



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

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

April 14, 2025

Senator Shelley Funke Frommeyer, Co-Chair
Representative Shawn McPherson, Co-Chair
Capital Projects and Bond Oversight Committee
Capital Annex Building – Room 136
702 Capitol Avenue
Frankfort, Kentucky 40601

Dear Senator Funke Frommeyer and Representative McPherson and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §§ 45.763 and 45A.077 this is to report a public-private partnership delivery method for a University of Kentucky capital project, Improve Campus Parking and Transportation System (South Campus Parking Structure and Recreation Space) and Improve Johnson Center which are authorized in the 2024-2026 Executive Branch Budget Bill, House Bill 6 and combined by report to Committee in December 2024.

To better serve the Commonwealth of Kentucky, the University is expanding the Albert B. Chandler Hospital (Patient Care Facility Expansion). Due to the expansion project and other capital projects on campus, over 1,900 parking spaces will be lost. While the Patient Care Facility Expansion project will include structured parking specifically for increased patient and visitor demands, additional structured parking is necessary to offset these losses. Consequently, this project will include the expansion of Parking Structure No. 7 (PS7) consisting of a one-level vertical expansion of the existing parking structure and a five-level horizontal expansion. In total, the expanded PS7 will accommodate approximately 1,200 vehicles. The remaining displaced parking spaces have been addressed through expansions to existing surface parking lots.

The University continues to experience significant student enrollment growth, impacting student support services and facilities. To address this, the project includes an estimated 40,000 square-foot-expansion of the Johnson Recreation Center, adjacent to PS7 and physically connected to its expansion. Additionally, upgrades will be made to existing spaces within the Johnson Center and the adjacent recreation fields, courts and greenspaces. These enhancements will help offset the displacements resulting from the PS7 expansion while further improving student recreation amenities.

Based on the specifics of this project, it was determined that a public-private partnership was in the best interest of the University and the Commonwealth of Kentucky. As this continues our

see blue.

An Equal Opportunity University

previously awarded public-private partnership with Signet Real Estate Group – originally established through RFP UK-1896-19 in 2018 – we did not request proposals for this project.

The project will be financed through the issuance of tax-exempt and taxable Lease Purchase Obligations with a term not to exceed 30 years.

For your information and consideration, the University is including the following:

- New bond issue report for the Lease Purchase Obligations transaction;
- The University's Board of Trustees' approval (FCR 15) at its June 2024 meeting for the initiation of the project, in an amount not to exceed \$115,000,000;
- Project renderings;
- Development Agreement between the University and Signet KY Development, LLC, along with associated exhibits; and
- Reimbursement Resolution of the University.

Elizabeth Baker and Jennifer Fraker will attend the April 28, 2025, Committee meeting. Please contact Elizabeth at (859) 257-6315 if there are any questions or if your staff requires 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 PARKING STRUCTURE NO. 7 & JOHNSON CENTER EXPANSION

PROJECT SUMMARY:

To better serve the Commonwealth of Kentucky, the University is expanding the Albert B. Chandler Hospital (Patient Care Facility Expansion). Due to the expansion project and other capital projects on campus, over 1,900 parking spaces will be lost. While the Patient Care Facility Expansion project will include structured parking specifically for increased patient and visitor demands, additional structured parking is necessary to offset these losses. Consequently, this project will include the expansion of Parking Structure No. 7 (PS7) consisting of a one-level vertical expansion of the existing parking structure and a five-level horizontal expansion. In total, the expanded PS7 will accommodate approximately 1,200 vehicles. The remaining displaced parking spaces have been addressed through expansions to existing surface parking lots.

The University continues to experience significant student enrollment growth, impacting student support services and facilities. To address this, the project includes an estimated 40,000 square-foot-expansion of the Johnson Recreation Center, adjacent to PS7 and physically connected to its expansion. Additionally, upgrades will be made to existing spaces within the Johnson Center and the adjacent recreation fields, courts and greenspaces. These enhancements will help offset the displacements resulting from the PS7 expansion while further improving student recreation amenities.

Based on the specifics of this project, it was determined that a public-private partnership (P3) was in the best interest of the University and the Commonwealth of Kentucky. Substantial completion for the PS7 expansion is planned for August 2026 and December 2026 for the Johnson Center expansion and associated greenspaces.

PROJECT FINANCE STRUCTURE:

The P3 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. Lease payments will be supported by revenues from parking, UK HealthCare and student fees. 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. The University did so in 2024 for the construction of the UK HealthCare Cancer Center Parking Garage project. Based on success of the Cornerstone project, the UK HealthCare Cancer Center Parking Garage and Signet's expertise in developing mixed-use 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 P3s, 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 goals. Based on UK's experience in working with P3 partners on other construction projects, the expertise of a P3 developer has proven successful in delivering more expeditiously and of high quality on these types of facilities.

This structure allows the University to have one partner that brings an experienced team to the table that can provide the desired project components in an expedient cost-effective manner saving the University valuable time in meeting the completion date target thus avoid expensive temporary parking alternatives and accelerating additional parking revenues from the facility. Generally, the University has realized savings on P3 projects ranging from 10-15% for both cost and time.

Furthermore, 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
PS7 PARKING STRUCTURE & JOHNSON CENTER EXPANSION**

THIS LETTER OF INTENT (“LOI”) is entered into this 4th day of November, 2024 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 an expansion of Parking Structure No. 7 and a connected expansion to the Johnson Recreation Center, with additional improvement to recreation fields, courts and greenspaces (“the Project”). The Project will be developed at the Southwest corner of Sports Center Drive and Complex Drive and Cooper Drive 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 parking component of the Project to be substantially complete and available for occupancy by August 1, 2026 or earlier, and the remainder of the Project to be substantially complete and available for occupancy by August 1, 2027 or a later date set forth in the Project Agreement (as hereinafter defined), the Developer agrees to undertake to perform services pursuant to this LOI in order to make the Project available by such applicable dates. 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. preparation of programming documents, conceptual and schematic design documents, 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 conditions the Site, investigation of 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(s), and (2) closing the financing(s);
- 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(s) of construction financing(s) 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 June 30, 2025 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 agreements taken together, 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 \$5,105,500. The Developer is at risk for any pre-development expenditure in excess of \$5,105,500, 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 June 30, 2025, 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: Spencer Hyatt

Name: Spencer Hyatt

Title: SVP

UNIVERSITY:

UNIVERSITY OF KENTUCKY

By: Eric N. Monday

Name: ERIC N MONDAY

Title: SUPFA

Shannan Stamper

Digitally signed by
Shannan Stamper
Reason: Reviewed
for form and
legality
Date: 2024.11.01
13:52:18 -04'00'

Exhibit A

Site

Parking Structure#7/Johnson Center Expansion

Johnson Center Expansion and Tennis/Pickleball Relocation

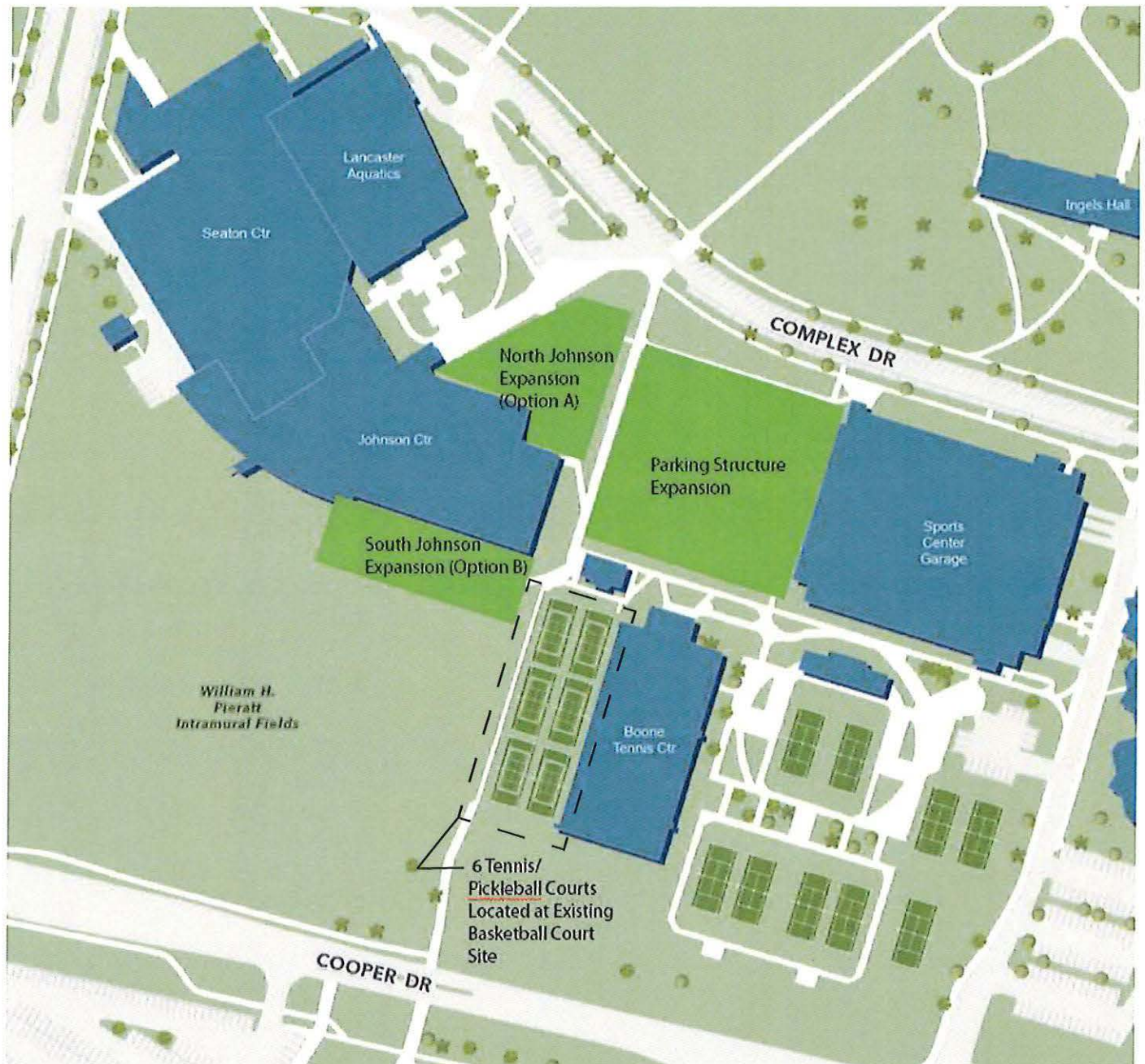


Exhibit B

Pre-Development Budget

4890-9372-6707, v. 2

BUDGET - To be paid during the months											
	TOTAL	October	November	December	January	February	March	April	May	June	COMMENTS
Hard Costs											
Fabrication Fee	\$ 60,000									\$ 60,000.00	To be rolled into GMP / Paid after closing
Early Release Packages (Demo/Std/Procurement)	\$ 2,090,000					\$ 100,000.00	\$ 250,000.00	\$ 350,000.00	\$ 500,000.00	\$ 630,000.00	*excludes costs of potential electrical substation relocation
TOTAL HARD COSTS	\$ 2,150,000.00	\$ -	\$ -	\$ -	\$ -	\$ 100,000.00	\$ 250,000.00	\$ 350,000.00	\$ 500,000.00	\$ 630,000.00	
Architectural & Engineering											
Programming & Conceptual Planning	\$ 135,000		\$ 40,000	\$ 50,000	\$ 20,000					\$ 25,000	Program Confirmation & Conceptual Design
Base Design (SD/DD/CD)	\$ 2,350,000				\$ 200,000	\$ 250,000	\$ 750,000	\$ 250,000	\$ 400,000	\$ 500,000	
Proc. Design Consultants	\$ 10,000	\$ 10,000									Tri-P Feasibility
TOTAL A/E	\$ 2,495,000	\$ 10,000	\$ 40,000	\$ 50,000	\$ 220,000	\$ 250,000	\$ 750,000	\$ 250,000	\$ 400,000	\$ 525,000	
Other Soft Costs											
Survey and Testing	\$ 95,000		\$30,000				\$40,000			\$20,000	Allowance for Traffic & Stormwater Studies, if necessary
Permits and Fees	\$ 250,000						\$50,000		\$200,000		
Utility Fees (Transportation & Sewer)	\$ -										
Geotech	\$ 64,500		\$19,500			\$20,000		\$25,000			Geotech for F&T and Johnson Ch expansion locations
Environmental	\$ 40,000			\$20,000				\$20,000			Allowance for Soils in Utility Corridors
Mac Testing	\$ -				\$10,000						
Other Indirect Costs / Misc	\$ 30,000						\$10,000		\$10,000		
TOTAL OTHER SOFT COSTS	\$ 489,500.00	\$0	\$59,500	\$20,000	\$10,000	\$20,000	\$100,000	\$45,000	\$210,000	\$20,000	
TOTAL	\$ 5,195,500.00	\$ 10,000.00	\$ 99,500.00	\$ 70,000.00	\$ 230,000.00	\$ 270,000.00	\$ 1,100,000.00	\$ 645,000.00	\$ 1,110,000.00	\$ 1,475,000.00	
CUMULATIVE TOTAL		\$ 10,000.00	\$ 109,500.00	\$ 179,500.00	\$ 409,500.00	\$ 679,500.00	\$ 1,779,500.00	\$ 2,529,500.00	\$ 3,639,500.00	\$ 5,114,500.00	

Preliminary New Bond Issue Report

Issue	Lease Purchase Obligations, Series 2025A (University of Kentucky Parking Structure No. 7 and Johnson Center Expansion) and Lease Purchase Obligations, Taxable Series 2025B (University of Kentucky Parking Structure No. 7 and Johnson Center Expansion)
Purpose of Issue	An expansion of Parking Structure No. 7 and a connected expansion to the Johnson Recreation Center, with additional improvement to recreation fields, courts and greenspaces and existing spaces within Parking Structure No. 7 and the Johnson Recreation Center.
Estimated Date of Sale	May 28, 2025
Estimated Date of Delivery	June 25, 2025
Ratings	
Moody's	TBD
S&P	TBD

	Series 2025A (Tax-Exempt)	Series 2025B (Taxable)	Total
<u>Sources</u>			
Par Amount of Bonds	\$ 100,085,000	\$ 11,510,000	\$ 111,595,000
Premium	3,403,528	-	3,403,528
Total Sources	\$ 103,488,528	\$ 11,510,000	\$ 114,998,528
<u>Uses</u>			
Project Fund	\$ 102,314,894	\$ 11,368,322	\$ 113,683,216
Costs of Issuance	823,336	101,393	924,730
Underwriter Discount	350,298	40,285	390,583
Total Uses	\$ 103,488,528	\$ 11,510,000	\$ 114,998,528
All-in True Interest Cost	4.976%	5.280%	4.986%
Final Maturity Date	4/1/2055	4/1/2032	4/1/2055
Average Annual Debt Service	\$ 6,976,520	\$ 2,066,203	\$ 7,446,217
Total Debt Service	\$ 207,667,742	\$ 13,981,304	\$ 221,649,046
Average Life (years)	20.905	4.331	19.195

Deal Summary

Method of Sale	Negotiated
University Counsel/ Disclosure Counsel	Dinsmore & Shohl
Special Counsel / Underwriter's Counsel	Frost Brown Todd LLC
Underwriters	RBC Capital Markets LLC and PNC Capital Markets LLC
Trustee	US Bank National Association
P3 Advisor	R.W. Baird

FCR 15

Office of the President
June 13, 2024

Members, Board of Trustees:

IMPROVE CAMPUS PARKING AND TRANSPORTATION SYSTEM
(SOUTH CAMPUS PARKING STRUCTURE AND RECREATION SPACE)
CAPITAL PROJECT

Recommendation: that the Board of Trustees approve the initiation of the Improve Parking and Transportation System (South Campus Parking Structure and Recreation Space) 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).

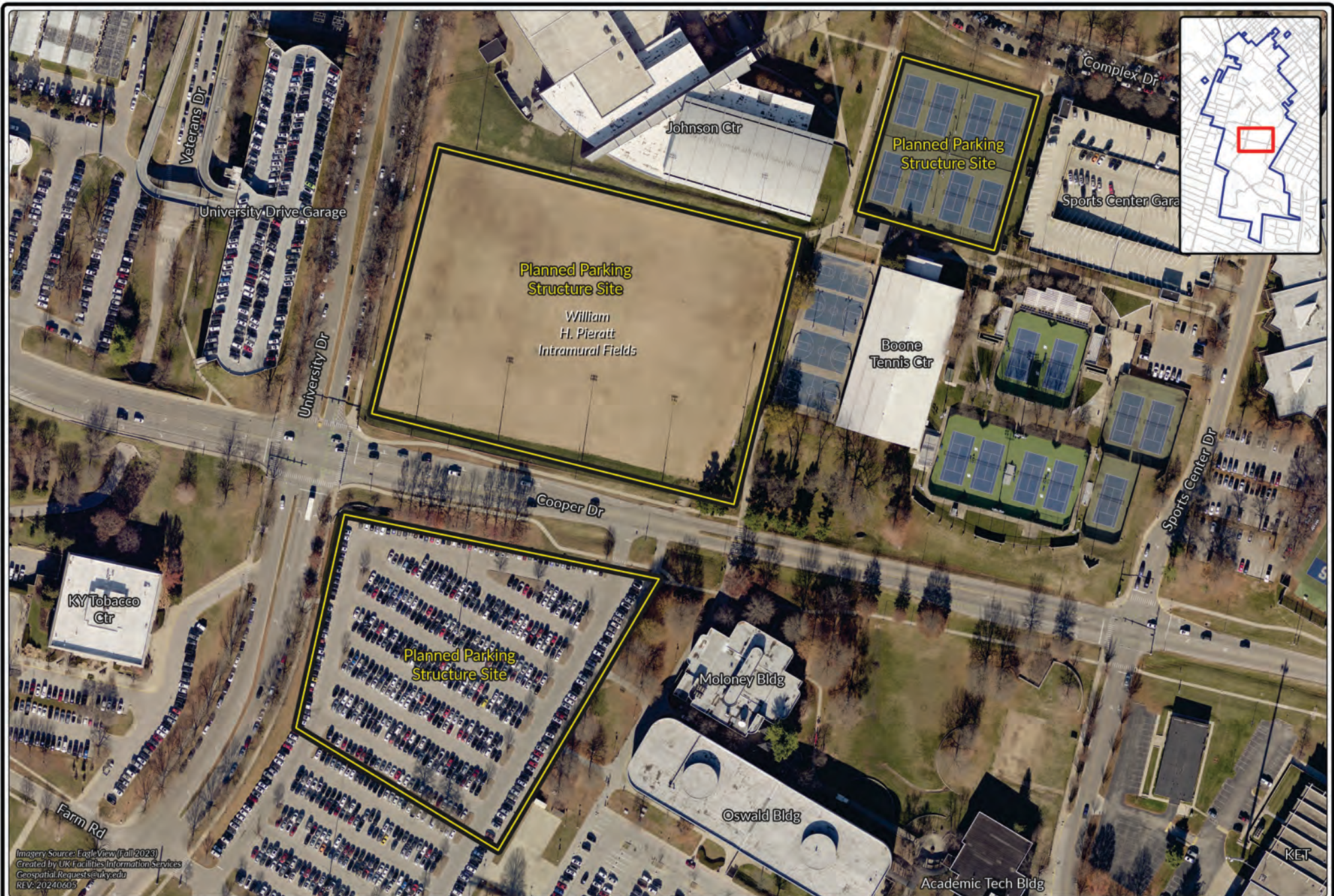
Background: Pursuant to Administrative Regulation 8:2, any capital project with an estimated cost of \$1,000,000 or more must be approved by the Board prior to initiation.

The University must address the pending loss of over 1,100 parking spaces due to the construction of the Forage Animal Production Laboratory by the United States Department of Agriculture in a portion of the current Orange Parking Lot and the planned expansion of the Albert B. Chandler Hospital (Patient Care Facility Expansion). While the Patient Care Facility Expansion project will include structured parking specifically for increased patient and visitor demands, additional structured parking will be needed primarily for UK HealthCare employees.

The planned new parking structure is estimated to accommodate approximately 1,200 vehicles and will be located on South Campus adjacent to University Drive and Cooper Drive. Additionally, the University is exploring the expansion of existing recreational spaces for South Campus as part of this P-3 project. Thus, this project will include a new parking structure and possibly the improvement and expansion of the Johnson Center recreation facility, student recreation fields and greenspaces.

The project is not expected to exceed \$115,000,000 and has been authorized by the 2024 Kentucky General Assembly. The project will be funded with third-party financing as a Public-Private Partnership pursuant to KRS Chapter 45A.

Action taken: ☒ Approved ☐ Disapproved ☐ Other _____







JOHNSON CENTER



DEVELOPMENT AGREEMENT

THIS DEVELOPMENT AGREEMENT (this “Agreement”) is entered into as of this ____ day of ____, 2025 (“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 November 4, 2024, 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, an expansion of Parking Structure No. 7 and a connected expansion to the Johnson Recreation Center, with additional improvement to recreation fields, courts and greenspaces (the “Project”). The Project will be developed at the Southwest corner of Sports Center Drive and Complex Drive and Cooper Drive 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 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. 6 of the General Assembly, 2024 Regular Session, as enacted and vetoed in part, and in accordance with a resolution adopted by the University dated June 13, 2024, providing authorization of up to \$115,000,000 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 3, LLC, a Kentucky limited liability company (“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, 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 the Lease Purchase Obligations, Series

2025A and Taxable Series 2025B (University of Kentucky Parking Structure No. 7 and Johnson Center Expansion 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 “Parking Structure No. 7 and Johnson Recreation Center Expansion Project,” or such other name as determined from time to time by the University. The Project will consist of: (1) a six-level expansion of Parking Structure No. 7, consisting of approximately 1,200 new parking spaces (parking garage component); (2) an approximately 40,000 SF expansion of Johnson Recreation Center; and (3) additional improvements to the recreation fields, site, existing facilities, and utilities to support the Project.

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 the final costs of the Project as reflected in the final, approved, building plans, shall not exceed \$115 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 [_____, 2025], 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 \$5,105,500 (being the maximum amount provided in the Letter of Intent dated November 4, 2024, 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": Ross Tarrant Architects
- (2) "General Contractor": Messer Construction Company
- (3) "Structural Engineers": THP
- (4) "Civil Engineers": Ross Tarrant Architects

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 existing facilities and the Project.

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 \$115,000,000 (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 \$115,000,000, and the Project Budget and Project Timeline shall take into account any applicable arbitrage rules requiring the timing of disbursement and use of funds. The Parties acknowledge that the guaranteed maximum price contract with the General Contractor may not be finalized and executed prior to pricing of the Obligations. In such event, the Parties shall review the Project Budget and the proposed guaranteed maximum price contract with the General Contractor and cooperatively work together to ensure that (i) the guaranteed maximum price contract to be executed by Signet and the General Contractor is consistent with the Project Budget's allocation for such contract and (ii) the Project Budget and the financing costs associated with the issuance of the Obligations do not exceed \$115,000,000. 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 of both the parking garage and non-parking garage components (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 Dates. All time limits for Substantial Completion of components of the Project and milestones within the Project Timeline are of the essence of this Agreement.

- (a) The target Substantial Completion date for the parking garage component of the Project is August 1, 2026, or earlier (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 (i) its failure to meet any milestone date set forth in the Project Timeline (including milestones set by arbitration rules applicable to the financing); or (ii) 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 of the Garage” shall mean the date on which: (i) Signet delivers the Certificate of Occupancy for the parking garage component of the overall Project, in accordance with the Plans and Specs; (ii) the University, its employees, agents and invitees have ready, unobstructed access to the garage; and (iii) 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 of the Garage.

The Parties recognize that time is of the essence of this Agreement and that University will suffer financial loss if the parking garage component is not completed by the Target Completion Date, plus any extensions thereof allowed in accordance with this Section 2.3(a). If the Project does not reach Substantial Completion of the parking garage component by the Target Completion Date, University will be entitled to the remedies set forth in Section 5.2(b).

(b) The target Substantial Completion date for the non-parking garage component of the Project is December 31, 2026 (the “Target Non-Parking Component 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 (i) its failure to meet any milestone date set forth in the Project Timeline (including milestones set by arbitration rules applicable to the financing); or (ii) 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 of the Non-Parking Component” shall mean the date on which: (i) Signet delivers the Certificate of Occupancy for the non-parking garage components of the overall Project, in accordance with the Plans and Specs; (ii) the University, its employees, agents and invitees have ready, unobstructed access to the non-parking component of the Project; and (iii) the non-parking component is broom cleaned and ready for its intended use. The non-parking garage components shall be defined as all portions of the Project not included in the parking garage component, which is defined in Section 1.1 and 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 recognize that time is of the essence of this Agreement and that University will suffer financial loss if the non-parking garage component is not completed by the Target Non-Parking Component Date, plus any extensions thereof allowed in accordance with this Section 2.3(b). If the Project does not reach Substantial Completion of the non-parking garage component by the Target Non-Parking Component Date, University will be entitled to the remedies set forth in Section 5.2(b).

2.4 Performance of Construction.

(a) Signet shall, after the awarding of the construction contracts, cause the commencement and diligent continuance of the construction of the Project. All items of

work shown on the Plans and Specs for the construction of the Project's improvements is sometimes referred to herein as the "Project Work".

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

(c) All Project Work shall be performed pursuant to good construction practices and sound professional standards, and in compliance with all laws and legal regulatory requirements of Governmental Authorities relating to the construction and the performance of the Project Work, and applicable University standards. All construction shall be performed in a good and workmanlike manner, utilizing new, good quality materials as provided in the Plans and Specs. Signet shall be responsible for the supervision of the Project Work, and shall advise the University as to the progress of such work. The University and its designated engineer shall be advised in advance of, and may attend, any meeting with the construction manager and contractors and may visit the job site to inspect the progress and performance of the work at any time.

(d) Signet shall coordinate with University consultants and contractors on any neighboring University construction projects.

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 of the Garage and Substantial Completion of the Non-Parking Component.

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 of the Garage and Substantial Completion of the Non-Parking Component, 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 of the Garage by the Target Completion Date or Substantial Completion of the Non-Parking Component by the Target Non-Parking Component 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 of Garage. The Parties recognize the delays, expense, and difficulties involved in proving in a legal proceeding the actual loss suffered by the University if the Project does not reach Substantial Completion of the Garage by the Target Completion Date. Accordingly, instead of requiring any such proof, the Parties agree that if the parking garage component of the Project does not reach Substantial Completion of the Garage by the Target Completion Date for reasons other than (i) delays attributable to the University, (ii) unforeseen conditions described in Section 2.15, or (iii) Force Majeure, then beginning on September 1, 2026, Signet shall pay the University the following as liquidated damages for delay (but not as a penalty):

- i. \$_____, which amount approximates the per-diem debt service obligation on the Obligations financing the Project, for each day that expires from and after September 1, 2026, until the parking component of the Project reaches Substantial Completion of the Garage; and
- ii. Reimbursement of any and all reasonable, temporary parking arrangements University makes for University employees, students, and visitors, due to failure to meet the Target Completion Date, including but not limited to rental of temporary parking space from third parties and shuttle transportation service from temporary parking areas to campus at reasonable regular intervals.

(c) Remedies for Failure to Meet Target Non-Parking Component 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 non-parking component of the Project does not reach Substantial Completion of the Non-Parking Component by the Target Non-Parking Component Date. Accordingly, instead of requiring any such proof, the Parties agree that if the non-parking garage component of the Project does not reach Substantial Completion of the Non-Parking Component by the Target Non-Parking Component Date for reasons other than (i) delays attributable to the University, (ii) unforeseen conditions described in Section 2.15, or (iii) Force Majeure, then beginning on January 31, 2027, Signet shall pay the University the following as liquidated damages for delay (but not as a penalty):

\$_____, which amount approximates the per-diem debt service obligation on the portion of the Obligations financing the non-parking component of the Project, for each day that expires from and after January 31, 2027, until the Project reaches Substantial Completion of the Non-Parking Component.

(d) No failure to exercise and no delay in exercising, on the part of any Party to this Agreement, any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. Substantial Completion of the Garage and Substantial Completion of the Non-Parking Component 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

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 Scotty Bowles

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.]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first above written.

“The University”: THE UNIVERSITY OF KENTUCKY

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

Approved as to Legal Form for the
University:

COMMONWEALTH OF KENTUCKY)
) SS:
COUNTY OF FAYETTE)

BEFORE ME, a Notary Public, in and for said county and state, personally appeared Dr. Eric N. Monday, the Executive Vice President for Finance and Administration, for and on behalf of the University, a Commonwealth of Kentucky institution of higher education, who acknowledged that he/she did sign the foregoing instrument and the same was his/her free act and deed and the free act and deed of said University.

IN WITNESS WHEREOF, I hereto affix my hand and official seal at _____,
Kentucky, this day of , 2025.

Notary Public

[University Signature Page to Development Agreement]

“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 _____, 2025.

Notary Public

[Signet Signature Page to Development Agreement]

EXHIBIT A:

Description of the Site

EXHIBIT A:

Description of the Site

The “Project” shall mean the design, development, and construction of the PS7 and Johnson Center expansion. PS7 will include a 1-level vertical expansion of the existing parking structure and a 5-level horizontal expansion totaling 1,200 new parking spaces. Johnson Center will include an estimated 40,000 square foot expansion that is adjacent to PS7 and will be physically connected to the PS7 expansion.

EXHIBIT B:
Ground Lease

GROUND LEASE

by and between

COMMONWEALTH OF KENTUCKY, for the use and benefit of
UNIVERSITY OF KENTUCKY,
as Ground Lessor

and

SIGNET KY RE 3, LLC,
as Ground Lessee

Dated as of
_____ 1, 2025

GROUND LEASE

This GROUND LEASE (this “Ground Lease”), is made and entered into as of ____ 1, 2025, by and between the COMMONWEALTH OF KENTUCKY, for the use and benefit of 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 sometimes the “University”) and SIGNET KY RE 3, 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 certain real property and the improvements thereon located at the southwest corner of Sports Center Drive and Complex Drive and Cooper Drive, in Lexington, Kentucky, as further described in Exhibit A attached hereto (the “Property”); and

WHEREAS, 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 expansion of Parking Structure No. 7 and a connected expansion to the Johnson Recreation Center, with additional improvement to recreation fields, courts and greenspaces (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 University 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 2025A and Taxable Series 2025B (University of Kentucky Parking Structure No. 7 and Johnson Center Expansion) (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 ____ 1, 2025 (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) 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) payable in one installment 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, construct, and operate the Project as provided in the Facilities Lease and the Development Agreement dated as of _____, 2025, 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 (30) 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 3, 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.

GROUND LESSOR:

COMMONWEALTH OF KENTUCKY,
UNIVERSITY OF KENTUCKY

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

GROUND LESSEE:

SIGNET KY RE 3, LLC
a Kentucky limited liability company

By: _____
Mark S. Corr, IV
President and Chief Executive Officer

[Continued on the following page]

COMMONWEALTH OF KENTUCKY)
) ss
COUNTY OF _____)

The foregoing Ground Lease was acknowledged before me this _____, 2025, 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: _____

STATE OF OHIO)
) ss
COUNTY OF _____)

The foregoing Ground Lease was acknowledged before me this _____, 2025, by Mark S. Corr, IV, as President and Chief Executive Officer of Signet KY RE 3, 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:

John S. Egan
Frost Brown Todd LLP
400 West Market Street, Suite 3200
Louisville, Kentucky 40202
(502) 751-3092

EXHIBIT A
TO
GROUND LEASE

DESCRIPTION OF PROPERTY

* * * * *

EXHIBIT C:
Facilities Lease

FACILITIES LEASE

By and Between the

UNIVERSITY OF KENTUCKY

As University

And

SIGNET KY RE 3, LLC

As Facilities Lessor

Dated as of _____ 1, 2025

TABLE OF CONTENTS

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

FACILITIES LEASE

This Facilities Lease is made and entered into as of _____ 1, 2025 (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 3, LLC**, a Kentucky limited liability company, party of the second part, its successors and assigns (the “Facilities Lessor”).

W I T N E S S E T H:

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 November 4, 2024, 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, an expansion of Parking Structure No. 7 and a connected expansion to the Johnson Recreation Center, with additional improvement to recreation fields, courts and greenspaces (as further described below, the “Project”). The Project will be developed at the Southwest corner of Sports Center Drive and Complex Drive and Cooper Drive 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 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 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 Lease Purchase Obligations, Series 2025A and Taxable Series 2025B (University of Kentucky Parking Structure No. 7 and Johnson Center Expansion), collectively evidencing a Proportionate Interest (as defined in the Indenture hereinafter defined) in Base Rent to be paid by the University (the “Obligations”), pursuant to a Trust Indenture dated as of _____ 1, 2025 (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 Ross Tarrant Architects.

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

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

“Base Rent” means (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 3, LLC.

Construction Contract” means, collectively, (i) Standard Form of Agreement between the Company and the Contractor (AIA Document A133) dated as of ____, 2025 (signed on ____, 2025) 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 Messer Construction.

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

“Development Agreement” means the Development Agreement dated as of ____, 2025 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 _____ 1, 2025 between the University, as fee owner, and the Company, as ground lessee, whereby the University 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 an expansion of Parking Structure No. 7 and a connected expansion to the Johnson Recreation Center, with additional improvement to recreation fields, courts and greenspaces as set forth in the Plans and Specifications.

“Indenture” means the Trust Indenture dated as of _____ 1, 2025 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 September 20, 2025, and each March 20 and September 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 October 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 Lease Purchase Obligations, Series 2025A and Taxable Series 2025B (University of Kentucky Parking Structure No. 7 and Johnson Center Expansion), issued in the principal amount of \$_____, 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 RBC Capital Markets, LLC and PNC Capital Markets 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 expansion of Parking Structure No. 7 and a connected expansion to the Johnson Recreation Center, with additional improvement to recreation fields, courts and greenspaces.

“Project Completion Date” means the date of Substantial Completion of the Garage and Substantial Completion of the Non-Parking Component 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.

“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 the first to occur of (i) April 1, 2055; (ii) the exercise by the University of its option to purchase the Project as described herein; (iii) a default by the University hereunder and termination of this Facilities Lease; and (iv) the complete payment and performance by the University of all Lease Payments and other obligations as set forth in this Facilities Lease.

“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 September 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) April 1, 2055; 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 on each March 20 and September 20, beginning September 20, 2025, to the extent that 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 on the next ensuing April 1 and October 1. 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 Business Day occurring on or after April 1, 2035 (the "Purchase Date"), 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 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, the University has the option to effect extraordinary optional redemption of the Obligations in whole on any Business Day 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. Purchase of the Project by the University under this paragraph of Section 6 of this Facilities Lease requires delivery of the following to the Trustee and the Facilities Lessor: (i) at least 30 days' written notice, (ii) a certificate of the University stating that available insurance proceeds are insufficient to restore the Project to its intended functionality and use and, as result, the University has elected to purchase the Project pursuant to Section 6 of the Facilities Lease and terminate the Facilities Lease and (iii) a certificate of a Qualified Independent Engineer stating that twenty five percent (25%) or more of the Leased Premises has been destroyed or damaged by fire or other casualty.

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 Obligations, a portion of the interest on which is exempt from federal income taxation received by the Owners of the Obligations, and that, as a result, the Code imposes certain limitations on the uses of proceeds of the Obligations. The University will comply with all restrictions, limitations and requirements that are necessary to maintain the exclusion of the interest portion of 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 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 Garage and Substantial Completion of the Non-Parking Component (as defined in the Development Agreement), in securing in an expeditious manner, Certificate of Occupancy for the Project. The "Parking Garage Component" and the "Non-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. 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 the fourth paragraph of this Section 13 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 its 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, the University may (i) continue to make Lease Payments under the Facilities Lease during the remaining term of the Facilities Lease or (ii) if the conditions for purchase of the Project under the fourth paragraph of Section 6 can be met, exercise its option to purchase the Project pursuant to the fourth paragraph of Section 6 and effect extraordinary optional redemption of the Series 2024 Obligations under Section 2.07 of the Indenture. Under the circumstances described in (ii) of the foregoing sentence, 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 the Trustee as assignee of the Company 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 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, (subject to the University's right to exercise its option to purchase the Project on any Business Day occurring on or after April 1, 2035 pursuant to Section 6 hereof).

In the event of a proceeding by condemnation or eminent domain with respect to the Project, Facilities Lessor and the University shall each retain their respective right to seek damages from the condemning authority. 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) to the extent the University exercises its option to purchase the Project on any Business Day occurring on or after April 1, 2035 pursuant to Section 6 hereof, direct that the proceeds of any condemnation award be applied to the payment of the Purchase Price.

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. 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 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. Any provisions governing the rights, immunities and protections of the Trustee under the Indenture are incorporated by reference into this Facilities Lease as being applied to the Trustee as though fully set forth herein.

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 Trust 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 30th day following such Event of Default without prejudice to Facilities Lessor's rights in respect of the obligations of the University then accrued and remaining unsatisfied. In the event of any such termination of this Facilities Lease without payment of the Purchase Price, the right of the University to occupy the Project shall terminate and the Facilities Lessor shall have the right, in addition to its other rights under this Section 24, to relet or dispose of the Project or to have a receiver appointed for the Project and to terminate the University's right to occupy the Project.

The University shall remain liable for all covenants and obligations under this Lease, and for all 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. [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, request, complaint, demand or other paper 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, or by electronic mail, 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, in the case of electronic mail delivery, a copy of such correspondence is also delivered via U.S. mail to the addressee(s) 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

With a copy to:

UK Real Estate Services
824 Bull Lea Run, Suite 210
Lexington, Kentucky 40511
Email: 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 3, LLC
19 North High Street
Akron, Ohio 44308
Email: 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

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
Email: amy.anders@usbank.com

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.

The rights of the Facilities Lessor under this Facilities Lease have been assigned to the Trustee, pursuant to the Lease Assignment. This Facilities Lease may be modified only by a writing signed by the Facilities Lessor, the University and the Trustee, in accordance with the requirements of Section 5.06 of the Indenture.

As provided in Section 5.06 of the Indenture, the Trustee without the consent of the Owners may consent to any amendment to the Lease which 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 Lease Payments 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.

SIGNATURE PAGE TO FACILITIES LEASE

IN WITNESS WHEREOF, the parties hereto have executed this Facilities Lease as of the day and year first above written.

Facilities Lessor:

SIGNET KY RE 3, LLC

By: _____

Name: Mark S. Corr, IV

Title: President and Chief Executive Officer

STATE OF OHIO

COUNTY OF SUMMIT

The foregoing instrument was acknowledged before me this ___ day of _____, 2025, by Mark S. Corr, IV, as President and Chief Executive Officer of Signet KY RE 3, LLC, a Kentucky limited liability company, on behalf of said company.

My Commission expires: _____.

NOTARY PUBLIC

Signature Page to Facilities Lease

Facilities Lessee:

UNIVERSITY OF KENTUCKY

By:

Eric N. Monday
Executive Vice President for
Finance and Administration

Reviewed by

University of Kentucky General Counsel

COMMONWEALTH OF KENTUCKY

COUNTY OF FAYETTE

The foregoing instrument was acknowledged before me this __ day of ____, 2025, by Eric N. Monday, as Executive Vice President for Finance and Administration of the University of Kentucky, for and on behalf of the University of Kentucky.

My Commission expires: _____.

NOTARY PUBLIC

This instrument prepared by the
Attorney at Law:

John S. Egan
Frost Brown Todd LLP
400 West Market Street, Suite 3200
Louisville, Kentucky 40202
(502) 751-3092

EXHIBIT A

Base Rent and Purchase Price Schedule

Date	Principal ¹	Interest	Total Debt Service	Annual Trustee Fee ²	Base Rent ³	Purchase Price ⁴
------	------------------------	----------	-----------------------	---------------------------------------	------------------------	-----------------------------

Date	Principal ¹	Interest	Total Debt Service	Annual Trustee Fee ²	Base Rent ³	Purchase Price ⁴
------	------------------------	----------	-----------------------	---------------------------------------	------------------------	-----------------------------

¹ Principal payments on the Obligations are due to the Obligation holders on each April 1, commencing April 1, 2027. Interest payments on the Obligations are due to the Obligation holders on each April 1 and October 1, commencing October 1, 2025.

² The Trustee payments are due annually on each April 1, commencing April 1, 2026.

³ Base Rent is equal to principal and interest on the Obligations and the ordinary fees of the Trustee. Base Rent payments are due to be made by the University to the Trustee on each March 20 and September 20 immediately preceding the April 1 and October 1 Obligation Payment Dates.

⁴ The Purchase Price is equal to the outstanding principal amount of the Obligations, interest due thereon and any Additional Rent then due thereon.

The University cannot exercise its right to acquire the Project by paying the Purchase Price and optionally redeeming the Obligations prior to April 1, 2035. Beginning April 1, 2035 and thereafter, the University may elect to acquire the Project and optionally redeem the outstanding Obligations in whole or in part on any Business Day by paying the outstanding Purchase Price, plus accrued interest and any Additional Rent then due, pursuant to Section 2.07 of the Indenture and Section 6 of the Facilities Lease.

In certain limited circumstances described in Section 2.07 of the Indenture and Section 6 of the Facilities Lease (in the event of 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), the University has the option to effect extraordinary optional redemption of the Obligations in whole on any Business Day pursuant to Section 2.07 and Section 6 of the Facilities Lease.

EXHIBIT D:
Project Timeline
(Subject to change)

UK PS7 & JOHNSON CENTER EXPANSION DEVELOPMENT SCHEDULE

MILESTONE	START DATE	END DATE	DURATION
Pre-Development			
Predevelopment Agreement	4-Nov-24	4-Nov-24	1 Day
Finalize Project Agreements	TBD	TBD	1 Day
Parking Structure 7 Building Permit	30-Apr-25	30-Apr-25	1 Day
Johnson Center Building Permit	15-Aug-25	15-Aug-25	1 Day

Project Design (SD, DD, CD, Permitting)			
Parking Structure 7			
Schematic Design	18-Nov-24	6-Jan-25	2 Months
95% Construction Documents	7-Jan-25	10-Mar-25	2 Months
100% Construction Documents	11-Mar-25	24-Mar-25	2 Weeks
Johnson Center			
Schematic Design	23-Dec-24	1-Apr-25	4 Months
Design Development	28-May-25	24-Jun-25	1 Month
95% Construction Documents	2-Apr-25	24-Jun-25	3 Months
100% Construction Documents	8-Apr-25	10-Sep-25	5 Months
Courts & Promenade			
Schematic Design	18-Nov-24	1-Apr-25	5 Months
Design Development	28-May-25	24-Jun-25	1 Month
95% Construction Documents	18-Dec-25	14-Jan-26	1 Month
100% Construction Documents	15-Jan-26	28-Jan-26	2 Weeks

Finance & Closing			
Capital Bonds Oversight Approval	28-Apr-25	28-Apr-25	1 Day
Bond Pricing	28-May-25	28-May-25	1 Day
GMP Contract Executed	24-Jun-25	24-Jun-25	1 Day
Bond Closing	30-Jun-25	30-Jun-25	1 Day

Construction			
Parking Structure 7			
	17-Feb-25	31-Aug-26	
Excavation & Site Utilities	17-Feb-25	11-Apr-25	2 Months
Foundations	14-Apr-25	9-Jun-25	2 Months
Structural Frame	28-Apr-25	16-Feb-26	10 Months
Exterior	20-Jan-26	4-May-26	4 Months
Finishes	30-Dec-25	20-Jul-26	7 Months
Parking Structure 7 Grand Opening		31-Aug-26	

Construction			
Johnson Center	16-Jun-25	30-Oct-26	
Mass Excavation & Foundations	16-Jun-25	5-Sep-25	3 Months
Structural Frame	15-Dec-25	16-Jan-26	1 Month
OH MEP Rough-In	29-Jul-25	5-Jun-26	11 Months
Exterior Enclosure	24-Feb-26	8-Jun-26	4 Months
Finishes	7-Oct-25	18-Sep-26	10 Months
Johnson Center Grand Opening		31-Dec-26	

Courts & Promenade	1-Jan-26	31-Mar-26	
Courts	1-Oct-26	31-Dec-26	3 Months
Promenade	1-Oct-26	31-Dec-26	3 Months

PROJECT DELIVERY & GRAND OPENING		31-Dec-26	
---------------------------------------------	--	------------------	--

EXHIBIT E:

Form of Budget Update

(Still under development)

University of Kentucky

Parking Structure 7 & Johnson Center



Monthly Project Report

Project Team:

Owner / Developer:

Signet KY RE 3 LLC

Client:

University of Kentucky

Architect:

RossTarrant Architects

Construction Manager:

Messer Construction

Table of Contents

Page

Executive Summary

Schedule Milestones

Progress Photographs

Appendix A – Construction Schedule

Appendix B – Change Request Log

Appendix C – Budget Log

Appendix D – Meeting Minutes & Field Reports

Executive Summary

XXX

Budget Summary

XXX

Contingency Summary

Contingency Description	Original Budget	Remaining Budget*
1.	\$	\$
2.	\$	\$
3. Construction Contingency	\$	\$

*accepted values

Schedule Review & Milestones

Current Activities

➤ XXX

Project Construction Milestones

<u>Milestone</u>	<u>Scheduled</u> <u>Date</u>	<u>Actual</u> <u>Date</u>
Accept GMP		
Start Date		
Substantial Completion		
Final Completion		

Progress Photographs

Description:

Appendix A

Construction Schedule

Appendix B

Change Request Log

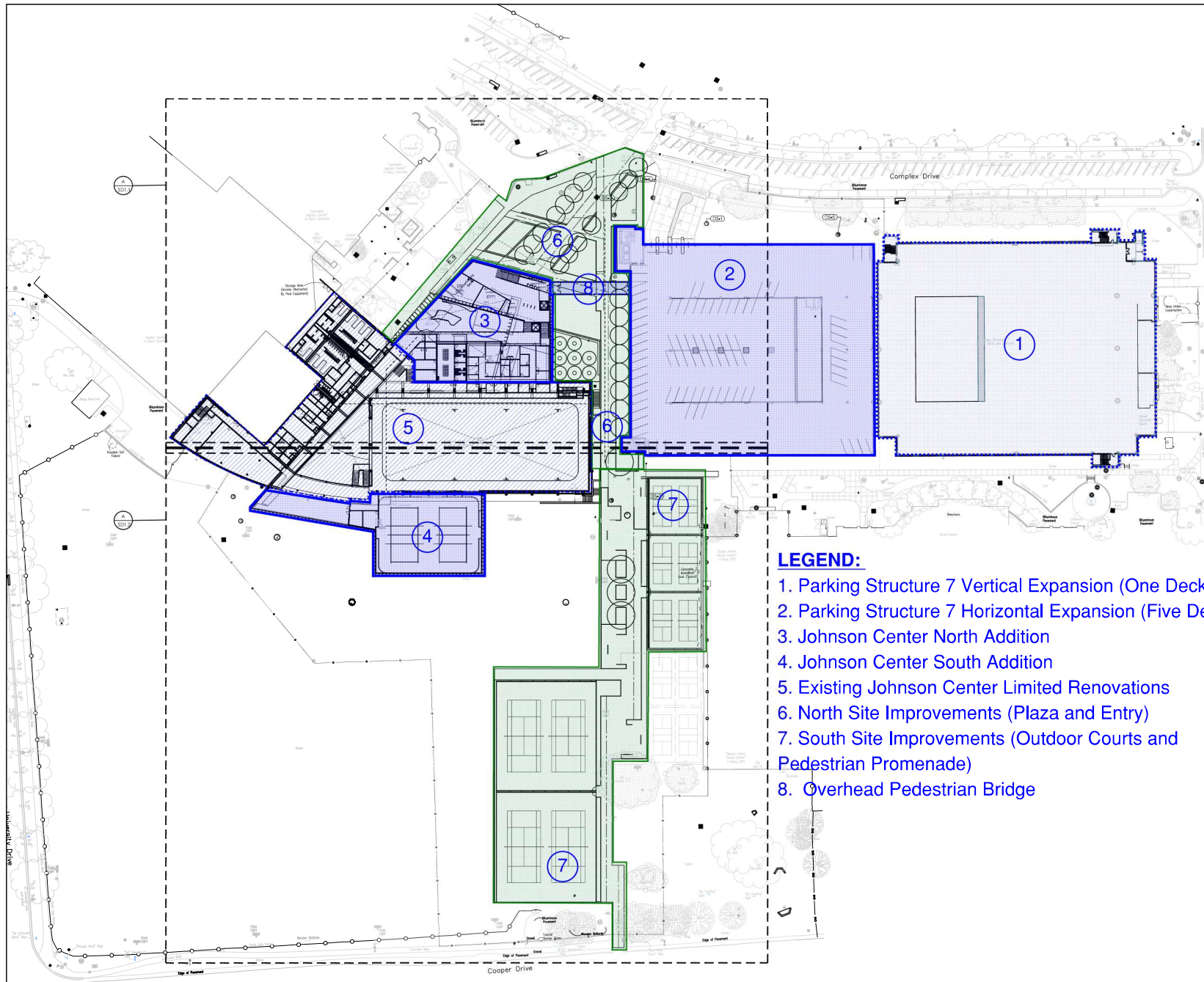
Appendix C

Budget Log

Appendix D

Meeting Minutes & Field Reports

Exhibit F:
Preliminary Site Plans
(Subject to Change)



LEGEND:

1. Parking Structure 7 Vertical Expansion (One Deck)
2. Parking Structure 7 Horizontal Expansion (Five Decks)
3. Johnson Center North Addition
4. Johnson Center South Addition
5. Existing Johnson Center Limited Renovations
6. North Site Improvements (Plaza and Entry)
7. South Site Improvements (Outdoor Courts and Pedestrian Promenade)
8. Overhead Pedestrian Bridge

EXHIBIT G:
Staging Areas & Site Mobilization Plan
(Still under development)

UKPS7/JC - SITE LOGISTICS PLAN
01.20.25

Crosswalk - Coor
new curb cut areas
with UK Arborist

Dash line goes up once summer break
starts - coordination w/ Regional/Super
Regional Tennis Events.

Sidewalk Closed: Use
Other Side

Construction Area:
No Pedestrians

Sidewalk
Closed: Use
Other Side



Gate #2

Pumpers/Boat Only

Critical Dates PS7:
2/24 - Mobilize Crew, Selective Demo Prep, localized parking spaces.
3/17 (Spring Break) - Block top level, selective demo of concrete, stair
& elevator towers.
5/12 - 8/24: Close garage and surrounding walks for the summer.
Facade & Roof Structures of stair towers will have to be removed for
the vertical expansion activities to begin starting this spring. Elevator
will need to shut down starting ~2/24 for this work to take place, further
coordination with UK.

Initial Fence for
Emergency Exits,
limits of JC will
adjust with design

Detour

Detour: Access to
Boone Center ONLY

Sidewalk Closed:
Detour

Construction Area:
No Pedestrians

Site:
1/20 - Tennis Area closed for geo-tech drilling
1/27 - Geotech Drilling, limited closure of walk on west side of JC
2/3 - Installation of construction fence & electric duct bank relocation (see other sheets for
limits of this work area).

Fencing:
• Site walks will be conducted to maintaining public safety with signage while the space is
being fully enclosed.
• New temp sidewalks, covered walkways, tree protection will be ongoing.
• Installation of construction fence estimated to take approximately 1 month.

Construction Road

Laydown/Parking

Construction
Road

Trailers

Protected Tree

Protected Tree

Tennis covered Perimeter
Mainway for Events
Central Meeting needed
to review tree protection
measures

William H. Pieratt
Intramural Fields

Sidewalk Closed: Use Other Side

Construction Area: No
Pedestrians

Sidewalk Close: Detour

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 an expansion to Parking Structure No. 7 and a connected expansion to the Johnson Recreation Center, with additional improvement to recreation fields, courts and greenspaces at the Southwest corner of Sports Center Drive and Complex Drive and Cooper Drive (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 June 13, 2024, 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 \$115,000,000 for the purpose of Capital Expenditures for the Project that may occur before the issuance of Reimbursement Obligations; provided, however, that such reimbursement shall otherwise be limited to the greater of (i) the amount of the Project or Reimbursement Obligations authorized and approved by the Capital Projects and Bond Oversight Committee of the Commonwealth of Kentucky in accordance with KRS 45A.077; or (ii) the amount of predevelopment expenditures for the Project incurred or paid by the University in accordance with

the Letter of Intent dated November 4, 2024, by and between the University and Signet KY Development LLC related to the Project.

[Signature page to follow]

DULY ADOPTED by the Executive Vice President for Finance and Administration of the University of Kentucky, this December 2, 2024.

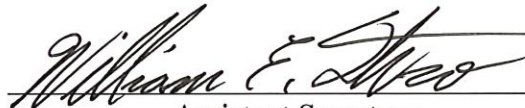


Dr. Eric N. Monday
Executive Vice President for Finance and
Administration
University of Kentucky

CERTIFICATION

I, the undersigned, do hereby certify that I am the duly qualified and acting Assistant Secretary of the Board of Trustees of the University of Kentucky, and as such Assistant 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 December 2, 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 Assistant Secretary of the Board of Trustees of the University of Kentucky, as of December 2, 2024.



Assistant Secretary