

March 10, 2017

Sally Hamilton
Chief Administrative Officer
Lexington Fayette Urban County Government
200 E. Main St.
Lexington, KY 40507-1435

RE: **Purchase of the property located at 1530 Nicholasville Road, Lexington, Fayette County, Kentucky, (Senior Citizens Center) together with the associated personal property (collectively, the “Property”).**

Dear Ms. Hamilton:

This letter of intent (“*LOI*”) will serve as the expression of the intent of the Commonwealth of Kentucky, for the use and benefit for the University of Kentucky (“*Purchaser*”), to purchase (the “*Proposed Transaction*”) the Property from Lexington Fayette Urban County Government (“*Seller*,”) and, together with the Purchaser, collectively, the “*Parties*,” and each, singly, a “*Party*”. Except for the Binding Terms (as defined below), the terms of this LOI shall be non-binding on the Parties. The basic terms of the Proposed Transaction will be as follows:

NON-BINDING TERMS

The following non-binding terms (the “*Non-Binding Terms*”) shall be included in the Definitive Agreement (as hereinafter defined):

1. Purchaser. Commonwealth of Kentucky, for the use and benefit of the University of Kentucky.
2. Seller: Lexington Fayette Urban County Government.
3. Purchase Price: The purchase price shall be Three Million One Hundred Thousand Dollars (\$3,100,000.00 USD) (the “*Purchase Price*”) payable at Closing in accordance with the terms of the Definitive Agreement (as hereinafter defined).
4. Earnest Money Deposit. An earnest money deposit in the amount of Ten Thousand (\$10,000 USD) will be deposited with an escrow agent of Seller’s choosing, upon the signing of the Definitive Agreement, to be applied, together with the interest earned thereon,

see blue.

against the Purchase Price at Closing, or refunded to Purchaser if Purchaser terminates the Definitive Agreement prior to expiration of the Due Diligence Period.

5. Due Diligence Investigation: Seller will cooperate fully with Purchaser to supply information that may be required by Purchaser for the purpose of undertaking such due diligence with respect to legal, factual and other inquiries and investigations as Purchaser deems necessary with respect to the Property. Purchaser shall be entitled to a due diligence period of sixty (60) days ("*Due Diligence Period*") following Seller's delivery of information requested by Purchaser with respect to the Property. Purchaser shall be entitled to terminate the Definitive Agreement prior to expiration of the Due Diligence Period for any reason whatsoever if Purchaser is dissatisfied with any aspect of the Property.

6. Title to the Property: Good, marketable, fee simple title to the Property, such as a national title insurance company will insure on an ALTA Owner's Policy (Form B), with extended coverage, subject only to the lien of current real estate taxes, not delinquent, easements and restrictions of record and the leases, all as approved by Purchaser in writing.

7. Closing: The date of the closing (the "*Closing*") of the sale of the Property shall be on a date selected by Purchaser not earlier than May 31, 2017, and not later than June 30, 2017. Purchaser shall have no obligation to close unless and until the Proposed Transaction is approved by the Board of Trustees of the Purchaser.

8. Possession: At Closing.

9. Brokerage Commission: None.

10. Prorations and Adjustments: As of Closing.

BINDING TERMS

The following terms (the "*Binding Terms*") are the legally binding and enforceable agreements of the Parties:

11. Solicitation: This LOI is intended to create an exclusive period for Purchaser to negotiate the Definitive Agreement with Seller. Seller agrees not to solicit or to accept any other offer to purchase the Property from any other party until the first to occur of (a) termination of discussions or negotiations by Purchaser, or (b) the passage of sixty (60) days from the date this LOI is fully executed by Seller.

12. Expenses: Expenses shall be allocated as is customary in real estate transactions in Kentucky; provided, however each Party shall bear its own expenses, including, without limitation, the expenses of inspections and investigations, appraisals, attorneys' and accountants' fees and expenses, and neither Party shall have any obligation therefor to the other Party.

13. Public Disclosure. It is agreed that neither Seller nor Purchaser shall make any disclosure of the existence of this LOI, the Proposed Transaction or any of the terms and conditions hereof, without the prior written consent of the other party, except for (a) disclosures to attorneys, accountants, bankers, other advisors, directors and shareholders; and (b) disclosures

for the purpose of making any filing or obtaining any consent or approval required for the consummation of the Proposed Transaction (including, without limitation, submission to the Board of Trustees of the Purchaser); and (c) disclosures required by any statute, law, regulation, administrative or court order, ordinance or other legal requirement.

14. Definitive Agreement. Upon execution of this LOI by each of the Parties, the Parties shall commence preparation of a definitive written agreement that details the final terms and conditions of the Proposed Transaction (collectively, the “*Definitive Agreement*”), to be finalized within thirty (30) days of the full execution of this LOI by Seller.

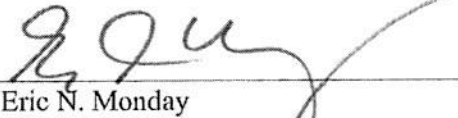
15. Non-Binding Nature. Notwithstanding the foregoing or any other past, present or future written or oral indications of assent or indications of results of negotiation or agreements to some or all matters then under negotiation, each Party agrees that, except for the Binding Terms set forth in Sections 11, 12, 13, 14 and 15 of this LOI, no Party (and no person or entity related to any such party) will be under any legal obligation with respect to the Non-Binding Terms, the Proposed Transaction, or any similar transaction, and no offer, commitment, estoppel, undertaking or obligation of any nature whatsoever (except for the Binding Terms) shall be implied in fact, law or equity, unless and until the Definitive Agreement has been executed and delivered by all Parties. Except with respect to the Binding Terms, this LOI is not intended to constitute a binding agreement, and, except with respect to the Binding Terms, neither Party will rely on this LOI as being binding on the other; any such reliance being acknowledged by each of the Parties as unreasonable.

Please indicate Seller’s agreement to the Binding Terms and its willingness to proceed with the preparation of the Definitive Agreement by signing and dating this LOI and returning an original signed copy of this letter to Purchaser.

Please be advised that this LOI shall expire unless Seller has delivered to Purchaser a fully executed copy of this LOI no later than 5:00 p.m. (Eastern Daylight Time) on April 15, 2017.

Sincerely,

Commonwealth of Kentucky for the use and
benefit of the University of Kentucky

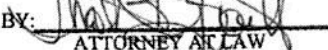
By: 
Eric N. Monday

Its: Executive Vice President of Finance and
Administration

Reviewed by: **GEORGE WARD**
Digitally signed by GEORGE WARD
DN: cn=GEORGE WARD, o=UK
email=george.ward@uky.edu, c=US
Date: 2017.03.10 14:27:46 -0500

UK Real Estate Services

EXAMINED FOR FORM AND LEGALITY
OFFICE OF LEGAL COUNSEL
UNIVERSITY OF KENTUCKY

BY: 
ATTORNEY AT LAW

AGREED TO WITH RESPECT TO THE BINDING TERMS AS OF THE DATE SET FORTH BELOW:

Lexington Fayette Urban County Government

By: Jim Gray

Its: Mayor

Date: _____