

OFFER AND AGREEMENT TO PURCHASE REAL ESTATE

This **Offer and Agreement to Purchase Real Estate** (this “Agreement”) is made as of the date of later execution hereof by the following “Seller” and “Purchaser” (the “Effective Date”).

The Property: 130 W New Circle Road Suite 170 and 134 W New Circle Road, Lexington, KY 40505

Seller: William Ziering Trust
Attn: Bill Ziering
28657 N Twin Oaks Valley
Vista, CA
Phone No.: (858) 775-7197
E-Mail: William.zeiring@gmail.com

Seller’s Broker: Nathan Dilly and Neal Metcalfe
SVN Stone Commercial Real Estate
270 S. Limestone
Lexington, KY 40508
Phone No.: (859) 420-5492 | (859) 312-8069
E-Mail: Nathan.dilly@svn.com; neal.metcalfe@svn.com

Purchaser: Lexington-Fayette Urban County Government
Attn: Commissioner of General Services
Address: 200 East Main Street
Lexington, KY 40507
Phone No.: (859) 258-3900
E-Mail: cford2@lexingtonky.gov

Purchaser’s Broker: N/A

- Offer to Purchase the Property** Purchaser hereby offers to purchase the “Property” identified above (and more specifically identified in Exhibit A, attached hereto and incorporated herein by this reference), which shall include: the land and all buildings and other improvements thereon; all appurtenant rights, privileges, easements, and fixtures; and all personally attached to or built-in that, if removed, would leave the land or buildings in a damaged, incomplete or unfinished condition. This Agreement shall not be deemed an offer or binding upon Seller or Purchaser until this Agreement is fully executed and delivered by Seller and Purchaser.
- Purchase Price** Six Million Dollars and no cents (\$6,000,000.00)
- Expiration of Offer** Unless accepted by Seller’s signature on this Agreement and then delivered to Purchaser by Five O’clock P.M. EST on March 14, 2024, this offer shall expire and shall be automatically null and void.
- Earnest Money Deposit** No funds be deposited, upon Purchaser’s receipt of Seller’s written acceptance of this Agreement, as an Earnest Money Deposit to be held by SVN Stone Commercial Escrow

and credited to Purchase Price at closing. The Earnest Money Deposit shall only be removed from escrow (a) in accordance with the several provisions of this Agreement, or (b) upon written agreement of both parties, or (c) upon a court order.

5. Conditions to Purchaser's Obligations Purchaser shall enjoy a period of 30 calendar days following Seller's execution of this Agreement (the "Contingency Period") within which Purchaser shall, acting in good faith and with appropriate due diligence, determine whether the conditions to its obligations under this Agreement can be satisfied or waived. Neither Seller nor Purchaser shall have any rights, duties or obligations hereunder, and this Agreement shall be and become void ab initio, unless the following conditions precedent are satisfied or are specifically waived in writing by Purchaser within the Contingency Period:

(a) Purchaser obtains and approves a current title commitment, containing only such exceptions as are reasonably acceptable to Purchaser.

(b) Seller provides to Purchaser evidence to the satisfaction of Purchaser that Seller has terminated the Lease.

If the Purchaser declares this Agreement null and void due to not meeting one or more of the above conditions, then the Earnest Money Deposit shall be immediately returned to Purchaser, whereupon both Seller and Purchaser will sign and deliver a mutual release.

6. Access by Purchaser Purchaser and Purchaser's agents and contractors are hereby granted access to the Property for purposes of performing inspections and testing that Purchaser reasonably deems necessary; provided, however, that all such work shall be performed in a good and workmanlike manner at Purchaser's sole expense, and the property shall be returned to a safe condition, substantially similar to its condition prior to Purchaser's entry. Purchaser shall ensure that no liens attach to the Property as a result of such inspection and testing work. Purchaser shall provide Seller and Tenant with twenty-four (24) hours advance written notice prior to inspections so as to properly notify the Tenant.

7. Closing If Seller accepts Purchaser's offer, the consummation of the sale and purchase of the Property shall be held at such time and place as the parties may in good faith agree, but not later than forty-five (45) calendar days following Effective Date. Seller shall deliver to Purchaser at closing a fully executed Special Warranty Deed in statutory recordable form reasonably acceptable to Purchaser's counsel conveying to Purchaser good, marketable and unencumbered fee simple absolute title to the Property, and such other documents reasonably required by Purchaser's counsel including, but not limited to, an assignment of the Lease and the Guaranty of the Lease, which shall include the Seller's agreement to indemnify, defend, and hold harmless Purchaser from and against all claims, actions, proceedings, losses and liabilities, and expenses arising from Seller's failure to perform its obligations under the Lease as landlord and accruing prior to the Closing Date; a Certificate of Non-Foreign Status; a Form 1099; the executed Tenant Estoppel Certificate; executed tenant notice letters to each of the tenants advising them of the sale of the Property to Purchaser, the transfer of the tenants' security deposits to Purchaser and directing the tenants to thereafter deliver all notices to Purchaser and pay all rents or other payments directly to Purchaser; and an Owner's Affidavit. Seller shall deliver full possession of the Property at closing with delivery of Deed subject only to the Lease.

8. Closing Costs and Proration at Closing Real estate taxes will not be prorated as the Tenant pays the real estate taxes pursuant to the terms of the Lease. Rents shall be prorated as of the date of closing. Any tenant security deposits held by the Seller shall transfer to the Purchaser at closing. Seller shall pay

for preparation of the Deed and for all transfer and documentary stamp taxes for the Deed. Purchaser shall pay the cost of recording the Deed.

9. **Risk of Loss** Seller shall ensure that the condition of the Property does not deteriorate but is maintained in at least its present condition at all times prior to closing. All risk of loss or damage to the Property by fire or other casualty, condemnation (or threat thereof), or any other cause shall remain with Seller until the Closing. If, prior to closing, the Property is so damaged, then Seller shall, at Seller's cost, promptly repair said damage in a good and workmanlike manner, or, if not, then Purchaser shall have the option to declare this Agreement null and void and receive a refund of the Earnest Money Deposit, or Purchaser may complete settlement, accepting the Property as damaged together with the proceeds of any insurance or award payable as a result of such damage, at the sole and absolute discretion of the Purchaser.

10. **Default** If Seller defaults, then Purchaser shall be entitled to an immediate refund of the Earnest Money Deposit and to pursue all legal and equitable remedies, including the right of specific performance. If Purchaser defaults, then Seller shall be entitled to retain the Earnest Money Deposit and to pursue all legal and equitable remedies, including the right of specific performance.

11. **Availability of Documents** Seller shall, within seven (7) calendar days following Seller's acceptance of this Agreement, deliver to Purchaser, at no cost to Purchaser, true and accurate copies of all documents related to the Property that are in Seller's possession or control including, but not limited to, all leases, lease guarantees, title insurance policies, title reports and commitments, surveys, geotechnical information, and Phase I and other environmental assessments and reports.

12. **Representations of Seller** Seller hereby represents that Seller has no knowledge of any condemnations or assessments affecting or contemplated with respect to the Property; and/or actions, suits or proceedings pending or threatened against the Property or Seller's interest in the Property. Other than the existing lease with Mattress Overstock, Seller has not contracted with any other party for the sale or lease of the Property, and no other party holds an interest in the Property. Seller will not enter into any new lease or amend or modify any lease without Purchaser's prior written consent; nor shall Seller enter into any new agreements with any brokers in connection with any prospective tenants for new leases without Purchaser's prior written consent. The parties signing this Agreement as the "Seller" are the only parties whose signatures are necessary to convey fee title to and possession of the Property. Seller is not a "Foreign Person" within the meaning of Section 1445 of the Internal Revenue Code, as amended, and Seller will deliver an affidavit to such effect to Purchaser on or before the Closing. Seller is a trust duly formed, validly existing, and in good standing under the laws of the State of California, is qualified to conduct business in the State of Kentucky, and has the requisite power and authority to enter into this Agreement and the instruments referenced herein, and to consummate the transactions contemplated hereby. The execution, delivery, and performance of this Agreement by Seller and all agreements, instruments, and documents herein provided to be executed by Seller on the Closing Date: (i) do not violate the formation documents of Seller, or any contract, agreement, commitment, lease, order, judgment, or decree to which Seller is a party; and (ii) have been duly authorized by the consent of the trustee and beneficiaries of Seller, if applicable, and the appropriate and necessary action has been taken by such trustees and beneficiaries on the part of Seller, if applicable. The individual(s) executing this Agreement and the instruments referenced herein on behalf of Seller have the legal power, right, and actual authority to bind Seller to the terms and conditions hereof and thereof. This Agreement is valid and binding upon Seller, subject to bankruptcy, reorganization, and other similar laws affecting the enforcement of creditors' rights generally. Neither the execution, delivery, or performance of this Agreement, nor the consummation of the transactions contemplated hereby is prohibited by, or requires Seller to obtain any consent, authorization, approval, or registration under any law, statute, rule,

regulation, judgment, order, writ, injunction, or decree which is binding upon Seller which has not been previously obtained. Seller has not entered into any service, maintenance, supply, leasing, brokerage, and listing and/or other contracts relating to the Property (along with all amendments and modifications thereof, the "Service Contracts") which shall be binding upon the Purchaser after the Closing, other than the Lease. Each of the service contracts can and, at Purchaser's option, shall be terminated by Seller on or before the Closing Date. Seller has performed all its obligations under each of the Service Contracts and no fact or circumstance has occurred which, by itself or with the passage of time or the giving of notice or both, would constitute a default by any party under any of the Service Contracts. Seller has delivered to Purchaser true, correct, and complete copies of all Service Contracts. Seller is not, and shall not become, a person or entity with whom United States persons or entities are restricted or prohibited from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's specially designated and blocked persons list) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism), or other governmental action and is not and shall not engage in any dealings or transactions or be otherwise associated with such persons or entities. These representations and warranties of Seller set forth in this section shall survive the Closing and shall not be affected by any investigation, verification, or approval by any party or anyone on behalf of any party to this Agreement.

13. **Real Estate Commission** Nathan Dilly and Neal Metcalfe of SVN Stone Commercial Real Estate represent Seller. Seller agrees to pay to SVN Stone Commercial Real Estate at the time of closing a real estate commission equal to six percent (6%) of the total purchase price of the Property. The parties hereby warrant and represent that neither of them has contracted with other agents or brokers, or otherwise taken any action that would give rise to a claim by another broker or agent for a commission, and that there are no other brokers or agents involved in this transaction, and that no additional commissions are due any other such brokers or agents not specifically mentioned herein. To the extent permitted by law, and without waiving the defense of sovereign immunity to claims against third parties, Seller and Purchaser shall indemnify, defend and hold harmless the other from and against any claim or demand by any real estate agent for bringing about this Agreement who claims to have dealt with the indemnifying party, including all expenses incurred in defending any such claim or demand (including reasonable attorney's fees).

14. **Entire Agreement** This Agreement includes the entire agreement between the parties hereto. Seller hereby acknowledges and agrees that neither Purchaser nor anyone acting on Purchaser's behalf has made any statement, promise or agreement or has taken upon itself any engagement whatsoever, whether verbally or in writing, in conflict with the terms of this Agreement, or that in any way modifies, varies, alters, enlarges or invalidates any of the provisions hereof.

15. **Notices** Any notice, demand or request that may be required to be given under this Agreement shall be in writing and shall be either (a) delivered in person (with a signed acceptance), or (b) sent by United States Certified Mail, postage pre-paid, return receipt required, or (c) delivered by a nationally recognized courier service that obtains an acknowledgement of receipt, and, in each such instance, such notice, demand or request shall be addressed as set forth in the heading of this Agreement, or at such other address as either party may designate by notice given in accordance with this section.

16. **Rules of Construction** (a) **Time of the Essence** – TIME IS OF THE ESSENCE FOR PURPOSES OF THIS AGREEMENT. (b) **Drafter** – The fact that this Agreement was initially drafted by one party or the other shall have no bearing in its interpretation or construction. (c) **Headings** – Section headings of this Agreement are for convenience only and are not to be construed as defining or limiting in any way

the scope or intent of the provisions hereof. (d) Deposit – Any reference in this Agreement to Earnest Money Deposit shall include all interest accruing thereon. € Binding Effect – This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto, their administrators, executors, representatives, heirs, successors and assigns. (f) Counterparts – This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but such counterparts together shall constitute but one and the same instrument. (g) Severability – In the event any provision of this Agreement is held by any court having jurisdiction over any dispute arising hereunder to be invalid or unenforceable, then such court shall reinterpret such provision so as to carry out the intent of the parties hereto in a valid and enforceable manner, and the invalidity or unenforceability of such provision, and the remainder of this Agreement, including any reinterpretation of such provision, shall remain in full force and effect. (h) Governing Law – This Agreement shall be deemed to have been delivered to and made at Lexington, Kentucky, and the terms and provisions of this Agreement shall be interpreted in accordance with and governed by the laws of the Commonwealth of Kentucky without regard to the principles of conflicts of law.

17. Miscellaneous Provisions Purchaser and or Seller may elect to treat this transaction as an exchange under IRC Section 1031 at no cost or liability to the other party. Purchaser may elect to transfer this transaction to a Corporation or Limited Liability Company.

18. Amendments and Notices to Terminate This Agreement cannot be changed orally, but only by an agreement in writing signed by Seller and by an authorized representative of Purchaser. Notwithstanding anything to the contrary contained in this Agreement, amendments to this Agreement to extend the Contingency Period and/or Closing date may be agreed upon in writing or email by each party or each party's respective attorney and notices to terminate this Agreement prior to the expiration of the Contingency Period may be given, by Purchaser as provided in this Agreement or by Purchaser or Purchaser's attorney by email to Seller and/or Seller's attorney.

19. Review of Agreement Seller represents to Purchaser that Seller has read and understands the terms of this Agreement. Purchaser represents to Seller that Purchaser has read and understands the terms of this Agreement.

IN WITNESS WHEREOF, Purchaser respectfully submits this offer to purchase the Property on the terms, and subject to the conditions set forth in this Offer and Agreement to Purchase Real Estate.

PURCHASER: Lexington-Fayette Urban County Government

<div>Linda Gorton</div>	
By:	<div>Linda Gorton</div>
Title:	<div>Mayor</div>
<div>3/8/24</div>	<div></div>
Date	Time (A.M./P.M.)

ACCEPTANCE

IN WITNESS WHEREOF, Seller hereby accepts Purchaser’s offer to purchase the Property on the terms, and subject to the conditions, set forth in this Offer and Agreement to Purchase Real Estate.

SELLER(S): William Ziering Trust

<div></div>	
By:	<div></div>
Title:	<div></div>
<div></div>	<div></div>
Date	Time (A.M./P.M.)

EARNEST MONEY RECEIPT

Broker, as Seller’s Listing Agency, acknowledges receipt of the Earnest Money Deposit as per Section 4 of this Offer and Agreement to Purchase Real Estate.

By:	<div>Matt Stone</div>
Title:	<div>Principal Broker</div>
<div></div>	<div></div>
Date	Time (A.M./P.M.)

EXHIBIT A
TO
OFFER AND AGREEMENT TO PURCHASE REAL ESTATE
Between William Ziering Trust as Seller,
And Lexington-Fayette Urban County Government as Purchaser

LEGAL DESCRIPTION OF THE PROPERTY
To be provided by Seller.

4875-8462-1479, v. 2

HENRY WATZ RAINE & MARINO, PLLC
ATTORNEYS AT LAW
THE SQUARE, SUITE 314
401 WEST MAIN STREET
LEXINGTON, KENTUCKY 40507
TELEPHONE (859) 253-1320
FAX (859) 255-8316
February 6, 2025

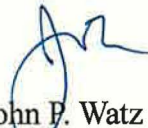
Evan P. Thompson, Esq.
LFUCG - Law Department
200 East Main Street
Lexington, KY 40507

RE: Owner Title Insurance Policy
130 W. New Circle Road, Ste. 170
134 W. New Circle Road
Lexington, KY ("Property")

Dear Evan:

Please find enclosed the original Owner Title Insurance Policy for 130 W. New Circle Road, Suite 170 and 134 W. New Circle Road, Lexington, Kentucky, which was issued after consolidation in Plat in Plat Cabinet S, Slide 569.

Sincerely,



John P. Watz
HENRY WATZ RAINE & MARINO, PLLC
jwatz@hwrmlaw.com

JPW/sew
Enclosures

Y:\JPW\LFUCG\130 & 134 W NEW CIRCLE RD\THOMPSON 02-06-2025.DOCX



ALTA OWNER'S POLICY OF TITLE INSURANCE
issued by
FIRST AMERICAN TITLE INSURANCE COMPANY

This policy, when issued by the Company with a Policy Number and the Date of Policy, is valid even if this policy or any endorsement to this policy is issued electronically or lacks any signature.

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at the address shown in Condition 17.

COVERED RISKS

SUBJECT TO THE EXCLUSIONS FROM COVERAGE, THE EXCEPTIONS FROM COVERAGE CONTAINED IN SCHEDULE B, AND THE CONDITIONS, FIRST AMERICAN TITLE INSURANCE COMPANY, a Nebraska corporation (the "Company"), insures as of the Date of Policy and, to the extent stated in Covered Risks 9 and 10, after the Date of Policy, against loss or damage, not exceeding the Amount of Insurance, sustained or incurred by the Insured by reason of:

1. The Title being vested other than as stated in Schedule A.
2. Any defect in or lien or encumbrance on the Title. Covered Risk 2 includes, but is not limited to, insurance against loss from:
 - a. a defect in the Title caused by:
 - i. forgery, fraud, undue influence, duress, incompetency, incapacity, or impersonation;
 - ii. the failure of a person or Entity to have authorized a transfer or conveyance;
 - iii. a document affecting the Title not properly authorized, created, executed, witnessed, sealed, acknowledged, notarized (including by remote online notarization), or delivered;
 - iv. a failure to perform those acts necessary to create a document by electronic means authorized by law;
 - v. a document executed under a falsified, expired, or otherwise invalid power of attorney;
 - vi. a document not properly filed, recorded, or indexed in the Public Records, including the failure to have performed those acts by electronic means authorized by law;
 - vii. a defective judicial or administrative proceeding; or
 - viii. the repudiation of an electronic signature by a person that executed a document because the electronic signature on the document was not valid under applicable electronic transactions law.
 - b. the lien of real estate taxes or assessments imposed on the Title by a governmental authority due or payable, but unpaid.
 - c. the effect on the Title of an encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment (including an encroachment of an improvement across the boundary lines of the Land), but only if the encumbrance, violation, variation, adverse circumstance, boundary line overlap, or encroachment would have been disclosed by an accurate and complete land title survey of the Land.
3. Unmarketable Title.
4. No right of access to and from the Land.



5. A violation or enforcement of a law, ordinance, permit, or governmental regulation (including those relating to building and zoning), but only to the extent of the violation or enforcement described by the enforcing governmental authority in an Enforcement Notice that identifies a restriction, regulation, or prohibition relating to:
 - a. the occupancy, use, or enjoyment of the Land;
 - b. the character, dimensions, or location of an improvement on the Land;
 - c. the subdivision of the Land; or
 - d. environmental remediation or protection on the Land.
6. An enforcement of a governmental forfeiture, police, regulatory, or national security power, but only to the extent of the enforcement described by the enforcing governmental authority in an Enforcement Notice.
7. An exercise of the power of eminent domain, but only to the extent:
 - a. of the exercise described in an Enforcement Notice; or
 - b. the taking occurred and is binding on a purchaser for value without Knowledge.
8. An enforcement of a PACA-PSA Trust, but only to the extent of the enforcement described in an Enforcement Notice.
9. The Title being vested other than as stated in Schedule A, the Title being defective, or the effect of a court order providing an alternative remedy:
 - a. resulting from the avoidance, in whole or in part, of any transfer of all or any part of the Title to the Land or any interest in the Land occurring prior to the transaction vesting the Title because that prior transfer constituted a:
 - i. fraudulent conveyance, fraudulent transfer, or preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law; or
 - ii. voidable transfer under the Uniform Voidable Transactions Act; or
 - b. because the instrument vesting the Title constitutes a preferential transfer under federal bankruptcy, state insolvency, or similar state or federal creditors' rights law by reason of the failure:
 - i. to timely record the instrument vesting the Title in the Public Records after execution and delivery of the instrument to the Insured; or
 - ii. of the recording of the instrument vesting the Title in the Public Records to impart notice of its existence to a purchaser for value or to a judgment or lien creditor.
10. Any defect in or lien or encumbrance on the Title or other matter included in Covered Risks 1 through 9 that has been created or attached or has been filed or recorded in the Public Records subsequent to the Date of Policy and prior to the recording of the deed or other instrument vesting the Title in the Public Records.



DEFENSE OF COVERED CLAIMS

The Company will also pay the costs, attorneys' fees, and expenses incurred in defense of any matter insured against by this policy, but only to the extent provided in the Conditions.

First American Title Insurance Company

Kenneth D. DeGiorgio, President

Lisa W. Cornehl, Secretary

For Reference:

File #: 2024-02024(2)

Policy #: 50150221-0017031e

Issued By:

Henry, Watz, Raine & Marino, PLLC

401 West Main Street, Suite 314

Lexington, KY 40507



EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1.
 - a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
 - i. the occupancy, use, or enjoyment of the Land;
 - ii. the character, dimensions, or location of any improvement on the Land;
 - iii. the subdivision of land; or
 - iv. environmental remediation or protection.
 - b. any governmental forfeiture, police, regulatory, or national security power.
 - c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
 - a. created, suffered, assumed, or agreed to by the Insured Claimant;
 - b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - c. resulting in no loss or damage to the Insured Claimant;
 - d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
 - e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
 - a. fraudulent conveyance or fraudulent transfer;
 - b. voidable transfer under the Uniform Voidable Transactions Act; or
 - c. preferential transfer:
 - i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
 - ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.



CONDITIONS

1. DEFINITION OF TERMS

In this policy, the following terms have the meanings given to them below. Any defined term includes both the singular and the plural, as the context requires:

- a. "Affiliate": An Entity:
 - i. that is wholly owned by the Insured;
 - ii. that wholly owns the Insured; or
 - iii. if that Entity and the Insured are both wholly owned by the same person or entity.
- b. "Amount of Insurance": The Amount of Insurance stated in Schedule A, as may be increased by Condition 8.d. or decreased by Condition 10 or 11; or increased or decreased by endorsements to this policy.
- c. "Date of Policy": The Date of Policy stated in Schedule A.
- d. "Discriminatory Covenant": Any covenant, condition, restriction, or limitation that is unenforceable under applicable law because it illegally discriminates against a class of individuals based on personal characteristics such as race, color, religion, sex, sexual orientation, gender identity, familial status, disability, national origin, or other legally protected class.
- e. "Enforcement Notice": A document recorded in the Public Records that describes any part of the Land and:
 - i. is issued by a governmental agency that identifies a violation or enforcement of a law, ordinance, permit, or governmental regulation;
 - ii. is issued by a holder of the power of eminent domain or a governmental agency that identifies the exercise of a governmental power; or
 - iii. asserts a right to enforce a PACA-PSA Trust.
- f. "Entity": A corporation, partnership, trust, limited liability company, or other entity authorized by law to own title to real property in the State where the Land is located.
- g. "Insured":
 - i.
 - (a). The Insured named in Item 1 of Schedule A;
 - (b). the successor to the Title of an Insured by operation of law as distinguished from purchase, including heirs, devisees, survivors, personal representatives, or next of kin;
 - (c). the successor to the Title of an Insured resulting from dissolution, merger, consolidation, distribution, or reorganization;
 - (d). the successor to the Title of an Insured resulting from its conversion to another kind of Entity; or
 - (e). the grantee of an Insured under a deed or other instrument transferring the Title, if the grantee is:
 - (1). an Affiliate;
 - (2). a trustee or beneficiary of a trust created by a written instrument established for estate planning purposes by an Insured;
 - (3). a spouse who receives the Title because of a dissolution of marriage;
 - (4). a transferee by a transfer effective on the death of an Insured as authorized by law; or
 - (5). another Insured named in Item 1 of Schedule A.
 - ii. The Company reserves all rights and defenses as to any successor or grantee that the Company would have had against any predecessor Insured.
- h. "Insured Claimant": An Insured claiming loss or damage arising under this policy.
- i. "Knowledge" or "Known": Actual knowledge or actual notice, but not constructive notice imparted by the Public Records.
- j. "Land": The land described in Item 4 of Schedule A and improvements located on that land at the Date of Policy that by State law constitute real property. The term "Land" does not include any property beyond that described in Schedule A, nor any right, title, interest, estate, or easement in any abutting street, road, avenue, alley, lane, right-of-way, body of water, or waterway, but does not modify or limit the extent that a right of access to and from the Land is insured by this policy.



- k. "Mortgage": A mortgage, deed of trust, trust deed, security deed, or other real property security instrument, including one evidenced by electronic means authorized by law.
- l. "PACA-PSA Trust": A trust under the federal Perishable Agricultural Commodities Act or the federal Packers and Stockyards Act or a similar State or federal law.
- m. "Public Records": The recording or filing system established under State statutes in effect at the Date of Policy under which a document must be recorded or filed to impart constructive notice of matters relating to the Title to a purchaser for value without Knowledge. The term "Public Records" does not include any other recording or filing system, including any pertaining to environmental remediation or protection, planning, permitting, zoning, licensing, building, health, public safety, or national security matters.
- n. "State": The state or commonwealth of the United States within whose exterior boundaries the Land is located. The term "State" also includes the District of Columbia, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, and Guam.
- o. "Title": The estate or interest in the Land identified in Item 2 of Schedule A.
- p. "Unmarketable Title": The Title affected by an alleged or apparent matter that would permit a prospective purchaser or lessee of the Title or a lender on the Title to be released from the obligation to purchase, lease, or lend if there is a contractual condition requiring the delivery of marketable title.

2. CONTINUATION OF COVERAGE

This policy continues as of the Date of Policy in favor of an Insured, so long as the Insured:

- a. retains an estate or interest in the Land;
- b. owns an obligation secured by a purchase money Mortgage given by a purchaser from the Insured; or
- c. has liability for warranties given by the Insured in any transfer or conveyance of the Insured's Title.

Except as provided in Condition 2, this policy terminates and ceases to have any further force or effect after the Insured conveys the Title. This policy does not continue in force or effect in favor of any person or entity that is not the Insured and acquires the Title or an obligation secured by a purchase money Mortgage given to the Insured.

3. NOTICE OF CLAIM TO BE GIVEN BY INSURED CLAIMANT

The Insured must notify the Company promptly in writing if the Insured has Knowledge of:

- a. any litigation or other matter for which the Company may be liable under this policy; or
- b. any rejection of the Title as Unmarketable Title.

If the Company is prejudiced by the failure of the Insured Claimant to provide prompt notice, the Company's liability to the Insured Claimant under this policy is reduced to the extent of the prejudice.

4. PROOF OF LOSS

The Company may, at its option, require as a condition of payment that the Insured Claimant furnish a signed proof of loss. The proof of loss must describe the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy that constitutes the basis of loss or damage and must state, to the extent possible, the basis of calculating the amount of the loss or damage.

5. DEFENSE AND PROSECUTION OF ACTIONS

- a. Upon written request by the Insured and subject to the options contained in Condition 7, the Company, at its own cost and without unreasonable delay, will provide for the defense of an Insured in litigation in which any third party asserts a claim covered by this policy adverse to the Insured. This obligation is limited to only those stated causes of action alleging matters insured against by this policy. The Company has the right to select counsel of its choice (subject to the right of the Insured to object for reasonable cause) to represent the Insured as to those covered causes of action. The Company is not liable for and will not pay the fees of any other counsel. The Company will not pay any fees, costs, or expenses incurred by the Insured in the defense of any cause of action that alleges matters not insured against by this policy.
- b. The Company has the right, in addition to the options contained in Condition 7, at its own cost, to institute and prosecute any action or proceeding or to do any other act that, in its opinion, may be



necessary or desirable to establish the Title, as insured, or to prevent or reduce loss or damage to the Insured. The Company may take any appropriate action under the terms of this policy, whether or not it is liable to the Insured. The Company's exercise of these rights is not an admission of liability or waiver of any provision of this policy. If the Company exercises its rights under Condition 5.b., it must do so diligently.

- c. When the Company brings an action or asserts a defense as required or permitted by this policy, the Company may pursue the litigation to a final determination by a court having jurisdiction. The Company reserves the right, in its sole discretion, to appeal any adverse judgment or order.

6. DUTY OF INSURED CLAIMANT TO COOPERATE

- a. When this policy permits or requires the Company to prosecute or provide for the defense of any action or proceeding and any appeals, the Insured will secure to the Company the right to prosecute or provide defense in the action or proceeding, including the right to use, at its option, the name of the Insured for this purpose.

When requested by the Company, the Insured, at the Company's expense, must give the Company all reasonable aid in:

- i. securing evidence, obtaining witnesses, prosecuting or defending the action or proceeding, or effecting settlement; and
- ii. any other lawful act that in the opinion of the Company may be necessary or desirable to establish the Title or any other matter, as insured.

If the Company is prejudiced by any failure of the Insured to furnish the required cooperation, the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation, regarding the matter requiring such cooperation.

- b. The Company may reasonably require the Insured Claimant to submit to examination under oath by any authorized representative of the Company and to produce for examination, inspection, and copying, at such reasonable times and places as may be designated by the authorized representative of the Company, all records, in whatever medium maintained, including books, ledgers, checks, memoranda, correspondence, reports, e-mails, disks, tapes, and videos, whether bearing a date before or after the Date of Policy, that reasonably pertain to the loss or damage. Further, if requested by any authorized representative of the Company, the Insured Claimant must grant its permission, in writing, for any authorized representative of the Company to examine, inspect, and copy all the records in the custody or control of a third party that reasonably pertain to the loss or damage. No information designated in writing as confidential by the Insured Claimant provided to the Company pursuant to Condition 6 will be later disclosed to others unless, in the reasonable judgment of the Company, disclosure is necessary in the administration of the claim or required by law. Any failure of the Insured Claimant to submit for examination under oath, produce any reasonably requested information, or grant permission to secure reasonably necessary information from third parties as required in Condition 6.b., unless prohibited by law, terminates any liability of the Company under this policy as to that claim.

7. OPTIONS TO PAY OR OTHERWISE SETTLE CLAIMS; TERMINATION OF LIABILITY

In case of a claim under this policy, the Company has the following additional options:

- a. *To Pay or Tender Payment of the Amount of Insurance*
To pay or tender payment of the Amount of Insurance under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment or tender of payment and that the Company is obligated to pay. Upon the exercise by the Company of this option provided for in Condition 7.a., the Company's liability and obligations to the Insured under this policy terminate, including any obligation to defend, prosecute, or continue any litigation.
- b. *To Pay or Otherwise Settle with Parties other than the Insured or with the Insured Claimant*
 - i. To pay or otherwise settle with parties other than the Insured for or in the name of the Insured Claimant. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay; or



- ii. To pay or otherwise settle with the Insured Claimant the loss or damage provided for under this policy. In addition, the Company will pay any costs, attorneys' fees, and expenses incurred by the Insured Claimant that were authorized by the Company up to the time of payment and that the Company is obligated to pay.

Upon the exercise by the Company of either option provided for in Condition 7.b., the Company's liability and obligations to the Insured under this policy for the claimed loss or damage terminate, including any obligation to defend, prosecute, or continue any litigation.

8. CONTRACT OF INDEMNITY; DETERMINATION AND EXTENT OF LIABILITY

This policy is a contract of indemnity against actual monetary loss or damage sustained or incurred by an Insured Claimant who has suffered loss or damage by reason of matters insured against by this policy. This policy is not an abstract of the Title, report of the condition of the Title, legal opinion, opinion of the Title, or other representation of the status of the Title. All claims asserted under this policy are based in contract and are restricted to the terms and provisions of this policy. The Company is not liable for any claim alleging negligence or negligent misrepresentation arising from or in connection with this policy or the determination of the insurability of the Title.

- a. The extent of liability of the Company for loss or damage under this policy does not exceed the lesser of:
 - i. the Amount of Insurance; or
 - ii. the difference between the fair market value of the Title, as insured, and the fair market value of the Title subject to the matter insured against by this policy.
- b. Except as provided in Condition 8.c. or 8.d., the fair market value of the Title in Condition 8.a.ii. is calculated using the date the Insured discovers the defect, lien, encumbrance, adverse claim, or other matter insured against by this policy.
- c. If, at the Date of Policy, the Title to all of the Land is void by reason of a matter insured against by this policy, then the Insured Claimant may, by written notice given to the Company, elect to use the Date of Policy as the date for calculating the fair market value of the Title in Condition 8.a.ii.
- d. If the Company pursues its rights under Condition 5.b. and is unsuccessful in establishing the Title, as insured:
 - i. the Amount of Insurance will be increased by 15%; and
 - ii. the Insured Claimant may, by written notice given to the Company, elect, as an alternative to the dates set forth in Condition 8.b. or, if it applies, 8.c., to use either the date the settlement, action, proceeding, or other act described in Condition 5.b. is concluded or the date the notice of claim required by Condition 3 is received by the Company as the date for calculating the fair market value of the Title in Condition 8.a.ii.
- e. In addition to the extent of liability for loss or damage under Conditions 8.a. and 8.d., the Company will also pay the costs, attorneys' fees, and expenses incurred in accordance with Conditions 5 and 7.

9. LIMITATION OF LIABILITY

- a. The Company fully performs its obligations and is not liable for any loss or damage caused to the Insured if the Company accomplishes any of the following in a reasonable manner:
 - i. removes the alleged defect, lien, encumbrance, adverse claim, or other matter;
 - ii. cures the lack of a right of access to and from the Land; or
 - iii. cures the claim of Unmarketable Title,all as insured. The Company may do so by any method, including litigation and the completion of any appeals.
- b. The Company is not liable for loss or damage arising out of any litigation, including litigation by the Company or with the Company's consent, until a State or federal court having jurisdiction makes a final, non-appealable determination adverse to the Title.
- c. The Company is not liable for loss or damage to the Insured for liability voluntarily assumed by the Insured in settling any claim or suit without the prior written consent of the Company.
- d. The Company is not liable for the content of the Transaction Identification Data, if any.



10. REDUCTION OR TERMINATION OF INSURANCE

All payments under this policy, except payments made for costs, attorneys' fees, and expenses, reduce the Amount of Insurance by the amount of the payment.

11. LIABILITY NONCUMULATIVE

The Amount of Insurance will be reduced by any amount the Company pays under any policy insuring a Mortgage to which exception is taken in Schedule B or to which the Insured has agreed, assumed, or taken subject, or which is executed by an Insured after the Date of Policy and which is a charge or lien on the Title, and the amount so paid will be deemed a payment to the Insured under this policy.

12. PAYMENT OF LOSS

When liability and the extent of loss or damage are determined in accordance with the Conditions, the Company will pay the loss or damage within 30 days.

13. COMPANY'S RECOVERY AND SUBROGATION RIGHTS UPON SETTLEMENT AND PAYMENT

- a. If the Company settles and pays a claim under this policy, it is subrogated and entitled to the rights and remedies of the Insured Claimant in the Title and all other rights and remedies in respect to the claim that the Insured Claimant has against any person, entity, or property to the fullest extent permitted by law, but limited to the amount of any loss, costs, attorneys' fees, and expenses paid by the Company. If requested by the Company, the Insured Claimant must execute documents to transfer these rights and remedies to the Company. The Insured Claimant permits the Company to sue, compromise, or settle in the name of the Insured Claimant and to use the name of the Insured Claimant in any transaction or litigation involving these rights and remedies.
- b. If a payment on account of a claim does not fully cover the loss of the Insured Claimant, the Company defers the exercise of its subrogation right until after the Insured Claimant fully recovers its loss.
- c. The Company's subrogation right includes the Insured's rights to indemnity, guaranty, warranty, insurance policy, or bond, despite any provision in those instruments that addresses recovery or subrogation rights.

14. POLICY ENTIRE CONTRACT

- a. This policy together with all endorsements, if any, issued by the Company is the entire policy and contract between the Insured and the Company. In interpreting any provision of this policy, this policy will be construed as a whole. This policy and any endorsement to this policy may be evidenced by electronic means authorized by law.
- b. Any amendment of this policy must be by a written endorsement issued by the Company. To the extent any term or provision of an endorsement is inconsistent with any term or provision of this policy, the term or provision of the endorsement controls. Unless the endorsement expressly states, it does not:
 - i. modify any prior endorsement,
 - ii. extend the Date of Policy,
 - iii. insure against loss or damage exceeding the Amount of Insurance, or
 - iv. increase the Amount of Insurance.

15. SEVERABILITY

In the event any provision of this policy, in whole or in part, is held invalid or unenforceable under applicable law, this policy will be deemed not to include that provision or the part held to be invalid, but all other provisions will remain in full force and effect.

16. CHOICE OF LAW AND CHOICE OF FORUM

a. Choice of Law

The Company has underwritten the risks covered by this policy and determined the premium charged in reliance upon the State law affecting interests in real property and the State law applicable to the interpretation, rights, remedies, or enforcement of policies of title insurance of the State where the Land is located.



The State law of the State where the Land is located, or to the extent it controls, federal law, will determine the validity of claims against the Title and the interpretation and enforcement of the terms of this policy, without regard to conflicts of law principles to determine the applicable law.

b. *Choice of Forum*

Any litigation or other proceeding brought by the Insured against the Company must be filed only in a State or federal court having jurisdiction.

17. NOTICES

Any notice of claim and any other notice or statement in writing required to be given to the Company under this policy must be given to the Company at: **First American Title Insurance Company, Attn: Claims National Intake Center, 5 First American Way, Santa Ana, California 92707. Phone: 888-632-1642 (claims.nic@firstam.com).**

18. CLASS ACTION

ALL CLAIMS AND DISPUTES ARISING OUT OF OR RELATING TO THIS POLICY, INCLUDING ANY SERVICE OR OTHER MATTER IN CONNECTION WITH ISSUING THIS POLICY, ANY BREACH OF A POLICY PROVISION, OR ANY OTHER CLAIM OR DISPUTE ARISING OUT OF OR RELATING TO THE TRANSACTION GIVING RISE TO THIS POLICY, MUST BE BROUGHT IN AN INDIVIDUAL CAPACITY. NO PARTY MAY SERVE AS PLAINTIFF, CLASS MEMBER, OR PARTICIPANT IN ANY CLASS, REPRESENTATIVE, OR PRIVATE ATTORNEY GENERAL PROCEEDING.

Premium/Mun. Tax
\$18,990/\$ N/A

OWNERS POLICY OF TITLE INSURANCE
Issued by
HENRY WATZ RAINE & MARINO, PLLC
FIRST AMERICAN TITLE INSURANCE COMPANY
Schedule A

Policy No. 50150221-0017031e

Amount \$6,000,000.00

Date of Policy: January 13, 2025, at 8:00 a.m.

1. NAME OF INSURED:
Lexington-Fayette Urban County Government
2. The estate or interest in the land described or referred to in this Policy and covered herein is a fee simple in the property described herein by General Warranty Deed dated March 28, 2024, and recorded in Deed Book 4065, Page 51 in the office of the Fayette County Clerk.
3. Title to the fee simple estate or interest in the land is vested in:

Lexington-Fayette Urban County Government
4. The land referred to in this policy is situated in the County of Fayette, Kentucky and is identified as follows:

SEE ATTACHED LAND DESCRIPTION

HENRY WATZ RAINE & MARINO, PLLC

Countersigned: _____

John P. Watz, Authorized Signature

SCHEDULE B

Policy No. 50150221-0017031e

This policy does not insure against loss or damage (and Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taking authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession in the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstances affecting the Title that would be disclosed by accurate and complete land survey of the Land and not shown by the Public Records.
5. Any mineral or mineral rights leased, granted or retained by current or prior owners.
6. Taxes and assessments for the year 2025 and subsequent years, not yet due and payable.
7. Matters and easements referenced in plats of record in Plat Cabinet K, Slide 780 and Plat Cabinet M, Slide 535 in the Fayette County Clerk's Office.
8. Reciprocal Easement Agreement with Covenants, Conditions and Restrictions dated July 25, 2004, by and between New Circle Crossings, LLC, and Goodwill Industries of Kentucky, Inc., or record in Deed Book 2477, Page 566 in the Fayette County Clerk's Office.
9. First Amendment to Reciprocal Easement Agreement with Covenants, Conditions and Restrictions dated May 2, 2005 by and between New Circle Crossings, LLC and Goodwill Industries of Kentucky, Inc., of record in Deed Book 2546, Page 706, of record in the Office of the Fayette County Clerk.
10. Easement for Party Wall and Fire Sprinkler Main dated May 2, 2005 made and entered into by New Circle Crossings, LLC, or record in Deed Book 2546, Page 683, in the Office of the Fayette County Clerk.
11. Encroachment Agreement dated May 18, 2005, by and between New Circle Crossings, LLC and Goodwill Industries of Kentucky, Inc., of record in Deed Book 2554, Page 744, in the Office of the Fayette County Clerk.

12. Water line easement as reserved in deed dated October 15, 1951, of record in Deed Book 509, page 372, in the office of the Fayette County Clerk.
13. Clearance Permit dated October 15, 1958, granted to Kentucky Utilities Company, of record in Deed Book 655, page 419, in the office of the Fayette County Clerk.
14. Easement dated August 21, 1958 granted to Kentucky Utilities Company for poles and tree trimming of record in Deed Book 655, Page 420 in the office of the Fayette County Clerk.
15. Easement for sewer line dated April 30, 2008, granted by New Circle Crossing, LLC and Delzan Properties, LLC to Lexington-Fayette Urban County Government, of record in Deed Book 2805, Page 701, in the office of the Fayette County Clerk.
16. Communications System Easement Agreement & Release dated July 19, 2006 granted to AT&T Corp., of record in Deed Book 3021, Page 546, in the office of Fayette County Clerk.
17. All matters as shown on that certain survey of Kevin M. Phillips, Licensed Professional Land Surveyor, Registration No. 3350, with Endris Engineering, dated February 7, 2017, titled ALTA/NSPS Land Title Survey of Chestnut Crossing - Lot 1 and Lot 5, 130 West New Circle Road - Suite 170 (Lot 5) & 134 West New Circle Road (Lot 1), Lexington, Fayette County, Kentucky.
18. Matters and easements referenced in Minor Consolidation and Easement Plat of Chestnut Crossing - Lot 1 and Lot 5 of record in Plat Cabinet S, Slide 569 in the Fayette County Clerk's Office.
19. Notwithstanding that reference to acreage in the legal description in Schedule A, Numerical paragraph 5, a policy issued in connection with this commitment will not insure the quantity described as acreage.

LEGAL DESCRIPTION

Being all of Lot 5A Consolidated (8.4301 acres) as depicted on Minor Consolidation and Easement Plat of Chestnut Crossing - Lot 1 and Lot 5 as duly recorded in Plat Cabinet S, Slide 569 in the Fayette County Clerk's office, which plat is hereby referenced to and made a part of this description.

Being the same property conveyed by William Ziering, Trustee of the William Ziering Trust dated June 18, 2015, and any Amendments thereto to Lexington-Fayette Urban County Government by Deed dated March 28, 2024, of record in Deed Book 4065, Page 51 in Fayette County Clerk's Office.