

May 3, 2022

Senator Rick Girdler, Co-Chair,
Representative Chris Freeland, Co-Chair
Capital Projects and Bond Oversight Committee
Legislative Research Commission
Capitol Annex Building - Room 34
702 Capitol Avenue
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Freeland and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §56.823 this is to report a lease for the University of Kentucky that will exceed \$100,000 annually. The University, after careful consideration, determined that this lease is in the best interests of the University and the Commonwealth of Kentucky.

This lease is between the University and WG Holdings for 5,921 square feet of administrative space at Suite 130, 1648 McGrathiana Parkway in Lexington. The cost of this lease is \$19.25 per square foot, with an annual cost of \$113,979.25, including utilities. The effective date of the lease will be July 1, 2022 (contingent upon the Committee's approval), with an expiration date of June 30, 2028.

The University requires space for the University of Kentucky's College of Social Work as the lease at its current location terminates on June 30, 2022 and the landlord at that location is not renewing the lease. This location is an excellent location as there are other UK users in the same building and it provides easy access (parking, entryway, check-in) and convenient access to main campus.

If you should have additional questions regarding the leases, please contact me at 859.221.4122 or Elizabeth Baker at 859.257.6315.

Sincerely,



George Ward
Executive Director

c: Angie Martin Katherine Halloran Christine O'Brien Elizabeth Baker



Real Estate Services Division

Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000
(to be reported after lessor selection, but before lease execution)

Lease number: 8481 County: Fayette

Using agency: UK College of Social Work

Lessor: WG Holdings TN, LLC, 120 South Gay Street, Knoxville, Tennessee

Property location: 1648 McGrathiana Parkway, Suite 130, Fayette County, Lexington KY

Check one: new lease renewal addendum

Type of space: Office/Administrative

Cost per square foot: \$19.25 Annual cost: \$113,979.25

Average square foot cost of state leased cost in county: \$21/sf

Includes utilities: yes no

Cancellation clause: yes no

If yes, explain terms: Click or tap here to enter text.

if no, explain why not: Click or tap here to enter text.

Effective date: July 1, 2022 Expiration date: June 30, 2028

Justification for lease: UK's Social Work Program continues to expand. The lease at its current location is terminating on June 30, 2022 and the landlord at that location would not renew the lease.

Statements as to whether the University of Kentucky complied with statutory requirements: (if not in compliance, explain why) The University is in compliance with statutory requirements. Other UK users are in the same building at the same terms so an RFP was not required.

Explanation of why the University of Kentucky chose this lessor over the competition: The location is on the Coldstream Research Campus within a half mile of Social Work's previous location. Additionally, other UK users are in the same building and UK's desire is to consolidate leased facilities when possible.

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Senator Rick Girdler, Co-Chair,
Representative Chris Freeland, Co-Chair
Capital Projects and Bond Oversight Committee
Legislative Research Commission
Capitol Annex Building - Room 34
702 Capitol Avenue
Frankfort, Kentucky 40601

Dear Senator Girdler and Representative Freeland and Members of the Capital Projects and Bond Oversight Committee:

Pursuant to KRS §56.823 this is to report a lease renewal for the University of Kentucky that will exceed \$200,000 annually and is authorized in the Executive Branch Budget Bill, House Bill 1.

This is a renewal of a lease between UK HealthCare and Kentucky Medical Services Foundation for 13,458 square feet of clinical space at 2195 Harrodsburg Road in Lexington. The cost of this lease is \$32.67 per square foot, with an annual cost of \$439,672.86, including utilities. The effective date of the lease will be July 1, 2022, with an expiration date of June 30, 2030.

This lease is for the University of Kentucky College of Dentistry and houses the Oral & Maxillofacial Surgery Services, Orthodontic Services and General Practice Dentistry faculty practices. This space best fits the needs of the College of Dentistry and allows it to better serve its patients. This space, which is in fairly close proximity to the University, provides room for current needs and is an ideal location close to the New Circle Road interchange. After careful review and consideration, the University determined the space is the most cost-effective alternative and in the best interests of the University and the Commonwealth. The University's Board of Trustees approved this lease at its April 29, 2022 meeting.

If you should have additional questions regarding the lease, please contact me at 859.221.4122 or Elizabeth Baker at 859.257.6315.

Sincerely,



George Ward
Executive Director

c: Angie Martin Katherine Halloran Christine O'Brien Elizabeth Baker



Real Estate Services Division

Report to Capital Projects and Bond Oversight Committee

Lease with Annual Rental Exceeding \$100,000
(to be reported after lessor selection, but before lease execution)

Lease number: 8357 County: Fayette

Using agency: UK College of Dentistry

Lessor: KY Medical Services Foundation (KMSF), 2333 Alumni Park Plaza, Suite 400, Lexington, KY 40517

Property location: 2195 Harrodsburg Road, Lexington, Fayette County, Kentucky

Check one: new lease renewal addendum

Type of space: Clinical/Administrative

Cost per square foot: \$32.67 Annual cost: \$439,672.86

Average square foot cost of state leased cost in county: \$32/sf Clinical Space

Includes utilities: yes no

Cancellation clause: yes no

If yes, explain terms: [Click or tap here to enter text.](#)

if no, explain why not: [Click or tap here to enter text.](#)

Effective date: July 1, 2022 Expiration date: June 30, 2030

Justification for lease: Renewal of existing space where the current lease is expiring on June 30, 2022.

Statements as to whether the University of Kentucky complied with statutory requirements: (if not in compliance, explain why) UK has complied with statutory requirements.

Explanation of why the University of Kentucky chose this lessor over the competition: This is a renewal of existing space. This off-campus location services the clinic and their patients well and the University has determined this to be in the best interests of the University and the Commonwealth of Kentucky.

FCR 7

Office of the President
April 29, 2022

Members, Board of Trustees:

APPROVAL OF LEASE

Recommendation: that the Board of Trustees authorize the Executive Vice President for Finance and Administration to renegotiate and execute a lease for the University of Kentucky College of Dentistry (UKCD) space located at 2195 Harrodsburg Road, Lexington, KY 40504 from the Kentucky Medical Services Foundation (KMSF).

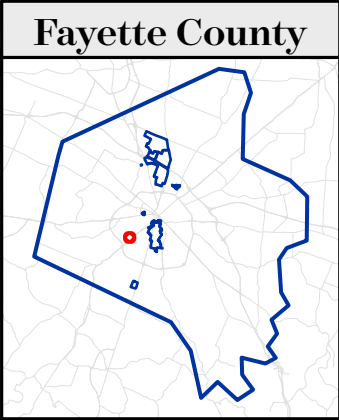
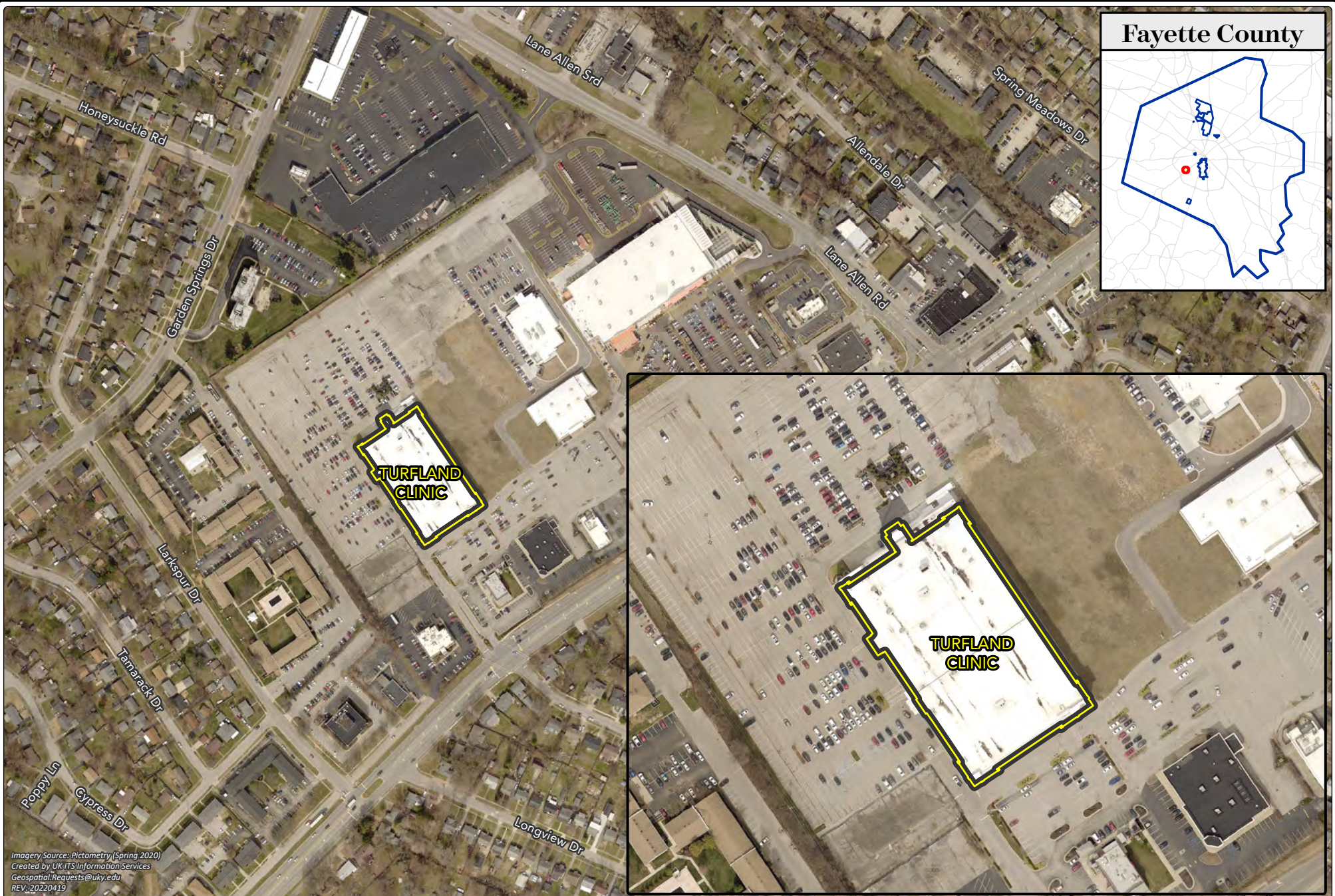
Background: All leases in excess of \$200,000 annually are approved by the Board of Trustees pursuant to Governing Regulation II.E.2 (d)(4)(f). The President or his designated representative is authorized to enter into leases and easements not exceeding \$200,000 in value.

On May 9, 2014, the UK Board of Trustees approved a lease for the UKCD space located at 2195 Harrodsburg Road, Lexington, KY 40504 from KMSF. This allowed UKCD to better serve its patient base, the majority of which are UK employees participating in the UK Dental Care Plans. The current lease expires on June 30, 2022 and needs to be renegotiated and renewed.

The leased space will comprise 13,458 square feet with an annual rent of \$450,000 to be funded with agency funds. Kentucky Revised Statute (KRS) § 164A.575 (7)(a) states, "Notwithstanding KRS 56.806, the governing board may renegotiate the cost of a lease after the expiration of the lease term and any renewal terms provided in the lease prior to any renewal not provided for in the terms of the lease."

KRS § 48.111 requires legislative authorization of all leases with an annual cost of \$200,000 or more. The lease has been authorized by the Kentucky General Assembly in the enacted 2022-24 Executive Budget of the Commonwealth. Contingent upon approval from the Board of Trustees, the lease will be reported to the Kentucky Capital Projects and Bond Oversight Committee in accordance with KRS § 56.823.

Action taken: Approved Disapproved Other _____



Imagery Source: Pictometry (Spring 2020)
Created by UK ITS Information Services
Geospatial.Requests@uky.edu
REV: 20220419



May 2, 2022

Senator Rick Girdler
Representative Chris Freeland
Capital Projects and Bond Oversight Committee
Legislative Research Commission
Capital Annex Room 34
Frankfort, KY 40601

RE: Lease – Louisville Properties I, LLC

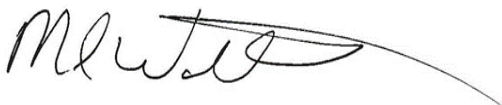
Dear Senator Girdler and Representative Freeland:

In accordance with provisions of KRS 56.823, I am writing to report a proposed new lease. The lease is with Louisville Properties I, LLC for housing to accommodate the University of Louisville Athletic program. I am providing required information in the attached master lease agreement.

The lease will provide 67 beds in 18 apartment units. The lease will begin on August 18, 2022 and expire on July 31, 2027 unless terminated sooner. Base rent for the first year is \$509,796 with an increase for the next 4 years. Tenant rental fees will cover the monthly lease amount.

Please contact Kim Noltemeyer at 852-5699, if you have any questions regarding the lease. Thank you for your continued support.

Sincerely,



Mark Watkins
Chief Operating Officer
University of Louisville

cc: Interim President Lori Gonzalez
Dan Durbin, CFO
Josh Heird, Interim. AD
Shaun McKiernan (CPE)
Carla Wright (OSBD)

MASTER LEASE
LOUISVILLE PROPERTIES I, LLC
THE PROVINCE

THIS MASTER LEASE (this “**Master Lease**”) is dated as of this ___ day of April 2022 (the “**Effective Date**”). The parties to this Master Lease are Louisville Properties I, LLC, a Delaware limited liability company (“**Lessor**”), and the University of Louisville, an institution of higher education of the Commonwealth of Kentucky (“**Lessee**”).

BACKGROUND FACTS

A. Lessee desires to lease from Lessor the 67 bed accommodations (“**Bed Accommodations**”) located within the 18 apartment units as more particularly described on Exhibit A attached hereto and made a part hereof (each, an “**Apartment**” and collectively, the “**Apartments**”) within the building (the “**Building**”) located within that certain community (the “**Community**”) commonly referred to as The Province owned by Lessor with an address of 600 Ruggles Place, Louisville, KY 40208 and more particularly described on Exhibit B attached hereto.

B. Lessor desires to lease the Apartments to Lessee and Lessee desires to lease the Apartments from Lessor, subject to and in accordance with the terms and conditions set forth below and inclusive of the exhibits attached hereto and made a part hereof.

TERMS AND CONDITIONS

NOW, THEREFORE, in consideration of the mutual covenants contained herein, and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by both parties, Lessor and Lessee agree as follows:

1. Background Facts. The above Background Facts are true and correct and are hereby incorporated by this reference as if set forth in their entirety.

2. Lease; Term.

a. Lessor hereby leases the Apartments to Lessee and Lessee hereby leases the Apartments from Lessor, subject to the terms and conditions hereinafter set forth.

b. The term of this Master Lease (the “**Term**”) shall commence on August 18, 2022 and, unless sooner terminated in accordance with the provisions of this Master Lease, shall continue until and including July 31, 2027. Lessee’s staff will have nonexclusive access to the Apartments by no later than August 15, 2022 in common with Lessor while Lessor continues to make ready such remaining Apartments for delivery to Lessee. Possession of all Apartments shall occur by no later than August 18, 2022.

3. Termination of Lease. Notwithstanding anything herein to the contrary, pursuant to KRS 56.806(6), the Lessee shall have the further right to terminate this Lease at any time upon 30 days written notice, time to be computed from date of mailing notice; termination under this

paragraph shall not be considered effective until the last day of the month in which the notice period ends. Simultaneously with the delivery of any termination notice pursuant to this Section 3, Lessee shall deliver the full remaining Base Rent that would be due for the remainder of the Term if this Master Lease was not terminated.

4. Rent.

a. Lessor and Lessee agree that the aggregate base rent for the Term of this Master Lease shall be as noted in the table below for each year (“**Base Rent**”). Base Rent for the Term shall be paid by Lessee to Lessor in 12 equal consecutive monthly installments (“**Monthly Base Rent**”) commencing on August 1, 2022 and continuing on the first day of each calendar month thereafter until and including July 1, 2027.

Base Rent is calculated according to the following:

Floor Plan	Number of Beds	Annual Base Rent Per Bed				
		2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
1 Bed - 1 Bath A	1	\$12,468	\$12,830	\$13,202	\$13,584	\$13,978
3 Bed - 3 Bath S	2	\$7,728	\$7,952	\$8,183	\$8,420	\$8,664
3 Bed - 3 Bath D	4	\$7,368	\$7,582	\$7,802	\$8,028	\$8,261
4 Bed – 4 Bath A	56	\$7,548	\$7,767	\$7,992	\$8,224	\$8,462
4 Bed – 4 Bath B	4	\$7,428	\$7,643	\$7,865	\$8,093	\$8,328

Floor Plan	Number of Beds	Total Annual Base Rent Per Apartment Type				
		2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
1 Bed - 1 Bath A	1	\$12,468	\$12,830	\$13,202	\$13,584	\$13,978
3 Bed - 3 Bath S	2	\$15,456	\$15,904	\$16,365	\$16,840	\$17,328
3 Bed - 3 Bath D	4	\$29,472	\$30,327	\$31,206	\$32,111	\$33,042
4 Bed – 4 Bath A	56	\$422,688	\$434,946	\$447,559	\$460,539	\$473,894
4 Bed – 4 Bath B	4	\$29,712	\$30,574	\$31,460	\$32,373	\$33,311

	Total Annual Base Rent Per Year				
	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027
Base Rent	\$509,796	\$524,580	\$539,793	\$555,447	\$571,555
Monthly Base Rent	\$42,483	\$43,715	\$44,983	\$46,287	\$47,630

b. All Base Rent and all other amounts due and owing under this Master Lease by Lessee to Lessor shall be paid, without offset or deduction, to Lessor at the following address if by mail:

The Province
 600 Ruggles Place
 Louisville, KY 40208

Attention: General Manager

Lessee may make all payments by Electronic Funds Transfer (“EFT”) and Lessor and Lessee will cooperate in finalizing the required forms to complete EFT payments.

c. Parking shall be made available to all Student Tenants (defined below) at no additional charge during the entire Term pursuant to a separate written agreement to be executed directly by each such applicable Student Tenant with Lessor. In no event shall Lessor or Manager (defined below) be liable to Lessee, any Student Tenant, Lessee and/or any Lessee staff member for any injury, damage or loss, in each case with respect to personal property, including without limitation any vehicle, that Lessee, any Student Tenant, and/or any Lessee staff member owns, uses, or that is in the care, custody or control of any such party, from fire, smoke, rain, flood, water overflow/intrusion/or leakage, standing water, storm, hail, ice, snow, lightning, wind, explosion, or surges or interruption of utilities, or traffic accident, except to the extent that such injury, damage or loss is caused by (a) Lessor’s negligence or willful misconduct or the negligence or willful misconduct of Manager or (b) Lessor’s breach of any of its obligations under this Master Lease. Lessee shall advise all users of the parking spaces to obtain their own insurance for losses due to such causes.

d. In the event that any installment of Monthly Base Rent is not paid within 10 days of written notice from Lessor that said installment has not been received, Lessee shall also pay to Lessor as additional rent an amount equal to 1% of the amount of such overdue amount of Monthly Base Rent.

5. Student Tenant Subleases. Lessee hereby grants to Lessor and any Manager (as defined below) the right to sublease the Apartments directly to Assigned Student Tenants (as defined below). On or before May 1 prior to the commencement of the fall term (as set forth on Lessee’s academic calendar), Lessee shall provide to Lessor a list of Lessee’s students (individually referred to herein as a “**Student Tenant**” and collectively referred to herein as the “**Student Tenants**”) who have been assigned to the Apartments (“**Assigned Student Tenants**”) and Lessor will enter into a Sublease (as defined below) directly with such Assigned Student Tenants. The Apartments will be used and occupied by Student Tenants solely as residential apartments pursuant to subleases (“**Subleases**”). The foregoing grant notwithstanding, Lessee shall continue to pay to Lessor Monthly Base Rent (as rent under such subleases) and Turn Costs in accordance with this Master Lease, but all other amounts due and payable under the Subleases shall be collected by collected by Lessor directly from Student Tenants. Lessor and any Manager) shall have all rights to enforce the Subleases directly against Student Tenants in accordance with the terms of such Subleases.

6. Assignment, Subletting and Transfer. Except as expressly set forth in Section 5, Lessee shall not assign its rights or obligations under this Master Lease or sublease the Apartments. Lessor may assign its rights and obligations under this Master Lease to any affiliate of Lessor, any party to whom Lessor has conveyed the Community, or to any third-party lender making a loan secured in whole or in part by the Community or any interest therein without Lessee’s consent, provided that Lessor shall endeavor to provide Lessee with prior written notice of any assignment of this Master Lease.

7. Common Areas. Throughout the Term, Student Tenants (and their guests and invitees) may use all of the Common Areas (defined below), subject to and in compliance such Student Tenant's Sublease. The "**Common Areas**" shall consist of all applicable fitness areas, game rooms, study rooms, business centers, patio areas, gardens, corridors/breezeways, courtyards, lobbies, pool area, and parking lots and all other facilities or areas available for common joint use by all of the tenants in the Community, all as they may from time to time exist and be available to the tenants in the Community in accordance with posted hours of usage (as applicable). Lessor and Lessee acknowledge and agree that use of certain of the Common Areas may be available for use by Lessee subject to Lessor's customary charges therefor, which charges shall be no greater to Lessee than that generally charged to other residents of the Building, and the execution of any agreements reasonably required by Lessor with respect thereto. Lessee will have access to the Common Areas on the same basis and at the same times as are available to residents of the Building.

8. Condition.

a. Notwithstanding any other provision of this Master Lease to the contrary, at the commencement of the Term, with respect to each Apartment, Lessor, at Lessor's cost and expense (subject to reimbursement to the extent that any cost of repair is an obligation of Lessee and/or the Student Tenants as a result of damage pursuant to Section 12 hereof), shall ensure that the Apartment shall be habitable and in "move-in" and good order and in a condition which is well managed and maintained, attractive and efficient (that is, painted and cleaned throughout, with all maintenance properly completed; all appliances (including, without limitation, stove/oven, microwave, dishwasher, garbage disposal, refrigerator/freezer and washer/dryer), heating, plumbing, and electrical systems installed in good working order; working connections installed for cable television and wireless internet; kitchen and bathroom fixtures installed and operating; doorstops for every door installed and working properly; and weather tight and in compliance with all Applicable Laws (hereinafter defined) and not in violation of the Americans With Disabilities Act of 1990 (the "**ADA**"), including, without limitation, providing wheelchair access to the Apartment), and sprinklered, and in compliance with all other applicable fire retardant laws, rules, orders and regulations and that all necessary permits have been obtained from all applicable governmental authorities. If Apartments are vacated at any time during the Term, they must be turned by Lessor as a secondary and/or additional turn service within 12 days after receipt by Lessor of Lessee's written request, or such other time as may be mutually agreed by the parties ("**Additional Turn Service**"). Additional Turn Services will be performed by Lessor at a cost to Lessee equal to \$100 per bed, which costs may potentially include, without limitation, costs of materials and supplies, and hourly wages associated with temporary labor and/or the cost of managers, employees or other staff of Lessor (including from other apartment complexes and communities) ("**Additional Turn Costs**"). Lessee shall pay all Additional Turn Costs to Lessor within 30 days of receipt of an invoice from Lessor.

b. On or before the commencement of the Term, Lessor and Lessee shall perform a walk-through of each and all of the Apartments in order to mutually compile a list, if needed (the "**Damage List**"), outlining the significant and patent damage and/or existing condition of such Apartment (and/or the items located therein), if any. Lessor shall have a period of 14 days after the commencement of the Term to complete repair of items on the Damage List in such a condition to deliver the Apartment in the condition required in Subsection 8.a. above. If the

Damage List items are not properly repaired, Lessee, in addition to other remedies available to it pursuant to the terms and provisions of this Master Lease, may request that Lessor provide a comparable Bed Accommodation, if available in the Community, or that Lessor abate an equitable amount of Monthly Base Rent next becoming due and payable and terminate this Master Lease solely as to the Apartments whose Damage List items are not properly repaired or for which no reasonably acceptable substitute Bed Accommodation is available, by giving written notice of Lessee's election delivered by Lessee to Lessor within 10 days after the expiration of the 14-day period.

9. Lessor's Maintenance, Repairs, and Replacements. Lessee acknowledges and agrees that the Community may be managed by a third-party manager or an affiliate of Lessor (as applicable, "**Manager**"). Any Manager of the Community shall, at Lessor's cost, operate and manage the Community. Manager will notify Lessee of any disciplinary or conduct problems of a serious nature involving Student Tenants relating to this Master Lease of which Manager becomes aware. Lessor, at Lessor's sole cost and expense, as a result of damage (subject to reimbursement pursuant to Subleases), shall maintain at all times the public and shared areas of the Community, which includes the public and shared areas of the Building, the Common Areas, and the outside windows, roof and structural components of the Apartments and the structure, fixtures, systems, sprinklers, elevators, utilities, equipment, appliances and facilities therein weather tight and in good working order and condition and shall make, promptly as and when needed, all repairs and replacements required to keep same in good clean working order and condition based on Lessor's standard maintenance practices for the Building and all Applicable Laws. In addition, Lessor agrees to furnish at all times, at Lessor's sole cost and expense (except as provided below with respect to utilities) the following services and/or utilities to the Apartments in sufficient quantities during the Term to the level currently being provided by Lessor at the Community: janitorial services to the Common Areas; trash receptacles and removal from the Community (other than the Apartments); working outlets and connections for high speed internet and cable television in each Apartment; water (hot and cold) and sanitary sewer, electricity (subject to the terms and provisions of this Section 9), and snow and ice removal within the Community, as needed, based on Lessor's customary snow and ice removal procedures for the Building. Lessor and Lessee agree that electric costs reasonably projected by Lessor are included in the Base Rent pursuant to the terms and provisions of Subsection 4.a. above. Notwithstanding anything to the contrary contained or implied elsewhere in this Master Lease, to the maximum extent permitted by Applicable Laws, the Student Tenants shall be primarily liable for any and all maintenance, repairs and replacements to the extent caused by the wrongful willful acts (including any default by the Student Tenants pursuant to the terms and provisions of the applicable Sublease) or negligence by Student Tenants.

a. Lessor shall also provide or cause to be provided (a) mail service through mail boxes (one mail box per Apartment), (b) emergency maintenance service available 24 hours a day, and (c) an emergency evacuation/fire safety plan for the Community approved by all required state and local authorities.

b. Furthermore, Lessor shall, at its sole cost and expense, at all times during the Term, be responsible for utilizing commercially reasonable efforts to keep the Community (which includes, without limitation, the Apartments) reasonably free of rodents, vermin, and infestations of insects, bugs, and other pests.

10. Furnishings/Appliances. Each Apartment will include the following furnishings and appliances: (a) one bed per Student Tenant; (b) one desk per Student Tenant; (c) one desk chair per Student Tenant; (d) one nightstand per Student Tenant; (e) one, four-drawer dresser per Student Tenant; (f) one eating counter per Apartment along with one stool per Student Tenant for each 4-bedroom/4-bath Apartment; (g) one closet or wardrobe with hanger rack per Student Tenant; (h) one 3 seat sofa and side chair per 2-bedroom/2-bath or 3-bedroom/3-bath Apartment; (i) one 3 seat sofa and 2 seat loveseat per 4-bedroom/4-bath Apartment; (j) one side table per Apartment; (k) one coffee table per Apartment; (l) one entertainment stand per Apartment (m) one stove/oven per Apartment; (n) one refrigerator with freezer per Apartment; (o) one microwave per Apartment; (p) one dishwasher per Apartment; (q) one garbage disposal per Apartment; and (r) one washer/dryer per Apartment.

11. Compliance With Laws. Lessee and Lessor each agrees to comply in all material respects with all Applicable Laws, and each further agrees to promptly report to the other any citation or notice of non-compliance with respect to any such Applicable Laws. “**Applicable Laws**” means applicable local, state or federal laws, statutes, codes, ordinances, rules, regulatory notices and any notices and orders of any and all governmental or quasi-governmental or regulatory authorities and other authorities and agencies having jurisdiction over Lessor, Lessee, the Apartments and/or Bed Accommodations as applicable, which are in effect from time to time.

12. Damage to Property. In the event the appliances, equipment, carpet and/or any other items and/or improvements located within the Community, Building, Apartments and/or the Common Areas, and/or any part of the Community, Building, Apartments and/or the Common Areas and belonging to Lessor is damaged by a Student Tenant beyond Normal Wear and Tear (as defined below), then Lessor shall deal directly with the Student Tenant and cause the Student Tenant to pay for the same in accordance with the terms of the Student Tenant’s Sublease. Lessor shall provide written notice to Lessee of any material damage caused by a Student Tenant that is not timely paid for by such Student Tenant. Lessee shall be responsible for all damage that is not paid for by a Student Tenant at the expiration of the Term, provided that Lessee shall not be liable for any damage existing prior to the commencement of the Term with respect to an Apartment to the extent noted on the applicable Damage List and not repaired by Lessor or for Normal Wear and Tear of any items in an Apartment or in any other part of the Community. Notwithstanding anything to the contrary contained in this Master Lease, at the expiration of the Term, Lessee shall be required to surrender the Apartments to Lessor in the same broom clean condition that the Apartments were in when delivered by Lessor to Lessee at the beginning of this Master Lease, but Lessee shall not be responsible for cleaning or other charges associated with “normal wear and tear” or “ordinary wear and tear” or “reasonable wear and tear” to the Apartments. For purposes of this Master Lease, “**Normal Wear and Tear**” shall mean: (1) typical faded, peeling, cracked, or smudged paint on walls or doors or marks that can be readily removed by light cleaning as opposed to pencil, pen, or marker marks, scratches, or stains that require heavy cleaning or repainting to remove, which shall not be considered Normal Wear and Tear; (2) typical dirt and stains on the carpeting that can be removed by shampooing or with other ordinary cleaning; (3) old, worn, or faded carpeting; (4) typical furniture marks on carpeting (other than stains that cannot be readily cleaned); (5) typical dirty or faded blinds, shades, or curtains; (6) typical marks on doors and walls; (7) warped cabinet doors that will not close, unless damaged by Student Tenants; and (8) other items of wear and tear upon which Lessor and Lessee may reasonably agree in writing. Holes, tears, burns, and stains (which are not readily cleanable or remedied by normal and

customary replacement or are of the nature of Normal Wear and Tear as set forth above), in the carpets, drapes, blinds, walls, fixtures, doors, counter tops, appliances, and/or any other part, item or fixture of the Apartment, shall not constitute Normal Wear and Tear. If damages occur and Lessor charges Student Tenant for the cost of replacing such items, then Lessor may charge the total reasonable cost of replacement, such that the Student Tenant shall pay for the entire cost of replacement regardless of the remaining useful life of the item. If the Apartments are not left in the broom clean condition described above at the expiration or earlier termination of the Term, then, to the extent not previously collected from Student Tenant, Lessee agrees to pay the reasonable cost of required repairs and removing trash or other property left or abandoned in the Apartments as necessary to return the Apartments to such required condition, which shall be payable to Lessor within 30 days of demand and presentation of reasonable supporting documentation therefor. Lessee, Lessor and/or Manager shall jointly inspect the Apartments at a time designated by Lessor after the final move-out at the expiration of the Term (not later than 5 business days following such move-out) to determine any billable damages in accordance with the terms and provision of this Master Lease and this Section.

13. Insurance.

a. Lessor shall, at its own expense, take out and maintain during the Term, a minimum of the following insurance coverage:

i. Commercial Liability Insurance in an amount equal to \$5,000,000 in respect to any one accident occurring on or around the Community and \$1,000,000 with respect to property damage arising out of any one occurrence. Such Liability Coverage shall consist of Bodily Injury Liability (including death), Personal Injury Liability, Property Damage Liability and Contractual Liability and insurance limits may be satisfied by any combination of primary and excess coverage, so long as the total amount of such insurance satisfies the applicable requirements.

ii. Insurance on the Community, including, without limitation, the Apartments, and Lessor's personal property, including, without limitation, all Common Area furniture, fixtures, goods, machinery, equipment and inventory, against loss by fire, water, theft, or other insurable casualty, on an "all risk" form in an amount not less than the lesser of (i) the current amount of insurance carried by Lessor, or (ii) the maximum insurable value of the Community. Each such policy shall contain a provision that no act or omission of the insured shall affect or limit the obligation of the insurance company to pay the amount of any loss sustained.

b. Lessee shall, at its own expense, take out and maintain during the Term, a minimum of the following insurance coverage:

i. Insurance on any property or equipment of Lessee located in the Apartments.

ii. Automobile liability insurance providing insurance (with deductible provisions not to exceed \$25,000.00 per occurrence) to the extent of not less than a combined single limit of \$1,000,000.00 per accident covering liability arising out of the use of any Lessee vehicle or such vehicles used in conjunction with the Apartments, whether owned, non-owned, or

hired, and including personal injury protection and uninsured motorist protection in the minimum statutory limits where required by law.

iii. Workers' compensation coverage or other similar coverage covering all of the Lessee's employees who may enter the Community, as required by the laws of the State, including, with respect to workers' compensation insurance, Coverage B-Employer's liability limits of: bodily injury by accident - \$500,000.00 each accident; and bodily injury by disease \$500,000.00 each employee.

c. Lessor shall upon execution of this Master Lease, deliver to Lessee a certificate evidencing the insurance policies required to be maintained under this Master Lease. The limits of the insurance required in this Section shall not act to limit the liability of the parties under this Master Lease. All insurance required to be carried pursuant to the terms of this Master Lease shall be effected under valid and enforceable policies issued by reputable insurers authorized to do business in the State where the Community is located, or any successor thereto, as having an A.M. Best general policyholder rating of at least "A" and a financial rating of at least "VII". The policies required to be maintained under Subsection 13.b. shall name the Lessor and the Manager as additional insureds, provided that Lessor acknowledges that Lessor cannot be named as an additional insured on Lessee's workers' compensation policy. Lessee shall, following execution of this Master Lease, and thereafter upon renewal, deliver Lessor a certificate evidencing the insurance policies required to be maintained under this Master Lease. The limits of the insurance provided for under this Master Lease shall not act to limit the liability of the parties under this Master Lease.

d. Lessee agrees to give Lessor written notice of any accident, injury, damage, or other incident of which Lessee becomes aware which could reasonably be covered by Lessor's insurance within 72 hours after Lessee becomes aware thereof, together with all applicable information as may be reasonably required by Lessor in order to determine whether to notify the applicable insurers or to actually file a claim.

14. Asbestos and Other Hazardous Substances.

a. Lessor represents and warrants that to its actual knowledge as of the date hereof, without duty of independent investigation or inquiry, (i) no Hazardous Substance (as defined below) is located at, on or in all or any portion of the Community, including, without limitation, the Building and/or the individual Apartments, (ii) no Hazardous Substances have been generated, stored or disposed of on or at the Community, including, without limitation, the Building and/or the individual Apartments, in violation of any applicable Environmental Laws (as defined below) other than normal household, janitorial cleaning, office or other products used in connection with the Community, and (iii) there has not been any written notice of mold or mildew or repeated written complaints of respiratory ailments or eye irritation or any written notice from a governmental agency of complaints regarding the indoor air quality within the Building, the Apartments or the Community. "**Hazardous Substance**" shall be interpreted to mean any substance or material defined as hazardous or toxic waste, hazardous or toxic material, hazardous or toxic or radioactive substance, or other similar term by any applicable federal, state or local environmental law, ordinance, regulation or rule presently in effect, as the same may be amended from time to time (the "**Environmental Laws**"), and it shall be interpreted to include, but not be

limited to, any substance (including, without limitation, pollutants, lead, asbestos, radon, mold and petroleum products) which after release into the environment will or may reasonably be anticipated to cause sickness, death or disease. In the event any Hazardous Substances are found to be located in any of the Apartments as a result of the acts or omissions of Lessor and not a mere discovery of any Hazardous Substances existing in any of the Apartments prior to Lessor's acquisition of the Apartments, any Student Tenants' occupancy of the Apartments is adversely interfered with as a result of the presence of such Hazardous Substances in the Building or the Community, which is not introduced by Lessee or any of the Student Tenants, Lessor shall, at its sole cost and expense, promptly relocate such Student Tenants to other comparable or better apartments within the Community or in an alternate location reasonably acceptable to Lessee.

b. During the Term of the Lease, Lessee shall comply with all Environmental Laws applicable to it and the Student Tenants' use of the Apartments. No Student Tenant shall generate, use, treat, store, handle, release or dispose of, or permit the generation, use, treatment, storage, handling, release or disposal of Hazardous Substances in any of the Apartments, any of the Building or the Community, or transport or permit the transportation of Hazardous Substances to or from any of the Apartments or any of the Building except for limited quantities of household cleaning products used or stored at the Apartments in compliance with all applicable Environmental Laws. To the maximum extent permitted by Applicable Law, Lessee will hold Lessor and Manager harmless and indemnify Lessor and Manager against and from any damage, loss, reasonable out-of-pocket expense or liability resulting from any and all claims, damages, losses, expenses, liabilities, fines, penalties, charges, administrative or judicial proceedings and orders, judgments, remedial action, enforcement actions of any kind (and all other costs and expenses incurred in connection therewith) to the extent resulting from any breach of this covenant, including, without limitation, reasonable attorneys' fees and costs incurred as a result thereof if such costs are awarded by a court of competent jurisdiction. Notwithstanding anything to the contrary contained or implied elsewhere in this Master Lease, the Student Tenants' obligations under this Subsection shall expressly survive the termination or expiration of the Lease.

15. Notices. Any and all notices, consents or other communications required or desired to be served on Lessor or Lessee must be in writing and shall be sent via certified mail, with postage prepaid, return receipt requested, or by prepaid reputable nationally recognized overnight courier such as Federal Express or via email and shall be deemed to have been given and received (whether actually received or not) 5 business days after deposit in the United States Mail when sent by certified mail, or 1 business day after deposit with a reputable nationally recognized overnight courier for overnight delivery or as of the date sent if by email. Except as expressly provided in this Master Lease, notices shall not be posted.

Notices to Lessee shall be addressed as follows (and shall not be served to the Student Tenants):

Olivia Morrissey
Director of Student Life & Housing | Louisville Athletics
2100 S Floyd Street
Louisville, KY 40292
Phone: 502-852-4750
Email: Olivia.Morrissey@louisville.edu

Notices to Lessor shall be addressed as follows:

American Campus Communities
12700 Hill Country Boulevard, Suite T-200
Austin, Texas 78738
Attn: Tosha Bowles
Phone: 512.732.1000
Email: tbowles@americancampus.com

and

The Province
600 Ruggles Place
Louisville, KY 40208
Attn: General Manager
Phone: 502-636-1688
Email: theprovincelouisville@americancampus.com

16. Lessee Default. Additionally, notwithstanding any provision of this Master Lease to the contrary, in the event of any non-monetary default by Lessee or a Student Tenant, Lessee shall have a period of 30 days following receipt of written notice from Lessor specifying such default to cure, or cause the cure of, such default or, in the event such default is not capable of cure within such 30 day period, such period of time as is reasonably necessary to effectuate such cure provided that Lessee commences curative actions within such 30 day period and thereafter diligently prosecutes such curative actions to completion. Notwithstanding any provision of this Master Lease to the contrary, in the event of any monetary default by Lessee other than the scheduled payment of Monthly Base Rent pursuant to Section 4.a., Lessee shall have a period of 15 days after receipt of written notice to cure such default prior to Lessor exercising any rights or remedies under this Master Lease, at law, or in equity, and Lessor agrees to accept payments made during such cure period. Upon the occurrence and during the continuance of any default by Lessee under this Master Lease which is not cured during any applicable notice period (“**Event of Default**”), Lessor may, at its option declare this Master Lease and all rights and interests created by it to be terminated in whole or in part, may seek any and all damages occasioned by the Event of Default, or may seek any other remedies available at law or in equity. Without limiting the generality of the foregoing, upon the occurrence and during the continuance of an Event of Default, Lessor may, in addition to any other remedies available to Lessor, succeed to, have and hold all right, title and interest of Lessee under the Subleases and notify the Student Tenants pursuant to the Subleases that this Master Lease has been terminated and that Lessor has succeeded to Lessee’s legal interests under the subleases during the remainder of the term of the subleases.

17. Lessor Default. Notwithstanding any provision of this Master Lease to the contrary, if Lessor defaults in the performance of any of its obligations under this Master Lease, Lessee may not pursue any remedies for such default unless such default continues for a period of more than 30 days after receipt of written notice from Lessee specifying such default or if such default reasonably requires more than 30 days to effectuate such cure, then if Lessor fails to commence curing such default within the 30 day period, or fails to thereafter diligently continue

curing such default until completion, then Lessee, may elect, at its option and as its sole and exclusive remedy, to either (a) incur any reasonable expense necessary to perform an obligation of Lessor that is a violation of any Applicable Laws, and such expense reasonably incurred by Lessee shall be reimbursed by Lessor within 30 days following written demand or (b) terminate this Master Lease in whole or in part and (c) seek specific performance of Lessor's obligations.

18. Quiet Enjoyment; Right of Entry; Inspections. Lessor hereby covenants and agrees that Lessee, subject to the terms and conditions of this Master Lease and the rights of Student Tenants under Subleases, shall have the right to lawfully and quietly hold, occupy, and enjoy the Apartments during the Term without any interference, ejection or molestation. To the maximum extent permitted by Applicable Laws, Lessor expressly reserves the right to enter an Apartment at any time in the event of an emergency with prompt notice thereof to Lessee and at reasonable hours with Lessee being afforded the opportunity to be present upon reasonable advance notice to Lessee and Student Tenants for purposes of conducting inspections, making repairs and taking other actions reasonably required for maintaining the Apartments and/or operating the Community. Prior to the commencement of the Term, Lessee shall provide to Lessor a written list of any athletic staff members anticipated to live in and/or otherwise have access to the Apartments and/or any other part of the Community, with applicable contact information (which shall include telephone numbers and e-mail addresses), and each party shall notify the other in writing of any changes to such list on an on-going basis ("**Access List**"). Any access of an Apartment by Lessor shall not unreasonably interfere with the Student Tenants' use of the applicable Apartment. Lessor shall not enter any of the Apartments to show the Apartments to potential buyers or tenants, including, without limitation, during property tours without 5 days prior notice and approval from Lessee and Student Tenants (with such approval not to be unreasonably withheld, conditioned or delayed).

19. Broker. Lessor and Lessee have not had any dealing with any real estate broker, salesperson, firm, finder or similar agent other than Agent in connection with the negotiation or execution of this Master Lease. Lessor will be responsible for dealing with such claims made by, through, or under Lessor, seeking any commission, fee or payment in connection with this Master Lease. In addition, Lessee will be responsible for dealing with such claims made by, through or under Lessee seeking any commission, fee or payment in connection with this Master Lease. Notwithstanding anything to the contrary contained or implied elsewhere in this Master Lease, the obligations set forth in this Section shall expressly survive the expiration or earlier termination of this Master Lease.

20. Waiver of Subrogation. Neither party hereto nor its representatives, members, partners, officers, directors, agents or employees shall be liable to the other party or to such other party's insurance carrier, by way of subrogation or otherwise, for any loss or damage to the waiving party or its property or the property of others under its control, even though such loss or damage might have been occasioned by the negligence or fault of such party, its representatives, members, partners, officers, directors, agents or employees, if such loss or damage is covered by insurance benefiting the party suffering the loss or damage; provided, however, that lessor acknowledges and agrees that this Section 20 shall not apply to any property owned by the Commonwealth of Kentucky.

21. Keys. Lessor and/or Manager, as applicable, shall keep a duplicate copy of the key fobs to the Apartments, each mailbox and any Community or stairway access cards (collectively, “**Keys**” and each a “**Key**”) at its property management office in the Building and, in order to ensure that Lessee has full access at all times to the Apartments, Lessor shall permit individuals identified on the Access List to check-out Keys upon request to allow access to the Apartment(s). After use, the Keys will be immediately returned to the property management office and under no circumstances shall any party on the Access List or otherwise provided with a key by Lessee make duplicate copies of any Keys. If all Keys are not immediately returned to the management office as aforesaid, Lessee will be responsible for the cost of any necessary rekeying. Any use of Keys and/or entries by persons on the Access List into the Apartments and/or any other part of the Community shall be strictly in accordance with the Apartment Policies (as defined below), including the key control policy attached hereto as Exhibit C (the “**Key Control Policy**”) which may be periodically updated by written notice from Lessor to Lessee. Lessee shall be solely responsible for any loss, damage, cost, expense, or claim arising from or in connection with any such use of any Keys and/or entries upon the Community or any portion thereof by Lessee its employees, staff or agents, except to the extent that such loss, damage, cost, expense or claim is caused by any wrongful or negligent act or omission of Lessor. Each of the Student Tenants will be provided with a Key providing 24-hour access to such Student Tenant’s respective Apartments.

22. Fees. Except as provided in Sections 9, 12 and 25, Lessor shall not collect any fees, costs or other sums, if any, paid to Lessee by Student Tenants and/or any other party in connection with Lessee’s transfer, assignment, subletting or licensing of the Apartments and/or of any interest of Lessee under this Master Lease (but in each case only to the extent expressly permitted by the terms of this Master Lease) or otherwise.

23. Registered Sex Offenders. Neither Lessor nor Lessee shall knowingly lease and/or sublease any Bed Accommodation to a registered sex offender.

24. Moving. Move-in times shall occur on or after 9:00 a.m. Eastern Time on August 18, 2022 for any Student Tenants who are not holding over from prior tenancies. The daily move-out times will be arranged between the parties within a reasonably sufficient time in advance of any move-outs.

25. Compliance with Lease Terms. Without limiting the rights of Lessor and any Manager to enforce the Subleases, in the event Lessor has reason to believe any of the policies instituted by Lessor with respect to the Community (“**Apartment Policies**”) or any of the Sublease provisions have been violated by any Student Tenant, Lessor shall provide prompt written notice of same to Lessee, which notice shall state with reasonable particularity such violations. Lessor shall provide Lessee with a copy of the Apartment Policies prior to the commencement of the fall term as set forth on Lessee’s academic calendar and periodically as updated during the Term. Lessor shall promptly review the facts of such violation and shall determine the appropriate action to be taken with respect to such violation, including, without limitation, (a) the imposition of any fines or penalties which Lessor shall collect directly from any Student Tenant and (b) such other actions as permitted by Applicable Laws with respect to such Student Tenant, including eviction or removal pursuant to applicable law. This Master Lease notwithstanding, Lessee acknowledges Lessor’s standing (right) to sue in any action brought by Lessor against Student Tenants pursuant to a Sublease. To the maximum extent permitted by Applicable Laws, the Student Tenant shall

pay all of Lessor's reasonable attorneys' fees and court costs with respect to such eviction. Lessee shall notify Lessor of any dispute between a Student Tenant and another resident or Student Tenant of the Community and Lessee and Lessor shall work together in a good faith commercially reasonable attempt to resolve disputes between a Student Tenant and another resident or Student Tenant of the Community.

26. Occupancy. Notwithstanding any provision of this Master Lease to the contrary (including, without limitation, those dealing with abandonment and default), in no event shall Lessee be required to occupy or cause any Student Tenants to occupy any Bed Accommodations within any Apartment for so long as Lessee performs all of its other obligations under this Master Lease.

27. Security Deposit and Other Fees and Deposits. Without limitation of the damage fees or Key fees payable by Lessee and/or Student Tenant under this Master Lease, Lessor acknowledges that Lessee shall not be required to provide (i) an application fee, reservation fee, membership fee, surety rent bond, or similar fees, (ii) security or other deposit, (iii) storage rent, or appliance rent under this Master Lease, or (iv) any other charge or fee except as provided in this Master Lease.

28. Indemnity.

a. Lessor agrees to hold harmless, defend and indemnify Lessee (including Lessee's officers, trustees and employees) against losses and damages caused by the negligent and/or willful wrongful actions or inactions of Lessor and/or its affiliates, parents or subsidiaries or their respective employees or agents in connection with the Community. Lessee, to the extent permitted by Applicable Laws, agrees to hold harmless, defend and indemnify Lessor against losses and damages caused by the negligent and/or willful wrongful actions or inactions of Lessee or any Student Tenant and/or their affiliates or their respective employees or agents in connection with the Community. The foregoing indemnities shall survive any termination or expiration of this Lease.

b. Each party agrees that it shall give the other notice of any accident, injury, damage or other incident of which it becomes aware, and any claim, threatened or made, or suit instituted against it that could result in a claim for indemnification above within 72 hours after such party becomes aware thereof, or as soon as reasonably practicable given the circumstances. Both parties agree that in the event that indemnification is sought under this provision, the party seeking indemnification will furnish the indemnifying party, upon request, all reasonably requested information and assistance for defense against any such claim, suit, or demand. The obligations of the parties pursuant to this provision shall survive the termination, expiration or rescission of this Master Lease.

29. Condemnation. Notwithstanding anything contained in this Master Lease to the contrary in connection with a condemnation or taking of all or a part of the Community, as long as Lessor's award is not reduced as a result hereof, Lessor shall not object to Lessee pursuing its own separate claim from the condemning authority including, without limitation, for the value of Lessee's tangible property, leasehold interest, relocation expenses.

30. Casualty/Condemnation. If any Apartment or the Community is materially damaged by fire or other casualty, or taken by condemnation (or transfer in lieu thereof) or otherwise rendered uninhabitable, and Lessor fails to either promptly repair and restore the same or provide a comparable Apartment or substitute housing in a location reasonably acceptable to Lessee, Lessor or Lessee may terminate this Master Lease solely with respect to the Apartments materially damaged, taken or otherwise rendered uninhabitable and not so restored or replaced, by giving the other party written notice of such termination within 60 days after the occurrence of such casualty or condemnation.

a. If this Master Lease is terminated by Lessor following any such casualty or condemnation, then Lessor will refund to Lessee on a pro rata basis any prepaid Monthly Base Rent applicable to remaining Term of this Master Lease following such termination.

b. If following any such casualty or condemnation Lessor or Lessee fails to elect to terminate this Master Lease as permitted above, then Lessor will, in as expeditious a manner as is reasonably practicable, repair or restore any damage to the Apartments or the Community. During such repair or restoration, if the Apartments are habitable, there shall be a reasonable, pro rata reduction of the Monthly Base Rent for any unusable portion of the Apartments. If the Apartments are uninhabitable, Lessor will provide at its own cost a suitable, reasonable, and comparable living accommodation for the displaced Student Tenants until the repair or restoration is completed; provided that with respect to such relocation Apartments there shall be no reduction in the Monthly Base Rent.

31. Reasonableness. Whenever Lessor's or Lessee's consent, permission, approval, discretion, or agreement is requested or required under this Master Lease, Lessor and Lessee each agrees to act reasonably, prudently, and in good faith, and without unreasonably withholding, conditioning, or delaying approvals or consents unless the action may be taken in Lessor's or Lessee's sole discretion.

32. Intellectual Property Rights. Neither Lessor nor Lessee may use the intellectual property rights of the other party without the express prior written consent of the other party.

33. Waiver of Lessor's Lien. Lessor hereby waives any and all lien rights it may have, statutory or otherwise, in all property of Lessee, Student Tenants and all other permitted transferees now or hereafter placed in or on the Community regardless of whether or not the same is deemed real or personal property under Applicable Laws, and Lessor gives Lessee, Student Tenants, and all other permitted transferees the right to remove all or any portion of any such property from time to time in such parties' discretion.

34. Successors and Assigns. This Master Lease shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, personal representatives and permitted assigns. Lessor agrees that every future mortgagee shall recognize the validity of this Master Lease in the event of a foreclosure of Lessor's interest and also Lessee's and its Student Tenants' right to remain in occupancy of and have access to the Apartments as long as Lessee and the Student Tenants are not in default of this Master Lease beyond any applicable cure periods.

35. Patriot Act.

a. Neither Lessee nor Lessor is now nor shall it be at any time during the Term an individual, corporation, partnership, joint venture, association, joint stock company, trust, trustee, estate, limited liability company, unincorporated organization, real estate investment trust, government or any agency or political subdivision thereof, or any other form of entity (collectively, a “**Person**”) with whom a United States citizen, entity organized under the laws of the United States or its territories or entity having its principal place of business within the United States or any of its territories (collectively, a “**U.S. Person**”), is prohibited from transacting business of the type contemplated by this Master Lease, whether such prohibition arises under United States law, regulation, executive orders and lists published by the Office of Foreign Assets Control, Department of the Treasury (“**OFAC**”) (including those executive orders and lists published by OFAC with respect to Persons that have been designated by executive order or by the sanction regulations of OFAC as Persons with whom U.S. Persons may not transact business or must limit their interactions to types approved by OFAC “**Specially Designated Nationals and Blocked Persons**”) or otherwise. Neither Lessor nor any Person who is an officer or director of Lessor or who owns an interest in Lessor (collectively, a “**Lessor Party**”) nor Lessee nor any Person who is an officer or director or Lessee or who own an interest in Lessee (collectively, a “**Lessee Party**”) is now nor shall be at any time during the term hereof be a Person with whom a U.S. Person, including a financial institution as such term is defined in 31 U.S.C. § 5312(a)(2), as amended (“**Financial Institution**”), is prohibited from transacting business of the type contemplated by the Lease, whether such prohibition arises under United States law, regulation, executive orders and lists published by the OFAC (including those executive orders and lists published by OFAC with respect to Specially Designated Nationals and Blocked Persons) or otherwise.

b. To the best of Lessor’s knowledge, neither Lessor nor any Lessor Party, nor any Person providing funds to Lessor: (i) is under investigation by any governmental authority for, or has been charged with, or convicted of, money laundering, drug trafficking, terrorist related activities, any crimes which in the United States would be predicate crimes to money laundering, or any violation of any Anti Money Laundering Laws (as defined below); (ii) has been assessed civil or criminal penalties under any Anti-Money Laundering Laws; or (iii) has had any of its funds seized or forfeited in any action under any Anti Money Laundering Laws. For purposes of subsection (i) above, the term “**Anti-Money Laundering Laws**” shall mean laws, regulations and sanctions, state and federal, criminal and civil, that: (w) limit the use of and/or seek the forfeiture of proceeds from illegal transactions; (x) limit commercial transactions with designated countries or individuals believed to be terrorists, narcotics dealers or otherwise engaged in activities contrary to the interests of the United States; (y) require identification and documentation of the parties with whom a Financial Institution conducts business; or (z) are designed to disrupt the flow of funds to terrorist organizations. Such laws, regulations and sanctions shall be deemed to include the USA PATRIOT Act of 2001, Pub. L. No. 107-56 (the “**Patriot Act**”), the Bank Secrecy Act, 31 U.S.C. §§ 5311 *et seq.*, the Trading with the Enemy Act, 50 U.S.C. App. §§ 1 *et seq.*, the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701 *et seq.*, and the sanction regulations promulgated pursuant thereto by the OFAC, as well as laws relating to prevention and detection of money laundering in 18 U.S.C. §§ 1956 and 1957.

36. Federal and State Debarment. To the best of Lessor’s actual knowledge, as of the Effective Date, Lessor is not debarred from doing business with any federal or Commonwealth of Kentucky agencies and that, if debarred during the Lease Term, Lessor will notify Lessee within 72 hours of obtaining actual knowledge of the debarment unless reinstated within such period, and

will thereafter diligently pursue reinstatement. In the event any such debarment continues without reinstatement for more than 30 days, such debarment shall constitute a Lessor default under this Master Lease.

37. Holding Over. Notwithstanding anything to the contrary contained in this Master Lease, Lessee may not holdover occupancy of any Apartments, and shall be responsible for ensuring that all Student Tenants have timely vacated the Apartments, after the expiration or earlier termination of this Master Lease. In the event of any such holdover, Lessee shall proceed promptly to have the holdover Student Tenant(s) removed and shall pay to Lessor an amount equal to 150% of the reasonable and proportionate pro rata amount of the then-current annual Base Rent per holdover Apartment on a per diem basis for each day of continued holdover.

38. Authority. Each of Lessor and Lessee hereby respectively represents and covenants to the other party that: (i) such covenanting party has the legal right, authority, and capacity to enter into this Master Lease; (ii) this Master Lease has been duly and validly executed and delivered by, or on behalf of, such covenanting party and is a valid, legally binding and enforceable obligation of such covenanting party in accordance with its terms; (iii) the person or persons executing this Master Lease has the requisite power and authority to execute and deliver the same on behalf of such covenanting party and has the authority and power to bind such covenanting party, and (iv) the execution, delivery and performance of this Master Lease by such covenanting party has been fully authorized by all necessary corporate action and will not violate any agreement to which such covenanting party or any of its owners are a party and will not require the consent, approval or authorization of any person, corporation, partnership, joint venture or other business association or public authority.

39. Counterparts. This Master Lease may be executed in any number of counterparts, and by each of the parties on separate counterparts, each of which, when so executed, shall be deemed an original, but all of which shall constitute but one and the same instrument.

40. Survival. Any provisions of this Master Lease, which pursuant to the terms of this Master Lease extend beyond termination or expiration of this Master Lease, shall survive such termination or expiration.

41. Entire Agreement; Modifications. This Master Lease (inclusive of all exhibits attached hereto) embodies and constitutes the final entire understanding between the parties with respect to the transactions contemplated in this Master Lease, and all prior or contemporaneous agreements, understandings, representations and statements (oral or written), are merged and incorporated into this Master Lease. Neither this Master Lease nor any provision hereof may be waived, modified, amended, discharged or terminated except by an instrument in writing signed by all parties hereto. In the event that any provision of this Master Lease and the exhibits attached hereto conflict, in the absence of a manifest error, the parties will attempt, in good faith, to reconcile the terms and provisions of the Master Lease with the exhibits, otherwise the exhibits shall control.

42. Applicable Law. **THIS MASTER LEASE SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF**

KENTUCKY AND SHALL BE PERFORMABLE IN LOUISVILLE/JEFFERSON COUNTY, KENTUCKY.

43. Captions. The captions in this Master Lease are inserted for convenience of reference only and in no way define, describe, or limit the scope or intent of this Master Lease or any of the provisions hereof.

44. Time of the Essence. Time is of the essence in respect to all provisions of this Master Lease. If the final date of any period set forth in this Master Lease falls on a Saturday, Sunday or legal holiday under the laws of the Commonwealth of Kentucky or the United States of America, the final date of such period shall be extended to the next day that is not a Saturday, Sunday or legal holiday. The term "days" as used in this Master Lease shall mean calendar days, with the exception of "business days", which term shall mean each day except for any Saturday, Sunday or legal holiday under the laws of the Commonwealth of Kentucky or the United States of America.

45. Attorneys' Fees. If either party shall employ an attorney to enforce or define the rights of such party under this Master Lease, the prevailing party in any suit or proceeding may be entitled to recover reasonable attorneys' fees and costs of suit as determined by a court of competent jurisdiction.

46. Partial Invalidity. If any term, provision, condition or covenant of this Master Lease or the application thereof to any party or circumstance shall, to any extent, be held invalid or unenforceable, the remainder of this Lease, or the application of such term, provision, condition or covenant to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Master Lease shall be valid and enforceable to the fullest extent permitted by law, and said invalid or unenforceable term, provision, condition or covenant shall be substituted by a term, provision, condition or covenant as near in substance as may be valid and enforceable.

47. Nondiscrimination. The parties agree to comply with all applicable state and federal laws, rules, regulations and executive orders governing equal employment opportunity, immigration, nondiscrimination, including the ADA, and affirmative action. The Lessee represents and warrants that it will not discriminate on the basis of race, creed, national origin, age, sexual orientation, gender identity, marital status, pregnancy, disability, veteran status, or any other status protected by applicable law or the policies of the University of Louisville in leasing to any Student Tenants or engaging in any of the activities under this Lease.

48. Conflict. In the event that any provision of this Master Lease is found to conflict with or be inconsistent with any provision of the individual Subleases referred to in Section 5 hereof, the provisions in this Master Lease shall control and be given full force and effect.

49. Emotional Support Animals. Lessor shall have the right to approve or deny Student Tenants' ADA accommodation requests for emotional support animals through Lessor's current practices.

50. Exhibits. The following exhibits are attached hereto and incorporated into this Master Lease by this reference:

Exhibit A: Description of Apartments

Exhibit B: Legal Description

Exhibit C: Key Control Policy

[SIGNATURE PAGE IMMEDIATELY FOLLOWS]

IN WITNESS WHEREOF, Lessor and Lessee have caused this Master Lease to be executed as of the Effective Date first above written.

LESSOR:

Louisville Properties I, LLC
a Delaware limited liability company

By: _____

Name: _____

Title: _____

LESSEE:

University of Louisville,
an institution of higher education

By: _____

Meg Campbell

Executive Director of University Planning, Design,
and Construction

EXHIBIT A

DESCRIPTION OF APARTMENTS

Floor Plan	Building	Unit	Bed
1x1 A	3	600-123	A
4X4 A	6	1513-201	A
4X4 A	6	1513-201	B
4X4 A	6	1513-201	C
4X4 A	6	1513-201	D
4X4 A	6	1513-203	A
4X4 A	6	1513-203	B
4X4 A	6	1513-203	C
4X4 A	6	1513-203	D
4X4 A	6	1513-301	A
4X4 A	6	1513-301	B
4X4 A	6	1513-301	C
4X4 A	6	1513-301	D
3x3	6	1513-302	A
3x3	6	1513-302	B
3x3	6	1513-302	C
4X4 A	6	1513-303	A
4X4 A	6	1513-303	B
4X4 A	6	1513-303	C
4X4 A	6	1513-303	D
4X4 A	10	801-101	A
4X4 A	10	801-101	B
4X4 A	10	801-101	C
4X4 A	10	801-101	D
3x3	10	801-204	A
3x3	10	801-204	B
3x3	10	801-204	C
4X4 A	10	803-204	A
4X4 A	10	803-204	B
4X4 A	10	803-204	C
4X4 A	10	803-204	D
4X4 B	10	900-204	A
4X4 B	10	900-204	B
4X4 B	10	900-204	C
4X4 B	10	900-204	D
4X4 A	10	900-302	A
4X4 A	10	900-302	B

4X4 A	10	900-302	C
4X4 A	10	900-302	D
4X4 A	10	902-101	A
4X4 A	10	902-101	B
4X4 A	10	902-101	C
4X4 A	10	902-101	D
4X4 A	11	1514-101	A
4X4 A	11	1514-101	B
4X4 A	11	1514-101	C
4X4 A	11	1514-101	D
4X4 A	11	709-101	A
4X4 A	11	709-101	B
4X4 A	11	709-101	C
4X4 A	11	709-101	D
4X4 A	11	709-201	A
4X4 A	11	709-201	B
4X4 A	11	709-201	C
4X4 A	11	709-201	D
4X4 A	11	709-301	A
4X4 A	11	709-301	B
4X4 A	11	709-301	C
4X4 A	11	709-301	D
4X4 A	11	711-102	A
4X4 A	11	711-102	B
4X4 A	11	711-102	C
4X4 A	11	711-102	D
4X4 A	11	711-202	A
4X4 A	11	711-202	B
4X4 A	11	711-202	C
4X4 A	11	711-202	D

EXHIBIT B

LEGAL DESCRIPTION OF COMMUNITY

Tract I [Bridge Landing Parcel]

BEING LAND LOCATED IN JEFFERSON COUNTY, KENTUCKY ON THE EAST SIDE OF CSX RAILROAD, SOUTH OF SHIPP AVENUE AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN EXISTING (EX) IRON PIN AND CAP (IPC) IN THE EASTERLY RIGHT-OF-WAY (R/W) LINE OF CSX RAILROAD AT THE NORTHWEST CORNER OF TRACT 2 AS SHOWN ON PLAT ATTACHED TO DEED BOOK 9351 PAGE 60 OF RECORD IN THE CLERK'S OFFICE OF JEFFERSON COUNTY, KENTUCKY THENCE WITH SAID EASTERLY R/W LINE SOUTH 11 DEGREES, 02 MINUTES, 21 SECONDS EAST, 345.81 FEET TO AN EX IPC; THENCE NORTH 8 DEGREES, 49 MINUTES, 06 SECONDS EAST, 32.31 FEET TO AN EX IPC; THENCE LEAVING SAID R/W LINE AND WITH THE WEST LINE OF A TRACT CONVEYED TO COMMONWEALTH OF KENTUCKY IN DEED BOOK 3193 PAGE 73 OF RECORD IN THE CLERK'S OFFICE AFORESAID NORTH 11 DEGREES, 05 MINUTES, 21 SECONDS WEST, 203.23 FEET TO AN EX IPC; NORTH 8 DEGREES, 44 MINUTES, 43 SECONDS EAST, 119.28 FEET TO AN EX IPC; THENCE LEAVING COMMONWEALTH SOUTH 78 DEGREES, 54 MINUTES, 39 SECONDS WEST, 51.47 FEET TO THE POINT OF BEGINNING CONTAINING 0.136 ACRES MORE OR LESS.

BEING THE SAME PROPERTY CONVEYED TO UNIVERSITY RESIDENCES-LOUISVILLE, LLC IN DEED BOOK 9351 PAGE 64 OF RECORD IN THE CLERK'S OFFICE AFORESAID.

Tract II [Parcel II]

BEING LAND LOCATED IN JEFFERSON COUNTY, KENTUCKY AT THE SOUTHERN TERMINUS OF DAVIES AVE ON THE SOUTH SIDE OF SIXTH STREET AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT AN EXISTING (EX) IRON PIN AND CAP (IPC) IN THE WESTERLY RIGHT-OF-WAY (R/W) LINE OF DAVIES AVENUE AT ITS INTERSECTION WITH THE SOUTHERLY R/W LINE OF SIXTH STREET, THENCE LEAVING SAID R/W LINE SOUTH 40 DEGREES, 32 MINUTES, 56 SECONDS EAST, 232.44 FEET TO AN EX IPC; THENCE NORTH 49 DEGREES, 27 MINUTES, 04 SECONDS EAST, 60.00 FEET TO AN EX IPC; THENCE SOUTH 40 DEGREES, 32 MINUTES, 56 SECONDS EAST, 26.99 FEET TO AN EX IPC; THENCE WITH A CURVE TO THE LEFT HAVING A RADIUS OF 170.00 FEET AND A CHORD WHICH BEARS SOUTH 62 DEGREES, 02 MINUTES, 31 SECONDS EAST, 124.57 FEET TO AN EX IPC; THENCE SOUTH 83 DEGREES, 31 MINUTES, 07 SECONDS EAST, 574.74 FEET TO AN EX IPC IN THE WESTERLY R/W LINE OF CSX RAILROAD THENCE WITH SAID WESTERLY R/W LINE SOUTH 12 DEGREES, 45 MINUTES, 00 SECONDS EAST, 379.92 FEET TO AN EX IPC; THENCE NORTH 82 DEGREES, 52 MINUTES, 11 SECONDS WEST, 8.48 FEET TO AN EX IPC; THENCE SOUTH 13 DEGREES, 02 MINUTES, 56 SECONDS EAST, 513.59 FEET TO AN EX X-CUT; THENCE WITH A NORTHERLY LINE OF A TRACT OF LAND CONVEYED TO ALLIED DRUM SERVICE IN DEED BOOK 3609 PAGE 319 OF RECORD IN THE CLERK'S OFFICE OF JEFFERSON COUNTY, KENTUCKY, NORTH 74 DEGREES, 47 MINUTES, 11 SECONDS WEST, 957.55 FEET TO AN EX IPC; THENCE SOUTH 17 DEGREES, 39 MINUTES, 36 SECONDS EAST, 60.70 FEET; THENCE

SOUTH 29 DEGREES, 46 MINUTES, 30 SECONDS EAST, 10.00 FEET; THENCE SOUTH 39 DEGREES, 17 MINUTES, 30 SECONDS EAST, 40.00 FEET; THENCE SOUTH 50 DEGREES, 42 MINUTES, 30 SECONDS WEST, 5.00 FEET TO THE EASTERLY R/W LINE OF NORFOLK SOUTHERN RAILROAD; THENCE WITH SAID R/W LINE NORTH 39 DEGREES, 17 MINUTES, 30 SECONDS WEST, 894.48 FEET TO AN EX PIN IN THE SOUTHERLY R/W LINE OF SIXTH STREET; THENCE WITH SAID SIXTH STREET R/W LINE NORTH 49 DEGREES, 20 MINUTES, 40 SECONDS EAST, 473.00 FEET TO THE POINT OF BEGINNING CONTAINING 20.546 ACRES MORE OR LESS.

BEING THE SAME PROPERTY CONVEYED TO UNIVERSITY RESIDENCES -- LOUISVILLE, LLC IN DEED BOOK Q524, PAGE 110 OF RECORD IN THE CLERKS OFFICE AFORESAID, AND BEING REVISED TRACT 2 AS SHOWN ON THE MINOR SUBDIVISION PLAT RECORDED IN DEED BOOK Q524, PAGE 110 OF RECORD IN THE CLERKS OFFICE AFORESAID.

EXHIBIT C

KEY CONTROL POLICY

Lessor considers Student Tenant safety and staff safety to be important. Regulation of authorized access to Lessor's facilities is necessary for the protection of physical assets and to support the safety of our employees and residents. This Key Control Policy was developed to manage access to all keys and key-making processes, establish door lock rotation procedures, and to document key activities. Non-compliance with this policy could result in unauthorized individuals gaining access to the Community, the Building, Apartments or Bed Accommodations. As such, violations of this policy will constitute an Event of Default by Lessee under the Master Lease.

The following Key Control Policy applies to the Community and will be strictly enforced. This Key Control Policy covers all property unit keys (electronic or mechanical) with associated "masters," and all other non-unit keys.

There are several types of keys on any given property. These keys include: master keys, sub-master keys, unit keys, all of the keys to the public areas on-site, and the keys used by personnel in the course of employment.

This Key Control Policy should be addressed with all applicants during the interview process for all positions to ensure the candidates are informed of the expectations of compliance upon employment.

In order to maintain the integrity of the key system, the following procedures should be implemented:

MASTER AND STAFF KEYS

- Master keys should be limited in number. Each Building will have a maximum of 2 masters and 3 submaster sets. In addition to the maximum master and submaster key counts listed above, properties with electronic keys may have time-restricted masters for maintenance staff that only function between 7:00 AM – 7:00 PM Monday through Friday.
- The issuance of unit and property keys to staff members is an aspect of the job that carries with it substantial responsibility. Both the discretionary use of such keys, as well as maintaining appropriate security with respect to their location, rests fully with the staff member to whom the key(s) are issued.
- Use of master keys must be strictly controlled, as the loss of a master key could allow unauthorized individuals to access a large number of resident units. Access to master keys is not a right of employment. Limited employees will have access to master keys in order to minimize the risk that a master key is lost, misplaced, or used inappropriately.
- Only appropriate maintenance staff, full-time office staff, and Lessee's approved staff members should be able to sign out master keys from the General Manager on a needed basis. Master keys should never be signed out or given to vendors, contractors, or any other unauthorized individuals. In some situations, the General Manager may authorize a

student staff member to sign out a master key—this authorization is only for that specific occurrence. Student staff should not have regular access to master keys.

- Master keys must be coded and stamped, “Do Not Duplicate.”
- A locked key cabinet box installed in a secure location in the General Manager’s office should be used for storage of master, sub-master, and general property keys used on a needed basis. Keys to this box should be kept in a coded knox box secured to the wall by the key cabinet. The combination to this code must be at least 4 digits long. Only the General Manager and a maximum of 2 other full-time property employees (the Maintenance Manager and/or the Assistant General Manager) should know the combination to this box. The combination to this box must be changed immediately when an employee with knowledge of the code ceases to work at the property.
- Master keys may only be checked out by using the Key Sign Out Log, so the General Manager can determine who has a master key at any time. The Key Sign Out Log should be kept in a binder and not inside the key cabinet.
- Each master and sub-master key should be on a separate key ring tag number and coded as to building use. Sub-master keys are to be kept separate and not co-mingled on one key ring or key tag. The purpose of having sub-master keys is to reduce risk in the event of a lost key; if a sub-master is lost, only a portion of the property is affected rather than the entire property.
- All master keys must be returned and accounted for at the end of each workday. The return of the keys must be documented using the Key Sign Out Log.
- No staff member should ever leave the property site with a master key in their possession without the General Manager’s permission (and this should only occur in the event of an emergency, such as an evacuation). This also applies to temporary or time-restricted master key cards/fobs.
- No master keys may be duplicated without written approval from Lessor. This also applies to temporary or time-restricted electronic master key cards/fobs.
- Key blanks should be kept locked in a secure location in the maintenance office or General Manager’s office.
- All key-making machines should be locked in a secure location at all times when not in use. Access to the key-making machine should be limited to staff members trained by Lessor’s facilities department in key control and key making. Keeping the key-making machines and key blanks secure will prevent unauthorized individuals from making copies of property keys.
- In some jurisdictions, the fire authority requires that the master or “emergency” key be kept in a knox lock box by the front gate or other area. Check with the fire department or Lessor’s facilities department for local requirements. The local requirements should be

documented on Lessor's facilities intranet site. For properties with fire department knock boxes, an annual audit of the box must be conducted in conjunction with the fire department to confirm: (1) that Lessor is in compliance with the standard set forth by the fire department; (2) that the knock box is secure and in good physical condition; (3) that the fire department can access the box; (4) that all keys are accounted for, and (5) that any emergency contact information for Lessor's personnel is up to date.

- All other key rings and unit keys should also be signed in and out by employees, using the appropriate logs located on the facilities intranet site. This should be strictly enforced and monitored by the General Manager or Maintenance Manager daily. This process will allow staff to identify who has any checked out keys at all times.
- All key rings for departments should be kept in a key cabinet lock box. All key rings must be returned at the end of each shift and should not be removed from the property. No one should be permitted to take key rings home.
- The only keys any staff member should keep with them at all times are the keys that allow them access to their designated office or knock boxes. For maintenance personnel, this is typically the shop, and for office personnel, this is typically the front door to the business office and the employee's individual office. The fewer keys that leave the property, the lower the risk that a key will be lost or fall into the wrong hands.
- All property key rings or property keys lost by an employee are to be immediately reported General Manager, Maintenance Manager and Regional Manager, and Lessor's facilities department. A decision will then be made on the appropriate course of action, such as changing locks or rekeying.
- Because vendors and contractors are not employees of Lessor, they should be accompanied by staff when on-site, and not issued property keys.
- A copy of the bitting chart for the lock systems for each site should be kept on file on Lessor's facilities intranet site. Only one hard copy of the bitting chart should be maintained on-site and must be stored in a secure location.

KEY PAR COUNT

Every property has a key "par count" for every lock on property. The par count indicates the number of keys that should exist on the property for that lock. This par count could vary from property to property, but Maintenance Manager conducts a monthly key box audit to ensure that the number of keys on hand matches the par count.

UNIT KEY BOX

ISSUE KEYS

- There should be one key per unit/bedroom designated to be issued to each resident at move-in.

- When new residents move in, key packets should be prepared that have a front door, bedroom door, and mailbox key in them. Keys must be stored and locked in the unit key cabinet and all extra keys must be tagged and coded. Never label or mark a key with the unit number. Residents may be charged for extra duplicate keys.
- Typically, these keys are in circulation. When a unit/bedroom is vacant, these keys should be kept in a locked key cabinet box, typically located in the office area.
- It is the responsibility of Maintenance Manager to make sure all of the issue keys are available and properly work prior to move-in day.
- Upon move-in, Student Tenant will receive their keys in labeled key packet envelopes as part of the check-in process. Keys should be given only to the resident, and only once all lease contract paperwork is verified as complete, and all required payments are made. All residents should sign an acknowledgement indicating they have received their required key to their front door, bedroom door, mailbox, and any common area access key or electronic card key or fob.
- These keys MUST be engraved/stamped with a code. Apartment numbers must never be labeled on the keys. When possible, it is recommended that these keys be stamped “Do Not Duplicate.”
- The coding chart for the unit keys should be kept on Lessor’s facilities intranet site and maintained by Maintenance Manager.

DUPLICATE KEYS

- In the event of an accidental lockout, the resident should be let into their unit with a duplicate key. Do not issue the duplicate key to the resident, as there is a risk it may not be returned. If the resident has lost their key, their lock should be changed by the maintenance staff.
- A Key Sign Out Log must be maintained with the staff members’ signatures each time they remove a key from the Apartment key box. This process will allow staff to identify who has any checked out keys at all times. In the event that a key is missing, the Sign Out Log should be referenced to determine who checked out the key last.

ELECTRONIC ACCESS LOCK SYSTEMS STANDARDS

DATA ENTRY OF ELECTRONIC LOCK PROGRAMMING

All programming of electronic lock systems should only be completed by employees trained by General Manager and/or Maintenance Manager. Programming should be completed to the specifications of the access system location; time scheduling and lock controls will be specific to each location. The only administrator of the system should be the General Manager and/or the Maintenance Manager. All other users of the software program should be limited in their access levels and credentials, in order to minimize the risk of mistakes or unauthorized use of the system.

Field programming of unit or common area locks should only be completed by trained maintenance employees.

TRAINING

All training on the system and the use of the software applications will be completed by select staff at each of the Communities. A minimum of 2 hours of training is to be completed with each application. At the conclusion of the training the staff will be proficient in the use of the software and programming conditions of the system. Access levels as well as door specific controls will be covered and documentation will be included as a part of the training package.

ENROLLMENT PROCEDURE OF ALL ELECTRONIC KEY HOLDERS AND USERS

- The person entering this data should use the lease data or employee information and then check each user off after they have been set up.
- Enroll all keys that will be required for the assigned users. Once each key is assigned to a user in the software, create a key envelope packet and place the key packet in a secure place until it is given to the resident.
- It is best to enroll 1 floor at a time, or any other logical division, to keep the work process as simple as possible and to eliminate possible data loss.
- **BACK UP THE SOFTWARE DATABASE OFTEN.** The backup process creates a backup facility file on the network. Copy these files to a diskette, flash drive, or CD to ensure that this information is not lost if there is a computer failure.

ELECTRONIC PROGRAMMING AND MASTER KEY PROCEDURES

- Only General Manager and/or administrator of the electronic software system is allowed to create any property master access level keys, cards, or fobs.
- All property master key level access cards, keys, or fobs should be kept in the key cabinet located in the General Manager's office. They should be checked out using the Key Sign Out Log.
- Temporary or time-restricted master key cards/fobs are considered master keys. All the rules regarding master keys set forth in this policy apply to these master keys as well.

AUDITING OF ELECTRONIC KEYS

- Maintenance Manager should generate reports on user access levels of employees and residents, alarm history of common area locks, archive history, audit trails, cardholders, database, guest pass, and transaction history on a monthly basis or as defined on each Community's facilities plan.
- These reports should be reviewed by the General Manager.

- Electronic master keys must be audited weekly.

KEY MAKING PROCESS

- All requests for keys must be documented using a work order. Creating this documentation will reduce the chance that unnecessary or unauthorized keys are produced.
- Only authorized maintenance personnel are permitted to make unit keys on a normal basis. In some situations, the General Manager may authorize another staff member to make a key — this authorization is only for that specific occurrence. Non-maintenance staff should not make a key without express authorization from the General Manager.
- To prevent the unauthorized creation of keys, key machines should be kept in a secure location at all times.
- To prevent the unauthorized creation of keys, key blanks or electronic access keys should be kept in a locked cabinet.

KEY CABINET AUDITS

To determine whether all keys are returned and/or if a key is missing, the Maintenance Manager must conduct monthly key cabinet audits per each Community's facilities plan schedule using the key logs located on the facilities intranet site. Key counts per tag should be documented during the audit. These audits should include all keys and key boxes. Missing keys present a risk that unauthorized individuals could be able to access our facilities or resident units — as such, missing keys must be investigated by the Maintenance Manager to determine if a lock needs to be replaced or rotated.

Properties with electronic master/submaster keys must audit the master key cabinet weekly rather than monthly. In addition to a visual inspection, Maintenance Manager must verify in the electronic key system that the keys in the box are master keys.

REQUIRED KEY LOGS

Samples of the following required logs are provided. Each log should be customized for each individual property. Electronic copies may be installed on Maintenance Manager's computer.

- 1) Key Sign Out Logs (kept in a binder for each cabinet)
- 2) Maintenance Department Key Ring Log
- 3) Apartment Key Cabinet Log
- 4) Master Key Cabinet Log
- 5) Maintenance Department Key Cabinet Log
- 6) Mail Key Cabinet Log

7) CA Key Cabinet Log

MASTER KEY / SUB-MASTER KEY SIGN OUT LOG

- Master keys and sub-master keys must be signed out from the General Manager when needed.
- All master keys and sub-master keys must be accounted for at all times using the Master Key / Sub-master Key Sign Out Log.
- All master and sub-master keys should be in the master key cabinet at the end of each workday.
- Missing keys must be investigated by the General Manager. Loss of a master key could allow unauthorized individuals to access a large number of resident units. As such, loss of a master key may result in disciplinary action.

MAINTENANCE DEPARTMENT KEY RING LOG

- Many maintenance personnel carry a set of keys (not to include masters or sub-masters unless it is an electronic key) on a ring in order to carry out their daily duties. These keys should be stored in a locked cabinet or other secure location during non-working hours.
- Key rings should be labeled and signed out on a daily basis using the Key Sign Out Log located by the maintenance department key cabinet.
- All key rings should be accounted for at the end of the workday by Maintenance Manager. Missing key rings should be reported to General Manager immediately. Loss of a key ring could allow unauthorized individuals to access restricted areas or facilities. As such, loss of a key ring may result in disciplinary action.

KEY CODE LOG: BITTING CHARTS

- All keys should be identified with a code, and never marked with the room numbers. In the event that a key is lost or misplaced, this will prevent unauthorized individuals from knowing what lock the key opens.
- The Key Code Log must be kept updated by Maintenance Manager.
- The Key Code Log should list the Location the key is designated for (unit number, common area, etc.), the Tag #, the Key Code #, and the Bit/Pin Code #.
- A copy of these codes should be kept in the safe in case of a fire in the maintenance shop.
- The Key Code Log should also be used to track when duplicate keys are made for any reason. The Key Audit section may be used by the Maintenance Manager for tracking purposes.

KEY AUDIT LOG

- To determine whether all keys are accounted for, the Maintenance Manager must conduct key audits on a regular basis—at least monthly, per each Community’s facilities plan.
- The audit should include all key boxes and electronic access systems.
- As there should usually only be one key per bedroom in each key box, the “Key Par” will be “1.” If there is more than one key in the box for a bedroom, then an explanation should be provided. Any extra keys should be destroyed.
- Missing keys present a risk that unauthorized individuals could be able to access our facilities or resident units—as such, missing keys must be investigated by the Maintenance Manager to determine if a lock needs to be replaced or rotated.

ROTATION

- All unit front door locks should be rotated as part of the turnover process. This prevents former residents from gaining unauthorized access to their units after they move out. Properties that rotate bedroom locks in addition to front door locks should also complete that rotation at this time.
- All locks/cores should be rotated at least once per year.
- All rotations should be tracked on the Key Code Log.
- Notices should be sent to all residents prior to rotating the new locks or cores so they can make plans to pick up their new keys and return their old keys.
- As the new locks or cores are installed, the logs in the safe should be updated.
- All electronic access locks and codes should be changed at least once per year. Changing electronic access locks and codes to common areas and gates will prevent former residents from gaining unauthorized access to the property’s facilities.

UNIT ENTRY

Upon exiting a resident’s unit, ensure the unit door is locked and the unit is safe and secure. If a door was unlocked upon your arrival, it must still be locked when we leave.

KEY POLICY NON-COMPLIANCE

- All employees are required to sign a Lessor’s Key Policy Acknowledgement upon employment.
- By possessing a key, the key holder agrees not to compromise the security of any area or building. As compliance with the Key Policy supports the safety of Lessor’s employees

and residents and the security of our assets, violations of the policy are serious and may result in disciplinary action, up to and including possible termination of employment.