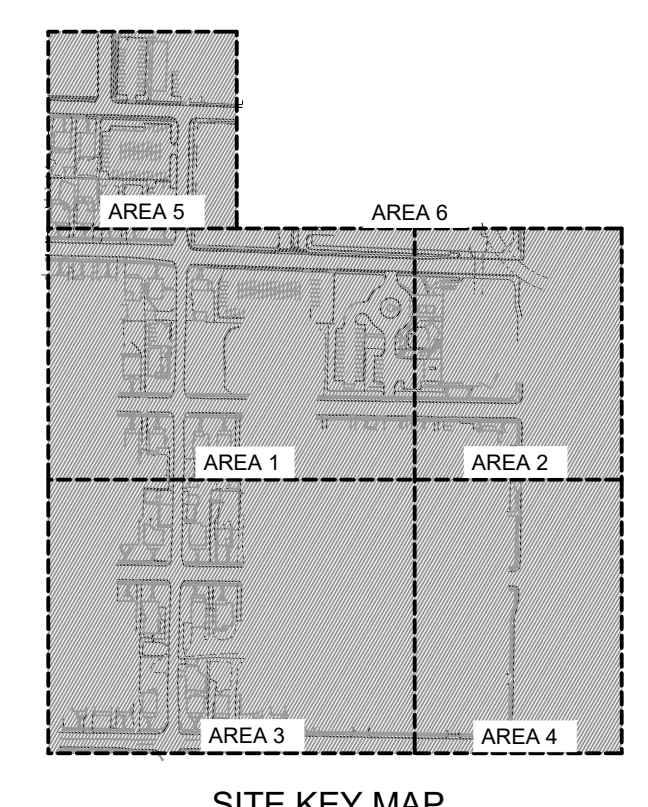
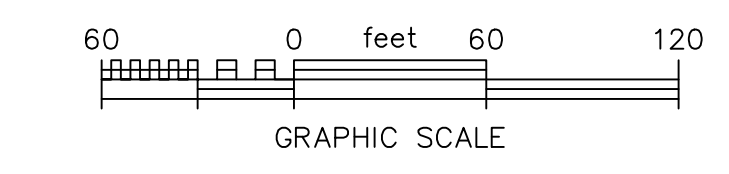


SITE LEGEND			
SYMBOLS	DESCRIPTION	SYMBOLS	DESCRIPTION
---100---	EXISTING CONTOUR ELEVATION	X 520.0	EXISTING SPOT ELEV.
---100---	PROPOSED CONTOUR ELEVATION	+520.0	PROPOSED SPOT ELEV.
W	WATER LINE	---	EDGE OF PAVEMENT
OE	ELECTRIC LINE	---	PROPERTY BOUNDARY
G	GAS LINE	---	EASEMENT
UT	UNDERGROUND TELEPHONE LINE	---	GAS METER
SAN	SANITARY SEWER LINE	CM	BENCH MARK
UFO	UNDERGROUND FIBER OPTIC	+	EXISTING FENCE
○	MANHOLE	DND	DO NOT DISTURB
○ FH	FIRE HYDRANT	---	EXISTING COMMUNICATION LINE
○ WM	WATER METER	---	EXISTING COMMUNICATION DUCT BANK
○ WV	WATER VALVE	---	EXISTING ELECTRIC
○ UP	UTILITY POLE	---	EXISTING STEAM LINE
○	EXISTING TREE	---	EXISTING ELECTRIC HIGH VOLTAGE
---	PROPOSED UNDERGROUND COMMUNICATIONS	---	PROPOSED OVERHEAD TRANSMISSION (KU)
---	PROPOSED UNDERGROUND DISTRIBUTION (KU)	---	PROPOSED OVERHEAD TRANSMISSION (KU)
---	PROPOSED UNDERGROUND TRANSMISSION (KU)	---	PROPOSED OVERHEAD TRANSMISSION (KU)
---	PROPOSED UNDERGROUND DISTRIBUTION (UK)	---	PROPOSED OVERHEAD TRANSMISSION (KU)
---	PROPOSED UNDERGROUND TRANSMISSION (UK)	---	PROPOSED OVERHEAD TRANSMISSION (KU)
---	PROPOSED STORM DRAINAGE PIPING	---	



- UTILITY PLAN NOTES:
- WATER MAIN DESIGN AND INSTALLATION BY KENTUCKY AMERICAN WATER.
  - FIRE HYDRANT ASSEMBLY BY KENTUCKY AMERICAN WATER.
  - GAS MAIN DESIGN BY COLUMBIA GAS.
  - SEE SHEETS U300, U301 AND U302 FOR SANITARY SEWER PLAN AND PROFILE SHEETS.
  - SEE SHEET C100.2 AND C100.4 FOR STORM DRAINAGE PLAN, AREA 2 AND 4.
  - ELIZABETH STREET STORM DRAINAGE SYSTEM. SEE ELIZABETH STREET ROAD IMPROVEMENT PLANS.
  - NEW ELECTRIC/COMMUNICATION LINES. SEE SHEETS EU (BID PACKAGE 01) FOR INFORMATION.
  - NEW THERMAL UTILITIES. SEE SHEETS SU (BID PACKAGE 02) FOR INFORMATION.
  - NEW THERMAL TUNNEL/STRUCTURE. SEE SHEETS SU (BID PACKAGE 02) FOR INFORMATION.
  - UTILITIES INCLUDED IN SHEETS U200 THROUGH U205 REFER TO WATER, SEWER, NATURAL GAS AND STORM. OTHER PROPOSED UTILITIES ARE DETAILED ON OTHER DRAWINGS.
- BEFORE YOU DIG:
- KENTUCKY STATUTES (KRS 367.4803 THROUGH 367.4917) REQUIRE THAT ALL EXCAVATORS PLANNING EXCAVATION OR DEMOLITION WORK SHALL CALL ALL UTILITY COMPANIES IN THE AREA AND FOR AN UNDERGROUND PROTECTIONS SERVICE SUCH AS "811" (1-800-752-6037) NOT LESS THAN TWO (2) BUSINESS DAYS NOR MORE THAN TEN (10) BUSINESS DAYS PRIOR TO COMMENCING WORK TO NOTIFY UTILITY COMPANIES IN THE AREA WITH UNDERGROUND FACILITIES OF THE PLANNED EXCAVATION OR DEMOLITION ACTIVITIES.

- PRIMARY SITE FENCELINE FOR MAJORITY OF JOB DURATION
- Administrative line between CTC and Garage
- PERMANENT VEHICLE GATE LOCATION
- Tower Crane Radius
- SWPPP CONSTRUCTION ENTRANCES. LOCATIONS WILL SHIFT WITH SHIFTING FENCELINE AND GATE LOCATIONS.
- TWO SWPPP CONSTRUCTION ENTRANCES HAVE BEEN LOCATED FOR ELIZABETH STREET WORK.
- TRAILER LOCATION
- ASPHALT LAYDOWN AND WALSH PARKING LOT
- STONE LAYDOWN
- Stone Work area around building edge
- Big Buck Hoist



**CHAMPLIN ARCHITECTURE**  
 2333 Alexandria Drive  
 Lexington, KY 40504  
 T 859.331.5995  
 thinkchamplin.com  
 THINK CREATE REALIZE

**HGA**  
 420 North 5th Street, Suite 100  
 Minneapolis, Minnesota 55401  
 Telephone 612.758.4000

**THP**  
**AEI Affiliated Engineers**

**CMTA**  
**OLIN**

**CARMAN** LANDSCAPE ARCHITECTURE  
 CIVIL ENGINEERING

**WALSH CONSULTING GROUP**

**bell engineering**  
**CDM Smith**

**PIVOTAL lighting design**

**UK HEALTHCARE**  
**Cancer Center + Advanced Ambulatory Center**  
 LEXINGTON, KENTUCKY  
 UK Project Number 2563.0

ISSUANCES

No.	Description	Date
5/6/24		

DRAWING TITLE  
**Cancer Center Logistics Plan**  
 SHEET NO.

Author: 10/19/2023 8:36:39 AM Autodesk Docs://1442693 - UKHC Cancer Treatment & Advanced Ambulatory Center/25-UKHC-SHELLELDRE-1442693.rvt 10/19/2023 8:36:39 AM

10/19/2023 8:36:39 AM

A RESOLUTION OF THE EXECUTIVE VICE PRESIDENT FOR FINANCE AND ADMINISTRATION OF THE UNIVERSITY OF KENTUCKY, DECLARING THE UNIVERSITY'S OFFICIAL INTENT TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS.

WITNESSETH:

WHEREAS, except as otherwise provided, all capitalized terms used in this preamble have the meanings set forth in Section 2 of this Resolution; and

WHEREAS, the University of Kentucky, a public body corporate, and an educational institution and agency of the Commonwealth of Kentucky (the "University"), intends to cause the acquisition, construction, installation, and equipping of a new approximately 2,415 space parking garage that will serve the UK HealthCare Cancer Treatment/Ambulatory Outpatient Center at the Southeast corner of Elizabeth Street and Conn Terrace on the University's campus in Lexington, Kentucky (collectively, the "Project"); and

WHEREAS, the University expects to expend general operating or capital reserve funds to pay Capital Expenditures in the future; and

WHEREAS, Section 150 of the Code and the Reimbursement Regulations permit the University to issue or incur Tax-Exempt Obligations and to use the proceeds thereof to reimburse the University for its prior payment of Capital Expenditures, provided, among other things, that (i) the University makes a Declaration of Official Intent within sixty days after payment of such Capital Expenditures and (ii) the University makes a Reimbursement Allocation within eighteen months after the later of the date a Capital Expenditure was paid or the date the property acquired with the Capital Expenditure was placed in service and, in any event, no later than three years after the Capital Expenditure was paid; and

WHEREAS, on September 15, 2023, the Board of Trustees of the University authorized Dr. Eric N. Monday, in his capacity as the Executive Vice President for Finance and Administration of the University (the "Authorized Officer"), to effectuate the construction and financing of the Project pursuant to KRS 45A.077; and

WHEREAS, the Authorized Officer desires to make a Declaration of Official Intent pursuant to the Reimbursement Regulations related to the payment of Capital Expenditures for the Project.

NOW, THEREFORE, BE IT RESOLVED BY THE EXECUTIVE VICE PRESIDENT FOR FINANCE AND ADMINISTRATION OF THE UNIVERSITY OF KENTUCKY, AS FOLLOWS:

Section 1. Affirmation of Preamble. It is hereby found, determined, and declared that the facts, recitals, and definitions set forth in the recitals of this Resolution are true and correct and are hereby affirmed, and all acts described in the recitals of this Resolution are hereby ratified. Such facts, recitals, and definitions are hereby adopted and incorporated as a part of this Resolution.

Section 2.     Definitions. The following definitions apply to the terms used herein:

“Allocation” means written evidence that proceeds of Tax-Exempt Obligations issued after the payment of a Capital Expenditure are to reimburse the University for such payment.

“Capital Expenditure” means any expense related to the Project for an item that is properly depreciable or amortizable or is otherwise treated as a capital expenditure for purposes of the Code, as well as any costs of issuing Reimbursement Obligations.

“Code” means the Internal Revenue Code of 1986, as amended.

“Declaration of Official Intent” means a written declaration, including this Resolution, that the University intends to fund Capital Expenditures with an issue of Reimbursement Obligations and reasonably expects to reimburse the University from the proceeds of such an issue.

“Reimbursement” means the restoration to the University of money temporarily advanced from other funds, including moneys borrowed from other sources, by the University to pay for Capital Expenditures before the issuance of Reimbursement Obligations intended to fund such Capital Expenditures. “To reimburse” means to make such a restoration.

“Reimbursement Obligations” means Tax-Exempt Obligations that are issued to reimburse the University for Capital Expenditures and for certain other expenses permitted by the Reimbursement Regulations previously paid by or for the University.

“Reimbursement Regulations” means Treasury Regulation § 1.150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary, or final form, as applicable, prescribing conditions under which the proceeds of Tax-Exempt Obligations may be allocated to reimburse the University for Capital Expenditures and certain other expenses paid before the issuance of the Tax-Exempt Obligations so that the proceeds of such Tax-Exempt Obligations will be treated as “spent” for the purposes of Section 103 and Sections 141 to 150 of the Code.

“Tax-Exempt Obligations” means tax-exempt bonds, notes, certificates, or other obligations included in the meaning of “bonds” under Section 150 of the Code.

Section 3.     Declaration of Official Intent. The Authorized Officer hereby declares, pursuant to the Reimbursement Regulations, the University’s official intent to reimburse itself with the proceeds of Reimbursement Obligations in the reasonably anticipated amount of up to \$120,000,000 for the purpose of Capital Expenditures for the Project that may occur before the issuance of Reimbursement Obligations.

[Signature page to follow]



DULY ADOPTED by the Executive Vice President for Finance and Administration of the University of Kentucky, this \_\_\_\_\_, 2024.

---

Dr. Eric N. Monday  
Executive Vice President for Finance and  
Administration  
University of Kentucky

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Trustees of the University of Kentucky, and as such Secretary, I further certify that the foregoing is a true, correct, and complete copy of a Resolution duly adopted by the Executive Vice President for Finance and Administration of the University on \_\_\_\_\_, 2024, on the same occasion signed by the Executive Vice President for Finance and Administration as evidence of his approval, and now in full force and effect, all as appears from the official records of the University in my possession and under my control.

WITNESS MY HAND, as Secretary of Secretary of the Board of Trustees of the University of Kentucky, as of \_\_\_\_\_, 2024.

---

Secretary