

MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT (hereinafter the “MOA”) is made and entered into as of the 7th day of July, 2015, by and between the **BLUEGRASS COMMUNITY AND TECHNICAL COLLEGE**, a member of the Kentucky Community and Technical College System located at 470 Cooper Drive, Lexington, Kentucky 40506-0235 (hereinafter “BCTC”) and the **LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT**, an urban county government of the Commonwealth of Kentucky pursuant to Chapter 67A of the Kentucky Revised Statutes, 200 East Main Street, Lexington, Kentucky 40507 (hereinafter “Lexington”).

W I T N E S S E T H:

WHEREAS, BCTC serves as an economic stimulator in Fayette County by providing educated and trained individuals to area employers; and

WHEREAS, BCTC, as a member of the Kentucky Community & Technical College System, is the fiscal sponsor for the Interdisciplinary Science Center Building to be located at the BCTC Newtown Campus, in Lexington, Kentucky as further described in Exhibit “A”, which is attached hereto and incorporated herein by reference (the “Building”); and

WHEREAS, the Building will serve Lexington, the community and the citizens of Fayette County by providing more educational and training opportunities which will enhance Fayette County’s work force; and

WHEREAS, the Building is approved for matching funds from the Commonwealth of Kentucky as authorized in the Bi-Annual Kentucky State Budget, Capital Projects; and

WHEREAS, the total project cost related to the Building is estimated to be \$24 million; and

WHEREAS, a local match of \$6 million is required before construction can begin on the project and the Building; and

WHEREAS, Lexington finds that providing funding towards the required local match for this project and Building fulfills a public purpose, and is desirous of providing funding in an amount not to exceed \$1,000,000; and

WHEREAS, the BCTC is agreeable to accepting the funding and ensuring that any requirements connected to the funding are met, and is committed to this project and the construction of the Building.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, the receipt and sufficiency of which are acknowledged, the parties hereby agree as follows:

1. That in exchange for Lexington providing BCTC with One Million Dollars (\$1,000,000) in funding (the payment schedule for which shall be mutually agreed upon between the parties), BCTC agrees as follows: (1) that all funds must be expended for the purposes of construction of the Building, as further generally described in the letter attached hereto as Exhibit "A", which is which is incorporated herein by reference as if fully stated (the building construction described in the Exhibit may be hereinafter referred to as the "Building" or the "Work"); (2) that the LFUCG shall not disburse funds until sufficient evidence is provided by BCTC that the project is fully funded; (3) that it will take sufficient and appropriate steps to ensure that the Work is completed; (4) that Lexington will in no way be responsible for the Work other than the financial contribution further described herein; (5) that if there is formal recognition of contributors for construction of the Building, the Lexington-Fayette Urban County Government will be recognized in like manner to similar contributors; and (6) that it will provide to Lexington with sufficient documentation of the appropriate expenditure of the funds, which shall include, at a minimum a written summary report of all of the expenditures made towards the Work as of January 31, 2016, June 30, 2016, and a final report.

2. This MOA shall remain in effect until BCTC has fully complied with the requirements of this MOA and the Newtown Campus Multi-Disciplinary Building are completed, unless terminated by Lexington in writing for nonperformance at an earlier time.

3. BCTC shall perform (or ensure that) all duties and services included in the Work faithfully and satisfactorily at the time, place and for the duration prescribed herein. BCTC shall keep itself fully informed of all national and state laws and all municipal ordinances and regulations in any manner affecting the work or performance of this MOA, and shall at all times observe and comply with such laws, ordinances and regulations, whether or not such laws, ordinances or regulations are mentioned

herein, and shall indemnify Lexington, its officers, agents and employees against any claim or liability arising from and based on BCTC's violation of any such laws, ordinances or regulations. In the event of termination of this MOA by Lexington, BCTC shall be entitled to that portion of total compensation due under this MOA as the Work or services rendered bears to that required hereunder.

4. Each party agrees that it shall be responsible for any claims or damages that are based upon its respective performance of this MOA, or that are based upon the actions or inactions of its respective employees or agents.

5. BCTC shall keep and make available to Lexington any records related to this MOA such as are necessary to support its performance of this MOA. Books of accounts shall be kept by BCTC and entries shall be made therein of all money, goods, effects, debts, sales, purchases, receipts, payments and any other transactions of BCTC related to this MOA and shall be made available to Lexington. Further, BCTC shall submit a report of expenditures to the LFUCG Commissioner Chief Development Officer by July 10, 2016.

6. BCTC shall allow Lexington the necessary access to perform the services herein and to monitor BCTC's performance under this MOA.

7. In no event shall the parties be construed, held or become in any way for any purpose the employee of the other party, or partners, associates or joint ventures in the conduct of their respective endeavors or otherwise.

8. BCTC shall provide equal opportunity in employment for all qualified persons, shall prohibit discrimination in employment because of race, color, creed, national origin, sex, age, sexual orientation or gender identity, or handicap, shall promote equal employment through a positive, continuing program of equal employment, and shall cause any agency receiving funds provided pursuant to this MOA to do so. This program of equal employment opportunity shall apply to every aspect of its employment policies and practices.

9. Neither party may assign any of its rights and duties under this MOA without the prior written consent of the other party. Notwithstanding the foregoing, Lexington understands that the Work

will ultimately be performed by persons or entities other than BCTC.

10. This MOA does not create a contractual relationship with or right of action in favor of a third party against either BCTC or Lexington.

11. If any term or provision of this MOA shall be found to be illegal or unenforceable, this MOA shall remain in full force and such term or provision shall be deemed stricken.

12. This MOA shall be governed in all respects by the laws of the Commonwealth of Kentucky and venue for all actions shall lie in Fayette County, Kentucky.

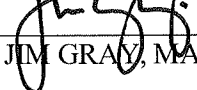
13. By mutual agreement, the parties to this MOA may, from time to time, make written changes to any provision hereof. BCTC acknowledges that Lexington may make such changes only upon approval of its legislative authority, the Lexington-Fayette Urban County Council, and the signature of its Mayor.

14. This MOA shall constitute the entire agreement between the parties and no representations, inducements, promises or agreements, oral or otherwise, which are not embodied herein shall be effective for any purpose. This MOA shall replace any previous agreement between the parties on the same subject matter.

15. The waiver by either party of any breach of any provision of this MOA shall not constitute a continuing waiver or waiver of any subsequent breach by either party of either the same or another provision of this MOA.

IN WITNESS WHEREOF, the parties certify that they have been duly authorized to execute, deliver and perform this Memorandum of Agreement, and have executed it as of the date first herein written.

**LEXINGTON-FAYETTE URBAN
COUNTY GOVERNMENT**

BY: 
JIM GRAY, MAYOR

ATTEST:


URBAN COUNTY COUNCIL CLERK

Bluegrass

Community & Technical College

February 11, 2015

The Honorable Jim Gray
Lexington Fayette Urban County Government
Office of the Mayor
200 E. Main Street
Lexington, KY 40507

Dear Mayor Gray:

First, thank you for your support of Bluegrass Community and Technical College (BCTC) throughout your tenure as Mayor. Your tenacity in efforts to make our region better is well recognized and appreciated. You have also been an advocate for the college as we needed help—from supporting Fourth Street changes and upgrades to kicking-off our brick path fundraising effort and being a part of numerous college events.

At BCTC, we share many of the values that are clear in your work. You recognize that, in order to grow new jobs in Lexington, we need a qualified, educated workforce as well as a sense of place that makes living here attractive to all types of people. Unfortunately, for many of our citizens, the gap is wide between being eager to work and having the skills needed to obtain the good jobs being generated. Employers state that they cannot find the workforce to support their business operations and expansions. We know that high school populations are shrinking, and some older workers never developed the skills needed in today's economy. With a wide variety of programs that are aligned with employers' needs, BCTC stands ready to ensure that well-trained graduates are available to contribute to a growing economy and a great place to raise families.

The new campus on Newtown Pike in the underserved northwest sector of the city is a key driver of regional development. The campus has already helped jumpstart a renaissance in the area for economic and community development. The recently announced proposal for Thistle Station apartment and retail complex is an excellent example. The renovation of historic buildings on campus will create space for additional community events and activities while supporting dynamic, co-curricular learning opportunities for students. A number of community organizations have already used our facilities to host board meetings, staff retreats, and neighborhood meetings.

The infusion of state funds and creation of jobs is also underway with more than \$30 million in state funding invested in the campus already, and more is soon possible. To make that a reality, however, we need the community's help. As you recall, the Governor and the 2014 General Assembly supported legislation that authorized agency bonding for BCTC, through the Kentucky Community and Technical College System's BuildSmart initiative, to expand the Newtown Campus. Part of that authorization was a demonstration of support by the community at large to raise 25% of the total cost. This local investment of \$6 million will bring a \$24 million project to the campus.

Cooper Campus
170 Cooper Drive
Lexington, KY 40506-0235
859-246-200

Leestown Campus
164 Opportunity Way
Lexington, KY 40511-2623
859-246-6200

Newtown Campus
500 Newtown Pike
Lexington, KY 40508-1207
859-246-6200

Danville Campus
59 Corporate Drive
Danville, KY 40422-9690
859-239-7030

Lawrenceburg Campus
1500 Bypass North, US 127
Lawrenceburg, KY 40342-9465
502-839-8488

Winchester-Clark
County Campus
2020 Rolling Hills Lane
Winchester, KY 40391-6078
859-737-3098

BCTC is an equal opportunity employer and education institution.

KENTUCKY COMMUNITY & TECHNICAL COLLEGE SYSTEM

The cities of Owensboro, Madisonville, and Carrollton, and their respective counties, have already supported their community colleges with as much as \$2 million in allocations to their community colleges' building projects under the system's BuildSmart program. Other municipalities are considering allocations, and we are seeking your help so that Lexington can remain competitive with sister cities in other parts of the Commonwealth.

I think you agree that the BCTC Newtown Campus is a key support to economic growth for the city and region and, in particular, a stimulus to an area of Lexington that historically has not had opportunity for growth. Being able to fund the next phase of campus development will provide excellent education and job training to area residents and address many societal issues which the neighborhoods are working hard to address, including joblessness and violence.

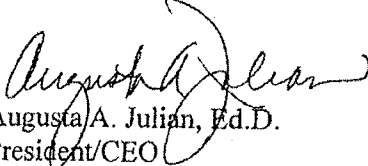
We have targeted the next phase of campus development to include a building focused on science education. We all know that STEM fields prepare students for the jobs of the future. Courses in natural sciences, taught in a state-of-the-art facility, paired with computer technology programs housed in the current Classroom Building, will put a STEM education in the hands of many who cannot now reach dreams of high-paying jobs and stable careers. Courses in biotechnology, physics, chemistry, biology, microbiology, and anatomy and physiology prepare students for careers in nursing, allied health, and environmental science as well as emerging industries such as genetics. The college's aging labs at the Cooper Campus are not and will not be sufficient to meet this need.

One project we hope to support in the next building is creation of space for a Biotechnology Incubator to support an emerging industry in Lexington, just as the current Classroom Building supports the growing computer gaming industry.

With this letter, we are requesting an allocation in the amount of \$2 million to be included in the upcoming fiscal budget for the Lexington Fayette Urban County Government to support the development of BCTC's Newtown Campus.

I believe that this support for the future of the workforce and the community will provide a return on investment far beyond what we can calculate. Please don't hesitate to contact me to discuss further. And once again, thank you for your past support. We look forward to growing together with Lexington and Fayette County and its citizens.

Sincerely,


Augusta A. Julian, Ed.D.
President/CEO

C: Kevin Atkins, Chief Development Officer, LFUCG

300 North Main Street
Versailles, KY 40383
(859) 256-3100
Website: kctcs.edu

March 17, 2015

The Honorable Jim Gray
Lexington Fayette Urban County Government
Office of the Mayor
200 E. Main Street
Lexington, KY 40507

Dear Mayor Gray:

I am writing in follow-up to a request submitted to you via letter dated February 11, 2015 from Dr. Augusta Julian, President/CEO of Bluegrass Community and Technical College (BCTC) for \$2 million to support the \$6 million local match requirement for constructing a \$24 million science building on the Newtown Campus as part of the KCTCS BuildSmart Campaign for Kentucky Competitiveness. BuildSmart was approved by the 2014 Kentucky General Assembly to construct the top capital project for each of the 16 KCTCS colleges to be funded with 75% in agency-funded bonds and a 25% match from local funds raised by each KCTCS college for their respective project. To date, city and county governments have contributed \$6.2 million to our colleges' BuildSmart projects (details are provided below). Other cities and counties are expected to make contributions over the next 9 months as fundraising efforts expand across the state.

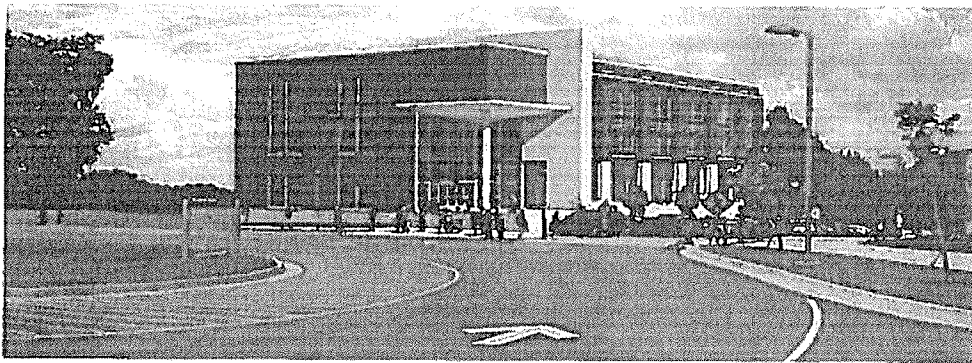
PROJECT DESCRIPTION FOR BCTC BUILDSMART PROJECT

Total - \$24,000,000

Agency Bonds - \$18,000,000

Match Amount - \$6,000,000

Estimated Completion Date – December 2017



Bluegrass Community and Technical College

Newtown Campus Expansion, Phase II

This project is to complete Phase II of the master plan by constructing an approximately 70,000 square foot facility on the Newtown Campus of Bluegrass Community and Technical College. The facility will primarily be a science building,



with some student services included. This facility is needed in order to transfer programs from the Cooper Campus on University of Kentucky's campus to the new Newtown Campus now being developed.

The new facility is a major economic and community development project for Lexington/Fayette County and the surrounding region by offering state-of-the-art science facilities for students who wish to pursue certificate, diploma, and associate degrees that lead to transfer to a four-year institution or that lead directly to employment with the region's businesses and industries.

One of the key provisions of the BuildSmart initiative is that the bonds cannot be issued nor can construction begin until the required 25% match has been received by the college and transmitted to the Kentucky Finance Cabinet which then triggers the issuance of the agency bonds. Authorization for the project expires on June 30, 2016 if the funding is not secured and the bonds have not been issued by that date.

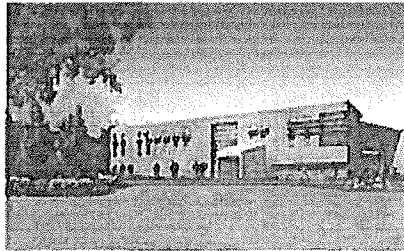
An inquiry was made to provide more detail on what other cities and counties across the state have done to support BuildSmart projects with local funds. Here is a brief synopsis of direct investments that have been made to date since the campaign began in April 2014:

Jefferson Community and Technical College
Construct Carrollton Campus, Phase I

Total - \$16,000,000

Agency Bonds - \$12,000,000

Match Amount - \$4,000,000

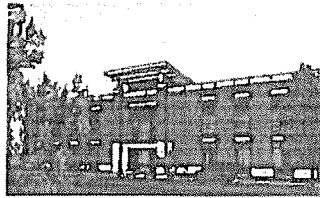


This project will construct approximately 50,000 square foot building of phase I of a Carrollton Campus that will serve six Kentucky counties (Carroll, Gallatin, Henry, Oldham, Owen, and Trimble) on land that was acquired in 2010.

CITY/COUNTY SUPPORT: *The Carroll County Fiscal Court contributed \$2 million to meet the \$4 million match requirement. The full match has been raised and the project has been authorized for the issuance of bonds and construction. The estimated completion date is January 2017. The total history of Carroll County Fiscal Court's giving to Jefferson Community and Technical College is \$2,120,000.*

Madisonville Community College
Construct MCC/Murray State University
Postsecondary Education Center

Total - \$20,000,000
Agency Bonds - \$15,000,000
Match Amount - \$5,000,000

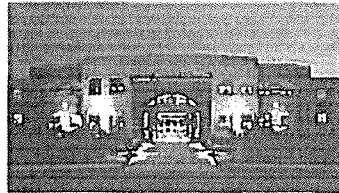


This project will construct an approximately 68,000 facility on the main campus of Madisonville Community College. A project was authorized in the 2006 budget for \$300,000 for design of this building and has been through preliminary design. The Center will provide classroom and office space for use by Murray State University and Madisonville Community College.

CITY/COUNTY SUPPORT: *The City of Madisonville and the Hopkins County Fiscal Court each contributed \$1 million to the BuildSmart project. An additional \$898,940 was obtained through the Governor’s Office of Local Development (GOLD). The total history of giving from the City and County for Madisonville Community College is \$1,091,664 and \$1,203,000 respectively.*

Owensboro Community and Technical College
Construct Advanced Technology Ctr., Phase II

Total - \$12,000,000
Agency Bonds - \$9,000,000
Match Amount - \$3,000,000

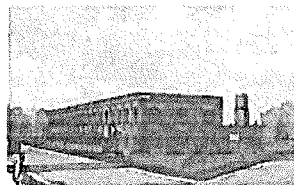


This project will construct an approximate 50,000 square feet second phase to the Owensboro Advanced Technology Center. Phase I was completed in 2007. Phase II will serve as an integrated lab and teaching facility for the HVAC, Building Construction and Welding programs. This phase will allow for relocation of programs to the Main Campus and open valuable space at the Downtown and Southeastern Campus locations for program expansion.

CITY/COUNTY SUPPORT: *The City of Owensboro and the Daviess County Fiscal Court each contributed \$1 million to the BuildSmart project. The total giving history of the City and County has been \$1,881,832 and \$1,250,000 respectively.*

West Kentucky Community and Technical College
Construct 2D Arts School, Phase I

Total - \$10,000,000
Agency Bonds - \$7,500,000
Match Amount - \$2,500,000



Mayor Gray

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March 17, 2015

This project allows for additional funding to renovate an historical 25,000 square foot facility to complete the Paducah School of Art and Design. The facility will house classroom, studio, office and gallery space. West Kentucky Community and Technical College has served as a catalyst for the region by launching the Paducah School of Art and Design. Creative communities recognize that artistic enterprises create jobs, stimulate trade through cultural tourism, attract investment, diversify the local economy and improve property values.

CITY/COUNTY SUPPORT: The City of Paducah has contributed \$200,000 to the BuildSmart project. The City's total giving history has been \$1,270,240 to date. Past support from the McCracken County Fiscal Court totals \$550,050.

As you can see, KCTCS colleges across the state enjoy the strong financial support from their local cities and county governments. There will no doubt be many other commitments to BuildSmart in the coming months and hopefully one of those will be from Lexington Fayette Urban County Government.

I am happy to provide any additional information you might need and would welcome the opportunity to discuss your potential support at your convenience. Please let me know if you have any questions and thank you for the opportunity to share the exciting history of support we enjoy from the visionary leaders of Kentucky's cities and counties.

Sincerely,



Timothy R. Burcham, CFRE
Vice President

C: Dr. Augusta Julian